SERVICES SECTOR — Accommodation, Liquors, Catering, General

1992

MAY — AUGUST
Holidaymakers flock to West Coast

THE West Coast seems to be faring better than the South Coast with patronage by long-weekend holidaymakers, a snap survey by the Cape Times showed yesterday.

The wintry weather and the Easter weekend, when many people went away, were most commonly held responsible for this weekend's lack of holidaymakers along the South Coast.

According to Mr Hilton Wallace, food and beverages manager of the Van Riebeeck Hotel in Gordon's Bay, the hotel is about 60% full.

He thought many people had "blown their bucks" over the Easter weekend and were reluctant to go away this weekend.

Mrs Eve Clark-Brown, of the Windsor Hotel in Hermanus, said the hotel was "not full, but we've been busy".

However, the season ended around Easter and May was usually not an exceptionally busy month, she said.

Mr Ryan Ewels, an assistant manager at the Marine Hotel in Hermanus, described the hotel as "fairly quiet", and it is also not full.

He supposed holidaymakers were "still recovering from Easter".

However, West Coast resorts reported much better attendances and predicted a busy weekend.

"We are very, very busy," a Club Mykonos spokeswoman said. "We're about 92% full, and we've got a good weekend ahead of us."

Mr Dave Rowley, a spokesman for the Saldanha Bay Hotel, said the hotel was fully booked for today. He was expecting an influx of visitors to Saldanha, "even with the terrible weather."

Mrs Jolene Ehlers, of Oranjewiel Guest Farm near Saldanha, said the guest farm was 90% full for the weekend.
GOVERNMENT officials have for weeks been preparing a change in the gambling law which would close all of South Africa’s new casino clubs.

The “green paper” — compiled by the departments of Justice and National Health — is being confidentially circulated for comment among attorneys-general, legal experts and church leaders.

It proposes redefining section six of Act 41 of 1956 (the Gambling Act) to bring the definition of gambling in South Africa closer to strict definitions applied in the United States, Britain and Europe.

In most countries gambling is referred to as “any game, device, or machine for money, property, tokens, credit, or anything valuable, with or in any way limited to roulette, bingo, 21 blackjack, chemin de fer, backgammon, and slot machines.”

Difficult

In South Africa, the Act goes on to say that “the playing of any game of chance for stakes” and bars anyone from providing premises where “games of chance for stakes” can be played.

The law leaves room for games which could arguably be those of skill, including games similar to blackjack — which is illegal in South Africa.

In keeping with international definitions, the green paper suggests the words “game of chance” must be replaced by the word “gaming”.

While there are some suggestions in enforcing the law in each of the categories, the greatest problems arise when there is a mix of games where the central issue is not whether a game is one of skill or chance.

Minister of Justice Kobie Coetsee referred to the green paper this week when he said in parliament that a significant number of cases involved personal material gain were unacceptable and should remain illegal.

Mr Coetsee said that unsuccessful prosecutions under “super games” of the Gambling Act against certain people had led to some people “exploiting the situation”.

In terms of the green paper, gambling in South Africa legislation had been divided into three categories: licensed games of chance and betting; while there are some suggestions in enforcing the law in each of the categories, the greatest problems arise when there is a mix of games where the central issue is not whether a game is one of skill or chance.

As the cards are dealt, a skilled player is able to calculate which cards have yet to be drawn and place his bets accordingly.

In the court case last year in a Vanderbijlpark regional court magistrate found that gambling in South Africa which is possible in playing with cards is a skill which removes the element of chance as defined in the Act, and thus makes the game legal.

Costly

Last month, acting Cape Attorney-General Frank Kahn instructed police to raid The Club at Highgate Manor in Sea Point, Cape Town, where Aces High was being played.

Two weeks earlier he had issued a written warning

By EVELYN HOLTHAUZEN

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Spur on target

SPUR Steak Ranches has increased earnings a share by 41% from 22c to 31c and the dividend by 35% from 17c to 23c in the year to February 1992.

In his forecast in the Diagonal Street column last week, I got the dividend right. My earnings estimate was a cent too low.

Spar has raised earnings and dividends every year since listing in 1987.

Chairman Allen Ambor predicts similar growth.

Mr Ambor attributes Spar's success to its management style. "We're not just a bunch of accountants running the business. We're essentially food people." Value for money, high quality, quick service and reasonable prices are the keys. A strong team of managers ensures that franchises maintain Spar's standards. Attention is paid to screening and training franchisees.

Because joining such a team is a privilege, there is a good flow of entrants even today when capital is scarce.

Mr Ambor says a good reputation leads to growth. A bank manager will probably be willing to finance a franchisee.

Spar has 114 outlets and Mr Ambor predicts there will be 150 by the second half of 1993. This figure includes the new Panarottis pizza houses, although most of the restaurants are steakhouses.

Spar is not afraid to experiment and takes advantage of a winner. However, if a venture is a failure, Spur drops it quickly. Mr Ambor regards this attitude as a strength of management.

All food is prepared on the premises according to Spar's recipes. There is a wide range of dishes, including sauces. The decor is original and hand made.

"This gives us the edge over our competitors," says Ambor.

Stockbrokers have only one complaint. "We have buying orders on, but can't get the shares," says one.
Spur scores with cost cuts and higher market share

LINDA ENSOR

CAPE TOWN — Restaurant chain Spur Steak Ranches has continued to blaze its way on a path of exponential profit growth, defying the recession to produce a 41% increase in earnings in the year to end-February.

A final dividend of 14,5c a share brought the total to 23c, a rise of 35% over the previous 17c. Parent company Spur Holdings has declared a final dividend of 11,5c bringing the total to 18c (14c).

The profit growth was achieved by expanding market share in the value-for-money family restaurant market and by containing operating costs.

Spur Steak Ranches turnover rose 36% to R28,6m (R17,7m). Chairman Allen Amor stressed that this increase was not brought about by price increases since the last increase was in about May last year. However, the high rate of food price inflation had made stringent cost controls necessary and was making profitability more difficult to achieve, he said.

The higher long-term debt of R1,9m (R797,000) must have increased the interest bill since pre-tax income grew at a slower pace of 36% to R9,4m (R6,9m). The change in the food mix to include higher margin dishes did help boost the margin.

A lower tax rate contributed to a 41% rise in attributable profit to R4,5m (R3,5m) and earnings of 30,9c (22c) a share. Earnings of Spur Holdings increased 26% to 23c (18,2c).

Group MD Gerd Topat attributed Spur’s success to a combination of tight controls, appealing additions to the menu, advertising and a growing base of restaurants.

In the past year, 10 new Spur outlets were opened and one new store in the franchised pizza and pasta chain, Panarottis, opened in George. This brought the number of outlets to 114 Spur Steak Ranches, six Hard Rock Cafe’s and two Panarottis.

Topat said the new restaurants were trading well and would contribute to profits in the current year. He expected Spur to maintain its rate of growth this year.

Another 12 to 14 Spur restaurants, one Hard Rock Cafe and at least three, possibly six new Panarottis restaurants were planned for this year. Transvaal and Free State expansion would continue. “Our expansion in the Transvaal has been particularly successful and our key steak ranches in areas such as Rosebank, Sandton, Eastgate, Randburg and the new East Rand Mall have been exceptionally good performers.”
Theft, disposals see Drop-Inn slip

CAPE-based Drop-Inn's earnings decreased marginally in the year to end-February after two years of disposals and major thefts.

The retail and wholesale liquor distributor again warned shareholders to exercise caution when dealing with their shares as negotiations were "progressing satisfactorily".

Drop-Inn had issued two cautionary announcements earlier. Its results were not strictly comparable with the previous year's as they did not take into account the sale of the company's properties and Benny Goldberg, in the previous year.

MD Jonathan Miles said certain figures on last year's income statement were restated. The adjusted figures reflected the sale.

Turnover grew 25% from R104.0m (pro forma) to R129.1m, but operating profit declined marginally from R5.9m to R5.8m.

Net income before tax was 35% up at R4.2m after Drop-Inn received interest of R4.48m and income after tax was 50% higher at R2.3m.

Earnings declined from 26.1c to 23.6c a share.

In financial 1991, earnings declined 3.8% after the previous year's profits were adjusted to partly reflect theft of R1.7m.

Retained income of R1.4m compared with R45.000 in the previous year.

A final dividend of 7.5c a share was declared to bring the full-year's dividend to 12.5c.

This compared with an interim 5c-a-share ordinary dividend and a 120c-a-share special dividend paid to shareholders in the previous year.

Miles said tighter asset management, and a strong balance sheet shrunk gearing from 31% to 11%.

If the current trading performance was sustained during financial 1993, earnings should be better than those of financial 1992.
Economist blasts food price rise

The "incredible" rise of 29 percent in food prices over the past year bordered on national economic sabotage and had to be condemned in the strongest possible terms, Nick Barnardt, chief economist of the Amalgamated Banks of South Africa (ABSA), said in Johannesburg yesterday. *SAPA* 5/15/92

He was speaking at the Federated Hospitality Association of South Africa (Fedhasa) Transvaal congress.

Mr Barnardt said: "Raising food prices by 29 percent in the midst of rising poverty and unemployment, shrinking economy and a general disinflationary environment, simply exacerbates the recession and borders on national economic sabotage.

"The parties involved are themselves paying a heavy price in the form of massive declines in food sales in recent months, and increasing retrenchment of staff in the food manufacturing and distribution chain."

He said it was of the utmost importance that participants in the food price chain began co-operating to reduce the food price inflation rate drastically within six months. — *SAPA*. 
NBS takes over village development

ZEVENWACHT farm village, a luxury housing development adjacent to the recently rescued Zevenwacht wine estate near Stellenbosch, has been taken over by NBS Developments.

This follows the recapitalisation of the wine estate — previously under provisional liquidation — by a consortium of Johannesburg investors, who now own 83% of the estate.

Announcing the takeover of the village by holding company Zevenwacht Properties, NBS Developments MD David Gorven said that his company and the consortium were previously joint developers of the village.

They were anxious to foster a good relationship between the farm village and the wine estate.

To this end, they had agreed to honour the shareholding awarded to each buyer of a house in the village, and to give house owners and their families access to the estate for recreational purposes.

Gorven said this would help preserve one of the attractions of village life at Zevenwacht.

Only two of the existing houses had yet to be sold.

Construction on another 12 was scheduled to begin soon.

A further nine houses had to be built to complete the first phase of the development; another 45 homes would be built after that.

"With the entire development now under the aegis of the NBS group, the security that represents is likely to be a major attraction to buyers," said Gorven.
Fedhasa plea on govt incentives

The hospitality industry urgently needed imaginative and active support programmes with the focus on bridging finance and tax incentives, Federation of Hospitality Associations of South Africa (Fedhasa) Transvaal chairman Henry Schoonwinkel said yesterday.

Government should also be encouraged to give equal incentives to both the private and public sectors in the tourist industry, he said at Fedhasa's provincial congress in Johannesburg.

"We look for example at the proposed loans to conservation authorities...for the R390m expansion programme of the National Parks Board.

"We would not wish to see any form of favouritism in government lending. Loans offered to tourism corporations should all be at the same interest rates, whether subsidised or market related."

He said the economic importance of tourism, ranging from job creation to earning foreign exchange, seemed to have been recognised.

SA's new "open skies" policy would make the country a more affordable tourism destination, he said.

The industry also needed to cast its net wider than the traditional markets and needed to look at "new" countries such as Japan, Singapore and Korea.— Sapa.
HLT repackages its timeshare concept

ANDREW KRUMM

RESEARCH into family needs for variety and flexibility in holiday destinations has led H Lewis Trafalgar Timeshare (HLT) to repackage its timeshare concept to include more than 2 000 destinations.

HLT MD Rioma Cominelli said although 92% of holidaymakers questioned in Durban had liked the traditional product, they wanted flexibility in destinations.

Cominelli said the survey found HLT needed not only to offer diversity in holiday destinations but to move away from the negative light in which customers viewed timeshare sales.

Known as Club Trafalgar, the re-packaged format allows members who pay a once-off fee of between R7 300 and R20 700 to visit more than 200 local resorts and more than 2 000 worldwide.

Cominelli said a major benefit of the scheme was a guarantee that, if a member failed, the holding company, Syfreja, would transfer a specific unit of timeshare to each member.

She said RCI, an international timeshare exchange organisation, would handle destination changes for club members at no cost. The re-packaged scheme was launched on April 1 and sales had already topped R1.5m.
Fedhasa told to tackle shebeen trade

A JOHANNESBURG city councillor has called on Fedhasa to do something about unfair competition which hotels and bottle stores in the greater Hillbrow area are experiencing from shebeens.

Fedhasa's Transvaal AGM this week heard delegates tell how the 24-hour-a-day shebeen trade, operating from "every second block of flats", was booming while licensed hotels had to observe regulations set by government and representative organisations. This situation, they said, came with a marked rise in crime which drove foreign tourists away from Johannesburg.

City councillor Desree Simpson, a former hotelier, said yesterday there were about 25 hotels in the Hillbrow area, about 20 clubs and an unknown number of shebeens.

"Hotels and bottle stores have to work to restricted hours, while shebeens and clubs operate 24 hours a day. They make huge profits because people are prepared to pay anything after closing time."

Unlike legal outlets, illegal operators sold without being subjected to VAT, said Simpson.

"My message to Fedhasa is: Do something about this."

Witwatersrand SAP spokesman Captain Eugene Opperman said police arrested many shebeen operators every day, but they kept going back to the trade.

"There are even people who run mobile shebeens, selling from street corners," Opperman said.

"We are doing our best to arrest people and take them to court; punishment is out of our hands."

The influx of people had brought with it a big increase in crime and prostitution, he added.

Sapa reports that Liquor Board chairman and special consultant to the Trade and Industries Minister Tommy Vorster, told the Fedhasa congress yesterday although the Liquor Act had been streamlined, there was still a general perception that it was over-regulated.

He said the reason for this was that different Liquor Acts had, over many years, been used as vehicles for issues which had nothing to do with the distribution of liquor, such as the hotel grading system.

"This had been introduced to encourage hoteliers to upgrade their establishments — with a liquor permit as a reward."

Vorster said, however, the need to control the liquor trade was accepted almost universally. Amendments to the Liquor Act tallied with deregulation policy.
PORT ELIZABETH — The small eastern Cape town of Middleton has changed hands once again. It has been bought by a Transvaal businessman who wants to develop a "get-away-from-it-all" holiday resort and retreat for stressed city dwellers.

Rooidepoort property developer Piet Kruger paid almost R1 million for the small dorp on the banks of the Great Fish River, midway between Paterson and Cookhouse.

He intends spending several hundred thousand rands on development work, but hopes to retain the quaint 19th century atmosphere.

Mr Kruger bought the village — which occupies a 22 ha site and comprises a 12-bedroom hotel, five houses, a general dealer, service station, police station and post office — from semi-retired Amanzimtoti estate agent and hotelier Doreen Roberts.

Mrs Roberts bought the village three years ago with similar plans, but had to shelve the project due to ill health.
Curators apply for casino licence for Club Mykonos

CAPE TOWN — Masterbond's provisional curators have urged the authorities to consider granting Club Mykonos a casino licence, a step they say will ensure investors recover all, or most, of the R146m invested in the west coast resort.

Provisional curator Arnold Galombik said the curators were negotiating with overseas entertainment mogul, an SA insurance company and the Club Mykonos Homeowners' Association for the sale of Club Mykonos.

He said they had made representations to the special adviser to the Finance Minister, Japie Jacobs, for a casino licence. If this was approved it could save investors R146m, and they could get 100c in the rand.

The provisional curators held a news conference yesterday to address what they described as misleading media reports on the curators' efforts to save investors' money and to clear the air about the situation surrounding the club.

Galombik said the curators had received reports that investors' money was being hampered by irresponsible statements which had created uncertainty among investors. The curators, he said, had a carefully considered plan. Liquidations and fire sales were not in the investors' best interests.

The five major projects were Club Mykonos, Fancourt, Phinda, Silverhurst and Marina Martinite, which is in provisional liquidation.
18% hike in Cape visitors?

Staff Reporter

TOURISM in the Cape Peninsula increased by an estimated 18% in March this year, compared to the corresponding period last year, according to Captour.

Captour's chief executive, Mr. Gordon Oliver, said the figures were based on the number of people who called at the Captour office.

"Because Captour lacks a reliable base on which to build comparisons, our statistics are not accurate," he said.

Mr. Oliver added that there had undoubtedly been an increase in tourism.
Minister invited to Malaysia

THE Minister of Administration and Tourism, Dr Org Marais, has been invited to Malaysia in what is regarded as a major diplomatic breakthrough.

He was formally invited this month by that country's Minister of Transport, Dato Seri Dr Ling Liong Sik.

Malaysia has traditionally supported the ANC and other liberation movements in South Africa over the past years.

Marais will visit Malaysia on May 22 this year. This visit will be part of his tour of South East Asian countries and the Far East. His tour will include Hong Kong, Japan, Singapore and Thailand.

The tour is apparently aimed at introducing South Africa to these countries as a tourist attraction. He will be accompanied by a high-powered delegation of 15 hoteliers including Mr Sol Kerzner, airline and civil aviation authorities.

Piet 'Skiet' cautioned

THE case in which 14 people - including Afrikaner Weerstandsbeweging leader Eugene Terre'Blanche - are charged with public violence was postponed in the Potchefstroom Regional Court yesterday.

The case was postponed pending a possible urgent application by 12 of the accused for a further postponement in the Supreme Court. 12/5/92

The magistrate, Mr TJ le Grange, said only a Supreme Court ruling would prevent him from continuing with the case, which was a sequel to a confrontation between the police and rightwingers during a public meeting addressed by President FW de Klerk at Venterdorp last August.

Their legal representative, Mr Jan de Villiers, argued that he had not had enough time to consult his clients.

The accused appeared in court in the uniforms of the AWB, the Yeugardies and the Venkommando.

One of the other accused, Mr Piet Rudolph, objected to the application.

Rudolph, who has since resigned from the AWB, requested that his bail money, which was paid by the organisation, be withdrawn and that he be cautioned and discharged. His request was granted. - Sapa.
Top team on tourism drive to Far East

By ANTHONY JOHNSON
Political Correspondent

A top-level delegation, including Tourism Minister Dr. Ozz Marais and hotelier Mr. Soi Kerzner, will on Thursday embark on a 10-day tourism promotion drive in the Far East.

The 15-person group, which includes airline and civil aviation authorities, department of transport representatives and developers, will visit Hong Kong, Singapore, Bangkok and Kuala Lumpur from May 14-24.

Dr. Marais said yesterday the purpose of the visit was to establish interest in South Africa as a tourist destination and to investigate the Far Eastern travel market.

He said he would be taking the opportunity to travel industry authorities to probe their needs and to remove obstacles to the expected growth of the tourist market from the East.

Dr. Marais noted that the incoming tourist trade from the Far East was not a primary market yet but said he hoped his visit would consolidate initiatives already taken to increase trade.

He said he wished to find out how best South Africa could facilitate increased investment in the Southern African tourist industry.

Dr. Marais will hold discussions with the ministries of transport and tourism in those countries.

He will also be meeting major airlines, travel operators and tourism associations.

While in Singapore he will be signing a transport agreement on behalf of Minister of Transport Dr. Piet Welscheid.

The visit to Malaysia is the first by a South African cabinet minister and follows an invitation from the Malaysian minister of transport. Dr. Marais will discuss the establishment of an air service with South Africa and the promotion of tourism between the two countries.
R600-m boost from IDC

By Shirley Woodgate

The Industrial Development Corporation yesterday announced a R600 million injection to finance new game parks as well as tourist accommodation and facilities in and near game reserves.

The announcement of the huge boost to eco-tourism infrastructure development follows hard on the heels of South African Airways’ new “open skies” policy, which experts predict will bring a flood of overseas visitors to this country.

Saying the Kruger Park had limited accommodation and there was a definite need for alternative game reserves to cater for tourists, IDC managing director Carel van der Merwe said: “The lack of adequate suitable accommodation is a major inhibiting factor in our present situation.

“Through a capital injection to the conservation authorities, we believe the IDC’s funds will make a major contribution to development, job creation and economic growth.”

This news coincides with the tabling yesterday of the White Paper on Tourism, which claimed if all known expansion plans of the conservation authorities were realised, SA’s share of the world tourism market could be pushed up from 0.2 to 0.5 percent by 1997.

This could not only lead to meaningful domestic economic development but increase foreign earnings and lead to the creation of about 50 000 jobs.

CAPE TOWN — The perceived threat to personal safety in the unstable political environment was probably one of the major factors hindering the rapid growth of international tourism to South Africa, according to the White Paper on Tourism released yesterday.

It said this was one reason for the fact that SA had been able to attract only 0.2 percent of the international tourism market and why the growth rate had been slower than the growth in world tourism over the past decade.

Once an acceptable political dispensation was in place, international tourism should play a significant role in SA’s overall economic development. — Sapa.
Greater role for private sector

New tourism package to spur economy

GOVERNMENT has committed itself to sweeping deregulation of the tourism industry, including the repeal of five Acts and a review of liquor laws and legislation restricting Sunday activities.

The White Paper on tourism was tabled in Parliament yesterday and released to the public at the Indaba '92 conference in Durban by Tourism Minister Org Marais.

Marais told a news conference government had a three-year plan to "kick-start" the economy by making SA the world's No 1 "eco-tourism destination".

Our Durban correspondent reports that in terms of the White Paper, government has promised Industrial Development Corporation (IDC) financing for new projects and around conservation areas.

Marais said a task group under the supervision of the Small Business Development Corporation and the Development Bank of Southern Africa was formulating proposals for an assistance scheme targeting small entrepreneurs.

Highlights of the White Paper are:

- A major emphasis on deregulation, including the repeal of the five Acts governing tourism to make the industry "private-sector driven".
- A new consolidated Tourism Act would be tabled this session.
- The private sector would be encouraged to create Southern African tourism packages.
- Hotel room levies would be revised from July 1 (from R1 for one-star and R4.20 for five-star hotels) to generate funds to be used by Satour for overseas marketing.

The Liquor Act would be revised to remove provisions inhibiting tourism and legislation relating to Sunday activities would be reviewed.

A new policy on state airports would be introduced to ensure they were "user-friendly" and that facilities and service were in line with international standards.

All major airports, including Durban's Louis Botha and Cape Town's D.F. Malan, would be upgraded, possibly to gateway status.

Charter flight restrictions would be eased.

Sapa reports the White Paper noted that tourism in SA already employed 300 000 people and in 1990 earned R2.5bn in foreign exchange, but there was considerable room for expansion.

Marais said government regarded tourism as one of SA's "economic anchors" which can uplift the standard of living for all South Africans.

The White Paper envisaged government capitalising on SA's "unique-selling features"—scenery, fauna and flora. The paper proposed that government retain control of its natural parks, while involving the private sector in certain commercial developments.

The paper proposed that while additional accommodation be provided at the Kruger National Park, priority should be given to substantial expansion of accommodation in new parks. Government also committed itself to protecting its conservation areas from "overexploitation".

International marketing would continue.

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Tourism under the auspices of Satour — with government finance — initially in the UK, Germany, US and France and later in regions such as Australasia, Canada, Taiwan, Japan and South Africa.

Domestic marketing would be left mainly to the private sector.

The Travel Agents and Travel Agencies Act, including the Fidelity Fund, would be repealed, although representative private sector bodies would be allowed to use the balance of the fund to set up a new industry-administered fund.

It was further proposed that consumer interests be protected by a code of conduct set up in terms of the Harmful Business Practices Act.

GERALD REILLY reports that Fedhassa executive director Peter Hearfield said the substantial support promised in the White Paper could rejuvenate industries which had stagnated during the recession.

As forex earners the tourism and hotel industries could rival gold mining and agriculture within the next few years.

The elimination of restrictions on charter flights into SA and the involvement of the IDC in tourism were positive features. Fedhassa also welcomed the Liquor Act review and a subsidy programme for expansion of accommodation facilities.
SA tourism gets 'kick start' from govt

Own Correspondent

DURBAN — A three-year plan to “kick-start” South Africa’s economy by making the country the world’s number one “eco-tourism destination” has been announced by the government.

The White Paper on Tourism was tabled in Parliament yesterday and released to local and foreign media at the Indaba ‘92 in Durban by Tourism Minister Org Marais.

Marais said the paper — in which the government commits itself to deregulation and giving a financial boost to the tourism industry — was proof that the government now recognised tourism as an industry which could “take its rightful place in the economy”.

“Tourism is one of the economic anchors which can uplift the standard of living for all South Africans,” he said.

The government intends to capitalise on its “unique selling features” — scenery, fauna and flora — and the paper proposes that it retain control of its natural parks while involving the private sector in certain commercial developments.

The paper proposes that while additional accommodation should be provided at the Kruger National Park — the major tourism drawcard — priority should be given to substantial expansion of accommodation in new parks, some of the parks in Natal and others under the jurisdiction of provincial authorities.

The governments also commits itself to protecting its conservation areas from “over-exploitation” and states that tourism must never jeopardise “the primary object of conservation”.

National marketing will continue to be done by the SA Tourism Board (Sautour) — with government finance — initially in the UK, Germany, USA and France and later in countries such as Canada, Australasia, Taiwan, Israel and Japan.

Meanwhile the Industrial Development Corporation is to make R600m available for investment in new game reserves and accommodation.

IDC MD Carol van der Merwe said yesterday the IDC board would allocate the funds to state, parastatal and private sector game park developers and operators to finance infrastructural development.

He said the lack of adequate suitable accommodation in and adjacent to game parks was “a major inhibiting factor”. The IDC would make a major contribution to development, job creation and economic growth through this injection of capital.

SA had the basic infrastructure and environment to attract “high yield tourists, rather than high volume, low yield package tours”, Van der Merwe said.

SA brand names were well established overseas, but SA needed the facilities to cope with the demand and develop the potential “within the confines of what is acceptable in conservation terms”.

The IDC would accept applications from organisations wishing to improve, upgrade or develop new eco-tourism facilities on a substantial scale. It would evaluate the economic merit and then provide project finance. Conservation authorities, the Environment Affairs Department and other bodies would evaluate the conservation merit of the projects.

The inclusion of private sector participants would offer tourists greater variety. He said the Kruger National Park was limited in terms of the number of people it could accommodate, and there was a need for alternative game reserves and accommodation.
Tourist attraction... the Magaliesberg mountains — just waiting to be explored by overseas visitors.

Big shot in the arm for tourism

CAPE TOWN — The Government has committed itself to a major financial boost for South Africa's tourism industry, and to deregulation of what it says could become one of the major contributors to economic growth in the region.

A White Paper on Tourism tabled in Parliament yesterday said tourism could be a major catalyst to kick-start the economy, and outlined a three-year campaign to position SA as a "eco-destination".

It promised Industrial Development Corporation financing for new projects in and around conservation areas.

Options such as interest subsidies and accelerated tax write-offs for work on new or existing tourist facilities were being investigated.

A task group under the supervision of the Small Business Development Corporation and the Development Bank of Southern Africa would formulate proposals for an assistance scheme targeted at small entrepreneurs in the industry.

The five Acts governing the industry would be repealed and a concerted effort made to table a new consolidated Tourism Act during the 1992 session of Parliament.

The Liquor Act would be reviewed to eliminate provisions negatively affecting the industry. The Travel Agents and Travel Agencies Act, including the Fidelity Fund, would be repealed, although representative private-sector bodies would be allowed to use the balance of the fund to set up a new industry-administered fund.

It was proposed that consumer interests be protected in future by a code of conduct set up in terms of the Harmful Business Practices Act.

The SA Tourism Board (Satur) would immediately set up a clearing house to which the private sector could make submissions on deregulation.

Satur would withdraw from domestic marketing and leave this to the private sector, but would continue through its regional offices to play an important role as co-ordinator between the public and private sectors in all matters relating to tourism.

It would continue to market SA internationally in consultation with the private sector and compile a detailed long-term international marketing plan.

Primary targets would be the UK, Germany, US and France.

Satur would investigate ways of getting private-sector funding to implement a co-ordinated marketing campaign.

A revised hotel room levy ranging from R1 for a one-star hotel to R20 for a five-star hotel would be implemented from July 1 this year to generate funds which would be used by Satur mainly for overseas marketing.

Satur would also develop a databank accessible to the tourism industry.

The paper described domestic tourism as the cornerstone of the industry in SA.

Co-operation with neighbouring states would be encouraged in an effort to create southern African tourist packages through which the tourist attractions of the region as a whole could be marketed.

Conservation authorities would prepare feasibility studies on co-operative projects across national boundaries.

Other aspects dealt with in the paper were: the need for a training board to meet the needs of the tourism industry; service standards in the whole industry; and orderly opening of land surrounding State dams for private-sector development.

The report also said the Government had noted the devastating effect on the environment of private tourist facilities in national parks in other countries, and said the Government saw it as its responsibility, through the national parks and botanical gardens, to conserve SA's wildlife and flora.

It was essential to ensure that the benefits flowed back to the communities in which tourists enjoyed facilities and that there be community involvement reflected in appropriate managerial and institutional structures.

— Sapa.
R600-m boost from IDC

By Shirley Woodgate

The Industrial Development Corporation yesterday announced a R600 million injection to finance new game parks as well as tourist accommodation and facilities in and near game reserves.

The announcement of the huge boost to eco-tourism infrastructure development follows hard on the heels of South African Airways' new "open skies" policy, which experts predict will bring a flood of overseas visitors to this country.

Saying the Kruger Park had limited accommodation and there was a definite need for alternative game reserves to cater for tourists, IDC managing director Carel van der Merwe said: "The lack of adequate suitable accommodation is a major inhibiting factor in our present situation.

"Through a capital injection to the conservation authorities, we believe the IDC's funds will make a major contribution to development, job creation and economic growth."

This news coincides with the tabling yesterday of the White Paper on Tourism, which claimed if all known expansion plans of the conservation authorities were realised, SA's share of the world tourism market could be pushed up from 0.2 to 0.5 percent by 1997.

This could not only lead to meaningful domestic economic development but increase foreign earnings and lead to the creation of about 50,000 jobs.
SATOUR earmarks R35m to promote tourism

DURBAN — The South African Tourism Board would spend about R35m in the next 12 months on marketing the country abroad, SATOUR's chairman Piet van Hoven said yesterday.

He said R17m of this would be raised through the revised bed levy which would come into effect from July this year.

"Obviously we will monitor this bed levy to see whether it should be reviewed in future," he said.

"We are also looking at offering incentives to the informal accommodation sector — such as bed and breakfast establishments and guest houses — to become part of the star rating system."

Van Hoven assured that SATOUR would keep a close check on standards but said that market forces would also come into play in this regard.

Meanwhile, CAPTOUR said yesterday the tourism industry urgently needs a good base of tourism information for effective market research and on which to base future marketing strategies.

The organisation was reacting to the government's white paper on tourism describing it as "a good document" which showed an encouraging emphasis on deregulation.

CAPTOUR however stressed the need for international gateway status to be conferred on Cape Town's airport.
SOUTHERN Sun has asked the Johannesburg Bar whether it wants to take over the hotel group’s flagship — the 45-storey Johannesburg Sun — and turn it into offices for its 450 advocates.

Southern Sun MD Ron Stringfellow confirmed yesterday that “preliminary discussions” were taking place. He said the combined effects of the recession and the upsurge in CBD crime were having an impact on occupancy levels and Southern Sun was forced to look at other options.

Southern Sun planned to continue running the Towers section of the hotel. The Bar had been approached because it felt advocates would be the most suitable tenants for the complex, Stringfellow said.

The hotel, built 19 years ago, cost R125m to erect.

An informed source said the hotel was losing R2m a month at present and Southern Sun was even prepared to consider buying out the leases of the two buildings the Bar was currently occupying if this would help clinch the deal.

Stringfellow declined to comment.

Michael Young, the attorney co-ordinating the negotiations, said the possibility existed to create a legal centre under one roof. “There is nothing like that in the world. It would be tremendously advantageous for the legal community.”

He said that besides rooms for the Bar’s 450 advocates and their administrative staff, there were facilities for libraries, conference rooms, archives and common rooms. Also, visiting advocates and their attorneys would be able to stay at the Towers section of the hotel.

The combined Johannesburg Sun and Towers hotel has 728 rooms — 116 of which are in the Towers section.

A Johannesburg Sun spokesman said the hotel had an average occupancy rate of 55% to 60% this year, which was well up on the same period last year.
Enthusiastic reaction to govt tourism policy

GOVERNMENT’s White Paper on tourism would make it easier for entrepreneurs to enter the industry and would benefit local communities, Sisindiso Nqobile said yesterday.

Sisindiso Nqobile said the paper, released in Durban on Tuesday by Tourism Minister Org Marais, would stimulate much-needed economic growth. It would also contribute to the creation of jobs, not only in the tourist industry, but also in related industries.

SA Tourism Board chairman Piet van Hoven said at Satour’s Indaba 92, in Durban, the paper would go a long way in addressing the problems of job creation and rural upliftment.

Satour also welcomed the emphasis on the involvement of the private sector.

Inkatha welcomed the paper but said the proposed deregulation measures regarding the new aviation policy did not go far enough.

In a statement in Durban, Inkatha economics spokesman Dr Gavin Woods said the airline industry needed to be further deregulated and the “double disapproval” clause in the new aviation policy repealed.

“With this stipulation in place, SAA and other national carriers will always have discretionary power to block proposed discount fares of competitors. A major impetus for tourism is therefore absent.”

Meanwhile, the first national campaign to promote the tourism potential of a particular region is to be launched by the Lowveld and Escarpment RSC, which incorporates the Kruger National Park. — Sapa.
Passport to success?

Despite talk about deregulation, the long-awaited White Paper on Tourism released this week consolidates the wide-reaching power of the SA Tourism Board (Satour) and broadens the scope of the State-funded organisation.

The White Paper rejects the findings of the Board of Trade & Industry, which recommended that Satour's function should be limited to promoting SA overseas as a travel destination.

It should come as no surprise that the White Paper, released by Tourism Minister Orie Marais five months later than expected, was compiled by Satour, along with the Development Bank of Southern Africa.

The goal of the White Paper is admirable enough: find ways to increase the number of tourists coming to SA, which will in turn create jobs and bring in more money. The paper notes that the industry now employs 300 000 people, but SA enjoys only 0.2% of the worldwide tourism market and collected just R2.5bn in foreign revenue last year.

But, as usual, government thinks it can best decide how to fan the flames of interest. Instead of leaving the main promotion job to the airlines, hotels and tour operators—who are in closer touch with the customer—Satour will be given the task.

Satour would also be responsible for establishing a clearing house for suggestions for deregulation from the private sector, which Satour would then submit to the Minister of Tourism and advise him on the proposals.

The paper also suggests that:

- The Small Business Development Corp, the Industrial Development Corp and the Development Bank formulate proposals for an assistance scheme for small entrepreneurs in the industry;
- To promote the development of new tourism accommodation and the upgrading of existing facilities, studies continue to look at the possibility of interest subsidies and/or accelerated write-offs of development and refurbishing costs for income-tax purposes; and
- Satour develop a data bank of tourism information.

Protea Hotels executive chairman Otto Stehlik regards the White Paper as "a professionally compiled document that we (the private sector) must implement; if it has achieved nothing else, it has created in government an awareness of the importance of tourism."

He believes Satour's role is essential "to
Free-for-all tourism on the way

The tourism industry is about to be subjected to free-market principles which will prepare it for the expected tourist rush but also expose its flaws, reports HELEN GRANGE.

One of the biggest problems, according to Federation of Hotel, Liquor and Catering Associations of SA (Fedhaza) director Peter Hearfield, is the poor state of "land arrangements", specifically luxury coach transport.

He says this will remain a problem until coach operators get concessions either to upgrade and expand coach services or to build their own coach terminals instead of importing them.

Critics have also questioned the high cost of facilities for local tourists. Dr Marais said this would be addressed through increasing the number of game parks controlled by the provincial authorities and the development of smaller hotels for lower-income groups.

Although the first real influx of foreign tourists is expected this year, industry leaders foresee no real pressure on the industry's infrastructure for at least a couple of years.

Meanwhile, scores of hotel projects are in the offing, including seven in the Johannesburg area alone.

The SA Chamber of Business is excited about the opportunities for entrepreneurs in the new tourism strategy, saying it will make it easier for them to enter the industry and for local communities to benefit.

It would also contribute to the creation of jobs, not only in the tourism industry specifically but also in related industries such as building and food processing.
BOKAAP should be redeveloped in the same way as the Waterfront, and the Castle should be the springboard of revived military pageantry. These are some ways to boost tourism proposed in the Cape Town Chamber of Commerce executive council annual report.

A chamber working group said historical precincts that were cohesive and attractive should be identified and their development as a whole encouraged.

"For example, the development of an historical precinct in the Bokaap in the same way as the successful development of the Waterfront."

The Department of Defence should be encouraged to revive military traditions "to bring the past military significance of Cape Town to life".

The Castle should be used as a springboard for a series of events, the report said.

The Western Cape Regional Services Council should further develop Cape Point Nature Reserve, which was under-used and inadequately promoted.

Cape Town City Council should develop easy hiking trails for tourists from well-known vantage points such as Kloof Nek, Constantia Nek and Robben Memorial.

Walks should be improved, clearer signs put up, and the council should print attractive brochures about the trails.

The council should open up Orange Kloof Nature Reserve on a limited-access basis.

Elsewhere in the report, the chamber said Robben Island lent itself to sensitive development as a tourist resort.

A public opinion poll last year showed strong support for the island to be turned into a nature reserve and restored Victorian resort, with due recognition of its historical significance.
Johannesburg Sun may go to the Bar

THE Johannesburg Sun, one of the major hotels in the city's central business district, may be converted into offices for the Johannesburg Bar, mid-1993.

But this depends on the outcome of current "very tentative" discussions, according to Southern Sun managing director Mr Ron Stringfellow, who said the hotel is averaging about 55 percent capacity.

"Only businessmen patronize city centre hotels, which is a worldwide phenomenon," Stringfellow added.

Stringfellow said the Johannesburg Sun was ideally situated for the Bar Council's needs, within walking distance of the Supreme Court.

An architect was presently investigating a possible conversion of the layout so that the Bar Council could consolidate the advocates' offices which were presently spread over two buildings.

"Only businessmen patronize city centre hotels,..."
Hotels seek other markets as recession hits holidaymakers

MORE than 50% of the Southern Sun Hotels Inns & Resorts group's Durban trade is made up of business travellers, says MD Ron Stringfellow.

There has been a drop in the use of hotels for leisure. While there has been less leisure travel because of the depressed economy, competition with other venues such as holiday flats and timeshare has increased. Hotel rates have been pushed by higher labour and capital costs.

In addition, Durban has received some bad publicity as a result of opening its beaches to all races.

Stringfellow says: "Occupancies in Durban are generally no lower than elsewhere in the country. The beauty of Durban is that it does not have the seasonality of Cape Town.

"I am not concerned about Durban as a centre. I think it's suffering like everywhere else because of the recession. Due to its proximity to the Reef the area will always be a draw card for both north and south, although costs are driving people away from Durban itself."

He says the city is not a major international tourist venue. Durban does feature on some tours but it does not have the gateway status of Johannesburg and it is not a major attraction such as Cape Town or the Kruger Park.

Bullish

"However, I feel bullish about the city's future, especially if the legislation on air travel, the Aviation Act, allows for charter flights directly to Durban. "I think it is the ideal one-stop charter destination because of the good all-year weather, the relatively sophisticated infrastructure and the availability of quality hotel accommodation."

"I think Durban will become an alternative to the Florida coastline for that part of the market that leaves the UK and Europe for 10 days of sunshine. I believe the city will make a quantum leap into the international charter and package holiday market."

He sees a need for more quality economy accommodation such as the recent R6.8m upgrade of the Malibu Hotel into the Holiday Inn Garden Court aimed at the cost-conscious business and leisure traveler. He says there is also scope for more mid-range, full-service hotels in the three-star category.

In addition to the Holiday Inn Garden Court conversion, the group has spent R6.1m refurbishing the Elangeni and is about to spend 18 months refurbishing the Maharani. The Marine Parade Holiday Inn has been given a “sota” refurbishment.

The Marine Parade Holiday Inn.
'Big money' needed to lure foreign tourists

The Durban Functional Region has the potential to grab a slice of the world's multi-billion rand international tourism market — but there is much to do before this can take place.

This is the view of top international tourism consultant Dries de Waal, head of Deokite Piim Goldby's London-based tourism arm Greene-Bellfield-Smith.

He says "big money" will have to be spent to woo international tourists and, in his view, the R6.5m budget recently approved for the newly formed Greater Durban Marketing Authority (GDMA) is not even half of what is required.

Says De Waal: "The shift to long haul travel means SA is a very good destination for tourists from Europe, the Far East and America. International tourists are always looking for new destinations.

"Durban has a climate to beat all others, beautiful scenery and nature, and relatively good infrastructure. The multi-cultural nature of the city and its accessibility to superb eco-tourist areas are other assets."  

However, he warns, hotels must pull up their socks to ensure they are world class and Louis Botha Airport is "not up to international standards".

"Another drawback is the lack of a national tourism strategy. Therefore, Durban must evolve its own and funding must be found. While local authorities can provide this initially, the sustainable funding must come from the private sector," says De Waal.

He also warns against placing too much faith in major development projects such as The Point and an international convention centre. Such schemes on their own will not make the tourists flock in.

Faith

"Investments of faith are needed from the local business community if Durban is to address its Cinderella status in the local tourism industry.

"The city has made a mistake going down market in an effort to maintain levels of local tourists. This has resulted in a lack of development of the type of facilities and special aspects which appeal to foreign tourists," he says.

As the tourist industry is an integral part of the wider local economy, international tourism can have important spinoffs. One new job will be created for every 11 visitors and foreign currency brought in will multiply five to seven times as it works its way through the local economy.

He advises the GDMA to be wary of sacrificing the needs of the local community to tourist interests.

"Tourism must be marketed to the community. Cultural and social damage can be severe if this is not done properly, and it can manifest as envy and jealousy. People must understand the benefits of tourism so they can become part of the marketing process."
Home is where this hearty brew is ...

Migrant workers say only "umqombothi" can quench their thirst — for friendship and for home. Sabata Ngcai reports.

Only where there are migrant workers is the bitter-sweet taste of umqombothi to be found. "Township residents come to the migrant labour hostels to share the traditional Xhosa beer. The drink is the only place it is brewed," says hostel dweller Mr Jackson Phelenelwimzi.

The beer, comforting beverage is welcomed in townships and the usual tensions and differences between migrants and locals are forgotten for a while as the two groups share their thirst on umqombothi after at weekends.

And only this beer can make a hostel dweller far from his rural area feel at home.

"Umqombothi is brewed because we — the people from rural areas — are used to it and feel at home when we drink it," says Phelenelwimzi.

The beer is the life blood of Xhosa tradition and to abandon it, or to brew upon others who drink it, would be to betray one's ancestors and fill prey to bad luck.

"In our tradition a man who does not brew beer in his household is not a man at all, says Phelenelwimzi.

But migrant labourer Mr Elliot Khune comments this, saying that when the beer is brewed in the townships it loses its dignity because it is brewed to make money.

"Traditionally, the beer was brewed only when a customary ritual was performed. The beer is also brewed when someone dreams about a request from ancestors. "It is our belief that when Xhosa people dream about our ancestors, we must brew beer and ask people to come and drink, without asking for payment. Then the ancestors will be appeased," says Mase.

"And when a son attends circumcision school the beer is brewed to please the community. "But now the beer has become a commodity in the urban areas because women have been the beer for sale," he says disapprovingly.

Each person or community has a set method of making the brew. Malinilele Mdodana described how the West about making her beer.

"We take some unfiltered maize meal, a large amount of malt and a small quantity of cold water. "Tin water is added and the liquid is left for 20 to 30 minutes to ferment. More cold water is added to half fill the container. The next morning I take the liquid that has separated from the mixture — which is by then sour — and boil it.

"The boiling liquid is added to the mixture. The porridge is left to cool, poured into a container and left to foam for a few days. "Then we strain the beer with an oblong traditional strainer made of a grass-like material."

Mr Police Hengua says that although the beer is usually brewed by women, men are the ones who decide how it should be consumed.

One woman who brews and sells umqombothi defends the sale of the brew.

"In the rural areas it is traditional that we have to buy every ingredient in the townships, we are forced to sell it too."

But she admits that it "must be the fastest selling commodity" in the townships.

A can (about two litres) of the beer sells for R2.20; half this amount costs R1.10.

"Migrant workers say beer and brandy alone cannot quench their thirst. So they ask the women to brew umqombothi," says the woman.

Indaba’s ‘R60 m travel trade boost’

Weekend Argus Correspondent

DURBAN — At least R60 million worth of overseas travel trade has been generated during Indaba ‘92 held in Durban this week.

This is the estimate of Mr Reg Swart, marketing director of Satour, organiser of this year’s travel show, the largest held in Southern Africa.

And there are strong indications that Durban will host it again next year. This is to be decided by the Satour board within six weeks.

The show coincided with the tabling in parliament of the government’s White Paper on tourism which contained a firm commitment to promoting South Africa as a top eco-tourism destination. It has been widely welcomed and many local exhibitors at the show said it had contributed to the buoyant mood.

“Indaba has been an overwhelming success in Durban,” said Mr Swart. “My estimate of R60 million worth of business is a conservative one based on feedback from exhibitors.”

A record number of 750 overseas delegates and journalists have attended from a total of 60 countries.

The overall cost of holding the Indaba, including a grant-in-aid from Durban City Council and discounted air fares for international delegates and exhibitors from SAA, amounts to R4.5 million.

“Durban has really done its utmost to make it a success,” he said. “The Exhibition Centre was given free and furniture and floral displays provided by the municipality. The total grant-in-aid package amounted to R3.5 million.”

“But it has been money well spent, putting Natal and Durban firmly on the tourist map.”

The feeling among exhibitors and delegates interviewed, who have attended previous indabas in Johannesburg and Cape Town, is that Durban has proved to be the best venue.

But there have been some complaints about overcrowding at Tuesday’s civic reception at the city hall attended by 1700 people.
Karos takes first step into Africa

KAROS Hotels has its eyes fixed on Africa — its large stake in the new-look five-star Polana is but the first step on the road to expansion in the sub-continent.

Talking to joint managing director Stan Hoffmann, it becomes apparent that Karos is a far-sighted company which has been quietly and steadily following a well-planned course for several years. It is becoming a familiar name with a firm foot in the hotel trade.

While others were building five-star palaces, Karos was saving capital but not sitting on style. It bought up “the grand old ladies” on the hotel scene around the country and refurbished them to offer a combination of affordable three- and four-star old-fashioned charm with modern services.

While foreign tourism slumbered, Karos concentrated on offering corporate and resort packages for South Africans. But now that international flights to Jan Smuts Airport are increasing, Mr Hoffmann predicts new-found prosperity and the means for expansion.

“We have achieved our major objectives in South Africa — only two or three projects to be rounded off to complete our national hotel spread,” says Mr Hoffmann.

Reserve

“Now our policy is to expand into Southern Africa — countries such as Namibia, Zimbabwe and Zambia.”

The company owns land in Namibia and plans are on the table. In addition, there is a possibility of further involvement in Mozambique.

There are plans to develop a major game reserve on the eastern boundary of the Kruger National Park. Mr Hoffmann hints that the plans are of great interest to his company.

Karos’ experience with the Polana has been “difficult and time consuming”, but Mr Hoffmann says it was a “fantastic challenge”.

In spite of the logistical problems and lengthy diplomacy, the Polana project was “well worth it”. The difficulties have not put Karos off further foreign investment.

He pays tribute to the “professional team” involved in putting together the deal and undertaking the refurbishment of the Polana, particularly Karos executive director Paul Johnson, who oversaw the project on behalf of the company, and Polana general manager, David Ankers — “our man in Maputo” — whose input far exceeded the call of duty.
Timeshare cleaning up its tarnished image

Timeshare doesn't have a particularly good name in South Africa, largely because of long memories.

Many who bought timeshare units when the industry first made its hesitant appearance more than 10 years ago were badly bitten when the developers in question couldn't deliver the goods.

Since then, timeshare has, by and large, sorted itself out, with little in the way of major disasters materialising in the past few years. Minor disasters, though, have been such as buyers being misled by overzealous salespeople, promising rapid marketability at inflated prices.

It's setbacks such as these that have revived memories of former mishaps, thereby militating against the dark clouds being swept away.

Ultimately, however, the timeshare industry needs to be viewed by prospective timeshare owners in much the same light as many other industries — namely, that there are sound developers and others that aren't as sound; that there are good projects attracting a wide scope of demand and others that have rather less appeal; that there are honourable salespeople and others with fewer scruples.

Stocks Leisure is one of several timeshare developers that have clearly hit upon the correct formula, the company having just completed the first year of marketing timeshare at its Bakubung Lodge, with sales already in excess of the R15 million mark.

And, says director Peter Foaden, sales continue strong at other resorts operated and marketed by his group.

He pinpoints professionalism as the major success ingredient.

"We don't adopt gimmicks; we don't give away fancy cars or overseas trips or pretend we are in the business of giving people free holidays. We sell quality timeshare ethically. We have the products and prime locations, and our way of doing business breeds peace of mind."

What of the company's salespeople?

"Our consultants don't just know the art of selling. They know the products and they know the Stock Leisure philosophy. We don't need to worry about overblown promises being made by some hard-sell specialists."

So, manifestly, it can be done right. A lesson for timeshare developers and their prospective customers? Perhaps, but it's difficult, to avoid being sceptical over the possibility of them taking the lesson to heart.
Enterprising prison farm angers Lowveld business

By Clyde Johnson
Lowveld Bureau

Barberton hoteliers, restaurateurs and businessmen are at loggerheads with the local prison farm.

They allege the farm, part of a maximum security prison, is providing cheap holiday accommodation and meals and undercutting liquor prices.

Mother's Day lunches two weeks ago were allegedly being offered at prices that businesses could never match and a "sakkie dance", where alcohol was allegedly served, was advertised.

At the prison, correctional services include farming, a piggery and farming-related activities.

It also has six fully-equipped guest cottages with a home-style kitchen and fully furnished for members and R50 a night for the public.

Margaret Holmes, who runs five self-catering bungalows, says this is unfair competition.

"The prison authorities have no labour costs, pay no rates and taxes, and get subsidised liquor. No wonder they can offer such cheap accommodation," she said.

Other allegations levelled at the prison farm are that it caters for events at prices nobody else can afford.

It is also said to be running a farm butchery, thus depriving local butchers of business.

Responding, Brigadier Andre Terblanche, head of Barberton's correctional services farm, said: "All private-sector clubs, ours, too, is strictly for members only."

Regarding the Mother's Day luncheon, he said it was strictly for members. He denied that the event had been advertised for the public.

He agreed that the chalets were open to the public but added it was only during the off-season.
Inside story: all the creature comforts.

Garden flowers
Sowetan 19/5/92 (286)
By SONTI MASEKO

SPECTACULAR fireworks and a violent ocean wind greeted the opening of the Holiday Inn Garden Court, the newest arrival in the Southern Sun family in Durban.

The inaugural event, witnessed by scores of journalists was the climax of a weekend of fun-filled events aimed at giving an idea of the kind of services offered by the giant hotel chain.

The new hotel represents the delicate balance of meeting high standards of quality for middle income earners and the world to do.

Formerly known as the Malibu hotel, the Garden Court is a prime beach front property which has recently undergone a staggering R8-million facelift.

At present the hotel has a catering capacity of 200 rooms and can phase in up to 90 rooms according to market demand.

The hotel is also a delightful extention of the sea, being cleverly and tastefully decorated in blue-green sea colours.

However, it embodies a new international brand of hotel which offers selected services to the cost-conscious customer who wants to pay less but still wants quality and requires only selected services.

To bring down costs, the Garden Court does not offer restaurant and few other facilities inside the hotel but these are catered for by eating places in the vicinity.

The arrangement fills an important gap in the business and holiday market.

Says operations director, Helder Pereira: “We believe that Durban needs a quality operation at a low cost, to encourage the return of traditional family holidays to the seaside... we believe that the Holiday Inn Garden Court brand complements our other brands and effectively fills the niche.”

Towering achievement: the Holiday Inn Garden Court in Durban

Courting the cities
Sowetan 19/5/92

BY the end of 1992, every city in the country will have the opportunity to experience a new, exciting and economically sound kind of hotel product: the Holiday Inn Garden Court.

The first Holiday Inn Garden Court brand was launched by Southern Sun in Bloemfontein on February 1 this year.

Following hot on its heels, an amount of R8-million was spent on the conversion of the Malibu Hotel in Durban, making it the largest Holiday Inn Garden Court in the world.

Eight more will be opened in other cities around the country by the end of the year. This would, no doubt, reflect the greatest growth potential of any hotel group in this country.

“It is our intention to have a Holiday Inn Garden Court in every major city by the end of 1992,” says operations Director Helder Pereira.

The Holiday Inn Garden Court hotels are designed for both business and leisure travellers who seek modern, inexpensive accommodation, with guaranteed standards of quality.

The Holiday Inn Garden Court is a selected service operation, providing essential customer service facilities. No room or porter service or extensive banqueting facilities are offered, but a number of limited meeting rooms are available, as well as a full breakfast service.

Welcome: the entrance to the new Garden Court.
Bakubung selling fast

SALES of more than R15m have been notched up by Stocks Leisure in the first year of marketing timeshare at its Bakubung Lodge near Sun City in Bophuthatswana.

“This means the resort is more than 50% sold out. It shows that professionalism is the only route to follow in a market like this,” said director Peter Foden.

The group did not adopt gimmicks, give away trips or offer free holidays. Timeshare needed to be sold in an ethical way and the product and location had to be sound, he added.

The fact that nearly 40% of sales were prompted by referrals from existing timeshare owners at one of the company’s resorts was proof of this.

Accurate niche marketing was very important in the present climate, and the appeal of the resort had to be properly focused.

Bakubung and Kwa Maritane were appealing to conservationists and lovers of wildlife and the bush.

“The Bakubung” timeshare is marketed in tandem with hotel occupancy and conference facilities,” he said.
Hotel group looks to SA

STEFHANE BOTHMA

INTER-Continental Hotels yesterday made its first move towards a possible expansion into SA by appointing a local sales agent, Skyfly.

The group was looking at investors with a view to expanding to SA through management contracts and not capital investments, vice-president of marketing and sales for Africa and the Middle East, Richard Blamey, said yesterday.

A survey conducted by the group — which owns or manages more than 100 hotels in 48 countries — had identified Johannesburg as one of the best cities for Intercontinental to operate in, Blamey said.

No agreement to enter the SA market had yet been finalised, but Johannesburg and SA in general were close to the top of Intercontinental’s target list for expansion.
LEADING ARTICLES

Can SA’s infrastructure cope with steadily increasing volumes of overseas tourists? The answer is a guarded “yes,” for the time being, but an awful lot needs to be done to attract the real spenders.

The government is hitching its wagon to eco-tourism — hence the IDC’s R600m injection. There is no doubt that most of the visitors to SA come here to see its wildlife, magnificent scenery and as yet unspoilt areas. Kruger Park is still number one on every tourist’s list of places to visit, nearly all want to visit Cape Town and most want to ride on the Blue Train.

Many come to hunt. According to the Professional Hunters’ Association of SA, the 5750 hunters, along with 1750 travelling companions, who came here last year spent conservatively estimated R150m. The average safari client spends 17 times as much as the average tourist, says the association’s Cheryl Timm.

But those destinations and pursuits are pricey. Even if Richard Branson’s Virgin Atlantic Airways and charter operators start flying in zero with packaged tours, they won’t be in the price bracket of the high-volume, low-yield tourists who flock to Spain and other mass destinations. London to Barcelone is only 550 km and it costs less than R700 to get there on a British Airways flight, and much less by charter.

The furthest south that those mass tourists are prepared to go in Africa is Mombasa, in Kenya, says Richard Blamay, Inter-Continental Hotels’ sales and marketing vice-president for the Middle East and Africa, who was here this week.

On the other hand, SA’s tourist infrastructre is not quite good enough to attract the real big spenders. The hotels suffered from sanctions. The standard of five-star hotels, once common in Park, has dropped and needs to be upgraded. Japanese and American tourists, in particular, complain about the poor service.

The way tourists get around in SA isn’t up to scratch. Our luxury buses are luxurious by SA standards, but not by European, American and Japanese standards.

Foreigners cannot be impressed by their first sight of Jan Smuts airport. No one knows this more than Wielgenwood, who agrees that it won’t cope when overseas tourism really takes off. That’s why he opened up Durban and Cape Town as international gateways.

Jan Smuts’ R100m facelift will, at best, upgrade it to the standard it should have been in the early Eighties.

And if they don’t like what they see of Jan Smuts when they arrive, they will like it even less when they leave, if they choose to leave on a Friday evening. Jafthansana’s station manager Pino Mueller says, “they are busy improving everything except the check-in area. It’s already chaos on a Friday night, when many planes depart with not many minutes in between. I hate to think what it will be like if they don’t do anything — and very quickly — when the tourist boom takes off. And it will.”

Despite all these problems, international tour operators accept that though a long haul from its main market, Britain and Europe, SA is one of the finest destinations in the world, particularly for eco-tourism. This explains why, now that the political playing field is being levelled, Australian tourists, authorities, who capitalised on the world isolation of SA to boost their own industry, are now openly admitting that their country, also a long-haul destination, will lose trade to SA when it really starts marketing its attractions.

It also explains why so many international hotel groups such as Sheraton, Ramada, Westin, Hilton, and Trust Houses Forte in addition to Intercontinental — are sniffing around here to size up the opportunities.

The local hotel industry is aware of the potential. There are plans, some tentative, some reasonably well-advanced, to build seven hotels in the greater Johannesburg area — which is where Inter-Continental would dearly like to operate one — four in Sandton, two in Rosebank and one in Morningside.

A great deal still needs to be done before the tourists SA is seeking come flooding in. It isn’t merely the upgrading of hotels, which the hotel industry accepts is necessary, but providing all the other facilities they require. The Blue Train needs to be restored to its former glory. It was once described as the most luxurious train in the world, but more recently as “not quite the Orient Express” by Miami Herald travel writer Andrea Peyser.

Government must appreciate that top-income foreign tourists demand genuine luxury buses, and allow their import without charging 65% duty and 3% surcharge. They can be built here, but says Cillitier-Greyhound CE Keith Morris, who recently imported two for R2,2m, “they would cost R1,8m apiece to build here.”

The White Paper stresses that everyone should become involved in tourism. This, presumably, includes Spoornet, which should bite the bullet and develop a range of inter-city trains at just below the Blue Train’s current standard to cater for people who like to ride by train and see the countryside. There are many of them, and there is a revival of train travel worldwide. It could even turn up its existing carriages and use them to recapture the spirit of train travel 40 years ago.

How much can be earned from foreign tourists is, of course, anyone’s guess, but Arthur Gillis, Protea hotel group MD, speculates that, allowing for a 25%-30% compound growth in their numbers, and taking inflation into account, SA could be earning R38,5bn at present value over the next five years. This explains why so many operators are seeking a slice of the action.

The business of promoting conferences is also part of tourism, and, says, Godfrey King, chairman of the Southern African Association for the Conference Industry, “they were worth R500m last year for accommodation and all the peripheral expenses. That’s for purely local conferences. We expect that figure to be much more when SA becomes an accepted venue for international conferences.”

Though there aren’t any venues big enough for the really big ones, there are signals that this type of business is already heading SA’s way. Junior Rotary will hold its international conference in Johannesburg next year, and Baltic Conventions of Brentford in the UK is organiseing a regional inter-modal transport conference in Cape Town in December.

So get ready to share the sidewalks with camera-toting visitors asking directions to Table Mountain, Gold Reef City or the Indian Market, but don’t forget the dividends that the influx will bring.
Change to gambling laws mooted

Staff Reporter

South Africa's gambling laws should be changed to remove the distinction between games of chance and games of skill, Finance Week argues in an article today.

In its cover story, the weekly finance publication says Parliament should move immediately to prevent the "untenable" situation created by Justice E L King in Cape Town last week when he ruled that a gaming operation could remain open until the legality or otherwise of its operation was finally determined.

Protracted court hearings — easily afforded by casino clubs that take up to R50 000 a night — arguing point after technical point could make a mockery of the spirit and intention of the Gambling Act and of warnings issued by Cabinet ministers, Finance Week says.

In reference to a confidential Government Green Paper (interdepartmental discussion document), Finance Week says that what is envisaged, in line with international practice, is a new definition of gambling.

The definition would read: "Any game played with cards, dice, equipment or any mechanical or electronic device or machine, for money, property, cheques, credit or any representative of value including — without limiting the generality of the foregoing — roulette, bingo, twenty-one, blackjack, chemin de fer, baccarat and slot machines." This definition would remove the distinction — difficult to establish — between games of chance and skill.

The Act at present merely prohibits the "playing of any game of chance for stakes".

The publication says the difficult burden of proof that the game depends on chance lies with the prosecution. It also makes the point that in South Africa, unlike the rest of the world, gambling is not recognised as an addiction and rigidly controlled.

The court ruling in Cape Town could lead to the mushrooming of new clubs which could eventually be difficult to dismantle and which could undermine licensed operations in Bophuthatswana and Transkei, the publication says.

It also argues that a distinction should be made between State lotteries and gambling for personal gain.
ing outside the law.

He points out that not only was the circular undated, with none of the names of the directors of BISL set out on a letterhead, but the penalty could well exceed the interest rate permitted in terms of the Usury Act on outstanding amounts due.

It could also fall foul of the Conventional Penalties Act.

According to attorney Arthur Schoeman, it has become very fashionable to impose "penalties" on late payments of timeshare levies. The reason for the penalties is that the late payers prejudice the early payers and the collection of the late levy results in costly administration.

"I express no opinion as to whether the R250 is reasonable or not in so far as it actually relates to the cost of collection. If structured properly in my view, the so-called penalty is lawful.

The correct procedure is to add on an amount as a contingency once the levy has been determined. Thus the so-called penalty is part of the levy. If a timeshare pays on time, then he gets a discount equivalent to the penalty.

"If the timesharer pays late, the penalty amount is included. It is part and parcel of the levy. If, however, the penalty amount is an add-on, that is added to the levy, then it may be unlawfully raised," Schoeman says.

BISL board director Alan Louw, acting for BISL secretary Southern Sun Timesharing, tells the FM the penalties are raised in terms of a specific provision in the use agreement permitting penalties and administration charges according to the discretion of the directors.

He says the matter was raised at the last AGM of BISL and that the penalties benefit the levy fund directly.

"The board does not believe the fines are excessive," says Louw, who maintains that "they are an add-on, as allowed for in the use agreement."

R1 000 seems a rather heavy penalty for a timesharer to pay when his annual levy is R650 in the off-season. But, according to Louw, the costs of administration are astronomical.

Whether the penalty is reasonable or legal will no doubt have to depend on the finer points of law.

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**BEACON ISLAND**

**Paying on time**

Beacon Island Shareblock Limited (BISL), the operator of the Beacon Island Hotel at Plettenberg Bay, has begun to impose a R250-a-week penalty on late payers of timeshare levies.

In a letter to holders of what are among the most expensive timeshare weeks in SA, BISL has informed them that as from "Week 05-1992 (the first week of February), all levies not received by Levy Administration not less than four weeks before date of occupation of said week will bear an administration penalty of R250 per week."

But, as one recipient of this "Dear Timesharer" letter points out, BISL may be ac-
ADVOCATES MOVE UP IN THE WORLD?

Will the Johannesburg Sun be the first big victim of the surfact of hotel rooms in what is becoming a tarty downtown neighbourhood.

Not now, it seems. Southern Sun group human resources director Andy Maclaurin confirms the group and the Johannesburg Bar have been approached by a third party with a view to moving advocates from Innes Chambers and Shreiner Chambers to the hotel, but, he adds, there are lease obligations over both buildings and it is "unlikely that anything will happen this year or for much of the next."

Maclaurin, who notes that Southern Sun regularly receives approaches regarding its properties, says the hotel group has already held preliminary discussions with the Bar Council over the matter.

Johannesburg Bar Council chairman Schalk Burger and attorney Michael Young, who is co-ordinating the negotiations, say the move is likely to take place in the second half of next year if the transaction is concluded. Burger confirms that discussions are taking place and adds that the Bar would like to reach a decision soon about moving. "We are considering various options. This is only one of them. The discussions relate to housing all members of the Bar under one roof in the main tower of the Johannesburg Sun."

If the move takes place, options include converting part or all of the hotel for office use. However, Maclaurin says that speculation is premature.

At Innes Chambers, which is managed by Comprop portfolio manager JHI, the Bar renewed its five-year lease in March. JHI chairman Les Well says the building was erected for the Bar in 1961 and has a high parking ratio.

The growing number of advocates over the years has meant that they have spread to occupy almost completely Shreiner Chambers at 94 Pritchard Street as well. The building is owned by Liberty Life. Leasing director Russel Ingram points out that the lease is not of a short-term nature at the moment."
Two firms offer high flying service

MORE than 50% of domestic and international airline catering serving flights out of Jan Smuts is conducted by two companies, Air Chefs and Air Caterers.

Air Caterers serves 19 intercontinental airlines, several of which are renowned for their food. Air Caterers' clients are British Airways, Lufthansa, KLM, Singapore Airlines, Cathay Pacific, Qantas, Sabena, Alitalia, Varig, Air Mauritius, TAP Air Portugal, UTA, Austrian Airlines, Swissair, Air Botswana, El Al, Air Mozambique, Air Zambia, and Air Austral.

SAA (domestic and international) and Fitterstar are catered for by Air Chefs.

Air Caterers' operations director, Karsten Tripmaker, says the standard of SA inflight catering compares well with the rest of the world. Air Caterers has received letters from Qantas and Cathay Pacific complimenting them on their standards of food preparation.

Some European airlines (and passengers) have told the company that the standard of food going out from SA is at least equal to, and sometimes better than, the standard of European-prepared food on inbound flights.

Airline food catering is a complex procedure. Tripmaker says, because in the case of Air Caterers, two kitchens have to prepare first, club and economy class menus for 19 different airlines to exacting standards.

Different airlines set different budgets for food, which dictates what the menus are composed of. Tripmaker says airlines which have built a top-class reputation for food have done so deservedly.

Tripmaker says most airlines put food as a very high priority because, along with service and punctuality, it is one of the factors that differentiates one carrier from another.
Rising food prices and recession have put the squeeze on caterers, but the opportunities offered by the privatisation of government catering, growing nutritional awareness and the emergence of the black market are positive signs. The contract catering market is dominated by three names: Fedics, Supervision Food Services and Hospitality. Darius Sanai reports.

Tuck into Africa's biggest food show

ONE of the most important events within the field of catering in SA is scheduled for June 21 to 24. This is when the first International Food and Equipment Exhibition takes place at Nasrec.

The exhibition, sponsored by Fedics, Cefa and the SA Chefs Association, will combine three exhibitions under one roof. These three exhibitions, united at one event are Fabasa, the third International Food and Beverage Show of SA, Hotel and Catering, the sixth International Exhibition for Hotel and Catering Furnishings (excluding food, beverages and food equipment) and Fecsa, the third Food Equipment Exhibition of Southern Africa.

Specialised Exhibitions organised the event and PH Dee Reaves says these three will form Africa's largest food and equipment event. Among the exhibitors will be Mahalond, Betafresh, Crop Food Service and Country Fair Foods. Dairyfarm, E W Dicks, Guinness Brewing, Quickie, Quescher, Senor Taco Fast Food and Steven Smith Associates will also be there.

Over 70% of buyers said they came for this reason: they use new equipment for furnishing. Among food and beverage managers, 70% of buyers and 70% of directors and owners concurred. Similarly, 60% of directors and owners said they came primarily to look for new equipment or furnishings. Among food and beverage managers, 60% concurred, as did 70% of buyers and 61% of chef and catering managers.

Reaves says the 1992 event, which is combined appeal, is set to make even more impact than previous separate exhibitions.
Taking the battle to the entertainers

Gone are the days when the restaurant business was complementary to the entertainment business — the two are in direct competition and restaurateurs are now also entertainers.

So says Lingher Longer group MD Ben Filmlalter, whose restaurants have established a reputation for being precisely that — places of entertainment.

"In the old days," Filmlalter says, "people used to go out to a movie or a show and then have a meal. Now, they choose between the two."

Filmlalter says recent social trends have been both good and bad news for the restaurant industry.

"On the one hand, there are many more people eating out. On the other hand, they eat out less frequently, and demand more for their money in the way of better food and better entertainment."

The rapid rise in food prices has also hit the restaurant industry. This has made previously profitable operations marginal and has forced previously marginal operations out of business.

But it is the shift to entertainment that has changed the industry the most. He says old restaurants which fail to adapt to these new trends suffer when new developments occur, the best example being the highly popular Waterfront complex in Cape Town which has drained business away from "complacent" establishments in Sea Point.

Lingher Longer's restaurants illustrate Filmlalter's line of thinking. The latest addition to the range, the Raileman Roadside Diner in Rivonia, has proved so successful in the past few months that more than 1,000 people are turned away every weekend.

Restaurants go international ahead of the tourist influx

This Italian restaurant set to open in the Lost City, Villa d'Este, will be up to the highest international standards," says Sun International group food and beverage manager John Zimmerman.

Many South Africans believe Italian restaurants are confined to pizzerias and middle-class pasta-and-escalope joints, but Zimmerman says Villa d'Este will be different.

"This will be real Italian cuisine, high-class country cooking to match the standard of the rest of the new hotel, which will be up to world standards."

Italian cuisine is varied and Zimmerman says Villa d'Este's menu will reflect the array of styles.

The primary motivation for this is to cater for the foreign tourists expected to be the mainstay of the new Lost City hotel.

There will be a change of style at other Sun International resorts.

Buffet-style catering is on the way out, with buffet restaurants like Chico's at the Wild Coast Sun and Wahoo at the Fish River Sun turning a la carte.

Costs

Buffet-only restaurants are virtually non-existent in upper-market foreign hotels. Among other reasons for their phasing out are the rise in food costs and the perceived lack of atmosphere, Zimmerman says.

Southern Sun Group Holdings catering manager Billy Gallagher says the recent launch of airline service between the Far East and SA suggests a sharp rise in the number of potential tourists.

Some Southern Sun hotels, like the Johannesburg Sun, already specialise in oriental food, and plan to extend this to other hotels, Gallagher says.

Lingher Longer group MD Ben Filmlalter agrees the future of SA's top restaurants relies on foreign tourists.

"The Lingher Longer restaurant in Braamfontein, flagship of the group, will have a primarily foreign clientele in the future. "It is like that in many other countries: customers with strong currencies move in."

Other restaurateurs believe they are already adequately prepared for a tourist influx.

Carlton Hotel catering manager Luis Pinheiro says the hotel's Three Ships restaurant is already of a standard equal to, or better than, many top hotels in the world.
Fedhasa becomes indispensable force

The hospitality industry has become SA’s single most important sector, says Fedhasa Caterers’ Guild Chairman Helmut Schneider.

As a result, Fedhasa has become an indispensable force within the industry.

Fedhasa is an umbrella organisation for a number of segments in the wider hospitality industry. The various Fedhasa segments are hotel operations, restaurant guild, caterers guild, tourism, chamber of liquor, self-catering accommodation and labour and training.

Schneider says the outlook for the catering industry is “very positive”, with the privatisation of government catering being the single most exciting factor.

“There are excellent opportunities which now exist with the contracting out of catering services previously controlled by government – for example, hospitals, schools, the defence force, the police force, and so on.

“The industry can create large-scale savings for the various government and provincial departments, as well as creating career paths for the employees and management staff in the catering departments,” Schneider says.

Healthy

The most interesting prospects for the future of the catering industry lie in several developments, Schneider says.

Firstly, menus will have to take into account “healthy and nutritional” eating to a greater degree.

In this, Fedics group marketing director Don Pigott agrees. He says managers around SA are becoming far more aware of the needs of their staff. Even at the top level the demand is increasing for different, more health-conscious menus.

The health craze has not hit SA yet in the way it has affected boardrooms in the US and, to a lesser extent, the UK, but when it arrives, Pigott says Fedics will be fully prepared.

The second development Schneider points to is the change in emphasis of future training: “It will have to emphasise the requirements of staff from previously disadvantaged communities,” he says.

In this, SA faces a major challenge, but as Pigott says, Fedics has already led the way in emphasising communication with and training of disadvantaged communities.

The new SA is already well under way in the catering industry.
**Fedics has a finger in a lot of local pies**

THE Fedics group of companies dominates the catering industry to the extent that it is possible for an executive to grab a fast-food burger en route to a meeting, eat a boardroom lunch and enjoy a high-class airline dinner, all prepared by Fedics-associated companies.

Fedics Food Services holds over 800 contracts, nearly half of which are in the Transvaal.

Its corporate clients include Nedbank head office, Old Mutual in Cape Town, De Beers, M-NET, the SABC and Hoechst. The group also includes Airport Retail Services and inflight catering companies Air Chefs and Air Caterers.

**Benefit**

Last year the company entered into a joint venture with black business organisation Fabcos to form Fabfoeds. Fedics has a 40% share and Fabcos 60%.

Fedics group marketing director Don Pigott says the aim of the new company is "to develop the catering industry in black areas countrywide by identifying entrepreneurs and informal sector operations that could benefit from training and development in the food service field".

The first stage of the operation was aimed at developing fast food outlets at service stations managed by Fabcos members. The first of these opened as a Longhorn in Daveyton on October 6.

But the aim, said group MD David Wigley, was to extend Fabfoeds’ services to other areas, including taverns, stokvels and hawkers.

Senior Fedics managers think the involvement in the black consumer market is highly significant, and it is the intention of Fedics to be at the forefront of such developments in SA.
Catra is more than just a voice for the industry

The Catering and Tourism Association (Catra) was formed 75 years ago as an organised representative of the restaurant trade for labour disputes, but director Frank Swarbrick says Catra has many more aims.

The organisation has recently developed a computerised forecasting system which, with the correct inputs, takes into account market trends and possible trends and provides those Catra members thinking of expanding or diversifying in the trade with a sophisticated financial forecast.

"We can now advise our clients, from the smallest tourist to the largest restaurant, and help with their finances, something we were not able to do before," Swarbrick says.

In addition, Catra has developed a library which can provide business advice, and the organisation provides advice for its small business members.

They can rely on us for advice, and to make representations to government on various issues, such as training and food prices.

One problem with SA is the monopolistic nature of food suppliers, and so if anyone has problems with them, they can rely on us to speak for them," Swarbrick says.

Catra has 3,500 members across the Witwatersrand, representing 93% of the industry in the region, from contract caterers to restaurants and limited licence establishments to fast food outlets.

Labour

Its main job is still in the field of labour relations. It is the trade's representative body, acting as an employees' organisation, and counter to the growing power of the unions on the employees' side.

But true to the ideals of labour relations, Swarbrick does not see the main issues as divides between employees and employers.

On the contrary, he expresses a desire to see everyone satisfied. The concept he speaks about most is fairness, and if an employer accused of unfair labour practices is found by the industrial council to be guilty, the employer should adjust working conditions.

"There are usually no hard feelings in these cases, as the dispute is seen
Which wine will open export treasure chest?

There is some debate about which direction the SA wine industry should take in its export challenge. The potential for profits is huge, but which wines should SA try to export? Should SA stick to traditional cultivars—like Cabernet Sauvignon and Chardonnay? Should it aim at the top end of the market, or go for the mass market?

KWV deputy CE Kobus van Niekerk says the co-operative is interested in exporting "all types" of wine, from the most exclusive to the most commonplace. SA has traditionally been seen as an exporter of upmarket wines. Constantia wines were once favoured by the European nobility, being drunk by Napoleon, Frederick the Great and Metternich.

But SA Chardonnays have not, until recently, been judged to be of a standard, with those coming out of Australia and New Zealand, and local Caber-
Call to restore Sea Point’s attractions

SEA POINT traders fighting competition from Victoria and Alfred Waterfront development believe revamping of the President Hotel and other sites will help restore Sea Point’s image as a premier trading and dining area.

They say claims of high prices and bad service at restaurants at the Waterfront are helping to attract people back to Sea Point with its solid service and a wide price range at eating places, built up over many years.

However, Sea Point vagrants and loiterers remain a problem, particularly at the Regent Bus terminus area.

“The first step must be to control the vagrants and loiterers. Residents find them intimidating,” said Theodore Yach, chief executive of Seeff Commercial Properties.

“Once traders have done that, they need to add a bit of imagination to their market strategies and take steps to provide the public with a sense of ease and pleasure when they walk and shop,” he added.

He stressed that if Sea Point merchants adopted a positive attitude and “cleaned up” the area’s image, the Waterfront could never replace Main Road as the main trading route for Sea Point residents.

Local traders had to stop being negative about Sea Point being a ribbon development.

He pointed out that some of the greatest shopping areas in the world were ribbon developments, such as London’s Oxford Street, New York’s Fifth Avenue and even Durban’s West Street.

“So far the Waterfront restaurants have failed to provide any significant competition to the major Sea Point restaurants — they are simply too good and well established,” he said.

There were also a few significant trading nodes from Glengarry Road and Queens Road where strategically placed well-managed traders were still faring well.

Mr Yach said areas currently trading well on the Main Road were: Centurion Building to Adelphi Centre; between Arthurs Road and St Johns Road; and Church Street to Cassell Road.

A future profitable trading area for specialty shops was from the Gallerie Centre to the Sanlam development at Bantry Bay.

He conceded that some fashion retailers, who seemed to trade better in centres, had moved away from Sea Point as a whole.

Ongoing local management efforts to “green” the area, keep it clean and improve security would help to enhance Sea Point’s appeal.

“The revamping of the President Hotel site, OK Bazaars complex and Old Mutual Place should provide the impetus Sea Point needs to regain her original vigour and vibrancy,” said Mr Yach.

Seeff calls the five-kilometre stretch of coastline from Sea Point to Camps Bay the Gold Coast.

At certain sites along it a construction contract for a single home of R1-million doesn’t raise an eyebrow anymore.

The most spectacular places are the blocks of apartments rising out of the cliff face along Victoria Road.

Here the price tags start at R750 000, a million rands is common, and a top South African businessman has paid R5.5-million for a garden flat, just above the breakers that pound Clifton’s rocks.

Garages aren’t cheap. Developers insist that designers allow at least two per apartment, and a double garage on Victoria Road recently sold for R230 000, with others going for nearly R250 000.

Samuel Seeff of Seeff Residential Properties, which has long specialised in the area, said the attraction of what it regarded as the Gold Coast was primarily the escalation in values which had not wavered since 1976.

“Every year the increase we see in Gold Coast properties have been religiously consistent, so they attract not only user-buyers but speculators.”

“Most of the buildings are now relatively new, and environmental considerations will. I hope, preclude any more stretches of the coast being opened for development purposes. They are just not making land like this anymore.”
Call to restore Sea Point's attractions

EDITED BY FRED ROFFEY

SEA POINT traders fighting competition from the Victoria and Alfred Waterfront development believe revamping of the President Hotel and other sites will help restore Sea Point's image as a premier trading and dining area. They say claims of high prices and bad service at restaurants at the Waterfront are helping to attract people back to Sea Point with its solid service and a wide price range at eating places, built up over many years.

However, Sea Point vagrants and loiterers remain a problem, particularly at the Regent Road bus terminus area. "The first step must be to control the vagrants and loiterers. Residents find them intimidating," said Theodore Yach, chief executive of Seeff Commercial Properties. "Once traders have done that, they need to add a bit of imagination to their market strategies and take steps to provide the public with a sense of ease and pleasure when they walk and shop."

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"There is significant stretch of coastline from Sea Point to Camp's Bay and the Gold Coast.

At certain sites along it a construction contract for a single home of R1 million doesn't raise an eyebrow anymore."

The most spectacular places are the blocks of apartments rising out of the cliff face along Victoria Road.

Here the price tags start at R750,000, plus a million rand as common, and a top South African businessman has paid R3.5 million, for a garden flat, just above the breakers that pound Clifton's rock.

Garages aren't cheap, either.

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St Times (Cape Metro) 2815/92
US-BASED Hyatt Hotels & Resorts is poised to open more than two ultra-luxury hotels in South Africa.

It is negotiating with investors in Dubai and the US to raise finance for its first venture into sub-Saharan Africa.

Hyatt's public relations consultant in SA Gillian Goldman, managing director of Specialised Solutions, says the go-ahead for the first hotel is expected before September.

It will be in the Johannesburg area, most probably Rosebank, or in Sandton. Hyatt, the world's largest de luxe hotel group, will manage the establishment. It is likely to make a capital investment in it.

The Johannesburg hotel will seek international business travellers and prices will be line with those of Hyatt's international network. — about R1,900 a night.

Major Because of stringent design requirements, the hotel is likely to be built from scratch by an SA developer. It is likely to have more than 200 rooms.

Mrs Goldman says that once the Johannesburg hotel is up and running, the group will probably turn its attention to Cape Town. It has looked at opportunities there.

A Hyatt market research team toured SA last year.

In December, Hyatt's international marketing director for Europe, Africa and the Middle East visited SA to evaluate plans involving more than R1-billion submitted by developers.

Mrs Goldman says Hyatt has been looking at Southern Africa for some time. It sees SA as a major area for development.
Newcomer to lift tariffs

INTER-CONTINENTAL Hotels (ICH) plans a hotel in the Johannesburg CBD in the next 18 months to two years.

A nine-man team from cities in Africa visited SA this week to mark the appointment of Skyfly as the group's general sales agent.

Richard Blamey, ICH vice-president, marketing and sales, Middle-East and Africa, headed the delegation. He says his company is looking for a management opportunity in SA.

"We are positive about it and we are negotiating with potential customers in SA. Because it would be a new property, it could take 18 months to two years to develop.

The ICH visit follows similar visits this year by ITT Sheraton and Hilton International, which also opened an office in Johannesburg. Both groups expressed an interest in expanding in SA.

All three groups have warned that if they did establish a presence in SA, hotel tariffs would be increased.

By DON ROBERTSON

Mr. Blamey says, "Hotel tariffs are much lower here than elsewhere and we would certainly look at increasing rates."

A study by ICH in the past 12 months of which cities the company should look at identified Johannesburg as one which could offer a gateway for political and economic expansion of sub-Saharan Africa.

List

"From an investigation of 90 cities, a short list of two was established, Johannesburg being one," says Mr. Blamey.

If successful in its negotiations, ICH would expect an equity interest from SA sources. The company would expect a return similar to that received elsewhere. Of more than 100 hotels it operates internationally, it owns only about 20.
Thumbs-up for Phinda lodge

CAPE TOWN — The unanimous approval given by 1 129 Masterbond investors in Phinda to the agreement reached with The Conservation Corporation (Conscorp) frees the company to proceed with its plans to build a R150m luxury lodge at Phinda game reserve in northern Natal.

The luxury 44-bed Phinda Forest Lodge was expected to be completed by the first quarter of 1993, Conscorp MD Alan Bernstein said on the weekend.

Bernstein expressed delight at the outcome of the debenture holders' vote on Friday and in the fact that the Phinda development had been freed from the complexities and confusion associated with the Masterbond debacle.

In terms of the agreement, Phinda investors would receive the full amount of their R43.2m investments, less curator fees and the amount which would have to be shared with unaccounted-for debenture holders.

The Masterbond curators had to fend off a last-minute court bid last week to prevent the vote being taken.

After negotiations, the application was withdrawn.

Bernstein said there was a need to gear up Conscorp.

About R10m-R15m would be raised during the next few years.

A 1:3 debt to equity ratio was considered appropriate.

Bernstein added that it had not yet been decided whether the source of the finance would be the commercial banks or the Industrial Development Corporation (IDC).

The IDC recently received R500m for investment in tourism projects.

He said there was a significant requirement for infrastructural development of roads and airports in the areas in which Conscorp was active.

IDC finance could be used for these projects.

By Charles Schulz
Bill to outlaw casino clubs

CAPE TOWN — Government will table a Bill today which will effectively ban the hundreds of instant casino clubs that have sprung up around the country.

Government is clamping down on “hard gambling” by shutting the legal loopholes that have allowed casinos to operate in the grey area of the law.

The new legislation would help Sun International regain business lost to smaller operations, and would put more than 160 suburban casino operations out of business, various market sources said yesterday.

Government was also expected to soften its stance on soft gambling such as lotteries, sports pools and sports wagers, and certain fundraising projects by charitable, health and educational institutions.

No new legislation is required to allow these gambling projects to operate but provincial administrators have been waiting for a signal from Cabinet before allowing them to operate.

The amendment will outlaw all casino games of chance and will use the internationally accepted definition of gambling which is “any game played with cards, dice, mechanical, electro-mechanical or electronic devices or machinery, for money, property, cheques, credit or anything representative of value”.

Casinos

The Bill will also specifically ban by name all the recognised casino games.

The main weakness of the Gambling Act is that it is open to interpretation when it prohibits “games of chance.”

Transvaal magistrates ruled that the Ace High variety of blackjack was not a game of chance and started casinos mushrooming throughout the country.

However, recently Justice Minister Koos Coetzee warned “those people who are planning or who have already made financial commitments in the expectation that control over gambling will be relaxed. Such investment may prove to be totally wasted and beyond retrieve.”

Sun International MD Ken Rosewar said yesterday he was unsure what the new legislation would entail but believed that it would give some clarity to what was legal.

He said Sun International had been affected to some degree by the opening up of smaller casinos in terms of loss of trained staff and the fact that there was less attraction for many people to drive the group’s resorts.

Sun International did not motivate that it be the only gaming operation, but he believed the playing fields should be levelled. Sun International paid levies on its casino operations and its resorts benefited tourism in the southern African region.

A suburban casino chain owner said private clubs wanted controls and would welcome them, but at the same time there had to be a free enterprise system.

Fedhosa president Theo Behrens said there were about 300 types of casinos operating within SA’s borders, Sapa reports. He described them as a “very healthy thing” and said Fedhosa was in favour of some of the funds generated by casinos going to charities.
Fairest Cape not in a healthy state

The city council yesterday voted to give the association a R240,000 grant, an increase of 15.94 percent over last year's grant.

Mr. Arthur Wiemng called for an immediate investigation into the running of the association.

Mr. Chris Joubert said the introduction of a "scratch card" game was likely to rectify the association's financial position.

A report tabled at the meeting said the association wanted a R100,000 bridging loan, which would be repaid after a year.

Chief executive officer Mr. Roger Hulley said his association's recent initiatives included recycling projects, the appointment of a fundraising assistant and a recycling field worker.
Police hurt in grenade attack as violence flares

SPORADIC violence flared up on the Reef and in the Vaal Triangle yesterday when two policemen were seriously injured in a hand grenade attack and a police patrol came under heavy automatic rifle fire.

Two members of the SAP's internal stability unit were badly injured when a grenade was thrown at them in Sharpeville, Witwatersrand liaison officer Capt Eugene Opperman said.

Education ‘a priority’

THE problems facing education were too urgent and desperate for SA to wait for a new constitution and a new education policy, De Beers training manager John Gatherer told a private sector education seminar yesterday.

"Responsibility rests on all stakeholders affected — the private sector, the community at large, as well as educationalists — to provide quality contributions to the education process while the interim period between negotiation and full implementation is with us," he said.

The two-day seminar, organised by human resources specialist CTH, looked at ways in which the private sector could be more closely involved with solving SA's educational problems.

ANC education head John Samuel warned that an education policy formulated by an interim government could end up with a mediocre solution.

Although all parties agreed that there had to be an urgent intervention in the "national disaster" of education, Samuel said there was no simple solution.

He would take years to restore the bankrupt education system, but in the meantime interested groups had to concentrate on reaching visible, realistic goals, he said.

Samuel warned business men that if they were "not brave enough" to become involved in wider educational movements, ideas from initiatives such as the seminar would be "doomed to remain in the covers of the report."

Fedhasa petitions govt over holiday

FEDHASA yesterday petitioned President F W de Klerk and Justice Minister Kobie Coetsee to allow retail liquor stores to open on Saturday, a public holiday.

This follows earlier letters to De Klerk and Coetsee asking that any transgressions be overlooked.

The national chairman of Fedhasa's liquor committee, Len Polvinc, said taking into account the accelerated end of the month trade and the fact that it was a Saturday, lost turnover could amount to R55m.

Home Affairs Minister Gene Louw announced earlier this month that the May 31 public holiday which falls on Sunday would be advanced to Saturday.

Polvinc said about a third of the R55m would be made up of excess duty and VAT. Government itself would lose about R25m.

He said "in hard times like the present we cannot afford to lose this kind of money and nor can the government. We also lost out on May 1.

Fedhasa said it expected at least some retail liquor stores to risk the R100 fine on Saturday.
RAADSKENNISGEWINGS

RAADSKENNISGEWING 112 VAN 1992
STADSRaad VAN NELSPRUIT
VERORDENINGE BETREFFENDE ORDE IN
OPENBARE PLEKKE EN OORDE

Die Stadsklerk van Nelspruit publiseer hierby ingevolge artikel 101 van die Ordonnansie op Plaaslike Bestuur, 1939, soos gewysig, die verordeninge hierna uiteengesit, wat deur die Raad ingevolge artikel 96 van genoemde Ordonnansie aangeneem is.

Woordomskywing

1. In hierdie verordeninge, tensy uit die samehang anders blyk beteken—

“openbare oord” 'n openbare oord soos omskryf in artikel 2 van die Ordonnansie op Plaaslike Bestuur, 139 (Ordonnansie No. 17 van 1939), en sluit dit verder in die Ehmkestraat-amfiteater, lapas, reservate en enige gebou, struktuur, saal, kamer of kantoor en enige faciliteit of apparaat daarin wat die eiendom is van, of besit beheer of gehuur word deur die Raad van waartoe die algemene publiek toegang het, hetsy teen betaling van toegangsgeldel al dan nie;

“openbare plek” 'n publieke plek soos omskryf in artikel 2 van die Ordonnansie op Plaaslike Bestuur, 1939 (Ordonnansie No. 17 van 1939); en

“Raad” die Stadsraad van Nelspruit en die Raad se Bestuurskomitee wat handel kragtens die bevoegdhede wat ingevolge die bepalings van artikel 58 van die Ordonnansie op Plaaslike Bestuur (Administerasie en Verklings), 1960, aan hom gedelegeer is en enige beample aan wie die Komitee ingevolge die bepalings van subartikel (3) van genoemde artikel op gesag van die Raad, die bevoegdhede, funksies en pligte wat ten opsigte van hierdie verordeninge by die Raad berus, gedelegeer het.

Toegang

2. Die raad kan met betrekking tot die gebruik van ‘n openbare plek of oord, by besluit en by wyse van ‘n kennisgewing—

(a) bepaal gedurende welke ure dit vir die publiek toeganklik of gesluit sal wees; en/of
(b) die maksimum getal beoekers bepaal wat op ‘n bepaalde tydperk aanwesig mag wees; en/of
(c) die uitsluitlike gebruik van enige gedeelte daarvan vir ‘n spesifieke doel uithou of toestaan vir sodanige tydperk as wat deur die raad geskik geag word; en/of
(d) tariewe en/of deposito’s ingevolge artikel 80B van die Ordonnansie op Plaaslike Bestuur, 1939, bepaal.

BOARD NOTICES

BOARD NOTICE 112 OF 1992
TOWN COUNCIL OF NELSPRUIT
REGULATIONS REGARDING ORDER IN
PUBLIC PLACES AND RESORTS

The Town Clerk of Nelspruit hereby, in terms of section 101 of the Local Government Ordinance, 1939, as amended, published the by-laws set forth hereinafter, which have been adopted by the Council in terms of section 96 of the said Ordinance.

Definitions

1. In these by-laws, unless the context indicates otherwise—

“Council” means the Town Council of Nelspruit, the Council’s Management Committee, acting under the powers delegated to it in terms of the provisions of section 56 of the Local Government (Administration and Elections) Ordinance, 1960, and any officer to whom that Committee has been empowered by the said section, has delegated the powers, functions and duties vesting in the council in relation to these by-laws;

“public place” means a public place as defined in section 2 of the Local Government Ordinance, 1939 (Ordinance No. 17 of 1939); and

“public resort” means a public resort as defined in section 2 of the Local Government Ordinance, 1939 (Ordinance No. 17 of 1939) and includes further the Ehmke Street Amphitheatre, lapas, reserves and any building, structure, hall, room or office and any facility or apparatus therein which is the property of, or is possessed, controlled or leased by the Council and to which the general public has access, whether on payment of admission fees or not.

Access

2. The Council may in respect of the usage of a public place or resort by resolution and by means of a notice—

(a) determine the hours during which it is open or closed to the public; and/or
(b) determine the maximum number of visitors who may be present at a specific time; and/or
(c) reserve or grant the exclusive use of any portion thereof for any specific purpose for such period as the council may deem fit; and
(d) determine tariffs and/or deposits in terms of section 80B of the Local Government Ordinance, 1939.
Byeenkomste en optogte

3. Geen persoon mag sonder die voorafverkree skriftelike toestemming van die Raad, of in stryd met enige voorwaarde wat die Raad by die verlenging van sodanige toestemming mag oplei, in of by 'n openbare plek of oord—

(a) 'n openbare vermaaklikheid reël, aanbed of byvoon nie;
(b) enige vergadering reël, hou, toespreek of byvoon nie; en
(c) 'n openbare byeenkoms of optog, uitstalling of uitvoering reël, hou of byvoon nie.

(2) Toestemming in subartikel (1) bedoel, kan deur die Raad geweier word indien dit radiale gronde het om te glo dat sodanige optrede, indien dit plaasvind, waarskynlik aanleiding sal gee tot—

(a) openbare oproer;
(b) belemmering van verkeer;
(c) openbare rusverstoring;
(d) skade aan eiendom;
(e) die pleeg van 'n misdryf;
(f) 'n gevoel van vyandigheid tussen verskillende groepe; en
(g) benadeling van die lewensgenietinge en geriewe van die publiek oor die algemeen.

(3) 'n Persoon wat die skriftelike toestemming van die Raad vir enige handeling in subartikel (1) bedoel, verlang, moet minstens sewe dae voor sodanige handeling skriftelik by die Raad aansoek doen.

Straatkolektes

4. (1) Geen straatkollekte mag in 'n openbare plek of oord sonder die voorafverkree skriftelike toestemming van die Raad, gehou word nie.

(2) Die Raad kan na goedgunne enige aansoek toestaan of weier en kan na goedgunne voorwaardes bepaal wat by die hou van 'n straatkollekte van toepassing sal wees.

Handel

5. (1) Niemand mag sonder die voorafverkree skriftelike toestemming van die Raad en in stryd met enige voorwrikte van die Raad wat by sodanige toestemming opgelê mag word in enige openbare plek of oord 'n veiling of staarmark hou, handel dryf of enigiets uitstal, vertoon of versprei op welke wyse ook al nie.

(2) Die Raad kan ten opsigte van 'n vergunning, wat ingevolge die voorafgaande subartikel verleen word, sodanige tariewe en/of deposito's het wat ingevolge artikel 80B van die Ordonnansie op Plaaslike Bestuur, 1939, vasgestel is.

Saakbeskadiging

6. Niemand mag opsetlik of op nalatige wyse enige eiendom van die Raad beskadig nie.

Afvuur van vuurwapens

7. Niemand mag sonder 'n wetlik rede 'n vuurwapen binne die munisipaliteit afvuur nie.

Gatherings and processions

3. (1) No person shall without the prior written consent of the Council, or contrary to any conditions which the Council may impose when granting such consent, in or at a public place or resort—

(a) arrange, present or attend any public entertainment;
(b) arrange, hold, address or attend any meeting; and
(c) arrange, hold, address or attend a public gathering or procession, exhibition or performance.

(2) Consent contemplated in subsection (1) may be refused by the Council if it has reasonable grounds for believing that such action, if held, would likely give rise to—

(a) public rioting;
(b) obstruction to traffic;
(c) the disturbance of public peace;
(d) damage to property;
(e) the committing of an offence;
(f) a feeling of hostility between different groups; and
(g) interference with the amenities and conveniences of the public generally.

(3) Any person who requires the Council's written consent for any action contemplated in subsection (1) shall apply in writing to the Council at least seven days before such action.

Street collections

4. (1) No street collection may be held in a public place or resort without the prior written consent of the Council.

(2) The Council may in its discretion grant or refuse any application and may in its discretion determine the conditions applicable to the holding of a street collection.

Trading

5. (1) No person shall without the prior written consent of the Council and contrary to any directive which the Council may impose with such consent, hold an auction or street market, trade, or display, expose or distribute anything in any manner whatsoever.

(2) The council can levy in respect of permission granted in terms of the foregoing subsection such tariffs and/or deposits determined in terms of section 80B of the Local Government Ordinance, 1939.

Damaging of property

6. No person shall willfully or negligently damage any property of the Council.

Firing of fire-arms

7. No person shall without lawful cause fire a fire-arm within the municipality.
<table>
<thead>
<tr>
<th><strong>Rusverstoring</strong></th>
<th><strong>Disturbance of peace</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Niemand mag die openbare rus in 'n openbare oord of plek of op 'n private perseel verstoorn nie.</td>
<td>8. No person shall disturb the public peace in a public resort or place, or on private premises.</td>
</tr>
<tr>
<td><strong>Gesondheidsaangeleenthede</strong></td>
<td><strong>Health matters</strong></td>
</tr>
<tr>
<td>9. Geen persoon mag, strydig met 'n kennisgewing, in, of by 'n openbare plek of oord—</td>
<td>9. No person shall, contrary to a notice in, on or at a public place or resort—</td>
</tr>
<tr>
<td>(a) enige vuills, afvalstof, materiaal, enige stof of ding stort, laat val of neersit of toelaat dat dit gedaan word, behalwe in 'n houer wat vir daar- die doel verskaf is nie, of enige handeling vir met wagt nadelig vir die gesondheid is nie; en</td>
<td>(a) dump, drop or place any refuse, rubble, material or any object or thing or permit it to be done, except in a container provided for that purpose, or perform any act detrimental to health; and</td>
</tr>
<tr>
<td>(b) op enige wyse water besmet of besoedel nie, of in enige water gaan nie terwyl hy aan 'n besmet-like of aaneensteeklike sikele ly of oop wonde aan sy liggaam het nie.</td>
<td>(b) pollute or contaminate in any way water, or enter any bath or swimming-bath while suffering from an infectious or contagious disease or having an open wound on his body.</td>
</tr>
<tr>
<td><strong>Strukture</strong></td>
<td><strong>Structures</strong></td>
</tr>
<tr>
<td>10. Geen persoon mag sonder die voorafverkree skriftelike toestemming van die Raad in of op 'n openbare plek of oord, enige struktuur, artikel, voorwerp of enigiets anders, behalwe 'n woonwa of tent wat vir kampersdoeleindes opgerig is op 'n terrein wat spesifi- fiek daarvoor afgesonder is, oprig of aanbring nie.</td>
<td>10. No person shall, without the prior written consent of the Council erect or establish any structure, article, object or anything else in a public place or resort, except a caravan or Tent erected for camping purposes on a site specifically set aside therefore.</td>
</tr>
<tr>
<td><strong>Drank en voedsel</strong></td>
<td><strong>Liquor and food</strong></td>
</tr>
<tr>
<td>11. Geen persoon mag, strydig met 'n kennisgewing en voorskrifte van die Raad, enige alcohooliese of enige ander drank of enige voedsel van welke aard ook al in 'n openbare plek of oord inbring nie.</td>
<td>11. No person shall, contrary to a notice and directives of the Council, bring or prepare in a public place or resort any alcoholic or any liquor or any food of whatever nature.</td>
</tr>
<tr>
<td><strong>Diere</strong></td>
<td><strong>Animals</strong></td>
</tr>
<tr>
<td>12. Geen persoon mag, strydig met 'n kennisgewing en/of voorskrifte van die Raad, enige lewendige dier, voël of vis in 'n openbare plek of oord inbring nie.</td>
<td>12. No person shall, contrary to a notice and directives of the Council, bring any live animal, bird or fish into a public place or resort.</td>
</tr>
<tr>
<td><strong>Veiligheid en orde</strong></td>
<td><strong>Safety and order</strong></td>
</tr>
<tr>
<td>13. Geen persoon mag in of by 'n openbare plek of oord—</td>
<td>13. No person shall in or at a public place or resort—</td>
</tr>
<tr>
<td>(a) enigiets binne so 'n gerief gebruik of poog om dit te gebruik vir 'n ander doel as waarvoor dit bestem of by kennisgewing bepaal is nie;</td>
<td>(a) use or try to use anything within such amenity for any purpose other than that for which it is designated or determined by notice;</td>
</tr>
<tr>
<td>(b) 'n vuur aansteek of vleis braai nie, behalwe op 'n plek wat vir daar die doel by kennisgewing aangedu is;</td>
<td>(b) light a fire or barbecue meat, except at a place indicated for that purpose by notice;</td>
</tr>
<tr>
<td>(c) hom op 'n onbehoorlike, onfasioneerlike, oproe- rige, geweldadige of onbetaamlike wyse gedra- nie;</td>
<td>(c) behave himself in an improper, indecent, unruly, violent or unbecoming manner;</td>
</tr>
<tr>
<td>(d) in 'n biomboedding loop, staan, sit of lê nie;</td>
<td>(d) walk, stand, sit or lie in a flower bed;</td>
</tr>
<tr>
<td>(e) enige dieer-, voël- of visliewe doordaa, beseer, of op enige wyse versteur nie;</td>
<td>(e) kill, hurt or in any way disturb any animal, bird or fish life;</td>
</tr>
<tr>
<td>(f) in stryd met 'n bepaling van 'n kennisgewing op gras loop, staan, sit of lê nie;</td>
<td>(f) walk, stand, sit or lie on grass contrary to the provisions of a notice;</td>
</tr>
<tr>
<td>(g) op 'n bank of sitplek lê of dit op so 'n wyse gebruik dat ander gebruikers of voornemende gebruikers dit onnoontlik vind om daarvan gebruik te maak nie;</td>
<td>(g) lie on a bench or seating-place or use it in such a manner that other users or potential users find it impossible to make use thereof;</td>
</tr>
<tr>
<td>(h) op speelparktoerusting speel of sit nie, behalwe as die betrokke persoon 'n kind onder die ouderdom van 13 jaar is; of</td>
<td>(h) play or sit on playground equipment, except if the person concerned is a child under the age of 13 years; or</td>
</tr>
<tr>
<td>(i) in stryd met 'n bepaling van 'n kennisgewing in enige openbare water, swem, loop of speel nie.</td>
<td>(i) swim, walk or play, contrary to the provisions of a notice, in any public waters.</td>
</tr>
</tbody>
</table>
Voertuie

Strafbepalings
15. Enige persoon wat—
(a) 'n bepaling van hierdie verordeninge, of van enige bepaling of voorskrif kragtens hierdie verordeninge deur 'n raad aangeneem en by kennisgewing bekendgemaak, of van 'n voorwaarde kragtens so'n verordening opgeë, oortree of versuim om daaraan te voldoen, ongeag van sodanige oortreding of versuim elders in hierdie verordeninge tot 'n misdryf verklaar is, al dan nie;
(b) enige persoon in die uitvoering van enige bevoegdheid of die uitvoering van enige plig of funksie ingevolge 'n bepaling van hierdie verordeninge opsetlik dwarsboom, hinder of belemmer; of
(c) vals, onjuiste of misleidende inligting verstrekk wanneer hy ingevolge 'n bepaling van 'n verordening aansoek om die toestemming van 'n raad doen,

is skuldig aan 'n misdryf en by skuldigbevinding strafbaar met 'n boete van hoogstens R2 000 of met gevangenisstraf vir 'n tydperk van hoogstens 12 maande.

D. W. VAN ROOYEN,
Stadsklerk.
Burgersentrum
Postbus 45
NELSPRUIT
1200.
(Kennisgewing No. 37/92)
(29 Mei 1992)

Vehicles
14. No person shall drive a motor cycle or vehicle in any public place or resort contrary to directives of the Council.

Penalties
15. Any person who—
(a) contravenes or fails to comply with a provision of these by-laws or a direction adopted by a council under these by-laws and which has been made known by notice, or of a condition imposed under such by-law, irrespective of whether such contravention or failure has been declared as an offence elsewhere in these by-laws, or not;
(b) Deliberately obstructs, hampers or handicaps any person in the execution of any power or the performance of any duty or function in terms of any provision of these by-laws; or
(c) furnishes false, incorrect or misleading information when applying for permission from a council in terms of a provision of a by-law;

shall be guilty of an offence and if found guilty shall be punishable with a fine not exceeding R2 000 or with imprisonment for a period not exceeding 12 months.

D. W. VAN ROOYEN,
Town Clerk.
Civic Centre
P.O. Box 45
NELSPRUIT
1200.
(Notice No. 37/92)
(29 May 1992)

BOARD NOTICE 113 OF 1992
TOWN COUNCIL OF KRUGERSDORP
DETERMINATION OF CHARGES: BUILDING PLAN TARIFFS, ETC.

Notice is hereby given in terms of section 80B of the Local Government Ordinance, 1939, that the Town Council of Krugersdorp has, by special resolution dated 25 March 1992, with effect from 1 April 1992 revoked the present tariffs and determined the charges as set out in the Schedule below:

SCHEDULE
1. Building plan fees:
(1) Dwelling-houses, including additions, swimming-baths, underground tanks and shelters:
R1,10 per m² or part of a square metre area per plan lodged with a minimum fee of R88,00 per plan lodged.
(2) All other buildings:
(a) For the first 1 000 m² of the area or part thereof: R2,20 per m².
FIVE-STAR COVER

Liquor outlets and restaurants, regarded by some criminals as soft targets because access is unrestricted, are being offered tailored insurance cover through the SA Restaurant Guild’s broker, First Brokerings. There are about 8,000 restaurants and 5,000 liquor outlets. Guild chairman Alan Gilson says the trade is one of the largest generators of income in the leisure business.

Salient features of the policy include:

1. Full theft, malicious damage, personal accident and assault cover.
2. Public liability covering customers’ property, takeaway and outside catering, food poisoning, legal defence costs, and wrongful arrest.
3. Business interruption and loss of revenue through theft, suspension or forfeiture of liquor licence, infectious disease, murder, arson and theft.
4. Sanitary defects, pollution of gas, heating, water or bomb scare.
5. Shark attack and failure of public utilities.
Battle looms over gambling Bill

GOVERNMENT's proposed gambling crackdown may not become law before Parliament adjourns next month and may come into effect only next year.

In that case, the existing law will remain in force and gambling clubs making use of the current loopholes will be able to continue operations for the time being.

The DP and other political parties are opposed to the proposals and will reject any attempt to rush the Gambling Amendment Bill through Parliament.

The Bill, tabled on Wednesday, proposes penalties up to 10 years' imprisonment or fines up to R200,000 on illegal gambling.

It now has to go to the joint committee of Parliament on justice before being debated by Parliament.

It is understood, however, that the Bill is not even on the agenda for the committee's next meeting, scheduled for next Wednesday, and it is generally expected that Parliament will adjourn on about June 19.

There is some speculation that Parliament may reconvene in August because of the amount of proposed legislation to be considered, but if it does not then the Bill may be debated only in February.

Yesterday, a DP member of the justice committee, Robin Carlisle, said his party had "deep reservations about the Bill, as it does about any Bill which has a fundamentally hypocritical approach."

"A Bill which seeks to crack down on a particular form of gambling, while the principle of gambling is accepted, gives us a lot of problems."

Opposition MPs are expected to argue that the Bill should be considered in depth, with evidence, before being accepted.

They are expected to propose a number of amendments to the Bill. This will also delay its passage through Parliament.

It is also suspected that the major beneficiaries of the proposed Bill are the owners of the casinos in the independent homelands, namely Sun International and horse racing interests because it will eliminate competition.

Kathryn Strachan reports that the intended crackdown has sparked an uproar among casino owners. They said that if...
Local casino operators, furious over the Gambling Amendment Bill tabled in Parliament on Wednesday, have accused international hotel and casino chain Sun International of pressuring the Government to put them out of action.

If passed, the new legislation would outlaw any "gambling game" — whether the outcome is determined by chance or skill. Gambling games would be expressly defined to include those involving cards, dice or machines.

In terms of the Bill — which could become law by the end of next month — casino operators would face fines of up to R200 000 (and/or 10 years).

"Who's putting the pressure on the Government to get this through Parliament? Who is going to benefit? Only Sun International," said Hyman Suzman of the Jack-O-Black group, which runs 13 Johannesburg casinos.

According to Peter Jackson, owner of the fledgling Emperor's Club casino in Malvern, "the word on the street is that Sun International is worried about the competition".

"I'm sure most people would rather gamble close to home than take long, dangerous trips to outlying areas. "Every time Sun International wants to open a new casino, someone just grabs the map and redefines the borders of Botswana."

Reacting to the accusations yesterday, Sun International marketing director Ken Rosevear said it was "laughable that small operators think we are gunning for them".

But he admitted that Sun International and other groups had lobbied the Government and complained about the burgeoning casino industry.

"When these places started popping up, we asked if we could consider opening casinos in South Africa. "When we were told it was illegal, we lobbied for the Government to put a stop to illegal gambling," Mr Rosevear said.

"All we want is clarification of the law and some control measures."

SAP liaison officer Captain Eugene Opperman said yesterday that Witwatersrand police were in possession of "intelligence" about casinos and, if the Bill were passed, they would act on that intelligence.
COMPANIES

Aroma forced to cut payout

LINDA ENSOR 2-88

CAPE TOWN — Operating losses at Aroma Liquor Holdings' Western Cape hotel resulted in a 16% decline in group earnings to 1.1c a share (from 3.7c) in the year to end-February, halving the annual dividend to 1c a share. 27/11/92

MD Mike Kovensky said an aggressive marketing campaign had increased room occupancy and turnover at the hotel, Cape Rendezvous, situated between Cape Town and Paarl. The higher turnover together with tight control of costs resulted in the operating loss being contained.

Group turnover increased by 22% while operating income fell 18% to R1m (R1.2m) and attributable income fell to R492 000 (R579 000).

Kovensky said Aroma had performed better than mid-year expectations, with liquor stores trading relatively well in difficult conditions. However, the volume of liquor sales was under extreme pressure and there had been significant down-buying and switching of brands.

He said the group had gained market share and was well placed to take advantage of any upturn, but he did not believe the industry had felt the full effects of the recession.

Short-term prospects were linked to the awaited economic upturn and the expected increase in tourism.
Segmenting the market

The best companies offer a product for each segment of their market—and in the process stop the competition from filling a niche and getting a toehold in the business. SA Breweries has done this for years. Now, with overseas hotel companies sizing up the local market, a restructuring at Southern Sun has divided the hotel grouping into five distinct brands—as opposed to its former split between the top and budget ends of the market.

The five brands are: Southern Sun Hotels, five- and four-star hotels targeted at the upmarket guest; Southern Sun Resorts, three- and four-star resort hotels focused on the leisure market; Holiday Inn, a value-for-money chain concentrated on the business traveller; Holiday Inn Garden Court, a new chain offering low-priced rooms to business and leisure travellers; and Formule 1, a limited service hotel aimed at the budget market.

Under the old structure, divisional managers sometimes had responsibility for both Southern Sun and Holiday Inn hotels in their region. Now brand managers will be responsible for specific hotel brands in the group.

Group MD Ron Stringfellow feels that the restructuring, which was advised by overseas consultants engaged by the group, will result in a tighter focus on guest needs and competitor strategies in the various market segments, as well as less confusion for the client.

He expects the Holiday Inn Garden Court chain and the Formule 1 hotels initially to benefit from the change. But, as international tourism expands, he expects the five-star hotels and resort hotels to come into their own. The group previously “focused primarily on its two major brands, Southern Sun and Holiday Inn.”

Stringfellow admits that part of the reason for the change was to make the entry of overseas hotel operators into the SA market “as difficult as possible.” It’s an open secret that groups such as Best Western, Hilton, Sheraton, Intercontinental, Ramada and Hyatt have been eyeing SA. But there are limited opportunities, leaving the overseas

chains to complain that the market is dominated by a handful of powerful players who have left few gaps.

Since the launch of the Holiday Inn Garden Court chain in February, with the conversion of the Bloemfontein Sun to a Garden Court facility, a new Holiday Inn Garden Court has been added in Durban with the conversion of the Malibu Hotel.

Garden Court operations director Heider Pereira says six more Holiday Inn Garden Courts will be in service by September. They are the Newlands Sun, Kimberley Sun, Port Elizabeth Sun, and the Ermelo, Harrismith and Newcastle Holiday Inns.

Pereira says Garden Court accommodation is now priced at between R119 and R139 a room, depending on location and amenities, while Formule 1 accommodation is R74 a room. Other hotels in the group are priced on a per-person basis.
Tourism is suddenly the golden boy of government's economic policymakers. Rumours are rife about measures to boost the economy without offending the ANC or causing any immediate pain, government has decided that tourism could be one of the ticket-winning sectors.

Government could cut taxes, but even a temporary drop in revenues until the supply-side effect kicks in is not enough to win over Pretoria. Or Optimists, who can cut tariffs, but the short-term job losses until industry becomes more competitive makes officials blanch. And the opposition to privatisation is too strong, government believes.

But increasing tourism creates jobs and brings in much-needed income and the short-term costs are almost non-existent. The special interests lined up against such an effort — SA Airways is really the only one major player — have been easy to overcome.

The fear, of course, is that SA will be too successful — that the tourists will come in hordes, overwhelming the infrastructure, driving up prices, despoothing the landscape. The stereotyped image of Spain's Costa da Sol is conjured up, wall-to-wall condominiums, blotting out the sun, obliterating the local colour.

The fear is unfounded. SA will always be a long-haul destination, so it will always eat up most of low-volume, upmarket travellers. SA gets very few tourists now — less than one-hundredth of what Spain gets — so it can afford decades of tourism growth before the word "invasion" can be used. Meanwhile, the country will enjoy the better hotels, restaurants, shows, service and other benefits of being on the international map.

So, after years of government's back-burner, tourism has received three big boosts in the past month. The first was government's decision to reduce the restrictions on international flights by allowing more airlines to fly the overseas routes, giving airlines more freedom to set prices, and easing the limits on charter flights (Business & Technology May 8). This will undoubtedly encourage a lot more visitors.

The second was the White Paper on Tourism — tabled in parliament and released in Durban on May 13 by Tourism Minister Ofrin Marais — which will remove some regulations that hinder tourism. And the third was the announcement by the Industrial Development Corp (IDC) that it had earmarked R600m to finance the expansion of existing, and the development of new, eco-tourism facilities. Together, this is what the tourism industry has been demanding for years — a signal that government accepts that foreign tourism has the potential to eventually earn SA more in foreign exchange than all the gold that has been dug out of the ground.

The White Paper does have its flaws. For one, it may leave government's SA Tourism Board (Satour) with too large a role in promoting SA. A government agency taking too strong a role in promoting a country, as opposed to the private sector, can often sow the seeds of a dreaded tourist invasion. Private airlines, hotels and other private tourism businesses will tend to match their marketing efforts to what they can handle. Government tourism agencies don't have that restriction so they overpromote; Spain is a case in point.

But generally government is trying to get out of the way of the industry as much as it can. Transport Minister Piet Welgemoed says he has laid the table, it was now up to the industry to adorn it with silver cutlery and bring on the best Cape wine and lobster. Marais said he hoped tourism would "kick-start the economy."

IDC MD Carol van der Merwe said the R600m was allocated because it was realised that "the lack of adequate, suitable accommodation in, and adjacent to, game parks is a major inhibiting factor to SA's growth as a foreign tourist destination."

He also lined up with the "we-don't-want-an-invasion" crowd when he said: "The IDC's initiative will assist in enabling our country to attract high-yield tourists, rather than high-volume, low-yield package tours that do more harm than good if not properly controlled."

Despite the initiatives, don't expect an instant influx of new tourists. Tourism will increase, but it will be gradual, and the industry will cope, says Peter Hearfield, executive director of the Federated Hospitality Association of SA (Fedhass). Hotels are operating at 49% occupancy. During last December, which was a good month for overseas tourism, foreigners occupied only 11.9% of all the beddings sold in SA hotels. Even if their numbers were suddenly doubled, the hotel industry would accommodate them.

Despite the high hopes government is pinning on tourism, it's a delicate industry that responds with frightening speed to disaster and perceived danger, but takes a long time to respond to good news. It didn't take many days for the Gulf War to damage tourism worldwide, and virtually eliminate the Middle East as a destination. And we, in SA, know only too well how prone it is to an inauspicious political action or statement — not to mention the enforced isolation and the continuing violence.

Delano Caras, CE of Kessel Feinstein Consulting (formerly Horwath Consulting), developed a model that shows that, had the flow of tourists from overseas not been interrupted by the 1976 Soweto riots, and had former State President P W Botha not delivered his infamous Rubicon speech in 1985, SA would already have been attracting 6m?7m overseas tourists a year — about 15 times what it attracts now.

Tourism has been growing as apartheid has been abolished and the country has moved towards a full democracy. Satour statistics show that SA attracted 432 000 visitors from Europe last year, compared with 413 000 the year before. In total, the country attracted 1.4m visitors last year, up from 821 700 in 1990.

But that's an inflated figure; it includes those who walk across the border to buy their groceries and go back the same day, which makes them more of an asset to the retail trade than to the hospitality industry. With few exceptions, holidaymakers from neighbouring countries in Africa stay with friends or family. Including them, SA accounted for only 0.2% of the world tourism market, and earned R2.5bn from foreign tourism last year.

The real target market for SA is those who come here by air, whether from overseas or Africa. These are the high-yield tourists. All who come here on business and most who come on holiday stay in hotels and pay for everything from accommodation and entertainment to hamburgers on the beach with rands obtained by exchanging their own currency.
THE Indaba Hotel, at Four-ways north of Johannesburg is to be doubled in size at a cost of R12-million. 3/15/72.

Indaba was bought in 1969 by Karoo Hotels, which spent R3.5-million upgrading the 122 rooms, restaurant and patio areas the same year.

After the refurbishment, there will be 210 rooms, a new reception area and more parking. The Indaba is equipped for conferences and leisure.

Karoo's chief Stan Hoffman says the hotel is being improved in expectation of increased tourism and foreign business travel.
Massmart to get control of Drop-Inn

WOOLTRU subsidiary Massmart Holdings, the holding company of Makro, is to acquire control of liquor wholesaler and retailer Drop-Inn in a R15.6m deal. This follows three earlier cautionary announcements by Drop-Inn.

Massmart and Drop-Inn announced at the weekend the acquisition of an 89% stake in the company had been concluded, subject to Securities Regulation Code approvals and the go-ahead of the JSE.

"In terms of the deal, Massmart has offered Drop-Inn chairman Samuel Beale and his family 19c a share. Acceptance of this offer would enable Massmart to acquire about 99% of the company's shares," Massmart MD Mark Lambert said Massmart, "was keen to acquire sufficient outstanding minority interests to delist Drop-Inn."

Following the offer, Massmart would make an offer to minorities. Massmart MD Mark Lambert said Massmart, "was keen to acquire sufficient outstanding minority interests to delist Drop-Inn."

Drop-Inn operates a chain of 17 retail stores in the western Cape. The Makro wholesale chain operates eight liquor wholesale outlets across the country. According to the announcement, Drop-Inn would continue to operate independently.
Sacit urges ANC to join in talks with business sector

The open-ended nature of several of the ANC’s economic proposals is unlikely to inspire local or foreign investor confidence, according to the South African Chamber of Business.

Reacting to the economic policy adopted over the weekend at the ANC policy conference, Sacit said yesterday there were two disturbing areas with regard to the liberation movement’s economic policies.

These were the continued emphasis on nationalisation as an option, and certain curbs on foreign investors.

“Such policies would serve to weaken instead of strengthening foreign investor interest in a situation where South Africa is today starved of foreign capital and imported technology,” Sacit said.

The business group also expressed concern on the issue of taxation, saying clarity and certainty needed to be reached as soon as possible on a future fiscal policy for the country.

Sacit urged the ANC to enter into discussions with the business sector to move towards agreement on future economic and social policies.

RCI to run holiday points system

There is a growing trend among timeshare buyers to seek flexibility in their choice of holiday time and destination.

This has led to companies selling points for exchange rather than ownership of weeks at a particular resort.

In line with this, Resort Condominiums International (RCI), the largest holiday exchange organisation, is to administer the new Multi Resort Ownership points system.

RCI managing director Steve Griessel said: “Under the MRO system, points bought may be used as ‘currency’ each year to take one or more weeks, weekends or midweek breaks at a variety of resorts within the system. He is confident that the RCI link will mean MRO avoids the problems previously encountered by buyers in some similar schemes, such as an inability to meet demand due to too few weeks being held by the management company in relation to the number of points being sold.

Remarkable turnaround at Boumat

Boumat’s earnings per share recovered remarkably in the year to March, rising from 7c to 48c.

But the total dividend has been cut from 48c to 10c. Previously, a proportion of shareholders’ funds was made available for dividends, regardless of earnings.

Boumat has, however, now reverted to the normal dividend cover formula.

Chairman Sidney Borsook says sales grew 6.5 percent to R1.16 billion, but that operating profit improved 35.8 percent to R93.3 million.

He says the construction industry had been hit harder than most by the “prolonged and deteriorating economic position.”

He expects residential construction to improve, though not commercial and industrial building.

Mr Borsook expects further improvement in asset management and profitability, although he feels there will be little improvement in the trading environment.
'Gem junkies’ cause for optimism

DIAMOND addicts and the diversity of De Beers’ interests were the keys to the group’s long-term prosperity, Chairman Julian Ogilvie Thompson and deputy chairman Nicholas Oppenheimer said at an investors’ presentation hosted by Davis Berkum Hare in Johannesburg yesterday.

Oppenheimer said research showed that once a consumer had bought one diamond, he or she craved more.

The gem’s addictive qualities meant there was still scope for growth in the key markets of the US and Japan, which were far from saturated. De Beers was interested in new areas of economic growth such as South East China, where it had started a low-key marketing campaign.

The fourth diamond sight this year indicated an increase in demand for rough diamonds, confirmed by indications from the current sight. Sales, though likely to be lower in the first half of this year compared with 1991, would be higher than last year’s levels in the second six months of 1992.

Illicit diamond business in Angola could be worth more than $100m this year. The Central Selling Organisation, De Beers’ marketing arm, was buying up what Angola supplies it could.

Ogilvie Thompson said De Beers’ investing diamond profits in areas outside the industry allowed it to ride the troughs in the commodities cycle comfortably.

Servgro looks forward to a year of prosperity

SERV Gro International, the services group in the Sankorp stable, would raise R140m when it listed on the JSE in July or August.

Executive chairman Piet van der Walt said in an interview yesterday Rand Merchant Bank had valued the group’s companies at R857m, and Servgro would place about 25% of the shares in a public offer. This could be through the issue of about 27 million shares at R5 each.

The R140m would be used to repay controlling shareholders’ loans, and about R60m would be retained in the company for expansion.

Servgro’s interests include Interleisure, Teljoy, Avis, Interpark, Fedics and Price Forbes. The company announced at the weekend that it had also acquired a 25% stake in National Post (Naspers) from the Federale Pension Fund and Sanlam, making Servgro the largest single shareholder in Naspers.

Van der Walt said the investment in the mass media market, particularly Naspers’ magazines and television interests, blended in with its focus on the leisure market.

Van der Walt said it was a difficult time to go to the market, but various institutions had shown an interest in the leisure and services group. He said that both the leisure and services industries showed strong growth possibilities.

- The group, which had interests in tourist-oriented Avis, Fedics and Protea Hotels, was looking at increasing its exposure to tourism. In this light, Fedics was undertaking a large inflight catering project at Jan Smuts airport.

The service companies within the group covered a wide range of activities, but there were similarities in terms of management issues, Van der Walt said.

While the service companies normally generated strong cashflow, the group also had capital intensive companies in its portfolio, like Avis and Teljoy.

Van der Walt expected “a fair growth” in earnings in the coming year. This would be dealt with in the group’s prospects.

Abcon confident of netting goals

WHILE the market for prime decentralised offices still reflects chronic oversupply, activity in the sector has dropped substantially.

However, equilibrium between supply and demand was only expected by the third quarter of 1993, Abcon Properties chairman Dirk Conradie said in the annual review yesterday.

He said: “Rental levels especially in centralised office areas have declined in nominal terms while decentralised areas have not shown any signs of growth.”

The industrial letting market also reflected a decline, in the number and quality of letting inquiries, while speculative industrial developments had practically ceased.

Abcon was listed on the JSE on December 2 1991 and its performance in the three-months to end-February was slightly ahead of the forecast.

“In spite of the difficult economic environment that has seriously affected the property market, we are confident in distribution forecasts for the year to end-February 1993 will be achieved,” Conradie said.
CASINO GAMBLING

Who’s rolling the dice?

Everybody knows gambling is bad, or so government thought. Now it knows differently. What it believed was a routine Bill to reaffirm the ban on casinos in SA, outside the four independent homelands, has run into a firestorm of opposition.

The draconian Gambling Amendment Bill introduced last week has come under attack from all sides. It’s protectionism for Sun International, which owns all the casinos in the homelands, and the horse tracks, some charge. It’s bowing to the churches, which claim gambling is immoral, though no doubt some of their members drive to Sun City every weekend.

The estimated 1 500 casinos that have opened in SA since a loophole in the law opened in November have become a powerful lobbying force in their own right. Anyone with premises and the money to buy the equipment can start one, and companies as prominent as Karos Hotels have done so. They say they’re creating hundreds of jobs and paying millions in tax revenue to SA, which doesn’t get a cent from the homelands casinos.

The opposition is so great that government may not be able to push the Bill through by June 19, when parliament closes. That means the upstart casinos may be around until at least next year, growing in number and economic clout. By then they may be too powerful to shut down, and meanwhile the homelands may have rejoined SA. So by default, SA may enjoy one of the world’s most deregulated environments for gambling. All against government’s wishes.

The saga started with a judgment in November in the Vanderbijlpark Regional Court that upset the 1965 Gambling Act, which allows only games of skill. In effect, this judgment decided that by changing the rules of blackjack and other card games, they become games of skill, not chance.

Government says it needed no pressure from Sun International, the horse tracks or any other group to plug the loophole, says the Justice Department’s Nic Grobler. The new Bill would ban all gambling in SA on games involving cards, dice or machines, whether the outcome is determined by skill or chance. The Bill calls for up to 10 years in prison and a R200 000 fine for violators.

DP MP Tony Leon, who is leading the charge in parliament against the Bill, doesn’t quite believe government’s claim that it was all its own idea to introduce the measure. He points out that both Sun International and the horse racing industry have been hurt by the proliferation of casinos. Then there’s what he calls the Calvinistic constituency, which opposes all gambling on moral grounds. This lobby long used its pull to prevent Sunday movies, cleverly covering its tracks all the while, and there’s no doubt its influence was felt in the gambling Bill.

Leon says the Bill was to have been discussed by the Parliamentary Justice Committee this week. “But government can reject its proposals and, if determined enough, can get it through in a week, provided it’s passed by all three houses. If it isn’t passed, the President has the right to let it lapse or refer it to the President’s Council.”

“Is government determined enough to get it through parliament, or by introducing the Bill is it merely bowing to a pressure group?” If the Bill doesn’t get passed, government will be able to go back to that group and say it tried but failed.

Sun International group CE Ken Rose- veur denies that his company ever pressured government. But he makes no bones about “asking the government for clarification on SA’s gaming laws.” He adds: “We wanted to know whether the new casinos were legal. If so, we wanted to consider having casinos in SA too.”

He admits that the new casinos are hurting Sun International, both by cutting into revenue and luring away staff. There’s no point in anyone from Durban travelling two hours to get to the Wild Coast Sun to gamble when there are gambling facilities right on the Marine Parade in the Karos Edward.

Sun International, he says, “is not saying there must not be gaming in SA, but it must be rigidly controlled.” And he has a list of the controls he means.

“Government must appoint a commission of inquiry and decide which areas casinos can be allowed to operate in, whether it wants them in urban or rural areas and pinpoint the exact locations; how many will be allowed and the taxes they will have to pay. It must also decide what it will do with the taxes. In Atlantic City that money is used for pensioners.

“We believe they should be attached to a tourist attraction, and casino rights should go up for tender, which may attract the international operators.”

Like Roseveur, Colin Dunn, chairman of the Highveld Racing Authority, “approached government for clarity on its policy.”

He says alternative gambling is hurting racing, “so if alternative gambling is to be allowed, the racing industry would, where appropriate, want to be involved.”

He adds: “Our totalizators would be the best way, for example, to handle a lottery. If there’s widespread gambling, we want tax relief. We’re taxed on turnover, we don’t want other gambling to be taxed on profit.”

There’s a simple answer to all of this, of course, if politics didn’t get in the way. Gambling is no more immoral than smoking or drinking, and probably less harmful. So there’s no argument for restricting casinos to certain areas. Let them open wherever they want, with just a few simple regulations on the age of the players (no-one under 18), noise, and perhaps a few other items. And levy a high sin tax, just like the ones on tobacco and alcohol.

Casinos won’t open on every corner because the saturation point will quickly be reached. Atlantic City is the only place in the eastern half of the US where casinos are allowed, and saturation was reached with just about 20 casinos. And there’s no need to license casinos either; licences only create opportunities for bribes and payoffs. The casinos that don’t follow the few rules will simply be fined or shut down.

If this is all too much for government, then it could practise what it keeps preaching at Codesa — federalism. Let each town decide the casino issue itself.
ANC president Mr Nelson Mandela yesterday officially received a report on Business and Environment in South Africa, commissioned by Pick n Pay head Mr Raymond Ackerman, at a function in Johannesburg.

The report, prepared by the International Business Council for Sustainable Development, points out that the present development status of Southern Africa has been achieved mainly by selling off natural assets - irreplaceable minerals and almost irreplaceable wildlife and forests.

"With natural riches rapidly depleting, and severe degradation of agricultural potential, together with a wide range of both deliberate and ignorance-based assaults on the ecosystems of the region, the mostly unsuspecting population is facing catastrophe, yet is doubling every two decades."

The BCSD report said that tourism, especially eco-tourism, offers the only large-scale opportunity for replacing mineral exports as a source of essential foreign exchange, employment and economic survival.

Tourists would not be attracted to slums, crime, disease, extinct animals, derelict veld and a ravished visual environment.

Development of a national and regional ethic of informed environmental concern will be prerequisites not only for leaving something for tourists to see but for feeding the population.

The ANC welcomed the report, saying the organisation was committed to an environmental policy that will secure sustainable growth and create a safe and healthy environment.

The report is to be presented to State President PW de Klerk on his return from his overseas trip on June 18. The document is part of Southern Africa's private sector input to the Earth Summit.

Professor Stan Sangweni, the ANC's chief environmental spokesman recently said of the potential mining threat to St Lucia's eastern shores: "It is most dangerous and irresponsible to damage the precious, internationally valued resource, which cannot be restored, whatever the miners say."
ANC TAKES ON V & A BOSSES
OVER ‘ALL-WHITE’ WATERFRONT

Race row tarnishes jewel of harbour

BY EVE VOSLOO

A TOP-LEVEL meeting has taken place between the African National Congress and the Victoria and Alfred Waterfront company about ANC concerns that the development has an all-white image and "excludes the broader community at large".

The meeting was confirmed this week by the director of the Waterfront, Mr Jack Davidson, and ANC Western Cape Regional Executive Committee member Mr Basil Davidson.

It was also attended by ANC regional chairman Mr Allan Boesak, the chairman of the V & A company, Professor Brian Kantor, and city councillor Mr Sol Kliner.

Favourable

Mr Davidson, the ANC regional executive committee member dealing with development-related issues, said that week that certain opinions had arisen about the waterfront, "given that the development is on public property".

Three included the privatization of public property "without consultation with the broader community", he said.

"We discussed the reservation of the board and the section of the community which has access to the opportunities offered by the development. Both of these are perceived as broadly white and of privilege in general," he said.

"We also discussed the question of the waterfront and how, as a result, the broader community was under-represented — even now, most of the waiting staff are white — and that the target market of the development was not representative of the population of Cape Town.

The ANC believed it had not received a "reasonable response to its representations.

"We were more or less told that free market forces would determine who came in and who was employed at the Waterfront," Mr Davidson said.

He said, however, that it had been agreed to meet again.

The director of the Waterfront, Mr Jack, said all criticism was noted as there was high public interest in the project.

The Waterfront was open to everyone, he said.

Anyone could put forward a proposal, he added, and presented it to the overall concept of the Waterfront and was based on financial principles. It would be considered on merit.

This was as it was the company had received no finance from the state or the province, Mr Jack said.

"All interested parties were asked to put forward their ideas from the initial planning stages," he said.

Mr Jack said people of colour were involved in the Waterfront as employees, owners of businesses and contractors.

"One of the great successes around here is that of Mr Patrick Kowalowsky, who sat at the start and has now been in charge of a Hairan restaurant and a Hairan beauty parlour," he said.

"There are other examples of people who have shown initiative in the Waterfront — and who, as a result, have shown initiative in the development — and who, as a result, have shown initiative in the development.

"Among them are Sally Petersen, who has been instrumental in starting the Dock Road Theatre complex, and Abdulah Badeno and his wife, who have been involved in the hotel business.

"Mr Jack said the development was aimed primarily at local people — who accounted for the more than 50 percent of visitors — and not at foreign tourists.

The company also had educational programmes, designed to teach children about the South African fishing industry as well as the harbour and its history.

Success

The chairman of the V & A company, Professor Brian Kantor, said there had been a lot of acceptance initially about the project.

"Now that it was successful, people who had not been involved earlier would now be involved, with all the opportunities for the people.

"We want to provide opportunities for people of all backgrounds, based on merit. The development is open to all and the opportunities are being opened up to everyone.

"This is not a charity, but an affirmative action of some sort."

REGINALD CAVOWT

New auxiliary bishop

By EVE VOSLOO

A RUGGED-LOOKING former navy chaplain with an innate sense of humour and a penchant for combating parish business in blue jeans is the new Catholic Auxiliary Bishop of Cape Town.

Monsignor Reginald Cavowitz, appointed to his new position by Pope John Paul II, is vicar-general of the Archdiocese of Cape Town. He is also priest-in-charge of Holy Cross parish, which includes parts of the old District Six.

In 1968, after working extensively with the deaf for six years, he became the first Catholic to be appointed chaplain to the South African Navy and held that position for 16 years.

Born in Republic in 1936, Monsignor Cavowitz was the second of four sons of one of South Africa’s most successful newspaper editors, Mr Willie Cavowitz. His mother, Mary, who lives in Cape Town, was born on Robben Island while it was a leper colony but raised in comfortable surroundings on the other side of the world.

He met his future wife, Pauline, while she was a student at Sacred Heart College in Bellville and they were married in 1963. They have three children: a son, 16, and two daughters, aged 12 and 9.

After an initial appointment as chaplain to a navy ship, he was also chaplain to the navy in the Western Cape and served on three ships.

"It was a hard job," he said. "It was a hard job, but it was a very rewarding one."
Hambros-led consortium looking at SA

By Garner Thomson

LONDON — A British-led consortium, headed by merchant bank Hambros, is about to embark on an investment programme in South Africa, which financial commentators believe could set the tone for others to follow.

Hambros, which has South African ties stretching back over more than 50 years, has targeted the tourist trade as its point of entry.

It has raised £12 million (R100 million), which it plans to invest in environmentally friendly tourism.

About £5 million of the capital has come from Scottish and American trusts and funds and South African institutional investors have found the balance.

Much of the cash will find its way through the Conservation Corporation, to Phinda game reserve in northern Natal, where luxury game lodges and extensive animal re-stocking are planned.

Hambros executive Jonathan Klein, who spearheaded the fund-raising campaign, was hampered by investors' continuing reluctance to start investing in an uncertain South Africa and by the high-profile collapse of Masterbond, the property finance company which originally funded Phinda.

According to one financial source in London, the ANC appears to have given the Phinda project the go-ahead on the grounds that it will create jobs among the black community and return resources to the land.

Other observers say Hambros could be blazing a trail for a substantial upturn in investment — although a drop in tourism could effectively damage its plans.

Lower air fares are expected to boost tourism, but political uncertainties are still giving many investors and travellers cause for careful consideration.
Comores set for 30% more tourists from

But it allows us to control the air fare content of the holiday package price, which is normally very high.

If you go to Mauritius, for instance on a R3 500 package, R1 700 of that goes on the fare.

The SA holiday market is very price-conscious at present.

It is definitely price-driven.

“We had to find a way, not only of keeping the air fare down, but of fighting the horrendous effects of SA inflation, which impacts directly on the economy of the Comores because all supplies from lettuce and tomatoes to medical equipment are imported from this country.

By chartering the aircraft we can keep down both passenger and freight costs.

The aircraft carries about four tons of cargo to the islands every week, of which about 1.5 tons to two tons is ours.”

The charter means: “We can knock R200 off the price of holidays and offer a package of R2 950 for eight days and seven nights on the island with breakfast and dinner, watersports and the return air fare.

Special packages for people over 50 and for licensed divers going on diving holidays are offered at R2 750.

At other Indian Ocean resorts are feeling the effects of the recession, 30% more SA holiday-makers will go to the Comores this year.

Bruce Hutchison, MD of World Leisure Holdings, explained on a visit to Cape Town yesterday that this is mainly because the cost of package holidays at his Le Galawa Beach Hotel on Grande Comore has been kept down by chartering the entire freight and passenger capacity of the weekly SA Airways flight to and from the island.

“We had to enter into a commitment to pay SAA in the region of R150 000 a week.”

Sides are winning. The customers are holiday last year’s prices and the hotel more money.”

Hutchison says the 183-room hotel will have an occupancy of 70% throughout the year.

“Hutchison says the 183-room hotel will have an occupancy of 70% throughout the year. The figures for Mauritius being down 40% and the Seychelles 50%.”

SA tourists are still in the majority.

“Hutchison aims at eventually attracting 50% of hotel guests from Europe.”

But this year the proportion of foreign guests, mostly from France, will be 38% compared with 10% last year.
Propnet negotiates waterfront projects

WATERFRONT proposals for Propnet's East London and Port Elizabeth developments are under negotiation, with nothing yet finalised.

Propnet is still negotiating with a number of consultants on revitalising and developing part of the East London harbour, dubbed Lantern Bay.

"A meeting is scheduled this week to discuss proposals and the structure plan and we will take matters from there," Propnet CE Fuzz Loubsker said. The 17 000m² site is situated on the northern bank of the Buffalo River and is the only commercial SA harbour on a river.

It is envisaged that this harbour development will be far smaller than the Victoria and Alfred Waterfront in Cape Town, but will have some similar facilities.

The first phase would comprise 3 600m² and possibly include restaurants, bars and pubs. Two buildings would be renovated.

However, while the council has granted development rights, financing has not yet been finalised.

"The development will provide access for the people of East London to the waterfront and provide opportunities for entrepreneurs and local business," Loubsker said.

The Port Elizabeth project was awaiting city council approval of the framework and structure plan. "A team of consultants was called in to look at what would be suitable, but this is also dependent on its economic feasibility," he said.

However, in another development, construction on Harbour Island — the R300m Gordon's Bay development — is two weeks ahead of schedule.

"The first phase consists of 58 residential units, two inland basins, a small harbour and slipway, shops, office accommodation, a mariners' wharf and holiday suites," Pam Golding Properties (Tvli) project division manager Kees Thijs says.

While work on the first phase of the Harbour Island development only started four months ago, blasting for one of the basins is complete and half finished on the second.
NELSPRUIT — Twelve PWV tour operators and travel agents visited Nelspruit this week as part of an active tourism promotion campaign for the region.

First stop was the Lowveld Botanic Garden at Nelspruit where several firms displayed what they had to offer.

These included exclusive and homely accommodation, walking trails, safari excursions, gold panning facilities and canoeing.

Welcoming the visitors, regional services committee chairman Schalk van Schalkwyk said the object was to:

- Assist in marketing all tourism businesses in the region, particularly those with limited budgets.
- Create an awareness of investment possibilities in agriculture, commerce and industry.
- Substantially increase tourism in the region.
Kenya, SA urged to co-operate on tourism

KENYA and SA could form the basis of a lucrative tourism network in eastern and southern Africa, Kenyan deputy director of tourism and wildlife Steven Marisin said recently.

Marisin said the two countries were ideal holiday spots for tourists looking for multi-destination packages similar to those expected by visitors to Europe.

He said modern tourists wanted to see as much as possible for their money. A tour could start in Johannesburg, move to the Victoria Falls, on to Kenya before heading back to their own countries, he said.

Great potential existed for a cruise ship route from Durban to Mombasa.

“SA and Kenya have different attractions to draw tourists, and should co-ordinate efforts so these differences complement each other,” he said.

Marisin said Kenya had sophisticated tourism industry training programmes that SA hotels and tour operators could benefit from, and they could learn from the Kenyan experience.

Marisin added that environment protection was an important priority, with the Kenyan government having appointed an advisory body to look into the carrying capacity of reserves and the general effect of tourism on the environment.
‘Hub’ for tourists to be established in city

JOHN VILJOEN
Staff Reporter

TOURISM marketing in Cape Town will soon have a major shake-up with the opening of a 24-hour-a-day centre to cater for the needs of tourists.

To be known as Tourist Rendezvous, the centre opens in September at No 1 Adderley Street in premises leased from the South African Rail Commuter Corporation.

Cape Town businessman Mr Stephen Caine said he hoped Captour would be an anchor tenant.

Captour was approached once the 1,365 square metre premises were secured and their interest and that of others in the tourism industry had been "phenomenal", Mr Caine said.

Captour chief executive Mr Gordon Oliver said negotiations were under way, and that his organisation was "favourably disposed" to being part of Tourist Rendezvous.

If negotiations proved successful Captour would move from its Strand Concourse office to the new centre, he said.

Captour believed it was important to offer tourists a complete service.

Mr Caine and partner Mr Duncan Price saw a need for a centralised tourist service centre which was staffed all day.

At present visitors to Cape Town could spend hours collecting information and making bookings at points scattered around the city.

The “user-friendly” centre would offer exhibition space to 250 tourist enterprises and organisations.

Visitors will be able to book everything from hot air balloon rides to a hotel rooms or airline tickets.
The new lottery: whose welfare do they seek?

A NATIONAL lottery could help many cash-strapped charities. But there are questions about whether some of the key players are as interested in welfare as they are in profit. Chief Reporter JOHN PERLMAN investigates.

GIBSON THULA: Black investment heavyweight

called Games Africa has been registered to run the lottery. Pyne-James confirmed this was to be the operating company, which named Rechter as one of only three directors. The other two are Richard Biehsen, a Johannesburg chartered accountant, and black businessman Thula Gibson. 

Despite having friends in the highest levels of government, Rechter deemed it necessary to win influence in the black community, possibly because Pyne-James has said foreign investment will be limited to 25 percent.

Thula, who used to be Inkatha’s chief representative on the Reet, was offered R400 000 to act as Rechter’s facilitator. R100 000 would be “direct consulting fees” for his company Vela International — of which he is the sole director — and a further R300 000 was paid out to “key associate consultants” used by Thula.

Part of Thula’s brief would be to “assist in sourcing black investors in the Ithuba Game Project” and “counteracting vicious and vitriolic efforts” against Ithuba in South Africa.

When asked this year about his ties with the Israelis, Thula denied he was acting for Rechter and said that he saw the Ithuba Game as a vehicle for “black advancement and empowerment.”

The Saturday Star’s information about Thula’s deal with Rechter, however, was based on correspondence from Thula himself and is confirmed by the setting up of Games Africa, a company whose main object is “to conduct games or lotteries of whatsoever nature.”

It is not yet clear which “black investors” Thula has succeeded in sourcing since he is the only black director in Games Africa. He has, however, been invited by Ithuba to key negotiations with the SABC and he is also said to have some influence in the ANC.

Last month, a meeting was held in the ANC offices at which the potential benefits of the lottery were outlined by Pyne-James. Reports that ANC had been offered a 25 percent stake in the Ithuba ga have been denied on both sides. However, it can be confirmed that the ANC is considering a lottery venture to raise funds and has met others involved in the business.

When the Ithuba row boiled over, the ANC called a thorough investigation of Ithuba and Pyne-James. The ANC has also demanded a thorough shake-up of the SABC, clear central player in the prop lottery.

In the past, Aakland P. has reaped considerable financial benefit from its relationship with Ithuba. According to Pyne-James, 60 percent of its sponsorship was immediately paid to the SABC — last year that meant R1.3 million in front. The SABC, in response to questions, refused to make available its contract to third parties except with express permission of the contractors.

State linked bodies involved with Ithuba in the past include the Post Office, which issued scratchcards, and Eskom whose R1-million sponsorship — which resulted in expensive advertising — was immediately repaid in the form of business. Ithuba had to cut back on advertising.

Conspicuously absent in the case is any established welfare body, although Ithuba insists that this is its role. Opposite: to Scratch Watch and Win welfare quarters have not disbursed, however, and other row is brewing.
BYLAE

Regulasi 1 word hierby gewysig deur die volgende woordomskrywings by te voeg:

"besette kamer" 'n slaapkamer of enige ander kamer met 'n enkelingang wat deur een of meer gaste vir slaapdoeleindes gebruik word;

"hefbaar kamer" 'n slaapkamer of enige ander kamer met 'n enkelingang wat deur een of meer gaste vir slaapdoeleindes gebruik word;

"heffing" die Toerisme Ontwikkelingsheffing betaalbaar aan die Raad ingevoegde regulasie 22 (1) (b);

"kamerheffing" die bedrae betaalbaar aan die Raad ingevoegde regulasies 22 (1) (a) en 23;

"residensiële hotel" 'n hotel waarvan die slaapkamers wat in die reël vir toeriste beskikbaar is, minder is as 50% van die totale getal slaapkamers beskikbaar per nag;

"toeriste-hotel" 'n hotel waarvan die slaapkamers wat in die reël vir toeriste beskikbaar is, minstens 50% is van die getal slaapkamers beskikbaar per nag;"

Regulases 22, 23 en 24 word hierby gewysig deur dit met die volgende regulasies te vervang:

"HEFFINGS BETAALBAAR AAN DIE RAAD:
TOERISTE-HOTELLE

22. (1) Die persoon wat die besigheid van 'n hotel bedryf waar sodanige hotel gegradeer is ingevoegte artikel 16 van die Wet, moet—

(a) behoudens Regulase 23 (1), (2), (3) en (4) hieronder, vir die periode 1 April 1992 tot 30 Junie 1992 die bedrae in die vorm van KAMERHEFFINGS teen ondergemeld skaal aan die Raad betaal, bereken op die getal hefbaar kamers wat ingevoegte subregulase 23 (2) ten opsigte van sodanige hotel vaspesel is:

<table>
<thead>
<tr>
<th>Gradering van hotel</th>
<th>Hefving per hefbaar kamer per nag (BTW uitgesluit)</th>
<th>Hefving per hefbaar kamer per nag (BTW ingesluit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Een-ster................</td>
<td>10 sent</td>
<td>11 sent</td>
</tr>
<tr>
<td>Twee-ster.............</td>
<td>18 sent</td>
<td>20 sent</td>
</tr>
<tr>
<td>Drie-ster...............</td>
<td>29 sent</td>
<td>32 sent</td>
</tr>
<tr>
<td>Vier-ster.............</td>
<td>37 sent</td>
<td>41 sent</td>
</tr>
<tr>
<td>Vyl-ster................</td>
<td>47 sent</td>
<td>52 sent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grading of hotel</th>
<th>Levy per leviable room per night (VAT excluded)</th>
<th>Levy per leviable room per night (VAT included)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-star..........</td>
<td>10 cents</td>
<td>11 cents</td>
</tr>
<tr>
<td>Two-star..........</td>
<td>18 cents</td>
<td>20 cents</td>
</tr>
<tr>
<td>Three-star........</td>
<td>29 cents</td>
<td>32 cents</td>
</tr>
<tr>
<td>Four-star.........</td>
<td>37 cents</td>
<td>41 cents</td>
</tr>
<tr>
<td>Five-star........</td>
<td>47 cents</td>
<td>52 cents</td>
</tr>
</tbody>
</table>
(b) met ingang van 1 Juli 1992 die bedrae in die vorm van HEFFINGS teen ondergemelde skaal aan die Raad betaal, bereken op die aantal kamers wat beset was per nag van elke kalendermaand:

<table>
<thead>
<tr>
<th>Gradering van hotel</th>
<th>Heffing per kamer wat beset was per nag (BTW uitgesluit)</th>
<th>Heffing per kamer wat beset was per nag (BTW ingesluit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Een-ster</td>
<td>R1,00</td>
<td>R1,10</td>
</tr>
<tr>
<td>Twee-ster</td>
<td>R1,80</td>
<td>R1,98</td>
</tr>
<tr>
<td>Drie-ster</td>
<td>R2,60</td>
<td>R2,86</td>
</tr>
<tr>
<td>Vier-ster</td>
<td>R3,00</td>
<td>R3,30</td>
</tr>
<tr>
<td>Vyf-ster</td>
<td>R4,20</td>
<td>R4,62</td>
</tr>
</tbody>
</table>

Grading of hotel

<table>
<thead>
<tr>
<th>Levy per room that was occupied per night (VAT excluded)</th>
<th>Levy per room that was occupied per night (VAT included)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-star</td>
<td>R1,00</td>
</tr>
<tr>
<td>Two-star</td>
<td>R1,80</td>
</tr>
<tr>
<td>Three-star</td>
<td>R2,60</td>
</tr>
<tr>
<td>Four-star</td>
<td>R3,00</td>
</tr>
<tr>
<td>Five-star</td>
<td>R4,20</td>
</tr>
</tbody>
</table>

(2)Die HEFFING kragtens subregulatie (1) is maandeliks agteruit betaalbaar aan die hoofkantoor van die Raad binne 30 dae vanaf die laaste dag van elke kalendermaand.
(3)Ingeval 'n persoon wat die besigheid van 'n hotel bedryf, ophou om dit aldus te doen voor verstryking van enige kalendermaand, is die HEFFING kragtens subregulatie (1) pro rata-betaalbaar aan die hoofkantoor van die Raad ten opsigt van elke kamer wat beset was per nag tot en met die nag voordat die dag in die kalendermaand waarop opgehou is om die besigheid van 'n hotel te bedryf: Met dien verstande dat betaling van die pro rata-HEFFING sal geskied binne 14 dae vanaf die dag waarop opgehou is om die besigheid van 'n hotel te bedryf.
(4) Elke betaling van die HEFFING word vergesel van 'n skriftelike verklaring aan die Uitvoerende Direkteur op Vorm HR10 in hierdie Bylsee—

4.1 waarin plelig verklaar word hoeveel kamers per nag werklik beset was gedurende die voorafgaande kalendermaand; en
4.2 waarin die berekening van die HEFFING wat verskuild is uiteengesit word; en
4.3 wat onderteken is deur die persoon wat die besigheid van 'n hotel bedryf of deur iemand wat skriftelik deur of namens hom gemagtig is as verantwoordelike persoon om sodanige skriftelike verklaring te maak; en
4.4 waarvan die persoon wat die besigheid van 'n hotel bedryf noukeurig rekord moet hou.

(5)Die HEFFING word gemaak kragtens die bepaling van artikel 28 van die Wet en—

5.1 mag afsonderlik by die akkommodasietariewe van die hotelbesigheid gevoeg word met insluiting van Belasting op Toegevoegde Waarde; en

(2) The LEVIES in terms of subregulation (1) are payable to the head office of the Board monthly in arrears within 30 days of the last day of each calendar month.
(3) In case a person who conducts the business of a hotel ceases to conduct the business before expiry of any calendar month, the LEVY in terms of subregulation (1) shall be payable pro rata to the head office of the Board in respect of each room that was occupied per night up to and including the night preceding the day of the calendar month on which it was ceased to conduct the business of the hotel: Provided that the payment of the pro rata LEVY shall be effected within 14 days from the date on which it was ceased to conduct the business of the hotel.
(4) Each payment of the LEVY shall be accompanied by a written statement to the Executive Director on Form HR10 in this Schedule—

4.1 in which it is solemnly declared how many rooms were actually occupied per night during the preceding calendar month; and
4.2 in which the calculation of the LEVIES owing are explained; and
4.3 which is signed by the person who conducts the business of a hotel or by someone who is authorised by him or on his behalf in writing as the person responsible to make such a written statement; and
4.4 of which the person who conducts the business of a hotel shall keep accurate record.
(5) The LEVIES are made under the provisions of section 28 of the Act and—

5.1 may be added separately to the accommodation tariffs of the hotel business, with inclusion of Value Added Tax;
5.2 is op die betrokke besette kamer van toepassing en nie op die aantal gaste wat in die kamer geakkommodeer word nie.

(6) Indien die HEFFINGS krags omskakel syne die persone wat die besigheid van 'n hotel bedryf, aan die Raad betaal word voor of op die voorgeskrevie tydspan, is die betrokke hotelbesigheid gereg goe in op inwoneringsvergoeding bereken teen 'n koers van 5% (vijf persent) van die HEFFINGS wat per kalendermaand deur of namens gemelde hotelbesigheid aan die Raad oorbetaal is en wat betyds deur die Raad ontvang is.

(7) Die Raad is onder geen omstandigheid verplicht om inwoneringsvergoeding te betaal ten opsigte van HEFFINGS wat nie stelselmatig op die voorgeskrevie wyse en tydstip aan die Raad betaal is en deur die Raad ontvang is.

(8) Inwoneringsvergoeding wat deur die Raad verskuldig is ten opsigte van HEFFINGS wat stelselmatig krags omskakel syne die persone wat die besigheid van 'n hotel bedryf, aan die Raad betaal word voor of op die voorgeskrevie tydspan, is, word drie maandelyks agteruit deur die Raad aan die betrokke hotelbesigheid betaal. Betaling van inwoneringsvergoeding deur die Raad, word gemaak binne 14 dae na ontvang van die HEFFING ten opsigte van die vooraangaande 3 (drie) kalendermaande.

(9) Inwoneringsvergoeding wat deur die Raad aan hotelbesigheid betaal word, sluit Belasting op Toegevoegde Waarde in.

(10) Inwoneringsvergoeding wat deur die Raad betaal word ingevolge subregulering (6) is nie van toepassing op residensiële hotelle nie.

(11) Die koers waaraan inwoneringsvergoeding bereken word en die voorwaardes waaronder dit deur die Raad betaal word, kan deur die Minister gewysig of geskrap word by wyse van kennisgawe in die Staatskoerant.

HEFFINGS BETAALBAAR AAN DIE RAAD:
RESIDENSIËLE HOTELLE

23. (1) Die persoon wat die besigheid van 'n hotel bedryf waar sodanige hotel gegrundeer is ingevolge artikel 16 van die Wet, moet die bedra in die vorm van KAMERHEFFINGS teen ondernemende skaal aan die Raad betaal, bereken op die getal hebbarre kamers wat ingevolge subregulering (2) ten opsigte van sodanige hotel vasmagel is:

<table>
<thead>
<tr>
<th>Gradering van hotel</th>
<th>Heffing per hebbarre kamer per nag (BTW uitgesluit)</th>
<th>Heffing per hebbarre kamer per nag (BTW ingesluit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Een-sterv</td>
<td>10 sent</td>
<td>11 sent</td>
</tr>
<tr>
<td>Twee-sterv</td>
<td>18 sent</td>
<td>20 sent</td>
</tr>
<tr>
<td>Drie-sterv</td>
<td>29 sent</td>
<td>32 sent</td>
</tr>
<tr>
<td>Vier-sterv</td>
<td>37 sent</td>
<td>41 sent</td>
</tr>
<tr>
<td>Vyf-sterv</td>
<td>47 sent</td>
<td>52 sent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grading of hotel</th>
<th>Levy per leviable room per night (VAT excluded)</th>
<th>Levy per leviable room per night (VAT included)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-star</td>
<td>10 cents</td>
<td>11 cents</td>
</tr>
<tr>
<td>Two-star</td>
<td>18 cents</td>
<td>20 cents</td>
</tr>
<tr>
<td>Three-star</td>
<td>29 cents</td>
<td>32 cents</td>
</tr>
<tr>
<td>Four-star</td>
<td>37 cents</td>
<td>41 cents</td>
</tr>
<tr>
<td>Five-star</td>
<td>47 cents</td>
<td>52 cents</td>
</tr>
</tbody>
</table>

5.2 apply to the occupied room concerned and not to the number of guests accommodated in such room.

(6) If the LEVIES in terms of the aforesaid subregulations are paid to the Board promptly or before the prescribed time by or on behalf of the person who conducts the business of a hotel, the hotel business concerned shall be entitled to a collection compensation calculated at a rate of 5% (five per cent) of the LEVY which has been paid to the Board per calendar month or on behalf of the hotel business mentioned and which was received by the Board on time.

(7) The Board is under no obligation to pay collection compensation in respect of LEVIES which were not paid to and received by the Board promptly in the prescribed manner and time.

(8) Collection compensation owing by the Board in respect of LEVIES which were promptly received in terms of the aforesaid subregulations, is paid by the Board to the hotel business concerned three-monthly in arrear. Payment by the Board of collection compensation, is effected within 14 days following receipt of the LEVIES in respect of the preceding 3 (three) calendar months.

(9) Collection compensation which is paid by the Board to hotel businesses, includes Value Added Tax.

(10) Collection compensation which is paid by the Board in terms of subregulation (6), does not apply to residential hotels.

(11) The rate at which collection compensation is calculated and the conditions under which it is paid by the Board, may be amended or cancelled by the Minister by way of notice in the Government Gazette.

LEVIES PAYABLE TO THE BOARD:
RESIDENTIAL HOTELS

23. (1) The person who conducts the business of a hotel where such hotel has been graded in terms of section 16 of the Act, shall pay to the Board amounts by way of ROOM LEVIES at the aforementioned rates calculated on the number of leviable rooms that have been determined in terms of subregulation (2) for such hotel:

<table>
<thead>
<tr>
<th>Gradering van hotel</th>
<th>Levy per leviable room per night (VAT excluded)</th>
<th>Levy per leviable room per night (VAT included)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-star</td>
<td>10 cents</td>
<td>11 cents</td>
</tr>
<tr>
<td>Two-star</td>
<td>18 cents</td>
<td>20 cents</td>
</tr>
<tr>
<td>Three-star</td>
<td>29 cents</td>
<td>32 cents</td>
</tr>
<tr>
<td>Four-star</td>
<td>37 cents</td>
<td>41 cents</td>
</tr>
<tr>
<td>Five-star</td>
<td>47 cents</td>
<td>52 cents</td>
</tr>
</tbody>
</table>
(2) The Board shall when grading a hotel in terms of section 16 of the Act, determine what the total number of leviable rooms referred to in subregulation (1) is. If, thereafter, at an inspection intended to determine the number of leviable rooms, an inspector of the Board finds that the number of leviable rooms so determined has changed, the determination shall be altered accordingly by the Board with effect from the date of such inspection.

(3) The room levies in terms of subregulation (1) shall be payable on the last day of the quarters ending 31 March, 30 June, 30 September and 31 December of each year: Provided that where the person who conducts the business of a hotel ceases to conduct the business on a date prior to the last day of any quarter, the room levies be payable pro rata on the last day he conducted such hotel business.

(4) The room and levies are made under the provisions of section 28 of the Act and—

4.1 may be added separately to the accommodation tariffs of the hotel business, with inclusion of Value Added Tax; and

4.2 apply to the occupied room concerned and not to the number of guests accommodated in such room.

OFFENCES

24. Any person who—

(1) contravenes or fails to comply with the provisions of regulations 8 (5), 9 (2), (3), (4), (5), (6), 10 (4), 13 (1), 14 (1), 15 (1), (3), 16, 17, 18 (1), (2), (3), 19, 20 (1), (2), (4), 21 (b), 22 (1), (2), (3), (4), 23 (1) and (3) or oortree of versusum om daaraan te voldoen, begaan ‘n oortreding en is by skuldigbevinding straafbaar met ‘n boete van hoogstens R200 of gevangenisstraf vir ‘n tydperk van hoogstens ses maande.

25. The additions of the definitions in Regulation 1, Regulation 22 (1) (a) and Regulation 23 (1), (2), (3), and (4) are deemed to have come into force on 1 April 1992 and Regulation 22 (1) (b), (2), (3), (4), (5), (6), (7), (8), (9), (10) and (11) comes into force on 1 July 1992 and Government Notices R. 2514 dated 28 November 1986, R. 2590 dated 20 November 1987, R. 2620 dated 23 December 1988, Regulations 22 (1), (2), (3), (4), (5), (6), (7) and (8) in Governmentmentskennisgewings R. 1509 gedateer 27 August 1989, Governmentmentskennisgewings R. 2409 dat 10 November 1989 en R. 1453 gedateer 28 Junie 1991 en Goewermentskennisgewing R. 975 gedateer 27 Maart 1992 word hierby herroep en vervang met Regulation 22 (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) en Regulaties 23 (1), (2), (3) en (4) as set out above.".

26. Die byvoegings van die woordomskrywings by Regulaties 1, Regulatie 22 (1) (a) en Regulatie 23 (1), (2), (3), en (4) is beskikbaar en vervang met Regulation 22 (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) en Regulation 23 (1), (2), (3) en (4) as set out above."
African states scramble to lure foreign tourists

GAVIN DU VENAGE 28S

AFRICA was spending vast sums of money developing a tourism infrastructure and was becoming more desir-able as a destination, the German magazine Afrika-Post reported recently.

It said tourism was likely to topple the motor industry from its international number one spot. African coun-
tries were scrambling to get a piece of the market.

The payoff had been a doubling of German tourist travel to Africa between 1987 and 1990.

Seychelles had made itself particularly attractive, drawing 90 000 holidaymakers annually, almost all from Europe.

Countries along the Mediterranean coast had always proven popular. Visitors to Morocco increased 46% in 1991, but more and more tourists were heading south of the Sahara, the magazine said.

The Ivory Coast, Mauritius, Gabon and Cameroon had tourism industries that were close behind traditional foreign exchange earners such as sugar and textile production. Even SA, "the only industrial country on the continent", was recognizing the importance of tourism for economic growth, Afrika-Post said.

An indication of the importance African countries were giving tourism, was the creation of new ministries devoted exclusively to the industry and an increasing environmental sensitivity to hordes of visitors.

Tanzania had earmarked a third of its territory for reserves and nature parks, and planned to spend $70m on building and renovating hotels. It hoped to treble the size of its tourist industry.

Ghana and Togo were also developing tourist infra-
stuctures. Senegal had billed itself as "the gateway to Africa".

SA was the fourth highest earner of foreign exchange from tourism.

Tunisia was way ahead of the rest, earning DM736m in September last year.

Kenya was the top sub-Saharan tourist earner on DM185m. SA earned DM135m in that period.
Tourism growth hinges on budget hotels

By MAGGIE ROWLEY
Property Editor

SA HOTELS would have to peg or drop their rates by up to 30% if they wished to attract volumes of international tourists, says Kevin King of Portes King Hospitality Group.

King, who has just returned from the Satsaa-Satour Travel Workshop in Taipei, Hong Kong and Singapore, where he represented the 550-bed UCT Graduate School of Business' Breakwater Lodge in the Victoria Alfred Waterfront, said even with the favourable exchange rate, total packages from the Far East to South Africa were about 20% to 30% more expensive than competing destinations, such as Australia.

"While there will always be a demand for four and five star hotels, which is the sector of the tourist market SA has traditionally gone for, we are also going to have to provide budget-priced holiday accommodation if we wish to become internationally competitive and attract the three million odd tourists that Satour is aiming for."

He said the Asian market was the fastest growing market of tourists in South Africa having shown a 70% growth in the past four months. "But future growth will be dependent on an abundance of budget-priced accommodation in the most popular tourist cities because most Asian tourists on organised tours, with the exception of the Japanese, cannot afford SA five-star hotel prices. Our luxury hotels as such are pricing themselves out of the market."

He said in addition to standard holiday tours for individuals and families, the Asian tour operators also wanted to bring educational tours for young people and students and English language tours for those who wished to combine sightseeing and travel with learning English. Immigrant groups would also be catered for.

"But the price has to be right," he said.

He said many of SA hotels would have to drop or hold their rates for the next year if they wished to attract tourists in their droves.

"We ourselves are pegging our tariff increase at 10% but this is off a low base — our average room rate is about R70 a night," he said.

He said during the travel week in the Far East they had signed up 500 bed nights for the immediate future — worth about R350 000 to the hotel. The first group of 30 Chinese had already arrived.

"However the potential is far greater and we are expecting a further 6 000 to 7 000 within the next eight months which represents about R420 000 of business to the hotel," he said.

King said 200 potential new immigrants from China would be coming to SA in the next three months to stay at the Breakwater Lodge for a week while they looked at business and residential opportunities in Cape Town.

While the Breakwater Lodge was not looking at doing package tours with any particular airline or tour operators on an international basis they had entered into a package agreement with SAA on a domestic basis.

"This has proven extremely successful with 107 reservations coming through this avenue last month after its launch at the beginning of May," he said.
Lord Nelson up for auction

PAM Golding Properties is to attempt to sell the Lord Nelson Inn in Simon's Town by public auction on July 1.

The hotel was recently completely renovated and refurbished at a cost of more than R1m and offers one single en suite and nine double bedrooms. It also has a large lounge area.

Industry sources said the main reason the hotel had not yet been sold was that it was difficult for such a small establishment to show good returns, particularly in the present economic climate.

However, Pam-Golding Properties commercial and industrial division manager John Pistorius says there is room to add on at least another 10 bedrooms. He regards the auction as an excellent opportunity for an upcountry investor to acquire a profitable business as well as a Cape Town-based lifestyle.

This is not a distress sale. The sellers are industrialists who live in the Transvaal and feel the inn is at odds with their line of business," he says.

The nearby off-sales, the Lord Nelson Wine Cellar, will be included in the sale.
SA welcomed to youth 'hostelery'

LINDA GALLOWAY  
Staff Reporter

SOUTH Africa is about to become a full member of the International Youth Hostel Federation, an organisation offering budget accommodation for young travellers worldwide.

Federation president Mr John Parfitt was in Cape Town this week on a tour of youth hostels "to draw the South African Youth Hostels Association into what the rest of the world is doing".

Mr Parfitt, an international marketing consultant in London, said full membership of the federation, to be conferred at a conference in Denmark next month, would give South Africa access to training, publicity, policy and inter-country communication networks.

"We are moving towards internationally-guaranteed standards of cleanliness, privacy, security and comfort and have done the pilot work for a computerised advance booking system," he said.

"We are seeing annual growth in the number of people travelling internationally and young people nowadays want new experiences — so we're looking at more recreational use of facilities and surroundings."

Mr Parfitt said the federation acknowledged that it had to give travellers what they wanted, "without destroying the atmosphere of the hostel — otherwise it might as well be a cheap hotel."

South Africa's position until now, as an associate member of the federation, had been an anomaly because there had always been youth hostel facilities here, run on the same lines as those of other members, he said.

"It's a quirk of international politics."

South African members have the same status as full members, entitling them to hostel accommodation in 70 countries.

"I have heard that in the past South African members have been refused access to certain hostels, against federation rules. They were informed that this was unacceptable," he said.

There are 15 youth hostels in South Africa, catering for 400 to 500 travellers every month.

Hostels charge R18 a night and have self-catering facilities and a common-room.

St John's Hostel in Kloof Street is about to be converted to a youth hostel to accommodate 170 people.
Hotel group set to challenge SA's Big Four

By Shirley Woodgate

A major hotel group is set to challenge the Big Four in South Africa, having already established outlets in Botswana and Zimbabwe, and initiated investigative talks in Namibia and Mozambique.

Cresta Hotels (Pty) which claims to be the fastest growing regional hotel chain in southern Africa, launched its local venture this year by renovating and taking over the management of Cresta Pretoria Hotel.

Marketing manager Penelope Matumu says negotiations on a "leisure facility" in Cape Town are under way.

But right now it is the thatched Mowana Safari Lodge on the banks of the Chobe River which has grabbed the spotlight.

Due to challenge the world-renowned Chobe Lodge only a couple of kilometres upstream, the first R40 million phase of the Cresta development, 10 minutes away from the recently revamped Kasane International airport, is scheduled to open by the end of 1992.

Miss Matumu says the main aim is to capture the Victoria Falls tourist trade which now travels 80 km into Botswana then flies out without staying over.

The new five-star luxury hotel, which will include international conference and time share facilities, is environmentally friendly to the extent that it has been designed on a floating elevated base which will not interfere with trees.

Tour packages for the project are already being marketed in Australia and Europe and South Africa is also seen as a potential focus for direct flights from Johannesburg to Kasane.

The Cresta management has the backing of the Botswana Development Corporation and the project managers are South African-based Schaid and Israeliite.
Gambling Bill on hold

CAPE TOWN — Government failed last night in its bid to ram controversial anti-gambling legislation through Parliament before going into recess today.

Justice Minister Kobie Coetsee called a special meeting of the parliamentary justice committee yesterday to process the Gambling Amendment Bill. However, matters were not concluded during last night's session.

The Bill is intended to close the loophole in the Gambling Act which has given rise to the establishment of hundreds of hard-gambling casinos in cities around the country.

Committee chairman Gert Myburgh denied yesterday that the Bill was being rushed through Parliament to protect the horse racing industry or homeland casinos.

He said the rate at which casinos were mushrooming had sparked fears that the situation would become uncontrolable.

The proposed legislation changes the definition from "games of chance" — the loophole exploited to set up the casinos. Instead it specifically outlaws popular forms of gambling by name and the mechanisms used for gambling.

It is understood Coetsee could soon announce a commission of inquiry into gambling, as well as lotteries for welfare, health and education purposes.

Venter outlines sweeping cutbacks

CAPE TOWN — Health Minister Rina Venter yesterday outlined sweeping cutbacks in the provision of health services in all four provinces during recent months.

In Natal, budget-trimming measures included the limiting of HIV testing "to an absolute minimum". Visits by state specialists to Cape rural areas had been stopped because of cutbacks in provincial hospital services.

SAPA reports that Venter, replying to questions in Parliament, said certain essential services in Natal hospitals — such as kidney dialysis, bypass operations and treatment of cancer — had been limited to the smallest number of patients possible.

In some cases in Natal essential services had to be stopped or seriously curtailed because of inadequate equipment and facilities.

The Natal Health Services Branch had requested an allocation of R1,000bn, and been given R935,8m.

In the Transvaal, cutbacks included stopping expansion of ambulance services.

Transvaal provincial health services suffered a deficit of R49,19m for 1991/2, after asking government for a R2,080bn allocation and receiving R2,340bn.

In the Cape, outpatient visits to academic hospitals had been limited to referred cases and emergencies where possible, and laboratory services and special examinations had also been cut back.

Visits by specialists to rural areas had been ended.

Ambulance and other patient transport services had been stopped.

Vacancies were filled only after individual consideration and subsides for staff transport and free tea had been scrapped.

Overtime payment had been stopped.

District surgeons in the Cape had taken over dispensing from private pharmacies.

Catering and incineration services had been privatised.

The measures in the Cape included cutbacks imposed in March last year, plus additional steps for 1991/2.

Vacancies in Cape hospitals and state health clinics were being filled only after "individual consideration."

Attention had also been paid to the streamlining of staff establishments.

In the Free State, cutbacks totalled about R2,73m in the 1991/2 financial year.

This amount was necessary primarily for the commissioning of the new intensive care unit and theatre complex at Pelonomi Hospital.
Tourism gives lift to flight caterers Fedics

Fedics, the catering company held jointly by Servgro International and ICS Group Holdings, has lifted its attributable earnings 17% in the year to end-March.

MD David Wigley said the company's in-flight catering and airport operations had been affected by the downturn in air travel in the first half, but the increased results were largely due to an increase in tourism-led air traffic during the second six months.

Fedics had built a new in-flight kitchen in Durban and extended its facilities at D F Malan airport "in readiness for further tourism increases".

Earnings at Protea Hotels, in which Fedics has a 40% interest, were also buoyed by the increase in tourism.

Contract, catering division Fedics Food Services showed good growth, Wigley said.

This had "followed the pattern of previous years where companies in economic downturns found it more economical to contract out catering rather than provide in-house services".

The division was awarded the Sanlam and SABC contracts as well as five contracts from previously government-operated catering services.
Canada may soon lift sanctions against SA

JOHANNESBURG — The Canadian government could soon lift economic sanctions against South Africa — opening the way for increased trade between the two countries estimated at R500-million (Can $150-million), according to international law firm Goodman & Goodman.

Based on the North American country's trade figures for the first two months of the year, supplied by Statistics Canada, Goodman & Goodman forecast exports worth R121-million ($52-million) to South Africa this year.

However, Canadian imports of South Africa's products and raw materials could be more than double the export figure at R288-million ($115-million).

The three top imports from South Africa are gems and precious stones; iron and steel; and ores, minerals and slag. The top three exports to South Africa are nuclear reactors, parts and equipment; salt, sulphur and construction materials; and paper and paper products, according to the firm.

Goodman & Goodman believe, if the Canadian government was to lift sanctions, there would be a surge of interest in South Africa from Canadian businesses.

"As a result, South Africa could become one of the top four or five key markets in which Canadian businesses expand in the next few years," the firm said.

The Goodman Forum, a public policy discussion centre created by the law firm, will host North America's first major conference on investment opportunities in a post-apartheid South Africa on Thursday in Toronto.

One hundred and fifty business executives will be addressed by South Africa's Deputy Minister for Trade, Industry and Tourism, David Graaff; African National Congress economist Tito Mboweni; as well as Canada's Minister of External Affairs Barbara MacDougall. — Sapa.
Gambling Bill delayed after parties object

Controversial legislation to snuff out proliferating casinos in South Africa will not be passed during the session of Parliament which ends today.

The Gambling Amendment Bill was blocked in Parliament's justice committee last night after resistance from the House of Delegates and the DP.

This means a respite for the hundreds of casinos which have sprung up across SA recently.

But the Bill has not been withdrawn completely and will now come before the justice committee on July 27, 28 and 29.

Justice Minister Kobie Coetzee said last night that the Government did not intend withdrawing the Bill.

He warned casino operators that they would not be able to claim protection of vested rights if their gambling operations were eventually stopped.

The Government's position remained that gambling for personal gain was illegal under the Gambling Act.

NPP leader Amichand Ramkau threatened to join the ANC at Codesa if the Government went ahead with the Bill, according to sources.

The special justice committee meeting last night took place amid widespread allegations from casino operators that Sun International boss Sol Kestner had spoken to the Government this week in a last-ditch effort to get the Bill passed.

The Government has denied this.
June 20 to June 24 1982

By Justin Pearce

WALKING through the Waterfront, it is like walking through a particularly tasteful shopping mall. It is a scheme designed for consumption and consequent profit-making — just don’t expect to find anything as mundane as a loaf of bread or a tube of toothpaste in the shops.

Yet the Waterfront site is, technically, public property — which prompted a meeting between the ANC and the Waterfront management to discuss what the ANC perceived as an elitist development.

“Our constituency felt angry about what’s going on,” said Mr Boad Davidson, ANC spokesperson on planning.

As the Waterfront is on public property, it deserves to be regulated by a greater degree of public consultation than would be the case if it were on private land, Davidson said. The Waterfront site is leased from Transnet, the private company that controls the harbour.

“We felt the development did not reflect the community of Cape Town,” Davidson said, pointing out the high prices and inaccessibility of the Waterfront make it difficult to most Capetonians.

“If you went to the Waterfront on any day, you would see it is just not true,” said Professor Brian Kantor, chairman of the Waterfront Management Committee.

“That criticism may have had some validity — white customers were entered for first because they had more disposable income — but now we are attracting customers across the board.”

The ANC recommended the establishment of an advisory board, which would include representatives from the Western Cape Traders’ Association and trade unions.

The response from the committee was to “go on a rave about free markets.” Davidson said. “Other members were more receptive, but there is a block at the top because of the ideological position of individuals.”

The Small Business Development Corporation (SBDC) has also negotiated with the Waterfront management committee, said

Waterfront: Yuppie themepark or a plek for all the people?

SOUTH 1862 - 21/11/72

GETTING BACK TO THE 'FRONT': Will the workers return to enjoy Cape Town's elite attraction?

Photo: Yusuf Mohamed

SHDC assistant general manager Mr Mike Klopper

He said the number of people, including wealthy tourists who visited the Waterfront made the site an excellent site for a small business trying to take off. “They need the exposure of the Waterfront, but the trading requirements are quite high for the small guy.”

Mr Mike Klopper mentioned the high rents and the long business hours. For example, the craft market operates seven days a week, putting strain on a business owner who does not employ extra assistants.

“A further objection by the ANC concerned the racial imbalance in employment opportunities — most of the workers and waiters at Waterfront restaurants are white.”

Kantor pointed out the white domination of restaurant jobs was not exclusive to the Waterfront. “We’d like to see all kinds of people working, but the business decisions that restaurants take tend to favour young white kids.”

He said Waterfront employment opportunities were not confined to restaurants. “The number of jobs created in construction at the Waterfront is large, and these are other employment.”

But as Davidson put it, it was inappropriate for business to parade a free-market position “after three centuries and, in particular, 40 years of affirmative action for whites.”
AWB guards quit hotel after death threats

AWB guards have left the Lido Hotel, south of Johannesburg, after a businessman who housed them there while buying the hotel was criticised and received death threats. Businessman Johann Dreyer, who is buying the Lido for R2.4m, said he intended running the hotel as a business and that he had planned to have only 100 white security guards on the premises.

Dreyer raised the idea of recruiting unemployed whites through right-wing political groups at the World Congress of Right-wingers hosted by the AWB in Klerksdorp last month.

"The Lido Hotel will be used as a hotel and pleasure resort. All the people on the security side were going to be housed at the hotel," he said.

Dreyer said his security company Top Notch employed only white security guards. There were AWB members among them, but he said he did not involve himself in employees' political affairs.

When a reporter visited the hotel recently, a uniformed AWB member said the hotel and grounds would become a training ground for up to 30 000 right-wing, unemployed whites. Dreyer said the AWB member was not entitled to speak on activities at the hotel.

AWB leader Eugene Terre'Blanche confirmed Dreyer had told him he supported the principle of employing whites who had no jobs. Terre’Blanche said he did too.

Dreyer said he had received a number of threats after publication of a photograph in Business Day of an AWB veldkornet at the hotel. He said he recently met members of the ANC's security department to clear up "misunderstandings".
Meetings to decide future of George to Knysna rail line

CLIVE SAWYER
Staff Reporter

TRANSNET museum officials are to meet town councillors and tourist bosses in the southern Cape next month for talks on the planned George to Knysna steam preservation line.

Museum manager Mr. André Strauss said that from next year running of the line would be handed over to the business division of his department, to be run as a financially viable operation.

Plans for the line, to be a showcase of the last regular steam operations in the country, were announced in Kimberley last year.

Mr. Strauss said Transnet would not prescribe to the local community what the line should feature.

"We have had a range of suggestions, and we will be meeting bodies such as town councils and tourism associations to discuss them," he said.

He said that while steam engine operations caused a fire hazard, environmentalists had not opposed the idea of the preservation line.

Meanwhile, consultants are surveying Transnet properties in the area.

Included in the survey are old railway houses, station buildings, and vacant land.

The properties could be included in a Transnet-sponsored "Golden Thread" hiking and transport trail, with rail transport linking scenic areas in the southern Cape.

At present, the George to Knysna line carries mainly goods traffic, with the Outeniqua Choo-Choo excursion train carrying passengers.

Mr. Strauss said the Choo-Choo's operations might be expanded this festive season, with trains running from both George and Knysna and passengers being offered the choice of changing trains at Sedgefield.

While plans are being discussed, steam engines are lying in wait at the Voorbaai depot near Port Elizabeth.

More are being moved to the area regularly, Mr. Strauss said.

He said the depot would be kept as an attraction for steam buffs visiting the line, where the public would be able to see steam engines being maintained and repaired.
Lean times as city restaurants feel bite

This was the grim picture painted at the Federation of Hospitality Associationd Restaurant Guild luncheon meeting at Léaítam’s Hotel by Mr. Blank, chairman of the club.

"We're batting for survival and the outlook is bleak," Mr. Blank told the guests. "The economy is suffering and the competition is fierce. We need to come together and work on solutions."

Mr. Blank went on to say that the city's restaurants are facing a number of challenges, including increased costs and decreased demand.

"We need to find ways to cut costs and increase efficiency," he said. "We also need to focus on quality and customer service."
Debate boils in chefs vs mayor

By PETER DENNEHY

CITY restaurateurs yesterday confronted one of their chief critics, the Mayor of Cape Town, Mr Frank van der Velde. The mayor has been under fire from the restaurateurs for his confidential "raspberry awards" sent to a few restaurants for alleged disservice to tourism.

One restaurateur asked Mr Van der Velde to abdicate the negative awards and another said bad publicity could close down a restaurant.

As guest speaker at the annual meeting of Fedhassa's 135-member Restaurant Guild, held yesterday at a restaurant at the Medical Research Council, Mr Van der Velde was invited, as a critic, to speak on improving the industry's image.

"The reaction is to shoot the messenger, which is perhaps a little negative," he said. "Raspberry awards elicited some dozen or more complaints from restaurants about the way they were handed out."

Mr Van der Velde also handed out positive mayor's awards for services to tourism — in this case, publicly. He said he received three times as many positive comments about restaurants as negative ones.

Responding, restaurateur Mr Angus Dodd said there was no need for a negative award, as "the press will pick it up sometime. Let's look at the positive side."

Mr Aldo Girolo, chairman of the Cape Town chapter of the guild, said bad publicity could close down a place. The industry was struggling at present, as was indicated by 126 restaurants in Sea Point up for sale.

Mr Van der Velde said he loved Cape Town restaurants above all others in this country, but he listed the things he hated about some of them.

His "pet hate" was music that was so loud that one could not converse. It drove him away before the first course.

He said he suffered physically from passive smoking, although he was an ex-smoker. It was painful for him to sit at a table where someone smoked; so he wanted non-smoking zones.

Other irritations for him were plastic flowers; waiters who refused to serve you if you were not in the area assigned to them; salads with fancy names that consisted of "not much more than a lettuce leaf"; non-availability of half portions, and being charged double for having seconds.

Vegetarian "Mr Gordon Oliver, the chief executive of Captour, said he battled to find restaurants which catered for people like him. In London, many restaurants offered vegetarians three or four choices.

It appeared that the Cape could not yet compete at international standards, Mr Oliver added.

Mr Van der Velde had a lively difference of opinion with Mr Girolo over non-smoking areas in restaurants. Mr Girolo has one in his, but he says it is not well patronised. Mr Van der Velde said, non-smoking areas in restaurants "are mostly full, in my experience."
Logaro targets Natal for long-term growth

THE Logaro Group has identified the long-term growth potential of the leisure market and is actively moving into this area, says CEO Gary Perlman.

"We have targeted Natal as a long-term growth area because tourism is set to rise and people are moving towards shorter, more frequent holidays," he says.

The group has representation in Natal, Cape Town and Transvaal, and is involved in the pre-planning stages of "hotel-type accommodation" in Sandton.

It is considering two possible Sandton sites and has lined up a large local group to manage the project. It also has eastern Transvaal and Natal projects in mind.

"However, we will not manage any of these ourselves. The Sandton project will be a new construction, and all the others will be takeovers and refurbishments," he says.

Logaro was looking at a mixture of business, leisure and foreign tourism.

"The market is depressed at the moment and buildings can be bought at a good price. We believe the market has bottomed out and that now is the time to go in as it is a cheap entry point," Perlman says.

He believes the Durban market is being "grossly overlooked", saying activity there is buoyant.

The group recently began selling its North Coast Mall shopping and medical centre on a part-sectional-title and part-syndication basis. More than 50% had been sold at an average price of R245/m².

The 7 000m² property is fully tenanted and anchored by the large Take and Pay chain, with subanchors Grant Furnishers, Target Furnishers, Pep Stores and First National Bank. The medical centre, joined by a skywalk to Phoenix Hospital, is also fully tenanted by the North Coast Doctors' Guild.

Logaro is also involved in negotiations countrywide for retail developments.
Resorts oppose levy-funded training

MEMBERS of the self-catering resort industry met Manpower Minister Piet Marais yesterday to ask him to suspend a levy-funded training scheme.

Club Caraville chairman Rus Tungay said the Hospitality Industry Training Board levies had been imposed without consulting the "majority" of the industry.

He said the move would benefit only the major players. He said he favoured training, but not in the current discriminatory and dictatorial manner.

Tourism Association of Natal and KwaZulu chairman Ted Hirst said yesterday the training board did not adequately meet the training needs of the small operator.

Self-catering resorts like caravan parks would get little out of a training programme geared towards the hotel trade.

Spokesmen for Fedhasa and the Hospitality Industry Training Board were not available for comment yesterday.
City restaurant takings feel the bite

THE takings in Cape Town restaurants have dropped by between 30% and 40% in the past three years, according to the chairman of the Restaurant Guild in the Western Cape, Mr Aldo Girola.

Sea Point has been one of the worst-hit areas. Sea Point Restaurant owners have recently complained about losing trade to the Waterfront.

However, Mr Girola said business was so bad that although the Waterfront had attracted many people from other centres and bustling Sea Point, only Quay Four and Battery's Landing at the Waterfront were still prospering.

He blamed the situation on the recession which had led to increases in rents, gas, electricity and wages, further compounded the problem facing the restaurant industry. More than 120 restaurants in the suburbs and the city were now up for sale.

Mr Girola said the restaurant industry was grossly overtaxed, with people hoping to make a "fast buck" going under only months after opening.

Soaring food prices, increases in rents, gas, electricity, and wages further compounded the problem facing restaurant owners, he added.

"Sea Point with its bright lights and entertainment is like a magnet for tourists, but most people just don't have the money to spend money on restaurants on a regular basis," he said. The local market was the "bread and butter" of the industry and overseas tourism was the "cream on top", he said.

Overseas tourists, however, found South African prices very reasonable. "We are hoping the industry will pick up once bonds and interest rates are reduced." Many Cape Town restaurants were often virtually empty at night, and some concerned restaurateurs were offering special deals to attract customers.

Mr Chris Joubert, city councillor for Sea Point and Camps Bay, yesterday confirmed that the recession was affecting everyone, but said the established "up-market" restaurants were still doing well.
Caterers sue Turfloop for R1,3 million in lost business

A CATERING company which was contracted to operate the University of the North’s student cafeteria has sued the institution for R1.3 million for breach of contract.

In papers served on the university, Staytrim Catering Company alleges that the rector, Professor Chabani Manganyi, who represented the university, cancelled the agreement claiming that the continuation of the contract would adversely affect academic programmes.

Staytrim signed a lease with the university which entitled the company to operate the student cafeteria for five years, starting on February 1, 1991 and expiring on February 28, 1996.

The catering company was supposed to pay a monthly rental of R875 for 10 months a year.

Staytrim alleges that on August 23, 1991 the university cancelled the contract and that the termination was a material breach resulting in extensive damages suffered by the catering company.

The directors of the catering company allege that as a result of the termination of the agreement they lost about R25 000 a month over the remaining 34 months of the contract.

As a result of the cancelled contract, the directors of Staytrim demand R1.3 million and the R1 000 advance payment made to the university for electricity, both amounts to include 18.5 percent interest.

The catering company’s lawyer, Mr EP Schoepers, confirmed yesterday that summons had been served on the university and that the institution was expected to submit its plea within three weeks.

Yesterday the university’s rector was not available for comment. His secretary said he would be back on July 6.
Violence fear may hit tourism

Staff Reporter

CAPE hoteliers fear South Africa's escalating violence and deteriorating political situation could hit tourism a costly blow.

Mr. Danny Bryan, group sales manager for the Protea hotel group, said yesterday that projected bookings for overseas tourists in Cape hotels had increased by 90% from last year. But there might be mass cancellations — disastrous for the hotel industry — unless the violence was halted and the political situation stabilised.

Both winter and summer bookings were up on last year because of the Gulf war and the recession in Europe. However, if the situation continued the expected boom may not materialise.

"There have been no immediate cancellations yet," he said.

South Africa had received a good overseas press since the referendum and overseas tourists had viewed it as a safe place to visit.

Tourism had been further boosted by major overseas airlines now visiting South Africa and an increase in charter flights.

Hotels in the Western Cape are presently about 50% full — normal for this time of the year.
Masterplan to bring in flood of tourists

PRETORIA is positioning itself to grab its fair share of the expected international tourist boom.

According to Pretoria marketing manager Piet du Preez, tourism is one industry which offers the city the greatest scope for development and employment.

A draft plan for a tourism take-off has already been completed.

Du Preez envisages Pretoria positioning itself as a gateway not only to SA, but to southern Africa.

"At the recent Indaba tourism conference foreign tour operators told me that they rated Pretoria very highly on their visitors' itinerary," he says.

"It is not just a concrete jungle, but an attractive and well-positioned city."

Du Preez says Pretoria's location relative to Jan Smuts airport gives it as much of a claim to be SA's international gateway as Johannesburg.

But the city enjoys several important advantages. Not least is the fact that Pretoria is regarded as being a safe city.

Tourists wanting to explore the CBD can walk around freely, something they cannot do in the centre of Johannesburg.

It is ideally located to serve as a gateway to the eastern Transvaal, the game parks and farms of the Transvaal and the Magaliesberg.

The city also has a good reputation for value for money, particularly its hotels, which last year enjoyed the highest occupancy rate of any city in SA.

Instead of multi-million rand monster hotel developments, Du Preez expects Pretoria to extend the range of smaller hotels and make a name for itself by offering tourists more personal accommodation.

What he has in mind, he says, is a system of guest houses which would give not only good value, but enable the tourist to get a feel for the city and its people.

"He is not just thinking of "white" Pretoria. Already foreign tourists are being offered the opportunity to spend a night or two in neighbouring Mamelodi."

For the national and foreign tourist there is a lot to see and do in and around Pretoria, says Du Preez.

The Pretoria Art Gallery

Some facts and figures:

- The population of greater Pretoria is expected to grow from 1.875 million in 1999 to 1.42 million by the year 2006.
- Issued business licences in Pretoria grew by 5.5% in the past year. Electricity and water consumption increased by 5% a year for the last five years.
- Industrial building plans passed increased by 35% last year. In the last three years, 57 600m² of industrial building plans were approved.
- Black buying income is growing at a real 4% a year.

Pretoria, facts and figures:

- The largest African art collection and Pretoria has one of the richest cultural historical heritages, ranging from the historic Melrose House, at which the Treaty of Vereeniging was signed, to Paul Kruger's house in the centre of the city, from the Boer War forts around the city to Jan Smuts' famous house just outside the city.

- And, of course, the zoo is the best in the country.

The Pretoria station is being upgraded at a cost of R200 mn and the new city core project will significantly expand Pretoria's already impressive conference facilities.

Another new concept is what Du Preez calls a "mix of trade and industry and tourism".

"Iscor, for example is a tourist attraction. It should be opened up to tourism. People want to see what goes on there and how iron and steel are made."

This concept, he says, has been discussed with dozens of companies, all of whom have been supported the idea.
Budget Formule 1 hotel to be built

FRENCH-based hotel group Formule 1 is coming to Pretoria. MD of Formule 1 S.A Roland De Trefou said in an interview the group had identified a site near the Pretoria highway to develop what will become the fifth of its low-cost, no-frills hotels in SA. Pretoria, he said, figured prominently in the group’s plans for the country. “It is a major city and one which will continue to be very important for the country in the future.”

By the end of next year Formule 1 will have 16 hotels in this country. The chain’s worldwide success is based on affordable accommodation. Rates are charged per room and not per bed.

The target market is the budget-conscious person – particularly salesmen, civil servants, and businessmen – working away from home during the week.

De Trefou said the site, between the Menlo Park and Lynwood off-ramp on the N1, was ideal.

De Trefou said it was expected that the passing traffic would generate considerable business, with many visitors from Pietersburg, the northern Transvaal and Zimbabwe expected to stop off there.

It is also accessible from the industrial area of Silverton and is near large residential areas.

De Trefou said the new hotel would have 80 rooms. Formule 1 hotels do not offer restaurant and bar facilities, but the company adds to it that there is a good restaurant within easy reach.

If there is not one nearby, it develops restaurants which it often sells to private owners.
Cultural diversity must be marketed to boost tourism

A FUTURE Pretoria could make money out of tourism by marketing its rich cultural diversity to international and local tourists, says Pretoria Technikon's tourism department head Danie Duvenage.

Duvenage says one of Pretoria's strongest selling points should be its culture, something which involves much more than just its theatres and museums.

Pretoria has plenty of these, as well as a wealth of historic buildings.

Duvenage believes the city's various communities — Portuguese, Germans, Indians, Sotho and many others — should be encouraged to make their cultures accessible to the public.

Tourists, he says, invariably do not come into contact with the real SA. The phenomenon of ordinary South Africans offering bed and breakfast accommodation is a perfect vehicle to expose the traveller to traditional ways.

Pretoria itself, he believes, has a number of unique cultural selling points which need more entrepreneurial exploitation.

Duvenage points to the Cape wine culture which has been successfully marketed to tourists.

For instance, he says, people should be encouraged to get inside the city's massive car manufacturing factories around Pretoria to witness the fascinating manufacturing process.

Similarly the capital city has rich military and governmental heritage such as the Union Buildings, designed by Herbert Baker.

While apartheid is internationally reviled, there is no reason why negative publicity should not be turned into a positive marketing point, Duvenage says, pointing to apartheid signs which are already collectors' items.

Sharp hike is planned for rates

PRETORIA residents have been warned that they face big increases in municipal rates and taxes.

In terms of the city council's latest budget, property taxes will increase by 27.1%, water by 22% and electricity by 8.5%.

Refuse removal goes up by 7.3% and sewage by 7.5%.

While residents face a substantially increased municipal bill, the council is making a large capital investment. About a quarter of the R1.2bn budget will be spent on capital projects.
Hotels hover between boom, bust

If anybody is in any doubt about the feeling overseas towards this country's potential as a tourist country they should have gone to the just-ended Food and Equipment Exhibition at Nasrec in Johannesburg.

Here is an annual show organised by Specialised Exhibitions to keep hotels up to date in foods and catering gear.

The big clue was that 31 British firms exhibited — the largest number of British food and allied industries exhibitors ever to exhibit overseas. There were 15 Spanish firms, three from America and so on.

Peter Hearfield, a big league hotel executive in Britain and, since 1986, in South Africa, in opening the exhibition, spoke of the hiatus now gripping the hotel industry.

As we are poised for better times Johannesburg's gleaming Sun Hotel is considering turning itself into lawyers' offices. Many hotels just cannot hold out for better times and the current unrest is going to compound the uncertainty.

Eventually a tourist boom is certain says Mr Hearfield. But in the meantime South Africa's hotels are less than half full. (The break-even point for a hotel, I was told by a delegate, is about two-thirds full).

Mr Hearfield, now executive director of the Federated Hospitality Association of South Africa (Fedhasa), says the decision to put more capital into the hotel industry has been difficult for entrepreneurs. There has been no Government incentive and even the promotion of tourism receives no tax rebate.

You can get a rebate for promoting the sale of South African spanners or notepaper but not for winning foreign exchange via tourism.

Mr Hearfield pointed out that South Africa is up against stiff opposition in the tourist world.

"We must reach the consumer directly in order to impact on his choice of holiday destination," he said. "This is a very expensive task not least where rand resources are spent in competition with other countries whose budgets are in US dollars, pounds sterling and Deutschemarks."

Will new tourists help fill the 51 percent of empty beds? From another source at the exhibition I learned it was not as simple as that. Many just cannot hold out for a tourist boom. One formerly up-market hotel in Durban has recently downgraded and is quoting "per room" — "so who's counting the number of people who occupy each room?"

South Africa's hotels are mostly good only for the non-discerning. Our much lauded coast has only two hotels on the seaside itself which would merit overseas attention. One of them is the President in Cape Town — marked for demolition.
Hard work behind the glamour

THE glamour of the restaurant business is on the surface only. In reality, it takes lots of hard work. 28/11/92.

Mike's managing director says the company has many people who want to open a Mike's franchise.

"They say they have a dream — and that is a recipe for disaster," he says. "The 'vacation' he thinks he is letting himself have, will probably be the hardest he has ever worked. The hours are generally from 8 am to as late as 2 am the following morning," says Mr Green.

"In most cases, if someone approaches us, we try to discourage them. Before he is allowed to take a step beyond this 'dream of his', he has got to take leave and work one of the restaurants for a week.

"After those seven days he will know and we will know, if he has any energy left and still wants a franchise," says Mr Green.

The potential Mike's franchisee must also have plenty of liquid cash, around R250,000 which is unencumbered.

Development manager Mr Sean Hughes says: "If the franchisee is too heavily in debt from the start, he will never get on to his feet.

"Mike's is not a good investment for investors — it is far more suitable for owner operators."

"Says Mr Hughes, "I'll take your money and you can come and work. Don't put your money in and expect a manager to run it for you."

"Unless you are prepared to put in 14 to 16 hours a day; especially for the first two years; you could be the loser. You have to be the kind of person who never gives up on staff your key. You have to have a very strong management background."

"The franchisee should have a very high energy level and between 30 and 45 years old. We have some excellent older franchisees, but generally that is the right age group," says Mr Hughes.

"A husband and wife team who can work together, work out the best.

"Franchisees come from all walks of life. There are former lawyers, doctors and engineers with Mike's Kitchen restaurants.

"Mr Hughes says the franchisee must be able to stay out in the front greeting people, no matter what is happening in the back."

"The successful franchisee is a people person. The success of any business is determined by the owner."

"We set up the restaurant and train the franchisee over a three month period. Those with little or no experience learn quicker," says Mr Hughes.

So if you have R250,000 burning a hole in your pocket, endless energy, hate sleep and do not like spending time with your family, maybe the restaurant business is for you."
Tour bookings are affected by unrest

PHOENICIA — The Boipatong massacre and the related political crisis would cost the country millions of rand in lost tourism revenue this year, industry spokesmen said at the weekend. They felt the trend would intensify until there was a significant drop in the level of violence.

Remmi's Travel and Satour said there had been tour cancellations already. Spokesmen, unable to say how many bookings had been affected, said the industry had been given "a kick in the ribs".

Remmi's marketing GM Kathy McWhiter said the loss in foreign exchange would be counted in millions. By now, the company's overseas counterparts had reported that worldwide TV and radio coverage of the Boipatong killings had been dramatic. Perceptions abroad were that the country was sliding into anarchy.

Operators said before the massacre international markets for SA tourism had been expanding. Now, although US, European and Far East markets were growing, there was significant nervousness.

"US tourists are easily put off by unrest," said McWhiter.

Tourist markets worldwide had started to pick up after the Gulf war slump and there had been hopes that tourism would close the gap on gold mining as SA's major earner of foreign exchange.

Satour director Spencer Thomas said it was too early to say whether tour cancellations would have a "domino effect".
Boipatong 'could cost tourism millions'

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29/11/92 CT
Hotel group gets five distinct brand names

By Stephen Craven

The attributable earnings of Southern Sun, which is now wholly-owned by SA Breweries, doubled in the year to March compared with the previous year.

Attributable earnings were up by 86 percent from R14.8 million to R27.1 million. Turnover was up 8 percent to R665 million.

Southern Sun's interest bill plummeted from R45.2 million to R2.2 million.

SA Breweries chairman Meyer Kahn said in the SAB annual report that Southern Sun was being segmented into five distinct brands, including the newly created Holiday Inn Garden Court.

Mr Kahn said that the Formule 1 brand had been developed in partnership with the French-based Accor Group. It was aimed at the very bottom end of the market. As it had a very low building cost per room.

Mr Kahn said that Southern Sun aimed to keep its 20 percent holding in Sun International, its 50 percent interest in Southern Sun Timeshare and its 25 percent holding in Nedtravel.
Cape 'likely to be a major attraction to US tourists'

ANDREW KRUNM

CAPE Town's likeness to southern California and Florida would trigger US interest in SA coastal areas, said US real estate analyst Bill Barratt.

Predicting SA was on the brink of "opening up" to foreign tourists and property buyers, Barratt said the Cape's climate and relatively cheap accommodation put it first on the list most likely to attract North American visitors.

Barratt, the keynote speaker at an estate agents' convention in Swaziland, said new territory was vital for tourism and SA's excellent standard of hotels, game parks and wild coastline promised a new experience for American tourists who held jaded views of Europe.

Unlike China and Eastern Europe, "SA's ability to offer world-class facilities and a new world experience would hold tremendous sway with US visitors".

"The hugely beneficial exchange rate, the fact that people speak English and cheaper airfares in future will also enhance SA's visitors' profile," he said.

Barratt believed buyer interest would develop among US citizens in the 40 to 55 age group, who were able to afford an escape from the northern winter.

"But SA must market itself aggressively, concentrating on selling its sunnier attractions in one major city such as New York or Chicago - to achieve the greatest impact."

However, proof of security of investment and political stability would be essential before widespread purchasing could take place, Barratt said.
REVAMP PUTS SPARKLE INTO SOUTHERN SUN

A COMPLETE restructuring of the Southern Sun group, in the SAB Breweries (SAB) stable, saw it improve earnings by 86% in the year to end-March.

MD Ron Stringfellow, who has been responsible for the revamp said in an interview that the group structure had undergone considerable change "to become far more focused and to cater for a wider spectrum of hotel guests' needs".

The group would consider a relisting on the JSE when the time was right — in the medium to long term.

SAB's hotel interests, housed largely in the Southern Sun group, which incorporates Holiday Inn, increased turnover by 8% to R804,7m to end-March. Financing costs were reduced 95% to R4,2m and tax was 90% lower at R600,000, resulting in 85% growth in attributable earnings to R27,1m.

The group now comprised five segments, excluding the Seychelles.

There are 13 four- and five-star Southern Sun hotels in the major centres and 12 Southern Sun resorts with three- and four-star ratings.

The other divisions include the 13 core Holiday Inn three-star hotels, the Holiday Inn Garden Court, limited service hotels and Formule 1.

The new structure would enable the group to cater for clientele with varying needs and varying budgets, and Stringfellow said the group's mission was to become the leading chain in all of its market segments.

A significant portion of the R260m set aside by SAB for capex in its retail and hotel interests would be utilised by the hotel operations.

The benefits were starting to flow through to the bottom line, Stringfellow said.

National hotel occupancies averaged 49%, while Southern Sun's averaged 57%.

Forward bookings looked good, so there was a strong growth potential in terms of the international market, he said.

A problem was that SA was marketed overseas as a destination at selected times of the year, whereas it ought to be marketed as a 12-month destination. The tourist season needed to be extended.

Stringfellow was in favour of gaming in SA as long as it was controlled and regulated. He believed the hotel industry would be more viable if casinos were allowed. Southern Sun would be interested in opening gaming operations in its resort hotels if the law was changed.
Now tourists flock to farms

By Monica Oosterbroek

Drought-hit farmers are converting their land into tourist attractions in a desperate bid to earn income and hold on to their properties.

As agricultural conditions in the country worsen, more and more local farmers are turning their homes into guest farms offering home-cooked meals, hospitality and fresh air.

SA Tourism Board statistics show that about 300 farmers, mainly in the drought-ravaged Transvaal, eastern Cape and Free State, have made their farms available and many more plan to follow suit.

And there may be cash in the farms as holidaymakers seek out affordable travel destinations closer to home. Farm holidays can earn the farmer up to R10 000 a year.

The regional director of the SA Tourism Board in Bloemfontein, Fissie Zietsman, said about 20 farmers in the eastern Free State had already opened their homes, which overlook the Mafutu mountains, to tourists. More farmers were inquiring about the concept.

He pointed out that farmers needed a licence if they provided holiday accommodation. Health inspectors needed to look over the premises. He also said the Hotel Standards Act was soon to be revised to include farm holidays, which meant that high standards would be maintained.

Farmers did not have to make large financial outlays as most of the infrastructure was already available. Some farmers had renovated old farmhouses to rent out as self-catering accommodation. Others brought people into their homes and provided all meals and other comforts.

City-slickers could take refuge in a rural and peaceful environment and enjoy anything from hunting and fishing to hiking, horse riding, tennis and birdwatching, Mr Zietsman said. Some farmers' wives, living on farms on main routes, offered home-cooked lunches, which had proved very popular.
Satour plans improved hotel grading system

SATOUR said yesterday it was considering a scheme to improve the hotel industry's grading and registration system.

Satour's chairman, Piet van Roven, said hotels were currently compelled to register with Satour, after which they were graded according to fixed requirements for each category.

"In terms of the new dispensation, it is envisaged that all establishments desiring registration will select an accommodation category under which they wish to be registered," he said in a statement.

"Guests at registered establishments would pay daily levies to Satour, to be used for tourism marketing."

In return the establishments would receive a package of marketing and technical incentives, including access to Satour's marketing platforms in SA and overseas.

Van Roven said Satour would discuss the scheme's feasibility and the criteria to be adopted in each category with organisations representing the various types of accommodation. The consultations will also be aimed at devising a strategy for the implementation of the scheme.

He said it was necessary to adjust the system to satisfy consumer needs and to cater for new accommodation concepts.

The new system would level the playing field for all participants, he said.

GERALD REILLY reports that Fedhassa, executive director Peter Hearfield, said yesterday a decision to include the hotel and tourism sector in government's general export incentive scheme was vital if the industry was to make a bigger penetration into world tourist trade.

The inclusion was recommended in the recent White Paper on the industry.

"The need for us to sell ourselves abroad has become even more urgent if we are not to miss the boat. The industry lacks the funds to mount an effective promotion campaign," he said.

"SA stood on the chance of getting its fair share of international tourism unless money was available to compete aggressively."

THEO RAWANA
the V&A waterfront project — rather than look at lower-priced but less convenient properties on the coast.

At Jakkalsfontein on the west coast, about 40 minutes drive from Cape Town, only 35 of the planned 166 houses have been sold. The R60m development on a 1 000 ha site with 4 km of beach is one of the most attractive to come on to the Cape market in years. But in a recession R300 000 is a lot to pay for a weekend retreat. The scheme was recently taken over by Propcorp from the original developer, Faircape, which ran into problems in other sectors of its operation.

Potential buyers of holiday and leisure property are also jittery in the wake of Masterbond’s collapse and the uncertain future of Club Mykonos which was by far the most ambitious development in the region.

Though the asking price of vacant west coast land has escalated sharply over the past two years, brokers admit that the market is slow. At Britannia Bay near St Helena plots came on to the market at R40 000-R80 000 and have risen to a high of R140 000 on resales. A new development at Langebaan, following the recent sale of State land, offers prime lagoon-front stands at R220 000.

Among the better buys on the west coast is land selling at R75 000 for 5 ha plots at Longacres, near Mykonos. Though not on the coast, the development is well situated and aimed at the equestrian community. About 100 of the 180 plots have been sold.

The depressed holiday property market is in line with a general slump in Cape Town’s mid-range residential prices. In the west coast suburbs, one of the fastest growing formal residential areas in SA, prices between November and March dropped on average by 14%, according to figures collated by Property Services.

Sectional title prices dropped from around R160 000 to R135 000 and house prices from R176 000 to R153 000.

The first residential units at the V&A are expected to come on stream within two years. Prices are likely to be high — R300 000-plus for a medium-sized unit — but the location means they will probably be snapped up. About 100 units are planned initially. They will probably include private residential, self-catering and timeshare.

Sanlam’s President Hotel site apartments are part of a R230m development which could include a R100m luxury hotel. The residential project includes 132 apartments in three blocks — two of seven storeys and one of nine storeys, which will be sold on sectional title. Parking, for more than 450 cars, mostly underground, will be provided for the hotel and apartments.

Work on the 57-unit first phase has started. Prices were initially pegged at R400 000-R750 000, with penthouses costing just over R1m, but an extensive reassessment of sizes and quality means the average price will now be just over R1m with the top-priced penthouse on the market for more than R4m.

There is already a waiting list of about 200 buyers.
PORT ELIZABETH

Perking up

Tourism and recreation developments worth at least R317m are likely to boost Port Elizabeth's property sector in particular and the regional economy in general. PE Publicity Association director Peter Myles says 12 major projects are under way or in an advanced planning stage. They include developments worth R215m on the beachfront.

The most ambitious are the redevelopment of the Elizabeth Hotel as a sectional title project and the construction of a 150-room Holiday Inn Garden Court on vacant land in front of the Elizabeth. The two developments will be linked by a 10 000 m² retail and entertainment complex.

On the nearby Brookes Hill site work has started on a 120-room hotel costing R20m, 100 chalets worth R40m and a R15m entertainment and leisure complex. The popular King's Beach amphitheatre is being redeveloped at a cost of about R20m.

In the CBD the old post office is being converted into the 60-room Prince of Wales Hotel at a cost of R25m and the Feathermarket Hall is undergoing an R18m refurbishment to turn it into a European-style multipurpose concert hall and conference centre. The lower Balfour Street bus sheds are being converted into an ice-skating rink at a cost of R2m.

At Greencres, there are plans for a health, racket and aquatic club costing R10.5m and the St George's Park cricket ground is being upgraded to the tune of R26m to cater for international tours.

The go-ahead has also been given for the redevelopment of under-used Portnet land in the harbour along the lines of the Victoria & Alfred development in Cape Town.

Myles says the investments are in line with improving confidence in PE which saw residential property prices increase by an average of 36% in the 12 months to the end of September. This confidence is related to the success of the city's "one-city" concept aimed at incorporating all of PE's residents in social, political and economic planning.
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Van Hoven said Satour would discuss the scheme’s feasibility and the criteria to be adopted in each category with organisations representing the various types of accommodation. “The consultations will also be aimed at devising a strategy for the implementation of the scheme.”
Row over levy on hotels and cafés

By MAGGIE ROWLEY
Deputy Business Editor

A CONTROVERSIAL new levy on about 20 000 businesses ranging from corner cafés to hotels has stirred up a hornets' nest.

The one percent levy is being imposed on the total wage bills of businesses in the hotel, catering and liquor industries to help train the people in the industry in the hope of boosting tourism.

However, organisations representing some affected sectors have lodged objections with the government and threatened legal action.

The levy, which is subject to VAT, is being imposed by the recently-formed Hospitality Industries Training Board (HTIB), established by industry groups to administer a Hospitality Industries Training and Development Fund.

Few aware of it

It is linked to a grant system whereby employers can apply for grants to cover their employees' training in HTIB-approved courses.

The first payment was due by employers on June 15.

However, although details of the new fund and levy were promulgated "sometime" last year and gazetted on February 21 this year, few affected businesses canvassed by the Cape Times were aware of it.

Those liable for the levy fall into three categories — the accommodation sector, the catering sector and outlets selling liquor, excluding bottloretes.

Mr. Vincent Hays, financial director of the HTIB, said they did not know at this stage how many employers would be affected or the extent of the revenue they would raise. But they estimated about 20 000 employers would fall under the legislation.

He stressed that although it was established under the Manpower Training Act of 1981, the HTIB was not a government-appointed body but had been set up by the Federated Hotel, Liquor and Catering Association of South Africa (Fedhasa), the Catering, Restaurant and Tearoom Association (Catra), the Associated Clubs of South Africa (ACSA) and an employee body, the South African Chefs' Association.

However, both Catra and ACSA, which has withdrawn its representatives on the HTIB, told the Cape Times that although they supported the need for industry training and had been involved with the HTIB in this, they were vigorously opposed to the levy grant system.

Objections, they said, had been sent to the Minister of Manpower and if necessary legal action would be taken against the HTIB.

Mr. Paul Roseoo, general secretary of ACSA, which represents more than 400 sports and recreational clubs countrywide, said they were in "dispute" with the HTIB over the levies and had advised their members to withhold payments until the matter had settled.

Mr. Frank Swarbrick, executive director of Catra, which represents among others, 40 000 cafe-owners countrywide, described the levies as "unconstitutional, bad in principle, ill-conceived, unmanageable and wasteful".

He said: "We strongly support training but definitely not the levy/grant system, which will result in the smaller companies subsidising the training of employees of larger concerns."

Mr. Swarbrick accused Fedhasa, which has six representatives on the board against two for Cadra, two for ACSA and two for the SAGA, of "undemocratically steamrolling the levy/grant system through".

He said the HTIB was expecting to pull in about R9 million a year, of which R4m would be paid out in grants and R2m would be kept "for a rainy day", with the rest going to cover administration costs.

"The whole thing is a mess and I don't know how they think they are going to administer it."

Exemptions possible

HTIB chairman Mr. David Wigley said administration was expected to cost a little more than R2m a year and he strongly disputed claims that Fedhasa, whose membership would provide about 80% of the levy income, had steamrolled the levy/grant decision or that they had not allowed enough public debate.

"We held public meetings, published guidelines and outlined the proposals fully at the last Fedhasa conference and the proposals were promulgated in the Government Gazette sometime last year."

"Catra were involved right from the start and they just failed to take their membership with them on this issue and are now trying to back out," he said.

He denied that smaller operations would benefit less from the scheme than Fedhasa's membership.

As far as the clubs were concerned, the HTIB firmly believed they fell under the scope of the legislation. "However, there is room for exemptions, particularly for small one-person shows, and we are working on this now."
Cape Town has become South Africa’s most popular tourist destination with more than R700-million spent by tourists last year — a figure expected to rise to more than R1-billion this year. Expansion plans for the Waterfront and harbour show that it is just the beginning...

WILLEM STEENKAMP, Weekend Argus Reporter

CAPE TOWN is on the way to becoming the “African Riviera” — the most popular tourist destination in South Africa and one of the prime places to visit on the continent.

Details of new plans for the harbour area, revealed exclusively in Weekend Argus today (see page 17), show just how promising tourism and other commercial prospects are.

The plans include a major enlarging of the harbour by the year 2010, several more hotels, including one of a five-star, international standard, residential schemes and numerous entertainment and leisure ventures.

Mr David Jack, managing director of the Waterfront Company, said that in spite of the political impasse, there was still tremendous interest from overseas hoteliers in the Waterfront development.

With the huge entertainment centre, Victoria Wharf, set to open its doors in November, with 14 cinemas, speciality shops, daily fashion parades and fresh fish, crayfish and snoek to be sold in a fish market, expectations are that this December could see a record number of people visiting the docks.

More than seven million people visited the Victoria & Alfred Waterfront in the financial year ending March, compared with an estimated 400,000 who went up Table Mountain by cableway last year, until now Cape Town’s premier tourist attraction.

Tourists spent more than R700-million in the Mother City last year and it is estimated that this figure could soon jump to well over R1-billion a year — making tourism the largest industry in Cape Town and creating more jobs than any other industry.

Mr Gordon Oliver, chief executive of Captour, feels this is only the beginning.

The V&A development is only just starting to take off; Gordon’s Bay is developing its own waterfront; the West Coast is becoming an increasingly popular tourist destination; and Hout Bay is looking at extending Mariner’s Wharf.

Simply put, Cape Town is the jewel of Africa with a wealth of potential in the Western Cape to develop and create other new and exciting tourist opportunities. Of course, the Cape is one of the most scenic places to visit in South Africa.

However, said Mr Oliver, it is important that the people of Cape Town do everything possible to nurture this important industry. “We must keep improving services. We must do everything to make tourists feel welcome, to keep them coming back to our shores.

Tourism is the only way in which Cape Town can supply the ever-increasing need for jobs for its people. Every rand

TO PAGE 3
Hospitality industry needs shot in the arm

UPLIFTMENT of services for tourists and an increase in productivity through training are lagging among staff in SA's general hospitality industry.

Information from the international community and indications from the tourism in recent years have affected skills development in the industry.

As says Hospitality Industry Training Board (HITB) executive director Johan Foulie.

He says staff need the challenge of tourists demanding international standards of service.

"Yet, if we cannot offer this level of service we will have difficulty attracting large numbers of tourists."

A recent National Productivity Institute (NPI) hotel survey shows many managers lack communications, marketing, accounting and industrial relations skills.

Foulie believes the industry has the skills to cope with a tourism rise of only about 5%-10%.

"A greater increase will call for training on an unprecedented scale, or the importation of skills."

Problems

He cites two main problems to be faced:

- The long recession has forced investments in training onto the back-burner for many companies;
- Low interest in the industry as a career.

Responsible for co-ordinating and promoting training among hospitality industry companies, the HITB has only about 500 in-service trainees at present instead of its usual 1 500.

"A steady, but not too rapid, influx of tourists will awaken the economy and put companies in a position to invest in training again."

Formed five years ago, the HITB has focused on developing the training infrastructure necessary to answer SA's long-term needs.

All members, ranging from fast-food outlets to large hotel groups, must pay the board's levy and are then eligible for reimbursement of training costs after using courses, institutions and trainers accredited by the board as meeting the required standards.

The board has been able to encourage the University of Pretoria to introduce a six-month part-time course aimed at middle management.

It has also approached hotel schools and Potchefstroom University to make them aware of the shortcomings, with a view to having syllabi amended.
Lenco to bid for Metcor's H & H

CAPE TOWN — Lenco Holdings had decided to bid for 100% of Metcor Industries plastics subsidiary, Henley & Hart (H & H), executive chairman Doug de Jager said in the group's latest annual report.

This comment is believed to relate to the cautionary announcement issued by the group a few weeks ago.

Industry sources believed Lenco would achieve considerable rationalisation benefits by merging its packaging division, Compak, with H & H.

De Jager said Lenco had become more focused on its three core industries, clothing, footwear and packaging. The group's market capitalisation had increased to R200m from R2m at the time of its listing.

The group would not chase turnover, he said. Lenco would try to conserve cash to exploit opportunities once the upturn materialised.

De Jager said Lenco's UK acquisition of Capital Fashions had not been as successful as had been hoped, but it had opened up export opportunities for House of Montecatini, which now exported over 10% of its turnover.

Last year Lenco achieved a 14% increase in earnings to 49.3c a share (43.2c). The operating margin increased to 12.3% (12.3%), return on capital employed, however, slipped to 33.1% (38.4%) and debt-equity improved to 23.8% (46.4%).

Turnaround puts Karos in the red

KAROS Hotels, suffering from low occupancies and the higher cost burden of operating leases and interest, today reported a R4.3m attributable loss in the year to end-March, compared with a R4.1m profit in the previous year.

Chairman Selwin Hurwitz said occupancies of 57% were slightly ahead of the industry and of the previous year, but were down on budget.

This was due partly to a fair number of cancellations by foreign tourists, which were particularly noticeable in January and February.

Turnover for the year increased by 25% to R88.6m, and operating profit was 15% higher at R20.5m (R17.8m).

But the cost of operating leases rose to R7m from R3.2m, and the interest bill of R9.2m (R5.4m) was higher than budgeted for. This resulted in a R166 000 loss before preference dividends compared with profit of R6.2m in the previous year.

Karos showed a loss of 15.9c a share compared with earnings of 14.5c a share in financial 1991. No ordinary dividend was declared.

Hurwitz said the group had been affected by the recession and by the non-availability of rooms and facilities during its refurbishment programme, now nearly complete.

Forward bookings from overseas were well up on last year, and prospects for 1993 "most encouraging."

Hurwitz hoped there would be a change to the Gambling Act. Karos believed gambling rights should be extended to four- and five-star hotels with a minimum of 100 rooms, and "where the environment was conducive to gambling." Gambling should be strictly controlled and confined to those who could afford it.
Hotel industry to take steps against restaurant robbers

ROGER FRIEDMAN
Staff Reporter

THE hotel industry will tackle the problem of increasing restaurant robberies at the Federated Hospitality Association national conference in Cape Town next month.

Several Cape Town restaurants have been robbed in the past year, the most recent being gypsies in Plumstead on Sunday night.

Mr James Vivier, regional director of Fedhaza, said the problem had largely been solved in the central business district through the formation of the police tourism support unit.

"This unit patrols the CBD with specific reference to hotels and restaurants," Mr Vivier said. "We hope their protection will spread to the suburbs soon.

Mr Duncan Werner, regional manager of the Spur group whose restaurants have been targeted by robbers, said: "There's very little we can do. It's just a matter of being careful. All of our franchisees have been sent a directive informing them of the basic security measures we feel they should follow."

Restaurant owners and managers in the suburbs are formulating individual strategies to combat the increasing threat.

Security companies are being employed, additional panic buttons installed, police are being called at closing time, money is not left on the premises and restaurateurs are generally more alert.

But as Mr Dutch Mulder, owner of Nauty's Moonlight Grill in Rondebosch, which was hit last month, put it: "Should these guys walk in again, I can't start body searching them. There's no reason they can't do it again."

Manager of the Mississippi Spur in Milnerton Mr Derrick Haywood said security had been stepped up substantially since the slaying of co-owner Mr Robert England in March.

Mr Haywood emphasised that it was not only the restaurant business which was at risk, but any business dealing with cash.

Warrant Officer Marius van der Westhuizen, acting police station commander at Rondebosch, has drawn up a roster of restaurant closing times in his area and the crime prevention unit maintains a visible presence at critical times each night.

- Two weeks ago, six robbers escaped with R7 500 and cheque books, jewellery and car keys taken from guests at Nauty's.
- In May, two armed men stole R6 400 from the Silver Spur in Bellville.
- In March the co-owner of the Mississippi Spur in Milnerton was killed during a robbery.
- In February the Hardrock Cafe in Rondebosch was robbed of between R5 000 and R8 000.
- In January La Perla in Sea Point was robbed of an undisclosed amount of money.
- In December the manager of the Tomahawk Spur in Goodwood was robbed of R14 000.
- In November the Acapulco Spur in Bergvliet was robbed of R9 500.
- In October the San Angelo Spur in Rondebosch was robbed of R2 500 and the Pinelands Spur of R10 000.
NAIROBI — Tourism in South Africa and Kenya may soon be linked by sea if arrangements can be finalised for a regular Durban-Mombasa cruise run, according to NA Stathakis, an official connected with the recent South African trade exhibition in Nairobi.

Addressing a domestic tourism workshop in the city, Mr. Stathakis said South Africa was ready to start cruise links but was awaiting the final approval of the Kenyan government.

He said that during a recent visit to South Africa by Kenya Port Authority managing director Philip Okundi, an agreement was reached to place a cruise ship permanently on the Durban-Mombasa coastal route.
Ending the violence and attaining political stability are only part of the requirements for a successful SA tourist industry. Service and accommodation standards will have to rise to meet the high levels demanded by foreign tourists, and a major marketing campaign is needed to convince people SA is a safe and worthwhile destination. ANDREW GILLINGHAM reports.

VIOLENCE is holding back visitors to SA and the flow of foreign exchange and jobs which would go some way to helping rebuild the economy.

Flietstar MD Jan Blake believes violence has a major effect on foreign travellers. Each time there is a major incident in SA it receives full coverage in the Press abroad and tends to leave the impression that SA and Beirut are cut from the same mould.

Says Blake: “Each time something happens you can immediately go to your reservation system and see the number of cancellations that you get from Europe over a short period of time. We will not see the boom that we are looking for unless the security position is far improved from what it is today.” However, he feels that once the situation improves the tourists will flock in.

“SA is one of the better destinations in the world. The tourist normally gets more than promised in the brochure. This is important as it leads to repeat quotas,” says Blake.

Boarded

Southern Sun group MD Ron Stringfellow says violence is a huge problem. He believes that following the change in political circumstances in SA foreign media reports have been more balanced.

“However, when people read that 50 people a day are being killed in a war in Johannesburg, they start wondering if a holiday in SA is really what they want. Luckily, a lot of people are now showing interest in coming here,” says Stringfellow.

He suggests that the parties involved should stop “scoring points” against each other every time violence erupts and instead concentrate on stopping it.

“The concept of ten people a day being killed in New York where there is a high death rate, tourists keep on going because they perceive the authorities are at least trying to solve the problem,” says Stringfellow.

Sator chairman Pieter van Hoven says there is no doubt that violence, particularly given the international exposure it receives, is a negative factor adversely affecting tourism development. “If there is any sustained or predictable pattern then it will have a long-term negative effect.”

ONE of the fastest-growing sectors of the tourist industry is the conference and seminar market, which has become a multimillion rand business for local travel agents and hotels.

One of the largest such organisation is Stephanie Moss Solutions.

Stephanie Moss says: “While family-oriented tourists might be influenced by poor media coverage to overlook SA, multinational corporations with offices in this country are generally more informed about the situation and less likely to be put off visiting.

“We have organised and are planning several conferences for multinationals which have selected SA as the venue for annual or special gatherings.” Such gatherings have become an important exercise in communication and motivation. Their success reflects the prestige and capabilities of the local corporate affiliate concerned.

Solutions has formed links with travel agents and hotel groups in the US, Europe and Far East to build this lucrative sector.

Says Moss: “Although local hotels and other venues have considerable experience in coping with conferences and seminars, once you get into larger events — for more than 500 people — you start to experience major logistical problems and are limited in selection of locations.”

Having visited several venues abroad in the past year, Moss compares SA’s five-star hotels with foreign three-star hotels.

“Our local hotel industry needs to review its overall quality of service philosophy from top to bottom if we are to compete on the international front.”

Citing shortages of accommodation and transport at peak periods — such as during the Kyalami Grand Prix or the opening of Parliament — she says the major hotel groups must consider expanding facilities and services to support SA’s tourism promotion efforts abroad.

“SA’s acceptance back into the international arena has and will continue to boost the local conference, seminar and event market.”

“Earlier this year we organised a 70-del-gate conference in Cape Town for international directors of a major multinational computer company. In addition to handling the logistics of flying in delegates from around the globe, the tailormade package for the week enabled visitors to experience the rich beauty of SA in addition to conducting important business.”

“That also means a group of leading influential corporate directors — opinion formers worldwide — left with a very positive view of what SA has to offer.”

Solutions, which Moss describes as a “destination management consultancy”, is now preparing a series of corporate packages. Typically, a group will include Japanese corporate executives brought to the country to enjoy a “golf, game and gambling” tour.

The corporate contribution to tourism and travel cannot be ignored. Seminars and conferences are big business bringing in valuable foreign exchange.

STEPHANIE MOSS
Solving SA’s political woes could bring boom

SA is pinning many of its hopes for future prosperity on enticing foreign tourists. There has been some basis for this optimism as foreign tourism to SA has been increasing. However, recent events have served to highlight the fragility of these expectations. After the recent violence, hundreds of visitors cancelled their trips to SA.

Ending the violence and attaining political stability are only part of the requirements for a successful SA tourist industry. Infrastructure such as hotels and airports are currently inadequate to meet potential volumes. The hotel industry is unlikely to make any major investments in the present climate as vacancies are running at about 50%. However, possible tax breaks could change this scenario.

Service and accommodation standards will have to rise to meet the high levels demanded by foreign tourists, and a major marketing campaign will have to be mounted to convince people SA is a safe and worthwhile destination.

Currency

Should this be achieved tourism could become SA’s third-largest foreign currency earner. Currently, the 1-million visitors to SA only 200 000 are classified as leisure visitors from abroad. The world tourist market is expected to be more than 400-million this year. Just 1% of the market would mean 4-million foreign visitors in SA.

This is unlikely to happen overnight, but tourism could still make an increasingly meaningful contribution to SA’s economy. Tourist hotels are labour-intensive, requiring one employee for each room in the better hotels. This would mean more jobs.

The ever-increasing number of international carriers serving SA should promote this country as a destination, as will charter flights. On the local front, demand is flat, with businessmen making fewer trips. Holidaymakers are short of money and extremely price-sensitive. Airlines are responding to low volumes by offering special rates. Low-cost flight/hotel packages are proving popular.

Cautious

The industry does not expect any real improvement in local tourist numbers until the economy moves out of recession. Even the most hopeful are not expecting this to occur before the first quarter of 1993.

Despite the somewhat gloomy picture, there is still an air of cautious optimism in the industry. A solution to SA’s political difficulties could rapidly reverse present trends, bringing about a welcome boom in SA tourism.

Adventurous head for eastern Europe

SA TOURISTS are still taking international trips, but not as many as they used to.

Their destinations are the US, Europe, and the Far East. The availability of direct flights to Australia has tempted a few to visit friends and relatives in that country.

Remmies Travel MD Lillian Boyle says the more adventurous South Africans are trying destinations such as eastern Europe which has opened up.

“A vast number of South Africans are visiting friends and relations in Europe and going to the traditional holiday spots such as Mauritius.”

Welcoming

Zimbabwe is doing very well for South African travellers at present, as is Botswana. The “Zimbabwe people are proving very welcoming to SA tourists.

“Up to now, no one has gone to Cape Town at the moment, but Christmas time saw a flood of visitors.”

The 150 000 timeshare owners in SA are now putting their timeshare investments to good use. They and to be into the swap market in a big way. It provides them with wonderful access to cheap or free accommodation overseas.

“There have been a few good offers such as a good week here being swapped for two weeks in Florida.”

There is little movement this month apart from traditional trips to the Natal and eastern Cape coasts. It is all depressingly flat at the moment. Some people are being tempted by the special airfares on offer, particularly packages including hotel accommodation.”

Boyle says the market has become very price sensitive, with consumers eagerly pursuing cheap deals.

Boyle says the US is good value for South Africans, even with the three-to-one exchange rate.

“At least the expenses on the ground are going to be very much less than any of the western European countries. The tourists can travel around the US cheaply because of all the special offers.”

“Egypt is an interesting trip and the Gulf is of interest to businessmen.”

A 30-day cruise to Antarctic on a converted Russian icebreaker is on offer at up to $25 000 a person. While Euro-Disney, near Paris, might be tempting, Boyle recommends hiring a barge to traverse the French waterways.

“It is the best form of relaxation and unbelievably cheap. We hired a boat that was twice the size we actually needed and it cost about R110 each a night. You cannot get accommodation for that price. It is a must for anyone with a stressful job.”

Looking down on Hong Kong.
Egos cloud the original issues of wine list debate

The restaurant wine list furor continues, with the catering industry treating the results of the recent Diners Club survey to streams of invective.

In the heat of these exchanges, the original issues have long been lost. Instead, that most brittle and ephemeral of all features, the ego of the restaurateur, has interposed itself between the debate and the truth.

Perhaps it would be useful to summarise the story so far, before proceeding with the next exciting episode.

Diners Club recently published a survey conducted among the ranks of its members: questionnaires were sent to 5,000 of the organisation's 90,000 SA cardholders and 39% replied. This 16% response is statistically useful, even if it does not provide for all the elements of a working sample.

The survey revealed a high level of dissatisfaction with restaurant wine lists. The focal point of unhappiness was retail pricing. More than 90% of those who responded felt that wines were overpriced. Clearly customers believe in general that not enough is done by the establishment or its serving staff to justify the prices at which wines are sold.

Those of us who have chosen to report and comment on the survey have been singled out for such reprimand and rebuke it has become clear that in the minds of the catering industry, no distinction exists between the messenger and the message.

It was clear from the unsubstantiated generalisations in a letter from Ben Filimailer of the Longer Longer group (Business Day, July 8) he was speaking to his own constituency and not engaging in the debate.

The drift of his rather tortured arguments was that restaurateurs are starving while the KWV makes millions; the Diners Club has no business conducting such surveys; and even less right to make the results known; everyone resents restaurant wine prices; nevertheless income from wine sales does not subsidise the pressured margins of food; finally, it is no one's business to have any opinions on the catering industry.

One of his colleagues bent my ear for nearly an hour on the same theme. The former three-times winner of the Diners Club wine list award told me it was a free market (though it was not my business to comment upon it), that his wines were competitively priced (which sounds strange) and that as a result he is making a good enough living.

Some of these views are not inconsistent with common sense or with the results of the survey. Restaurants are in the public domain and must expect to find themselves the subject of criticism. Surveys and articles condemning unhealthful practices are part of the free market at work; they are there to help consumers to vote with their feet, and to encourage licensees to operate efficiently.

Restaurants with competitive mark-up strategies earn money, even in depressions. Establishments which expect wine to make a disproportionate contribution to their overheads are alienating their customers and should heed the feedback instead of condemning it.

It does not matter whether these reports satisfy strict sampling procedure: when 90% of the respondents to a survey conducted among frequent diners-out complain about wine list pricing, the intelligent restaurateur controls his knee-jerkng instinct and instead pays attention to what he is being told.

The shocked reaction to the survey suggests that the catering industry has been isolated in its fool's paradise for too long. Perhaps restaurant critics should include a note in their reviews on the wine list pricing policy: a straitjacket for an insane mark-up policy and a little Bacchus for well-priced wines. This would help diners and restaurateurs know where they stand, all the time.

Michael Fridjhon
SA violence taking toll on tourism

Staff Reporter

THE Western Cape tourist industry is reeling under the impact of township violence. Mr Tom Chou, Consul for the Republic of China, said at least 50 tour groups had cancelled their arrangements after the Bolipatong massacre.

Events in South Africa were being reported in the Taiwanese media and people there got the impression the security situation here was very bad.

"Tourists want to enjoy themselves and do not want to worry about their safety," Mr Chou said.

"I have advised them that things are not as bad as they imagine but there are other destinations that are less risky," he said.

Mr Gordon Oliver, chief executive of Cape Tours, said the political upheaval was having a negative effect on the economy, including tourism.

"Tourists will only flock to the country once the ANC, Inkatha and the government have resolved the problems," he said.

"The situation is deterring the overseas public from coming," he said.

This was affecting the Western Cape most critically, the one part of the country which had growth potential and desperately needed the economic contribution of tourism. The economy would be hamstrung until the political process was concluded successfully, he said.

The government had to get to grips with the evil forces at large which were causing the violence and killings.

The ANC and Inkatha had to use their influence on their constituencies for the return to peace and stability.

"South Africa simply cannot afford to go on like this. Tourism is the lifeblood of the Western Cape's economy and we need peace and political progress to prosper," Mr Oliver said.

Southern Sun managing director Mr Ron Stringfellow said recent developments had led to a lot of uncertainty.

Of particular concern was the possible re-imposition of the sporting moratorium. But since the news broke that planned sports tours were to go ahead, the group had had many positive inquiries.

Mr Dale Pretorius, Satour general manager for Europe, said that if the situation continued there would be a downturn in the number of overseas visitors.

He confirmed that two big overseas investment groups had postponed investing in the industry until the situation improved dramatically.

Regional director of the Federated Hospitality Association Mr James Vilfriend agreed that the political crisis had had an effect on tourism and that fewer travellers were visiting from overseas.
Recall seven million visit popular V&F A Waterfront

By Fred Honey

New seven million visitor V&F A Waterfront

The report says the change

On a million more and more

In the annual watercraft

The number then rises

V&Tions have never to the

The annual watercraft

Visitors have never to the
Mykonos threatened

By CIARAN RYAN

The resort's creditors have been told to get negotiations back on track with the Homeowners' Association, or run the risk of having it wound up.

Chairman of the association Colin Hultzer says the Masterbond curators and Fedlife — the two main creditors — refuse to grant house owners sectional title over their properties until outstanding debts of about R184-million have been paid.

Masterbond secured bonds of R78-million on the resort after it had been sold. When the company went into curatorship, Club Mykonos house owners were forced to foot the bill.

Mr Hultzer says: "If things are not resolved to our satisfaction, we will recommend to the owners that they stop paying levies and withhold a further R60-million in mortgage payments. This could force the resort into final liquidation at which point, we would make a bid for it."

Club Mykonos was to have had 860 units. A total of 236 have been built. Mr Hultzer says house owners have offered to forgo occupancy rights on a third of their properties which will then be sold to generate cash to offset debts.
BOOM time at gaming clubs

SCORES of gambling clubs are opening in spite of the possibility they may be closed within months.

Sun International managing director Ken Rosevear says he became aware of an additional 26 clubs in the past two weeks. Some are said to make more than R1-million a week with little capital outlay.

Mr Rosevear says: "They believe that even if they're allowed to operate for only a few months it is worth it. They can recover their capital in a few weeks."

About 200 clubs are said to be exploiting a legal loophole arising from a court decision last year. It allows games of skill such as ace high, a variation of blackjack, to be played.

Some clubs have refused to honour gambling debts.

The Government is expected to move quickly against the gaming clubs when Parliament sits in October.

The clubs beat the law by changing the rules of blackjack and playing with fewer cards, claiming this makes it a game of skill. Licensed casinos try to eliminate card counting by playing with more cards and then withdrawing some of the deck from play. Yet one gaming club refused to redirect a player on the grounds that he was too skilled at card counting.

ONUS

"It should no longer be a question of what constitutes a game of skill or a game of chance," says a spokesman for the Gaming Association of SA.

In the interests of free enterprise these clubs must be legalised. We want some form of control, but it is the degree we are concerned about," he says.

Advocates of tighter gaming control are concerned that poker machines in many clubs are rigged.

Mr Rosevear says: "The Government is on the police to prove that the machines involve chance. To do so they have to be able to read the computer chip in the machine."

The Government was expected to pass legislation last month ending all gambling. But the Bill was delayed by the House of Delegates.

Solidarity Party leader Amie van Zyl says:

"We took exception to the manner in which the Bill was being rushed through. Certain gambling houses outside SA were boasting that they had friends in high places to push the Bill through."

Tea

"We believe casinos should be allowed in a controlled environment. They should not only be operated by welfare organisations as suggested by the Government, but by sports clubs and others."

Mr Rosevear says he was forewarned by Gary van der Merwe - owner of The Club in Cape Town and The Sleepy Hollow in Johannesburg - that the Bill would be blocked. Sun International repeatedly asked the Government for clarity on the law.

"Club owners are not about to lie down without a fight. Most have joined the Gaming Association."

A hot-line for club owners puts them in touch with lawyers.
 Violence stops flights

BY CHARIS PERKINS

An international airline this week cancelled one of its twice weekly flights to South Africa because of a drop in passengers caused by political violence.

The move by China Air, Taiwan's national airline, signals the end of the mini-boom in the tourism industry which began after the ANC was unbanned.

Tourism organisations this week confirmed that hundreds of people had cancelled visits to SA and said there had been a slump in the number of advance bookings.

Satur tour executive director Spencer Thomas said: "We are doing our best to assure visitors that the violence is localised but, since the Boipatong massacre, people believe there is mayhem in the streets."

Trend

The managing director of the Holiday Holdings Group, Mr Ian Cook, said: "We get calls daily asking us if it is safe to send travellers here."

Mr Laurie Wilkinson, president of the Association of Southern African Travel Agents said the trend was tragic.

- On Friday, SAA slashed return fares from Johannesburg to London to 1986 prices on its new weekly daytime flight. From August 29 until December 1, 1992, and from January 21 to February 28, 1993, all economy seats on the daylight flight will cost R1 699.
French hotel conglomerate Accor — it owns the Pullman and Wagon Lits hotel groups — Formule 1 has become the fastest-growing chain in the world.

The group comprises 239 hotels, a new establishment opening each week.

Research had shown that 60% of French people had never stayed in a hotel because prices were too high. Accor came up with a no-frills hotel concept that would appeal to almost any budget.

Mr du Trevou beard an aircraft to France and tried to interest Accor in launching the concept in SA.

Accor believed the "time was not ripe" to open here.

**Muscle**

Mr du Trevou returned to SA empty handed, but "I am crowned by the fact that the hotel trade in SA was going through tough times because of a tourism slump did little to dent his enthusiasm.

He registered the name Formule 1 and approached Meyer Khan, chairman of SA Breweries, which owns the Southern Sun group.

With the financial muscle of the SA Breweries group now behind him, Mr du Trevou and Southern Sun managing director Ron Stringfellow approached Accor a second time and a partnership was formed in December 1996.

The first Formule 1 hotel in SA near Jan Smuts Airport opened in June 1999 and is running at "very high" occupancies. The average occupancy of SA hotels is about 50%.

Formule 1 hotels are aimed largely at the SA market and are relatively immune to international tourist cycles.

"We plan to open 10 hotels before the end of 1993 and 50 by the year 2000," says Mr du Trevou.

**Slash**

A second Formule 1 is being built beside the Ben Schoeman highway's Sandown-Wynberg off-ramp and a third, on Louis Botha Avenue in Berea, will be ready by December.

A fourth will be built close to Jan Smuts Airport.

By dispensing with costly restaurants, overheads, room service and bars it is possible to slash tariffs to the bare minimum.

A room costs R4 a night whether it sleeps one, two or three people. A Constit...
Tourists cancel due to politics

PRETORIA — Foreign tourist cancellations were continuing in the wake of the Boipatong massacre and growing political uncertainty, tourism industry spokesmen said yesterday.

The plight of the industry was reflected in the R3.8m trading loss reported by the Kagas hotel group for the 12 months to end-March, compared with a R4.1m profit the year before.

Fedhasa executive director, Peter Hearfield, said that part of the loss was the large amount spent on refurbishing. "They're investing in the future, but no one knows when the future is going to arrive."
Deal to rescue Club Mykonos

CAPE TOWN — Life assurance Fedlife — whose clients have R180m invested in Club Mykonos — has emerged as the key player in talks to rescue the West Coast resort.

A tentative reconstruction plan has been drawn up between the Masterbond provisional curators, the homeowners, investors in Club Mykonos Holdings and Fedlife. In terms of the proposal, Fedlife would invest an additional R8m, and provide underpinning of between R150m-R160m to existing investors.

In terms of the deal, Fedlife would offer certain investors an option to realise an amount equivalent to their possible dividend on liquidation.

The delay in the implementation of the plan led to threats on the weekend by the

Club Mykonos

Mykonos Holdings on the basis of asset-based endorsement policies. The security of the clients' investments — shares secured by a ceded mortgage bond which was not registered — was questionable, placing Fedlife in a difficult position regarding the recovery of its money.

One of the major problems with Club Mykonos was that the rights of investors had not been secured and the R130m invested exceeded the value of the assets by a large amount.

The shareblock units had not been registered in the names of the purchasers and a 99-year lease on the property was also not registered. There were also questions about the registration of bonds held by bondholders.

In terms of the reconstruction plan each of the parties would have to make concessions so that Club Mykonos could trade itself out of its debt over 10-15 years. The Masterbond curators were on record as saying that this would be preferable to a fire sale which would possibly only realise about R20-R40m of the R130m.

Bondholders would have to forego interest payments for some time and accept that their capital would be locked in the project for years. Timeshare owners would have to forfeit a third of the time bought to make available more units to sell.
Resort homeowners to seek final liquidation

CAPE TOWN — Irate homeowners in Club Mykonos are planning to apply to the Cape Supreme Court for the final liquidation of the west coast resort on August 12 when provisional curators submit their progress report on the Masterbond group to the court.

A meeting of homeowners would be held in Cape Town on August 10 to approve the proposal for final liquidation, said Homeowners' Association chairman, Collin Hulsizer yesterday. He estimated that there were 20,000 owners in Club Mykonos with a total investment of R110m.

Debenture bond holders and other creditors stand to get paid out as little as 20c in the rand if the resort is liquidated, closed down and sold. The curators have vehemently resisted this route.

Hulsizer estimated that Club Mykonos, which had total liabilities of about R155m, would realise only about R25m to R30m in a fire sale.

He said a final liquidation was in the interest of the homeowners, however, as they would be able to bid for the resort on the open market. They could use the R60m owed to Masterbond subsidiary Spectravest, which granted them loan finance, as a bargaining tool.

Hulsizer said the only alternative which would sway homeowners from their course would be if the curators and other creditors gave them sectional title to their units so that they became marketable.

The curators and Fedlife — which proposed a deal to restructure Club Mykonos — had refused to grant sectional title until all the debt was paid off. Hulsizer said this was unacceptable to homeowners as it would take five to eight years for the debt to be settled.

"We have had promises, promises, promises and now we want to see our assets given marketable form," he said.

Termination

For the past seven months the homeowners had been paying an average R400,000 a month to keep the resort running and this could not continue.

Proposals to be put before the meeting included the termination of payment of levies to the management company and the termination of the repayment of the R60m to Spectravest.

Levies and loan repayments would instead be paid into a trust account and if no settlement favourable to the homeowners was reached, then the trust money would be paid out to them.
Violence takes toll on trade and tourism

HENRIETTE GELDENHUYS and
VUSI KAMA, Staff Reporters

SOUTH AFRICA can expect fewer foreign visitors because of the unstable political climate, the SA Tourism Board has warned.

Although overseas arrival figures in the first three months of 1992 increased by 15.6 percent compared with last year, political turbulence was beginning to take its toll, said Satour media liaison officer Ms Marinda Steyn.

"The strong flow of reservations in the first five months of the year had slowed and future tours and the printing of South African brochures had, in some instances, been postponed, Satour's overseas offices had reported."

The Bolotong massacre had not caused major cancellations, but a "longer-term mood of wariness is beginning to emerge," she said.

"If the political climate did not stabilise and fewer tourists visited the country, it would "impact negatively on jobs and foreign revenue.""

Wesgro executive director Dr David Bridgman said yesterday foreign businessmen had shown incredible interest in trading with South African companies since 1990, but political uncertainty and weaknesses in the government's economic approach remained stumbling blocks.

Responding to the business community's concerns about the future of the economy, Dr Bridgman said the prospects for foreign trade were better than two years ago and that businessmen should prepare themselves for better days.

Last month, Wesgro hosted its 1,000th foreign visitor considering business in the Western Cape since January 1990.

Most of the foreign businessmen were interested in commodities such as fruit, fruit juices, wines and clothing.

"We must be aware that South Africa in general, and the Western Cape in particular, offer good investment opportunities in market areas such as tourism, food processing and yacht building."

"But given the current political uncertainty and violence, large scale foreign investment cannot be expected now."
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Political turmoil sets back tourist industry

GERALD HELLY

The political situation was beginning to take its toll on the flow of overseas visitors, threatening job and foreign exchange losses, said a Satour spokesman.

He said although the tourism industry had suffered no major cancellations due to the Boipatong massacre, "a longer-term mood of wariness is beginning to emerge."

Satour's overseas offices had received many inquiries about the unrest in SA. Future tours and the printing of brochures containing SA tour programmes had to be postponed.

The offices also reported that the strong flow of reservations in the first five months of the year had slowed down.

"If the present political climate fails to improve and stabilise it bodes ill for foreign tourist arrivals for the second half of the year."

The spokesman said this situation could translate into job losses and also into a loss of foreign earnings for SA.

Overseas arrivals during the first quarter of this year increased by 13.4% compared with January-March last year, but this trend was now threatened.

In the quarter, European arrivals increased by 12.5%.

The major growth markets in Europe were France (43.1%), Italy (25.1%), Netherlands (25.1%), Switzerland (21.4%) and Belgium (23.6%).

There was also increased interest from the Scandinavian countries, a market which held great growth potential.

The Asian market showed a consistent growth, with an increase for the quarter of 32.8%, the spokesman said.

Arrivals from Japan increased by 76.8% while Taiwan showed an increase of 31.7%.

Arrivals from North America in the quarter were also above average, with 19.9%, while Australia showed an increase of 12.6%.
HIT BY TOURISM

<table>
<thead>
<tr>
<th>Year to March 31</th>
<th>1991</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (Rm)</td>
<td>70.8</td>
<td>88.6</td>
</tr>
<tr>
<td>Operating income (Rm)</td>
<td>11.0</td>
<td>8.6</td>
</tr>
<tr>
<td>Attributable (Rm)</td>
<td>4.1</td>
<td>(3.9)</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>14.5</td>
<td>(13.9)</td>
</tr>
<tr>
<td>Dividends (d)</td>
<td>6.0</td>
<td>—</td>
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</tbody>
</table>

account of land and building lease charges as well as depreciation and amortisation costs does not cover the interest charge. Chairman Selwin Hurvitiz says there could be a further rights issue to reduce the interest charge.

Karos's management took a proactive stance towards investment, but was caught flatfooted by the political and economic climate. Though the group now has 1 900 fully refurbished rooms, the business looks overcapitalised, particularly if the ongoing violence means foreign tourists will continue to stay away.

News on this front is bad, with tour operators saying hundreds of potential tourists, largely first-time visitors, are cancelling visits because of the increasing violence.

Admittedly, the hotels are also aimed at the conference market and the businessman, with local and international tourists supplementing trade from these activities. But Karos has been hit on all fronts: conference and business travel trade is depressed as company profits remain weak, while the recession has kept local tourism in the doldrums.

Local gaming operations could provide some relief. Though the legislation remains unclear, it is possible that regulated gambling will be allowed inside SA, particularly as it seems probable the homelands will be reincorporated into SA. Hurvitiz predicts gaming operations, now operated at five of its hotels, will contribute roughly R2m to attributable earnings if the authorities don’t terminate the activities. The 1992 results do not include gaming activities, as these started after year-end.

Karos operates gaming operations at The Edward in Durban, Pietermaritzburg’s Capital Towers, Johannesburg’s Indaba Hotel, the Arthur’s Seat Hotel in Cape Town and the Wilderness Hotel on the Cape coast.

After dropping by a third in the past month, the share trades at a 64% discount to NAV. Concentrating on three-, four- and five-star hotels, to gain exposure to the conference trade, has yet to pay off. Occupancy levels have been higher at the less expensive City Lodge chain.

Yet again, one must take a view on future violence when taking a view on Karos’s prospects.

William Cilliers

 Poor reward for capex.

Paradoxes occur often in SA and Karos’s 12-month results are yet another example. Despite repeated assertions that SA’s hotel infrastructure is inadequate, the group’s profitability has been squeezed because of its R100m refurbishment and development programme.

Interest cover has narrowed severely, as net interest charges rose rapidly while trading profit fell.

Admittedly, capex programmes often take time to pay off, but Karos’s results show what happens when activity does not reach the expected levels after investments are made. Despite last year’s R14.7m rights issue, 1992’s trading profit (after taking
which would have shut about 1 500 casinos outside the independent homelands, was vetoed in committee by the Indian House of Delegates, which objected to its being rushed through.

The Bill was designed to close a loophole in the Gambling Act, which defines gambling as games of chance. By slightly altering the rules to allow for less chance and more skill the new breed of casino operators thumbed their noses at SA’s moral guardians (Business & Technology June 5).

The fight is not over yet. Parliament’s justice committee is considering amendments to the Bill that will be discussed at a meeting this month, says a Justice Department spokesman. The Bill could be revived in a special session of parliament planned for October. The next regular session begins in February.

The casinos are still in business and more are opening every week, creating jobs and paying taxes. They even have their own body, the Gaming Association of SA, formed last month.

Sun International CE Ken Rosewar dismisses the body as just an attempt by casino operators to legitimise and entrench themselves as much as possible before parliament returns to the issue.

The company, which has the most to lose from the spread of casinos in SA because of its huge investment in the homelands and neighbouring countries, raises the spectre of Sodom and Gomorrah unless regulations are implemented. “There are potential problems linked to prostitution, drugs — all sorts of underworld activity. There needs to be some form of control or regulation. If gaming is going to be allowed in SA, then it should be clearly defined.”

Proponents say there are already laws against prostitution and drugs and that the underworld is usually a problem only in outlawed businesses.

Howard Berichowitz, the MD of Figgs Peak Casino in Swaziland, also wants clarification on the issue. “It’s unfair for government to say gaming is illegal and then not do anything about it.”

Berichowitz, who has lost half of his junior dealers to the rival casinos, also believes that the industry needs control. “If government wants to legalise casinos in their present form, then I have no problem, but operators must be vetted, there must be a set of guidelines and proper accounting methods have to be implemented.” He says he would open a casino in Johannesburg tomorrow if the business was formally legalised.

The Club casino group is a nationwide collection of new casinos that employs about 500 people. Director Gary van der Merwe says it will make a mockery of parliament if the Bill is pushed through in the special session. “That session is supposed to deal with legislation coming out of Codesa, but pressure has been applied to government. Casinos have to be controlled but there should be no limit to the number allowed — competition is healthy for business.”

CARLTON MORGAN 717/92
Still in the game

Sun Bop's share price has held up well despite the proliferation of local casino clubs to well over 100 (see Business). At R35, it trades on a p/e of 18.3 with a 3.4% dividend yield. This may surprise those who believe Sun Bop's property depends largely on the prohibition of gambling, aside from horses, inside SA.

One explanation is that Sun Bop's activities are aimed at the mass market, whereas the local clubs are niche operators. Deputy chairman Ken Rosevar agrees and adds that the broad range of entertainment facilities offered at Sun Bop resorts also explains the apparent anomaly. The new Carrousel hotel and entertainment complex, roughly 30 minutes north of Pretoria, is an example.

To motorists on the nearby freeway, the complex appears nothing more than a massive casino, which must be vulnerable to the surge in local clubs. Rosevar says the complex is doing well, thanks to the family entertainment facilities available, including movie and disco complexes and 10-pin bowling.

He does concede, though, Sun Bop's profits have been hit. However, as analysts still expect EPS growth of over 10% for the 12 months to June, when most other businesses are struggling to maintain earnings, it seems the impact has not yet been material.

But what of the future? Local casino clubs are continuing to sprout at a rapid rate, suggesting Sun Bop will face growing competition. On the other hand, government has stated it intends to pass the Gambling Amendment Bill, designed to close the loophole in the Gambling Act, during October's special session or early next year.

Rosevar, along with bodies such as Karos Hotels, supports regulated gambling, noting gambling is controlled in virtually every country. Levies and taxes are controlled better through regulation.

Paradoxically, Sun Bop could benefit as there is nothing preventing it from applying for licences for gambling operations in SA. Rosevar says the group will consider applying for licences, depending on the terms. The agreement between Sun International and Southern Sun, restraining one another from operating in each other's territories, expired in March last year.

Though Sun Bop has lost some staff to the new operations, he says this has slowed recently as the staff believe the legislation is likely to change. Only 23% of Sun Bop's 17,000 work force are gaming staff.

One observer argues the share price has held up as the threat of local clubs has largely been discounted, as it has long been probable the homelands will be re-incorporated into SA.
Restaurants to petition Minister on wage bill levy

By MAGGIE ROWLEY
Deputy Business Editor

At least 20 of Cape Town’s top restaurants are to petition the Minister of Manpower against the new levy system on wage bills in the tourism industry.

The levy constitutes 1% of the wage bill of about 20 000 employers who provide accommodation facilities or are involved in the preparation or serving of food.

The affected businesses range from corner cafes, restaurants, hotels to caravan parks and holiday flats.

The first payment, which has been imposed by the newly appointed Hospitality Industries Training Board, was due on June 15 and came as a surprise to many affected businesses canvassed in Cape Town.

Although established under the Manpower Training Act of 1981, the HITB is not a government-appointed body but has been set up by the Federated Hotel, Liquor and Catering Association of SA (Fedhasa), the Catering, Restaurant and Tearoom Association (Catra), the Associated Clubs of SA (Acas) and an employee body, the SA Chefs’ Association.

However, Acas and Catra, while both supporting the need for industry training, have both come out strongly against the new levy system.

Acas, which represents more than 400 recreational and sports clubs, claims its members should be exempt because they are non-profit organisations. It has called on its membership to withhold payment until the matter is settled.

Catra, which represents 40 000 cafe owners around the country, has accused Fedhasa, which has six representatives on the 12-member board, of “steamrolling” the levy system through and described it as “unmanageable, wasteful and unconstitutional.”

Grant system

The levy is linked to a grant system to fund training in the industry, but its opponents, including Catra and the group of 50 Western Cape restaurants, claim it amounts to small businesses funding the training of larger organisations.

Marion Ellis Peterson, owner of Rozenhof Restaurant and spokesperson for the concerned restaurateurs, said most restaurants were too small to justify or benefit from such a system.

“We do our own in-house training and this really amounts to the small businesses footing the bill for big concerns who stand to gain more from the courses offered.

“Most restaurants we have canvassed are refusing to pay and we will be petitioning the Minister within the next week.”

She said some restaurants had not yet even received invoices while others, including Rozenhof, had received double invoices.

“Administratively, it appears to be in a shambles,” she said.

François De Villiers, deputy director of communications for the Department of Manpower, said the Chief Directorate had received 17 written requests for exemptions from the levy and these had been forwarded to the HITB.

A number of employers who made telephonic requests for exemptions had been told to apply in writing to the HITB.

Complaints and requests for exception, he said, had to be submitted to the HITB which would forward them, together with any recommendations by the Board to the Director-General of Manpower for consideration.

De Villiers said Department of Manpower officials held discussions with the HITB executive director on July 3 regarding certain applications for exemptions and a further meeting would be held on July 9.

“The Department can thus only react after receipt of information on the outcome of the meeting,” he said.

Peters said the opposing restaurants include Rozenhof, Fisherman’s Cottage, Mama Roma, Decameron, La Petite Forme, Leinster Hall, Chez Simonne, Beachcomber, Nelson’s Eye, Chancers, John Jackson at the Peninsula, Upper Crust, No 10, Shrimps, Old Colonial, Moguls, Bensons, Harlequin and the Ciao Italia organisation which represents 25 restaurants in the Western Cape.
Foreigners put off by politics, violence

OFFSHORE interest in local residential properties has dropped off substantially due to political instability and violence.

Seeff international properties director Carmella Seeff says that after Nelson Mandela's release interest was brisk and had been expected to continue.

"We saw a lot of inquiries for farms and holiday accommodation along the Atlantic seaboard. We sold over R100m worth of properties after Mandela's release and believed that would continue as SA moved towards a political solution.

"However, foreign investors are now still looking at our properties but definitely adopting a wait-and-see attitude. They are concerned about the security and return on their investment and are not prepared to buy until the situation has improved," she says.

A more concrete ANC policy on foreign investment, the resumption of Codesa talks and a more positive mood would see renewed foreign interest.

Regular tours of prospective buyers are brought out from London, Germany, the Far East and the US.

The London office has received more than 300 inquiries from prospective immigrants, who are unable to sell their present homes due to the tough English market.

"We are looking to move into the investment field rather than the residential market in the UK and are talking to two of the largest London-based English real estate firms," she says.

Trade missions are being opened in Pretoria and Cape Town, but tend to rent residential properties rather than buy them. Speculation in residential property by foreign buyers has also dried up as it is now difficult to rent the property, resulting in the investor receiving no return on his investment.

Interest is still centred around Cape farms and several spectacular sales are concluded every year.
CAPE TOWN — The R95m refurbishment of the Wild Coast Sun into a Tahitian-style South Seas island resort is nearing completion and will be formally launched in November.

New entertainment facilities have been added to the complex, the day visitor centre has been redesigned and the casino area enlarged and revamped.

A new 1,100-space undercover parking area has been built, linked to the main entrance by a covered bridge.

About 200 new bedrooms have also been added to the hotel.

Emphasis has been given to children's entertainment in the day centre with a children's theatre, video arcade, pinball games, fairground games machines and a ten-pin-bowling arcade. The centre also includes a bingo area.

Transkei Sun International chairman Ken Rosewarne said the new design reinforced the resort's holiday atmosphere, was very easy on the eye and, importantly, provided additional space and facilities.

"Because the Wild Coast Sun already receives more than 1,000,000 visitors a year — which is climbing all the time — we had to expand the facilities and create an environment through which people can move easily and comfortably."
Hotels say
rooms empty for holiday

DURBAN — Hotel occupancy rates have been “very low” during this year’s July break, says Fedhosa vice-chairman, Alf Sudheim. Some hotels reported occupancy rates as low as 60 percent.

Hotels may have been saved from financial loss by the abundance of sporting events in Durban during July.

A spokesman for the Southern Sunns group said its hotels had been full over the weekend of the Durban July and big rugby matches, but had been as little as 60 percent full for the remainder of the holiday.

Mr Sudheim attributed the low occupancy rates to people’s reduced spending power and their reluctance to leave their homes unattended for the duration of the holidays.

Holiday Inn yesterday introduced the bed and breakfast system to its hotels, but a spokesman denied it was to counter the effects of low occupancy rates, saying it was part of a “value for money concept.”
Municipal Reporter

CAPTOUR, the Cape Tourism Authority, is building up a tourist emporium in the offices that used to house South African Airways, just off Adderley Street, next to the station.

Chief executive officer Mr Gordon Oliver announced on the site yesterday that some facilities at the Tourist Information Centre would be open 24 hours a day, seven days a week.

CAPTOUR will move its own information bureau and head office there from September 1.

Among the facilities to be established there are a foreign exchange bureau and accommodation and travel booking facilities. There will also be a communications centre, offering visitors access to telephones, fax machines and photocopiers. Tourists awaiting return calls will be able to while away the time at a next-door coffee bar.

The police tourist assistance unit will also have an office there.

A jewellery and curio shop will be established in the complex.

"We are putting our money where our mouth is," Mr Oliver said. "We have been exhorting the business community to improve their service to the tourists, and that is what we are doing here."

By GLENDA NEVILL

A CORPORATE body made up of timeshare owners of a Cape Town hotel negotiated an offer with the provisional curators of Masterbond to buy out the hotel from the Masterbond pool.

The deal, involving R2.3 million, would allow investors to get their money back without current timeshare holders having to pay more. The agreement has to be ratified by the Masterbond provisional curators at a meeting tomorrow.

"We want to break away from Masterbond completely and become independent," said Mr Steve Ryan, manager of the Park Lane Hotel in Gardens and one of four trustees of the corporate body known as the Gardens Village Management Association, GVMA.

The offer involves replacing Masterbond directors in the GVMA with a corporate body of timeshare owners to administer the hotel.

Five resolutions were proposed that the GVMA buy the hotel, fixed property for R1.8 million; that the GVMA acquire the entire issued share capital in and the loan account against Park Avenue Managers for a total of R1.3 million; that unit trust investments (part of the original investors' package) fund the acquisitions; that unit trust investments be lent to GVMA as a special levy; and that the GVMA, through its officers, be authorised to achieve the implementation of the offer and to bind all parties to the transaction.

The provisional curators invited bids at least 75 percent of all timeshare owners agreed to the deal. At a meeting attended by 300 owners, 85 percent of those present voted in favour of accepting.

"If the hotel was liquidated, the investors would lose everything but we have now reached an equitable agreement with the provisional curators. No-one loses out," said Mr Ryan.

In terms of the offer, the GVMA has to pay R2.8 million up-front and the remaining R200 000 from future timeshare sales.
Tourism hit by crayfish shortage

THE shortage of crayfish in South Africa is harming the tourist industry, says the SA Restaurant Guild.

Many tourists who come to South Africa for its seafood find it is not available.

 Guild chairman Mr. Robert Maurits said he would call for a drop in exports to allow South Africa to become the "crayfish centre of the world." A Ministry of Environmental Affairs spokesman, Mr. Neil du Buis said 25% of the crayfish catch had to be set aside for "local" consumption, but at the end of each season permission had been given for the unsold portion of this allocation to be exported. Sapa
Violence puts brake on car rental volumes

From EDWARD WEST

JOHANNESBURG. — Continuing political violence could see car rental volumes falling by more than 30% over the next few months, traditionally the start of a peak business period for auto-rental companies, Budget Rent-A-Car MD Tony Langley said at the weekend.

Langley said if violence continued the normal influx of foreign tourists wishing to take advantage of SA’s summer season would dry up.

Foreign tourists accounted for about 30% of rental volumes during these months. They tended to keep away from SA during winter and car rental companies, operating at about 70% of capacity, were currently experiencing a normal trough in business activity, he said.

Car rental volumes had already dropped by about a third in real terms to 2.5-million days in 1991 from an annual average of 3.5-million days three years ago.

Low demand

Langley said although the low demand was bringing prices down, industry price levels had reached their limits and many companies were considering whether to close down outlets. Budget closed one outlet last year and was considering closing more, he said.

However, Imperial Car Rental MD Carol Scott was more optimistic. She said a number of new European operators had recently shown interest in SA as a tourist destination.

Because of this optimism the company had no plans to close outlets or cancel orders for the purchase of new vehicles, she said. The group planned to spend R240m on 6,000 new cars this year.

Avis director Glen van Heerden said he was cautiously pessimistic about short-term tourism prospects in SA because of political turmoil. Foreign tourism in Botswana, Namibia and Zimbabwe was on the increase, he said.

Strike losses
Respite for casino owners as changes to Bill shelved

By Peter Fabries
Political Correspondent

Controversial legislation aimed at closing down gambling casinos in South Africa has once again been shelved and is unlikely to be passed this year.

Democratic Party justice spokesman Tony Leon said this last night after the Gambling Amendment Bill was discussed at a meeting of Parliament's joint standing committee on justice.

The Bill closes a legal loophole which has allowed casinos to proliferate on the grounds that they are not offering "games of chance", as gambling is defined in the present Gambling Act.

Mr Leon said the committee had effectively shelved the Bill until next year at least by postponing discussion of it until the next session of Parliament in October.

He added that he was "exceedingly surprised" that the Bill had even come before Parliament given the size of the philosophical debate it had initiated in the body.

This made it extremely unlikely the Bill could be approved by Parliament during the October session, Mr Leon said.

National Party chairman of the committee Gert Myburgh had assured other parties the Bill would not be rushed through the committee in time to be passed in the October session.

The committee believed the Bill should be shelved pending further deliberation.

Mr Leon said the Government had drawn a "haphazard" distinction between gambling for personal gain - which would be outlawed by the Bill - and gambling through lotteries for welfare purposes - which was to be investigated by a special commission.
New offices will woo the tourist

Staff Reporter

CAPTOUR's tourist and head office will be open for business in the Tourist Information Centre, the new travel emporium in the station complex, on September 1.

The centre will offer all the information, goods and services tourists need under one roof.

Captour chief executive officer Mr Gordon Oliver said it would fulfill an important task by offering tourist services "in a user-friendly, accessible facility".

It will house a travel agency, touring companies affiliated to Captour, booking offices for accommodation and trips, an exhibition area, a police tourist assistance unit office, a foreign exchange bureau, a communications centre offering tourists the use of telephones, fax machines and photocopiers, and a coffee bar.

"Visitors will be able to buy a variety of goods, gather information and make reservations locally, regionally, nationally and internationally," Mr Oliver said.

NEW TOURIST CENTRE:
Captour chief executive officer Gordon Oliver and PRO Mrs Hester Lamprecht, above, lend a hand to the building of the new offices. Left, the new Captour offices at the main station.

Picture: ANDREW INGRAM, The Argus.
Travel agents wilt in heat of air war

CHEAPER air fares — although beneficial to travellers — were causing travel agents to struggle, an industry spokesman said at the weekend.

Agents had to sell many more of the cut-price tickets to generate the same level of income they derived from selling more costly tickets, often at the expense of service to customers, Rennies Travel marketing manager Kananelo Maketha said.

Maketha’s statement came as a price war loomed in SA’s domestic flight market between Flitestar and Comair — a war in which SAA has said it would not take part for the moment.

Maketha warned that those travel agencies which were not geared towards providing their service or effectively would be hard pressed to maintain their standards.

Flitestar and Comair recently announced a cut of up to 45% on fares on the popular Johannesburg-Cape Town route and industry sources speculated that SAA would soon announce a cut of about 50% on its flight prices.

However, the speculation was strongly denied by SAA spokesman Elna Els, who said that no such announcement would be made in the foreseeable future.

Flitestar MD Jan Blake earlier said domestic air fare structures in SA were already too low by world standards and that such a dramatic reduction in fares by SAA would eliminate all competition.

Collectors expected to snap up Harvards

ARMSCOR has put up for tender 21 SAAF aircraft — including two Harvards which the company says are collectors’ items.

On Sunday Armscor advertised 19 NAM-3CM Bosbok aircraft, Bosboks, and two Harvard TEs.

The Bosboks were built for the SAAF by the former Atlas Aircraft Corporation and used mainly for reconnaissance, an Armcor spokesman said yesterday. They were ideal for use in rural areas because of their short take-off and landing abilities.

The 40-year-old Harvards — used by the SAAF as training aircraft — were expected to be snapped up by foreign collectors. Tenders were expected from all over the world.

The tender deadline was set for September 14.

Skal congress major boost for Cape tourism

CAPE TOWN — The Cape tourism industry is to receive a boost by the arrival of about 1 800 tourist operators who will be attending the 1992 Skal World Congress in the city in October.

Apart from the immediate economic spin-offs from the flood of visitors from 50 different countries, the Cape economy is likely to receive a further $25m tourist injection next year as a result of the congress.

The importance of making a favourable impression on the delegates cannot be overemphasised. They are able to exert tremendous influence on tourism to SA,” Skal spokesman Mike de Groot said yesterday.

Association Internationale des Skal Clubs protocol director Les Graefheen from Canada and congress director Jan McCubbin from the UK said previous experience showed that the year following the congress the host city gained tourism worth about $25m.

SAA already showed a considerable loss on its domestic service and the airline chief executive resort van der Veer earlier indicated that SAA intended cutting down on domestic seat capacity.

Flitestar last week introduced a peak season fare of R385 on an off-peak flight between Johannesburg and Cape Town with effect from August 3.

At the weekend Comair pointed out that its off-peak fares on the route were still the lowest in the country at R530 return.

“This is a no-strings-attached fare, with simple preconditions: It applies to passengers booking and paying in full ten days prior to departure, senior citizens, youth, military personnel and spouses,” Comair commercial director Bert van der Linde said.

Peak-time unconditional fares on Comair were R678 on all flights — 26% less than the standard economy fare offered by the other two carriers on the Johannesburg-Cape Town route, he said.

Comair would fly the route for the first time on August 3.

A Rennies Travel spokesman said travel agents were paid a certain percentage commission on selling an air ticket and although ticket prices were being lowered, the commission percentage remained the same.

“We fear that travel agents would not start pushing volume at the expense of service to customers,” she said.

Changes affect tax benefits of plane ownership

AN AUGUST 1 amendment to the Income Tax Act — which removes some tax benefits associated with aircraft sales — would affect the incentive to own aircraft and hurt tourism in SA, an industry source said.

Desiree Pim Goldby, associate director Craig Richardson said an amendment to the 1992 Income Tax Act would prevent the owner of an aircraft from setting off the value of an old aircraft against the cost of a new one.

“The message is that aircraft owners planning to sell have four days to avail themselves of the tax benefits under the current Act,” he said.

Avton Industrial Finance director Volker von Wilderd said “the motivation and justification for aircraft as an after tax asset that carries that much more difficult”.

The amendment would not only affect the size of the market, but through its impact on the air charter industry.

“The infrastructure for tourism must include an aircraft, and when you restrict the aircraft, you restrict tourism,” von Wilder said.

Another aviation finance company spokesman said the amendment would have a “very dramatic” effect on an already depressed market.

“One of the biggest selling tools in this industry is the tax benefits associated with owning an air craft,” he said.

“For an owner this often leads to a situation, where, in order to enjoy the tax benefits, he rolls over the recommission values into a new, larger aircraft.

“The owner’s inability to roll over the recommission under the amendment would cut the market drastically in the future,” he said.

Even taking account of a 40% tax allowance for new aircraft, the net effect of the amendment was a significant increase in the former owner’s taxable income, with an obviously negative impact on his cash flow,” he said.

LINDA ENSOR
Lenders for Parow hotel development called

Parow municipality has, for the second time, called for tenders for the development of a hotel on its 3.2ha Plattekloof Ridge site near Cape Town.

A proposed 150-room hotel development on the ridge would fill the need for a high-grade conference venue in Cape Town's northern metropolitan area, a Parow municipal spokesman said.

However, Parow town clerk Harry Caarstens said the development was not a certainty and tenders were being called to test the market response and gauge the degree of interest in the project, which had been very positive so far.

The municipal spokesman, who declined to be named, said municipal development plans had identified the need for a luxury hotel — aimed primarily at the business market — more than four years ago.

He said the first time a tender was accepted, the deal "fell through at the last moment". The site is zoned for general residential purposes (hotel) and will have a maximum height of two storeys.
Odds on Gambling
Bill debate poor
8/100
Davy Paddock 29/1192

GOVERNMENT's controversial gambling legislation was unlikely to be passed this year but there was an outside chance that it could be debated and given the nod during the short October parliamentary sitting.

NP chairman of the parliamentary joint committee on justice Gert Myburgh said yesterday government had not shelved the legislation.

"But it had never been government's intention to push through the legislation in October as the short session was meant for legislation dealing with constitutional issues."

However, should constitutional legislation not be agreed upon in time for the October session, another agenda would be followed.

"The agenda might include the Gambling Bill and other legislation."

"However, it was not government's intention as none of the committees had been instructed to prepare legislation for October, Myburgh said.

He said he was still waiting for the Justice Department to publish the terms of reference for its judicial commission of inquiry into illegal gambling or lotteries, before his committee would hear more evidence for the legislation.

The committee had collected evidence from, among others, Sun International chairman Sol Kerzner and the Katz's Hotel group.

Myburgh denied allegations that Kerzner had "got to" the NP committee in an attempt to protect his casinos.

"I can vouch for Minister Kobie Coetsee and myself. Neither of us has had any discussion with Mr Kerzner."
City festival on hold until 1994?

Municipal Reporter

ALTHOUGH there will be no Cape Festival next year, there may be one the year after, Captour chairman Mr. Louis Kreiner said yesterday.

The most recent festival, towards the end of summer this year, had been "fair but not truly memorable," he said.

If Cape Town could not stage something of which it could be proud, then it was wasting everyone's money, he said. The council gives Captour R30 000 to stage a festival, which, in turn, passes on to the private-sector organization which runs the festival.

Any future festival would also have to be privatized.

This year's venue -- St. George's Mall -- had been nice and central, but the festival had not been "focused enough" there, Mr. Kreiner said.
In my view . . .

The vexed question of building hotels

In this column this week South African tourism experts comment on aspects of the local industry.

In South and Southern Africa, we are regaled with the potential for tourism. Hardly a week goes by without some media coverage of a proposed development, or a visit by someone in the international industry interested in investing here.

Accommodation is one of the major components of the multi-faceted industry.

But are our establishments profitable? Can new ones be developed and prove viable for investors and owners?

Unfortunately, in general terms, the answer to these questions is no.

Concentrating on the hotel industry, which is the only sector for which we have reasonable statistics, virtually any owner would tell you the business does not easily provide a return.

It is necessary to distinguish between hotel owners (institutions, corporations and individuals) and operators, although one does find owners who also operate their establishments.

Those international groups which have visited South Africa in the past 18 months, expressing interest in operating hotels, rarely own their hotels. And their entry into the local market would be no different. They are waiting for investors and financiers to develop hotels which they can manage, for a fee, on the owner's behalf.

This is not a bad system, because the operating company brings expertise, marketing infrastructure and a known name. However, any profits or losses, after the payment of management fees, are for the owner's account.

So, again, are hotels viable for investors and owners?

In excellent locations, where good room rates and high average occupancy can be achieved, hotels provide adequate returns in the longer term.

By Gillian Saunders of Kessel Feinstein Consulting, author of "Tourism Talk"

But in many areas of South Africa it is not viable to build an hotel if one looks at the current market.

Many facts corroborate this. We often hear of proposed developments — often announced with a fanfare of publicity — which do not materialise.

The usual failure is that the finance for the project has not been found because the projected earnings did not show adequate returns.

We also hear of many new hotels changing hands after just a few years, when the first owners have either gone into liquidation, or want to offload, an unprofitable investment.

Then there are the poor reported results of listed, or previously listed, South African hotel-owning companies. Finally, the poor occupancy levels now being achieved.

Now, do we need more tourist accommodation? Yes, but only in a few years time, if foreign and domestic business and leisure tourism growth is reasonable and sustained.

Meanwhile, the development lead times for hotels are long — four years or more — which is the cause of the Catch-22 situation in which the local industry now finds itself.
Tourists 'fear for lives'

DURBAN — More than 40% of Britons believe that foreign tourists in South Africa have to fear for their lives, according to a recent Gallup international survey conducted in London.

Hotels here are suffering as foreign tourists stay away because they fear political violence.

According to a South African Tourism Board (Soutour) spokesman, a 12.6% increase in foreign visitors to South Africa since last year was being offset by political instability.

Although the tourism industry had not had major cancellations because of the events at Boipatong, a mood of wariness was beginning to emerge, he said.
Diners Club to fund probe into wines

A survey, which found huge dissatisfaction over restaurant wine prices, has caused such an outcry in the catering industry that Diners Club has undertaken to fund an independent audit into wine lists, costs and profit margins in various categories of restaurants.

The survey, conducted among Diners Club members, found that more than 90% of respondents thought wines in SA restaurants were overpriced.

It also showed considerable dissatisfaction with restaurant wine lists. Only one-third of the 499 respondents considered them good. 98% considered descriptions useful or necessary, yet only 20% of the replies rated these as good or excellent.

No doubt an attempt will be made to justify higher mark-ups on the same product, based on the cost of wine service and the higher rentals associated with wine storage in the smarter establishments.

See Page 11.
Tax concessions in pipeline for tourism

JOHANNESBURG. — Tax concessions for hotels and smaller accommodation facilities are being considered by the government as a means of boosting the country’s tourism industry, according to Administration and Tourism minister Org Marais.

Speaking in Johannesburg at the weekend, Marais said the proposals for tax benefits for hotel construction and refurbishment, and for small private entrepreneurs setting up guesthouses and the like were under discussion.

He stressed the importance of tourism for South Africa and its complimentary benefits for employment creation and the building of infrastructure.

However, he believed Southern African countries would have to develop an integrated approach in successfully marketing their natural attractions to international travellers. — Sapa
Tourism still in slump

CAPE TOWN — South Africa's tourist season never peaked and hotel occupancies were down because of violence and a lack of confidence in the future of the country, Federation of Hotel, Catering Associations of SA president Theo Beherens said yesterday.

Addressing Fedhase's 43rd annual congress in Cape Town, he said other reasons for the negative growth in the hospitality industry were the continuing recession, lack of foreign investment, high inflation and steep food cost increases.

The food price increase was also a major factor in the growing number of restaurant liquidations.

The January to April room occupancy was 89.19 percent, a rise of 0.3 percent on the same period last year. — Sapa.
Business Editor

CHARTER flights "are the key to fuelling growth in tourism," Stephen Allen, marketing director of the UK-based Britannia Airways, told the Fedhase conference yesterday.

Britannia, which carries 3.5m return passengers every year, will introduce charter flights from Gatwick in the UK to Cape Town and Durban in December and January. It will be flying on behalf of SA-based tour company CLS International.

"To me this represents a breakthrough, but only a small step forward," said Allen. "To develop tourism properly we should be allowed to operate for a full (European) winter season."

The company had filed an application to do so.

Allen said charter flights were the backbone of the tourism business from the UK. "They are an absolutely essential ingredient in keeping prices low and enabling people to travel worldwide."

"In my view SA should be taking its share of the 11m plus who travel by charter flights each year." He emphasised that it was middle and upper income passengers who took charter flights. "Charter delivers high-spending tourists. Charter holidays are still only affordable by the upper end of the spectrum although clearly many take two holidays a year."

Market research in Australia showed that although holiday-makers who flew there on charter flights stayed only half as long as those arriving on scheduled flights they spent more in that shorter time.

There was a weighting towards the older end of the population, who had higher disposable incomes and more leisure time.

Allen said Britannia introduced charter flights to Australia in the winter of 1988/89. In the next two years passenger volume from the UK grew by 59%. "Scheduled carriers' growth was up 58% while charter doubled from a very small base."

A survey carried out by the Australian Department of Transport and Communications disclosed that 34% of charter passengers would not have gone to Australia if the holiday package had not been available. A further 6% would not have gone if it had cost 20% more. And 92% were first time visitors.
Permission given for charter flights to SA

CAPE TOWN - A number of European charter or tour operators had already received permission to provide charter flights to SA, Department of Transport deputy director Gen Japie Smit said at the congress yesterday.

Several of these operators had also applied for an extension of their authorisations since government announced its interim policy on non-scheduled air services.

"The current International Air Services Act 1948 was amended on July 1, 1992 and the Minister has already approved new regulations which will enable the Department of Transport to consider these applications," Smit said.

Smit said the government policy to allow charter flights for the transport of tourists within a broad upper limit to stimulate tourism.

Also, charter flights would be allowed to transport passengers to and from countries which had no scheduled air services with SA. The movement of small aircraft up to 5,000 kg to and from countries in Africa was to be deregulated.

Smit was confident the commercialisation of state airports would result in airport management being more sensitive to users' needs - in particular those of foreign tourists.

"All charges to be levied at airports will in future be directly used to benefit the users of airports," he said.

Also at the conference, Coach Express GM Christo Bester said the current permit system which governed intercity coach transport had resulted in the under-utilisation of expensive equipment.

"Coach Express operates Trasnet's intercity coach operations," he said.

Bester said the permit system caused lengthy and costly application procedures, which made planning difficult. Quick reaction to market demand and opportunities was inhibited, and the positive effects of healthy competition were not felt.

Bester welcomed the Competition Board investigation into the permit system with a view to the phased deregulation of the industry.

SA is high on BA’s agenda

CAPE TOWN - Promotion of SA as a travel and tourism destination had been placed high on the list of British Airways (BA) priorities, BA deputy chairman and CEC Sir Colin Marshall said at Fedhaan's banquet last night.

"I believe that one of the great growth areas of the '90s and beyond will be in travel and tourism to SA and its surrounding regions. It is why our subsidiary, British Airways Holdings, was the first UK company last year to produce a programme of tours exclusive- ly featuring SA," Marshall said.

The most fundamental change to the industry in SA, he said, had been the deregulation of air transport. Within the space of just a month of deregulation, 12 more international carriers were flying to SA and a further 28 had applied for rights "in what resembles a latter-day gold rush".

Marshall said 7,000 of the 8,000 seats which BA had placed on the market on a special seat sale for flights between SA and London had already been sold.

He said BA had invested £35m to buy new aircraft fleets and £381m for a 44% stake in US Airways, the fourth largest airline in the US.

This was BA's first major step to ensure it was one of the global airlines of the future, Marshall said.

World travel and tourism now had a gross annual output approaching £35 trillion, employed 127 million people, had collective capital investments exceeding £423bn, and contributed £303bn to national exchequers in tax revenues.

"The industry is growing faster than the world economy in terms of output, value added, capital investment and employment," STEPHANE BOTTIMA reports that earlier yesterday Marshall told a media briefing in Johannesburg that the full benefits of industry deregulation by next year.

Marshall welcomed the trend by governments towards decentralising the airline industry and said there would be major benefits for the public.

"What had happened with fares between the UK and SA would happen all over the world, said Marshall.

Decentralisation allowed for partnerships between airlines on different continents, he said.

Forming partnerships with other airlines were the anticipated way that smaller airlines, such as SA, could ensure their future, Marshall said. "The industry is flat on its back -- a situation that cannot continue for much longer."

The industry needed rationalisation to ensure profitable operators in the future. Governments needed to step out of the ownership and control of airlines, because government funding provided for inefficiency, he said.

As well as its stake in US Airways, BA had alliances with German and Russian airlines.
Cabinet to get suggestions on reviving hotel industry

LINDA ENSON

CAPE TOWN — Recommendations on major fiscal incentives for investment in the hotel industry would be submitted to Cabinet within the next 12 weeks, Tourism Minister Org Marais, said yesterday.

In an interview after his speech at the Fedhara annual congress, Marais said the incentives under consideration included depreciation allowances and subsidies.

The hotel industry had suffered years of losses and needed upgrading, he said.

International hoteliers had told Marais that the rate of refurbishment at SA hotels was insufficient and there were no incentives to establish new hotels.

Satour/Fedhara had completed one study and the Independent Development Corporation had looked at the financial implications, including the feasibility of establishing an international conference centre.

Marais said an announcement on export incentives for the services industry, including tourism, would be made soon by the Department of Trade and Industry and the draft new Liquor Bill would be submitted to Cabinet next Wednesday.

Marais examining incentives

The financial authorities were sympathetic to stimulation of the tourism industry but questioned the wisdom of tax incentives for new hotels when occupancies were only 50%.

Marais said he had also asked the Commission for Administration to investigate the position of tourism in the civil service.

While tourism in most other countries was a junior portfolio sometimes incorporated into other departments, he envisaged it being a department in its own right by the end of the decade.

Good progress had been made since publication of a white paper on tourism, he said.

Exemptions from visa applications granted to certain African and eastern countries during the past six months would give more scope to the industry.

The system of grading hotels was to be changed to a voluntary system which would include guest houses, bed-and-breakfast establishments and other forms of accommodation, Marais said.

The private sector would be involved in developing lodges around SA’s national parks.

Government could see no reason to lift import controls on coaches as it was preferable for these to be locally built.

Marais said he was discussing new roads with Transport Minister Piet Welgemoed, for instance between Port Elizabeth and East London and between Hogspruit and Hazhview, as well as roads in Natal.

He also urged the development of regional tourist portfolios and for the co-ordination and rationalisation of resources. There was too much regional infighting between the major players in the industry, he said.
TRAVEL and tourism to SA and its surrounding regions will be "one of the great growth areas of the 1990's and beyond," Colin Marshall, deputy chairman of British Airways — who is soon to become chairman — said at the Cape Sun last night.

Speaking at the Fedhansa annual conference banquet, Marshall said the travel industry was growing faster than the world economy in terms of output, value added, capital investment and employment.

It was the world's largest employer, "providing 327m jobs this year — that's one in 15 of the global workforce."

"Our collective capital investments exceed $42bn and we bolster national exchequers with $30bn in tax revenues."

"My sector, air transport, is unquestionably the flywheel for the economic engine of travel and tourism and is set to double by the year 2000 and quadruple by the early years of the next century."

This growth would depend on the continued spread of deregulation across international borders.

"Fedhansa has recognised that SA is a partner to the single biggest industry in the world."

Marshall said that a major step in international deregulation would come at the beginning of 1993 with the creation of the single market in the European Economic Community.

This would perhaps be the expanded European Economic Area (EEA) encompassing all of Western Europe.

"The next move will almost certainly happen through the formation of NAFTA taking in the US, Canada and Mexico."

"It is not too difficult to then foresee these two groups coming together, and a domino effect thereafter round the world to bring about open skies — putting the airline industry on a footing to most other industries."

"Such moves will inevitably lead to consolidation, resulting in a few truly global airlines by the early years of next century."

This was why British Airways was investing $3bn in new aircraft and $60m in a 44% stake in US Air.

The deregulation of flights between SA and the UK had been welcomed wholeheartedly by British Airways. "We offered a tangible salute to the newfound pricing freedom with a special seat-sale fare of R1 992 for the round trip to London. We placed 8,000 seats on the market at that price and to date you have bought 7,000 of them."

"This winter we shall be operating nine nonstop services a week from Johannesburg to London and for the first time will introduce a nonstop Cape Town to London flight."

"What has happened to date and British Airways' plans for the future demonstrate our deep commitment to and significant investment in SA's travel and tourism industry."

"I have that in our way we are matching the commitment on investment being made by Fedhansa."

"We are greatly encouraged by the work being done in business development in improving the quantity and quality of the travel and tourism infrastructure and in introducing new training programmes."

Business Editor

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Without stability, SA can forget tourism

Business Editor CT, 4/18/92

SA will lose the opportunity to develop tourism into its biggest industry and main source of foreign exchange if it fails to establish stability and eliminate lawlessness, Pierre Tredoux, an associate director of tourism and leisure consultancy Greens Belfield Smith (GBS) said yesterday.

He was giving the keynote address at the 7th national conference of the SA Institute of Industrial Engineers in Sun City.

Tredoux said world tourism had shown consistent growth for 40 years. Its current growth rate was 4% and showed no sign of slackening.

But of total world-wide "tourist spend" SA now gets only 0.2% — far less than comparable tourist destinations.

Failure to stabilise the country and control uncontrolled elements could irrevocably destroy its tourism potential. It needed only one major tragedy to eliminate SA from major tour organiser's lists.

It was also necessary to create and maintain a strong service ethic. Tourists would quickly abandon a desirable destination if they were confronted by incompetence, resentful service or unwelcoming attitudes.
Weighty challenge for hotel industry

BY AUDREY D'ANGELO
Business Editor

SOARING food prices, the recession, violence and mass action have made trading conditions for the hotel and catering industry “some of the most challenging ever”, the President of Fedhesa, Theo Behrens, said yesterday.

Speaking at the annual Fedhesa conference at the Cape Sun, he said: “In general, occupancies and turnovers were down and so-called high seasons never peaked.”

From January to April, inclusive, overall room occupancy was 50.1% — only 0.3% above the same period last year — in spite of earlier hopes of a big influx of foreign tourists.

A growing number of restaurant liquidations were a worrying factor. A rise of 20.3% in the food component of the consumer price index would further add to difficult trading conditions in this industry.

Retail liquor trading had also had a difficult year so far. “When a major producer, SA Breweries, declares that even mail-order sales are down after years of high growth volumes we cannot be surprised at how negatively this impact on retail liquor traders,” Behrens said.

This sector has also to contend with more new licences chasing a diminishing market size.

“Liquor stores licences granted have grown per annum by 822 stores every year since 1987.”

To add salt to the wounds the growth of quasi-wholesalers selling directly to the public at below cost, the illicit liquor trading — especially in the black townships — and the growth of the informal sector is hurting this small business sector enormously,” Behrens said.

The hotel industry’s difficulties were due to “numerous external factors such as”:

• A lack of confidence in the immediate future of SA, especially because of the breakdown of CODESA.

• The continuing recession.

• Lack of foreign investment capital.

• Escalating township violence, mass action and destabilising labour conditions.

• High inflation rates.

• Enormous annual food cost increases of nearly 30%.

These problems had caused a fall in foreign spending and uncertainty in foreign tourist markets.

In April we expected the best third and fourth quarter in a number of years, especially as certain factors such as the dropping of interest and mortgage rates, the increased number of airlines coming to SA and great interest shown at Indaba by the foreign travel trade, seemed promising indicators.

More Fedhesa conference reports on facing page.
Bright future for SA tourism

Airways boss optimistic

Business Editor

TRAVEL and tourism to South Africa and its surrounding regions will be one of the great growth areas of the 1990s and beyond, Sir Colin Marshall, deputy chairman of British Airways, said at the Cape Sun last night.

"Speaking at the Federated Hotel, Liquor and Catering Association of South Africa (Fedhassa) annual conference, Sir Colin said this expected growth was "why our subsidiary, British Airways Holdings, was last year's first UK company to produce a programme of tours exclusively featuring South Africa."

"It is why we are stepping up frequency and capacity of flights to South Africa and why we have welcomed deregulation — which will expand the market by a greater degree than anybody might previously have imagined."

Sir Colin's speech struck a bright note after the president of Fedhassa, Mr Theo Behrens, told the conference that the entire hospitality industry had been hit by the recession, violence and soaring food prices — and even beer sales had dropped.

Mr Steve Allen, marketing director of British charter airline Britannia Airways, told the conference that the introduction of charter flights would cause tourism to SA "to grow and flourish."

But afterwards he admitted that mass action had come "at the worst possible time. It has made people in Britain think this country is a dangerous place."

ANC international affairs director Mr Thabo Mbeki failed to turn up yesterday as guest speaker at the Fedhassa national conference because of "other arrangements."

About 1,000 people attending the congress were told that he would not be delivering his address on the ANC's future vision of the hospitality industry because of "other arrangements."

This was greeted with laughter and Dr Tertius Delport, the deputy minister of Constitutional Development, was asked to speak in his stead.

The topic was "The new SA: Creating the confidence to make it work."

Challenge for hotels — Page 8
Travel is key growth area — Page 9
Call for ban on kreef exports

By MAGGIE ROWLEY

A TOTAL ban on exports of crayfish, perlemoen and kingklip was called for at the Fedhasa conference in the city yesterday.

The chairman of the South African Restaurant Guild, Mr Robert Mauvis, said strong action had to be taken to counter the local shortage of shellfish and they would be lobbying the government to ban all exports.

Under the present quota system only 25% of South African shellfish was kept for the local market, with 75% being exported.

"The authorities argue that this is necessary for the country's balance of payments situation. "However, it is short-sighted as the foreign exchange they could earn from tourism is far greater than the forex earned through exporting shellfish."

"Shellfish is a national product, particularly for the Cape, and can act as a great drawcard for tourists. But the reality is that the present quota system has resulted in dire shortages of the product on the local market."

He said if a ban on exports was not enforced, South African crayfish and perlemoen would disappear completely from the local market as had happened to South African kingklip.

Focus on restaurant crime

Business Staff

SECURITY in restaurants came under the spotlight at the Fedhasa conference in the city yesterday in the wake of the increasing number of holdups, muggings and burglaries at eateries in recent months.

Most of these incidents had probably been "inside jobs", speakers said. The national chairman of the SA Restaurant Guild, Mr Robert Mauvis, said they would be launching a campaign shortly for their members on how best to secure their businesses and their customers.

Mr Dave Varney, chairman of the Johannesburg chapter of the guild, addressed restaurants to take steps which, he said, could reduce their risk of being targeted by criminals by about 70%. These included:

- Screening staff thoroughly and running a check on job applicants with the police.
- Screening deliveries — delivery people get to know the layout and routine of restaurants fairly quickly.
- Providing adequate lighting, such as floodlights, outside the restaurant.

Mr Alido Girako, regional chairman of the Western Cape chapter of the guild, said the Mallwatch in St George's Street had reduced crime in the area significantly.

"Kingklip has been physically fished out of our waters and as a result we can now only get imported kingklip and the price has risen from R10 to R28 a kilogram in the past year," Mr Mauvis said. "We have to demand that the local market has its needs satisfied before they start exporting."

Sapa reports that restauranters could refuse to accept Dinners Club credit cards if an agreement is not reached with the company over a discount on commission percentages, the Fedhasa congress heard.

Diners Club had offered Fedhasa R175 000 and a discount of 0.1% in the discount commission by way of an indirect apology for a survey which indicated some restaurants placed an unreasonable mark-up on wine.

Part of the R175 000 was to be used for a survey into restaurant wine prices to be conducted by auditors Aikten and Post.

Although no mention was made of the money being for damage to the food industry, the Dinners Club idea was supposed to have covered this.

Most SA Restaurant Guild members said they did not want the payout, but would rather have an across-the-board discount in the commission to Dinners Club, and they thought the idea of an independent survey was a good thing.

- Protection in liquor industry ruled out — Page 11
**Keep seafood exports for SA tourism**

CAPE TOWN — Fedhsa delegates at the annual congress yesterday renewed their calls on government for a ban on exports of rock lobsters and perlemoen to help boost the local tourism industry.

Fedhsa’s SA Restaurant Guild national chairman Robert Mauvis said there was no question of increasing the 25% quota of crayfish for local consumption — a ban on the export of crayfish and perlemoen should be the order of the day.

“Banning the export of rock lobster will only affect a few people making millions out of the industry, but local sales would boost gastronomic tourism and would benefit thousands,” he said. “People used to come to SA for the kingklip and we are now fishing them. SA’s kingklip stocks have been completely fished out to benefit the export industry. In many parts of the country crayfish was not available in season and when it was available, it was not good enough for sale in good restaurants. — Sapa.
BA ‘bullish’ on SA tourism

CAPE TOWN — There are no signs of the global recession ending — but air travel is still increasing. British Airways (BA) deputy chairman and CEO Colin Marshall said at a news conference in Cape Town yesterday.

And in spite of the current situation BA is "bullish about how we see the development of traffic in and out of SA. It is an attractive country for tourists and the exchange rate is beneficial for them. We will do our utmost to encourage more people to come," he said.

Marshall explained that even in the present situation there was "an air of hope and optimism" about the future in SA.

Discussing the world economy, he said: "We don't see the recession at an end. It is clearly not so in the UK and it doesn't look as if it has ended in the US. There are concerns about it in many European countries."

"We are anticipating that things are not going to get much better for some time to come but one always lives in hope."

BA was coping with the situation by introducing special fares to stimulate the market where it saw potential.

In the first quarter of BA's new financial year the number of passengers was almost 10% higher than in the same period two years ago. But all the growth was in the economy classes.

Based on industry forecasts, BA expected international passenger traffic to continue to grow at 5% a year in numbers and 6% in revenue terms.

SA was now only 10.5 hours away from London by direct flight, which made it competitive with the Caribbean or Australia as a holiday destination during the northern hemisphere winter.

But Marshall, stressing the need for more infrastructure, said SA's tourist trade would have to be increased gradually as more provision was made for it.

Marshall said that in the next century international traffic would be handled by only about six big airlines.

BA was forming partnerships and alliances in preparation for the consolidation of the airline industry into major competitors, which he expected to happen in 10 or 15 years' time.

But a fall in the number of airlines would not mean higher fares. Competition among airlines would be fierce. Smaller domestic airlines could continue to exist, serving well-defined sectors.

He said BA had taken a 30% stake in Air Russia which "we hope to get flying next year". The other 70% is held by three Russian banks.

Asked if it was likely to form such a partnership with SAA he said BA never made statements on speculative matters.

But, he added, "it is certainly the case that as part of our global strategy we anticipate entering into partnership with others in strategic areas."
Truth on violence ‘starting to emerge’

PRETORIA — The disinformation campaign on violence in SA was faltering and more of the truth was beginning to come out in local and foreign media, SA Institute of Race Relations director John Kane-Berman said yesterday.

He was speaking on political violence at a Human Sciences Research Council conference on managing crime in a new SA.

He said reports of agencies such as the International Commission of Jurists and the Human Rights Commission were not helpful because they castigated Inkatha and the police for involvement in violence, they turned a blind eye to ugly incidents.

Kane-Berman said the way had been opened for the international monitoring of violence.

If the police had nothing to hide, allowing international monitors to travel in taxis in the townships might help achieve a better balance in the outside world’s view of violence.

about a unified strategy for improving health in southern Africa. the DPF Investment group of companies, which is controlled by Delaney.

R20m redevelopment of sports club site could include hotel

THE total cost of redeveloping the Chamber of Mines Sports Club site, spread across four Johannesburg suburbs, would be about R20m and could include a hotel, New Property Ventures MD Chris Drummond confirmed yesterday.

The 3.1ha site was made up by 22 stands situated in Rahamfontein, Melville, Randpark and Emmarentia, and housed a number of developments.

It was recently sold by tender to New Property Ventures, the property development arm of Sage Properties.

“While negotiations are still under way and planning is not complete, we will be developing 30 cluster homes on the northern portion of the site. These units will be owned by a 3.1ha and some of the existing sports facilities will be retained,” he said.

This portion of the project, expected to cost R7.5m, was dependent on the completion and re-subdivision of the land.

The units would be developed by Sage subsidiary Schachter, which was expected to be on site by early 1994.

The remaining 1.5ha was under negotiation. Four possibilities being considered included a hotel, restaurant facilities, offices or a sports club.

“The only common thread among these alternatives is that existing building structures will be used. The property has existing improvements including a 5,000m² office block formerly used as research laboratories, a restaurant, a pub, conference facilities and an industrial kitchen,” Drummond said.

“The Johannesburg City Council has a road servitude for 8,000m² of the site for the extension and realignment of Barry Herbert Avenue, which is being widened.”

Negotiations were under way with the council for compensation for the road servitude, which was expected to amount to hundreds of thousands of rands.

“It is hoped that this scheme will show property developers that a ‘lateral thinking’ approach must be adopted, and that arguments differing from historic land usage will result in successful, profitable developments,” he said.

Death toll 1872 (From Page 1)

Deceased Workers’ Union of SA (Uwasa) said there was no hard evidence of intimidation.

The ANC alliance said at a news conference yesterday that most people killed
Pretoria goes on the defensive

PRETORIA — Shopkeepers in the city centre yesterday were bristling at the thought of an ANC-alliance march past their premises today.

The march has been routed around Church Square in the heart of the city but this has not allayed the fears of shopkeepers nervous about being swamped by thousands of toyi-toyiing protesters.

They spent yesterday preparing to batter down the hatches ahead of the march to the Union Buildings.

The city council has not allowed the march to proceed along Church Street before, but it agreed with the organisers’ argument that the width and straightness of the street would facilitate proper crowd control.

A council spokesman denied the march had been routed around Church Square because “Oom Paul se plek” was holy ground, saying too much disruption would be caused if the square was included. Organisers claim the march will draw between 50,000 and 70,000 people.

Some shopkeepers were encouraged by the fact that the march would be led by ANC president Nelson Mandela. “If the big chief is there, they won’t want to embarrass him,” one said.

Others have expressed a desire to tell ANC supporters what to do with themselves. “If they come in here, I’ll shoot them,” said one.

But most are bracing themselves with a mixture of trepidation and resignation and do not intend closing, although many will remove items from their windows and keep their security bars up.

Pamphlets warning motorists along the route to remove their cars by this morning were distributed by police yesterday.

Cars will be towed away if they are still on the route but owners will not have to pay a fine to get them back.

Jo’burg hotels enjoy mini boom

HOTELS in downtown Johannesburg enjoyed a mini-boom this week as companies booked their employees into rooms to avoid transport difficulties and possible intimidation during the general strike.

Almost every non-luxury hostelry in the inner city had house full signs up yesterday. Springbok Hotel MD Roy Amoill said “happy days are here again” after three days of full rooms — together with brisk business at the hotel’s bar and restaurant facilities.

Employees from the JSE and the Bank of Lisbon took all five floors at the New Library Hotel in Commissioner Street, hotel manager Louis Valenti said.

The Elizabeth Hotel, Dawson’s Hotel, the Johannesburger and the Downtown Inn all confirmed they were either full or busier than usual.
Mike's Kitchen targets businessmen

Marcia Klein

BUSINESSMEN who have previously had to settle for their kids' sparklers and family photos from Mike's Kitchen are to be offered some perks of their own.

Mike's Kitchen announced yesterday that members of its new Lunch Club for "discerning business people" would enjoy two Hansa Premiums for the price of one, and become eligible for a trip to Sun International's La Pirogue in Mauritius. They also will have the chance to win free movie tickets and weekends for two.

Mike's Kitchen is well known for its kids' birthday club, which has been running for many years. The new club is aimed at boosting its lunchtime trade and offering something to the businessman.

Mike's Kitchen's John Green said yesterday the chain was trying to increase business in two areas: the late-night diner and the lunchtime trade.

The menu has been redesigned and specials will be promoted. Club members, which include "everyone from the office clerk to the chairman," will be issued with club cards.
Sun International hits the jackpot

MARcia Klein

SUN INTERNATIONAL has come up trumps by scooping a top Atlantic City casino boss to head its gaming operations.

Atlantic City’s TropWorld Casino and Entertainment Resort president Jack Gallaway has resigned to serve as the group’s new director of gaming operations.

Sun International MD Ken Rosevear said last night that a US operation had "pinched" the group’s gaming operations director Brian McMullan as well as two other top gaming people.

On the one hand he was flattered, as it reflected the standard of the Carousel and other Sun International gaming resorts.

But on the other hand, he had been compelled to replace three top people. After scouring the world for a suitable top replacement, the group had found Gallaway.

Rosevear said Gallaway had operated as a gaming and hotel manager, and ran his business as a resort. This was in line with Sun International’s policy of offering customers a leisure resort experience which included gaming.

He said TropWorld was one of the top performers in Atlantic City. Gallaway would join the group in September.

Sapa reports that Gallaway, 54, joined TropWorld’s parent company, the Astar Corporation, as president of the Tropicana Hotel and Casino in Las Vegas in 1981. He became president of TropWorld in 1984.
Govt to lift the lid on liquor industry

CAPE TOWN — Although control over the sale of alcoholic beverages would not be abandoned, government would continue to promote the deregulation of the liquor industry, Trade and Industry Deputy Minister David de Villiers Graaff told the Fedhassa annual congress yesterday.

"As far as the protection of vested interests is concerned, I can confirm that government does not propose to place a moratorium on issuing new liquor licences or to prevent certain players being granted liquor licences," Graaff said.

The industry will have to accept that other major players are entering the market and that in order to survive, players will be required to have commitment and innovative skills.

Graaff said the Draft Liquor Amendment Bill would, if approved, remove the stumbling blocks to issuing new licences and speed up the processing of liquor licence applications. Broadly, the Bill would provide scope for innovation while allowing the authorities to maintain control.

Graaff said control over the sale of liquor could be exercised through a licensing process. Alternatively, entry into the market could be completely unrestricted and only those outlets which negatively affected the public interest could be controlled.

The latter option would, he said, involve third-tier government and local bodies and would have to be thrashed out with interested parties.

"There are, however, no immediate plans to change the status quo of the licensing process as described and contained in the existing Act.

Further amendments which were required included reducing a drastic scaling down in the number of licence types to three or four.

Another aspect to be considered was the increase in availability of low-alcohol beverages such as beer and certain wines.

Graaff said he was aware of Fedhassa's opposition to the sale of such beverages in cafés and grocery stores, but he pointed out that tourists would expect this facility. No steps would be taken until the matter had been thoroughly investigated.

Liquor Board chairman Danie Botha told the Fedhassa congress that, in anticipation of the new Act, the board had granted some restaurants special licences to serve liquor without meals, but cautioned that these licences would only be granted in exceptional circumstances.

In his address, the Competition Board's Wouter Meyer said the Wine & Spirit Act of 1970 conferred cartel-like powers on the KVV which would otherwise have been unlawful.

The pricing of KVV products would "almost certainly be a restrictive practice had it not enjoyed statutory status".
CAPE TOWN — New hotels would have to be built soon to cope with the future growth of tourism in SA, Kessel Feinstein Consulting MD Delano Caras told the Fedhosa annual congress yesterday.

He said a 12% growth would mean about 919,000 overseas arrivals by 1998 (compared with 521,000 at present). On the basis of the current stock of rooms, there would be little or insufficient hotel capacity in Johannesburg for 11 months of the year, in Cape Town for six months, in Durban and Umhlanga Rocks for three months and in the eastern Transvaal for six months of the year.

But Protea Hotels MD Arthur Gillies queried the figures and warned against extrapolating future trends from "airy fairy" assumptions.

He said it was far better to build hotels when there was actual demand for accommodation. He also noted that domestic tourism had shown negative growth.
Satour forecasts a record number of visitors this year

PETER DELMAR

The number of overseas visitors to SA grew by 15.6% in the first half of this year. This is more than three-times the increase for the whole of last year.

Presenting the 1991 Satour annual report, Satour chairman Piet van Hoven said yesterday projections at mid-year were that overseas visitors would increase by at least 15%, representing a record 815,000 tourists and foreign earnings of R8bn. The figures exclude African visitors, who numbered almost 1.2 million last year — an increase of 12.4% over 1990.

Describing 1991 as "an extremely positive tourist year on many fronts", Van Hoven said overseas (non-African) visitors last year increased by 4.9% to 923,257.

However, a "longer-term mood of wariness" had begun to emerge towards SA after the Bophelong massacre six weeks ago and the subsequent breakdown in negotiations.

Despite these factors, the industry did not experience major cancellations and there were signs that bookings were already picking up.

"Interest in SA is increasing, both from major established tourism markets and from new developing ones, such as Japan."
Industry hits back at restaurants

Kreef ban

During the Fedhassa congress held this week in Cape Town the Restaurant Guild indicated that it would lobby the government to ban all crayfish exports as this would benefit tourism to South Africa. The statement led to heavy criticism from the industry.

WILLEM STEENKAMP
Weekend Argus Reporter

THIS crayfish industry has lashed out at the Restaurant Guild for its "irresponsible" and "absurd" call to the government this week to ban all crayfish exports.

The chairman of the Restaurant Guild, Mr Robert Mavus, said at a plenary session of the Fedhassa congress in Cape Town this week that the guild would lobby parliament for a total ban on crayfish exports. He said there was a shortage of crayfish for the local market.

But Mr Steve Malherbe, manager of Safroe, the largest crayfish export company in the country, said the call by Mr Mavus was irresponsible and absurd.

"For years the industry has been struggling to sell the 25 percent of the total crayfish quota that must — according to government regulations — be sold on the local market."

"This year the 25 percent of the total quota represents about 630 tons of crayfish. Yet from November last year to the end of June this year the industry has been able to sell only 356 tons of crayfish.

"But it goes much further than that. If the total quota of about 2,400 tons of crayfish is flushed on to the local market, the price would drop to about a third of the current price. It would be a case of pushing crayfish down people's throats."

"What will happen to the 5,000 people employed in the crayfish industry? They would lose their jobs."

Mr Malherbe said the industry could earn about R20 million more if it sold the local 25 percent of the quota overseas — at much higher prices.

"We are indirectly subsidising the price of crayfish locally by selling it at about R33 a kilogram for whole, cooked or frozen crayfish. A kilogram is made up of about 3/4 fish. This works out to about R13 a tail."

"I recently sold crayfish at this price to a local restaurant. I later saw the menu of the same restaurant offering crayfish at R49.95 each."

But, said Mr Malherbe, it was not for him to criticise restaurants which in some instances made a profit of more than 300 percent, just as it was not for him to criticise restaurants which were allegedly selling wines at inflated prices.

"It is a free-market system, but we in the industry feel it is highly unfair and irresponsible to attack the industry at regular intervals. We are not the guilty party."

"We have more than enough crayfish for the local market and the price of R13 a crayfish is reasonable considering we have a large number of employees, ships and storage facilities to run and maintain."

Mr James Kroukamp of the Cape Lobster Export Association, the other large crayfish export company in Cape Town, agreed with Mr Malherbe.

"The call by the Restaurant Guild to ban all crayfish exports and so increase tourism to this country is, to say the least, indecent. I have never heard of tourists specifically visiting countries because of some culinary dish."

"People can eat crayfish anywhere in the world. I think it is a case of restaurants not being happy with making only about 600 percent profit on a crayfish. They want to make a profit of 1,000 percent and more. How else do they explain the fact that they buy crayfish for about R13 each and sell it for R50 and more in their restaurant?"

Weekend Argus did a flash survey among Cape Town's best seafood restaurants to find out what whole crayfish were selling for. The average price for a crayfish weighing between 340g and 660g was about R55.

Some restaurants said crayfish was out of season and not readily available. But according to the industry this is "hogwash" as about 300 tons of crayfish is still available for the local market.
More hotels 'not needed'

THE MD of Protea Hotels, Arthur Gillis, and Theodore Yach, MD, of Seeff Commercial Properties, warn against haste in providing more hotels to cater for the upsurge in tourism forecast at the Fedhaza conference this week.

They say these hopes may be disappointed and there is currently an over-supply of accommodation.

Gillis said it needed "only one prejudicial move, one more bogota tong", to distort predictions of a tourist boom.
State's double standards must end, says casino boss

Call to 'play fair'

Mr. Stötzel said: "Why would a government that has so much on its political plate make a point of pushing through a new law on gambling?"

"Is the state really taking the issue so seriously - or are people with vested interests leaning on it? What is going to be left off the agenda of that emergency session to make way for the discussion on a few games of fun and profit?" he asked.

"It is time the government realises that casinos are becoming part of South African life. Instead of trying to ban gaming, it should realise it can control the industry through certain regulations, which could be supported by ethical controls within the industry."

TYRONE SEALE
Weekend Argus Reporter

In spite of government attempts to rush a fresh crackdown on gambling through Parliament, a city casino director argues that it is time bureaucratic hypocrisy made way for legally and ethically controlled gambling.

Threats of penalties from at least R100,000 or prison terms for gainful gambling amount to little more than extreme hypocrisy, says city casino director Mr. Gerhard Stötzel.

"What is the government trying to prove by saying it's okay to have lotteries for charity and horse races, but that gambling for profit is out? Yet, it protects the monopoly on gambling in the homelands."

He was speaking just days before the start of Monday's trial of the management of The Club in Sea Point on gambling charges.

Weeks ago, Mr. Stötzel, a high-powered entertainment entrepreneur and former professional gambler, and his business partners launched Crown Gaming Club in Table View, offering 800 sq m of tables and machines with a view of Table Bay.

"I don't think I'm breaking the law," he said, contending that his games require skill rather than chance. He cited Transvaal court cases where casino management and mathematicians left magistrates in confusion. This led to the introduction in Parliament last month of the Gambling Amendment Bill.

Efforts to push the Bill through in the final hours of the last parliamentary session were blocked by stiff opposition from the Democratic Party and the House of Delegates.

Justice Minister Mr. Kobie Coetzee called a special meeting of the parliamentary justice committee to put the final touches to the crackdown Bill.

However, a day later, Mr. Coetzee came under fire from several sources who believed the draft legislation was designed to protect Sun International's monopoly.

The (Bill) closes loopholes for "games of skill" and proposes penalties of up to a maximum of R20,000 for people convicted of illegal gambling. However, it paves the way for lotteries and sports pools for raising money for health, education and welfare.

A memorandum to the Bill says technological advances in gambling have made it difficult to distinguish between "chance" and "skill" and that the courts have found it virtually impossible to prove one or the other.

The Bill will be discussed in Parliament again in October during a special session during which President De Klerk hopes to speed up, through constitutional means, the mechanisms for political negotiations and progress towards a transitional government.
Sol loses no sleep over Lost City

SOL KERZNER is shrugging off the recession and others say it: Sun City, will more than double the number of visitors to Sun City within a year of its December opening. The Pilanesberg development will add 300 hotel rooms to the resort and double the size of its conference and entertainment facilities.

Sun City will be the biggest tourist resort in the sub-continent.

Mr. Kerzner, the week rejected suggestions that Sun City was overextended given the emergence of suburban gaming halls, the poor state of the economy and the prospect that Bophuthatswana could be reincorporated in SA.

Dent

He says, "We are developing one of the most unusual resorts in the world on the scale of Disneyland. Sun City will contribute significantly to an increase in foreign tourism in many ways that will help make sense of the state of our investments."

He maintains that tourism will become the fastest growing industry in Southern Africa once violence and the political impasse have been resolved.

"From that standpoint, our timing of the Lost City is excellent. SA's image has improved and the international media have provided good publicity for the Lost City over years."

By CHERLYN IRETON

Even so, Sunbop shareholders can expect a slight dent in the group's remarkable growth track - it boasts a compound annual rate of earnings growth of 44% since 1985 - when annual results for June are published on Wednesday.

Mr. Kerzner will not be drawn on details, but there seems little doubt that higher interest charges - arising from the funding requirements of the Lost City and Carousel developments - and a tough final quarter will dilute the benefits from Bophuthatswana's generous tax write-offs.

This could leave bottom-line profit growth below the inflation rate for the first time since listing.

Mr. Kerzner says, "I think shareholders will be satisfied considering the fact that we are developing at a time when the economy is in decline."

"The best reason I can give shareholders for believing that we will be able to sustain our long-term growth record is that Sunbop is financially strong and operates first-class resorts."

"We have always financed operations conservatively. Even at the peak of our funding cycle, gearing will remain well below the board's self-imposed 60% limit."

Research by Sun International suggests that it would be relatively easy to boost the number of genuine tourists to Southern Africa by about a million in a couple of years. It most spent between 15 and 18 days in the region, foreign-currency earnings could rise by about R2 billion.

Mr. Kerzner believes Sun City will continue to be a major tourist attraction regardless of whether Bophuthatswana is reincorporated in SA.

"Like some stock-market analyst he is worried about the proliferation of suburban gaming halls, but not nearly because of their impact on Sunbop's reverse. Sunbop has always believed that controlled, regulated and restricted gambling would be introduced in SA and is happy to compete domestically and internationally."

Time

Mr. Kerzner says, "But what are these gambling halls contributing to the communities of SA? Sun International has provided thousands of jobs and has contributed to growth in tourism."

"It's only a question of time before the government changes legislation to ensure that unregulated gaming is stopped."

Mr. Kerzner dismisses criticism that the Lost City is too ambitious a project and is merely Sol's City II. He faced similar charges when he built the Beverly Hills, the Beacon Island Hotel and Sun City.

"The difference now is that he has a 30-year record that speaks for itself."
Tourism 'could be biggest industry'  

JOHN YELD  
Environment Reporter  

TOURISM could be developed into South Africa's biggest industry and main source of foreign exchange, according to Mr Pierre Tredoux, an associate director of the world's largest tourism and leisure consultancy.

But just one "major tragedy" could eliminate South Africa from the catalogues of international tour organisers, he warned.

In the keynote address at the national conference of the South African Institute of Industrial Engineers at Sun City, Mr Tredoux said global tourism was the world's largest industry and had shown consistent growth for 40 years.

The current growth in international tourism was four percent and showed no signs of slackening.

South Africa's share of the total world-wide "tourist-spend" was just 0.2 percent -- several times less than that of comparable destinations.

"South Africa enjoys commanding advantages over many other tourist destinations, mainly because it combines most of the sought-after escape attractions with sufficient First World sophistication to make tourists feel comfortable and safe," Mr Tredoux said.

But failure to stabilise the country and control unruly elements could destroy tourism potential irrevocably. Just one "major tragedy" would result in South Africa being removed from the product list of major tour organisers.

Mr Tredoux also said a strong service ethic had to be developed and maintained.

"Tourists will quickly abandon even a desirable destination if they are confronted by incompetence..."

He welcomed the government's White Paper on Tourism as a sound document in general which should lead to an urgently required Tourism Act next year.

The environment was tourism's core attraction in South Africa and it was critically important that the interdependence of tourism and conservation was recognised.
Kersaf beats poor conditions

KERSAF should produce an 11%-13% growth in earnings in the year to end-June despite a decline in trading conditions in the last quarter, analysts said at the weekend.

Earnings, which rose by 14% to R68.4m at the interim stage, would be influenced primarily by Sun International Bophuthatswana (Sun Bop) and its offshore investments.

Analysts said the proliferation of gaming clubs would have some effect on Sun Bop, whose earnings a share had risen by 17% at the interim. However, it was expected to show 15%-16% growth on more shares in issue.

Building at the Lost City project was believed to be over its revised budget of R75m, was on target. Analysts said it was hard to say whether it could achieve the business necessary to carry the high overheads.

Looking at the year ahead, clarifi-

ication of the Gaming Act in September could affect Sun Bop positively. Interleisure’s earnings, susceptible to lower cinema audiences at Ster-Kinekor, were expected to decline by 6%-7%. But the outlook for the coming year was good after the success of the hit movie Basic Instinct and the opening of Sunday cinemas.

Analysts expected Transnet’s results to be pedestrian at best, but Sun City was a wild card.

The share price of 140c could seem lacklustre, but one analyst said there was no reason why it should not produce good results for the year.

Non-listed interests would have been affected by the worldwide recession. But analysts said Royale Resorts would be reporting off a low base following a previous forex loss.
Tentative deal on Mykonos reached

CAPE TOWN — A tentative agreement has been reached between the Masterbond provisional curators and representatives of the Club Mykonos homeowners over the future of the west coast resort: BIDA.$10.80/20.

An application will be made to the Cape Town Supreme Court on Wednesday — the day the curators report back to court — for the provisional liquidation orders on Club Mykonos and Mykonos Westus Beleggings to be lifted.

The court will be asked also to sanction the agreement and to give the go-ahead for a meeting of Club Mykonos debenture-holders to consider whether they approve of the deal.

A meeting of Club Mykonos homeowners has been called for tonight in Parow to consider the terms of the agreement, which is believed to grant homeowners sectional title rights in exchange for them giving up one third of their rights. Debenture-holders would also be required to forfeit a third of their rights.

While Fedlife has an indirect financial interest in the resort, and was at one time involved in negotiations, it is believed in terms of the new agreement the life insurer would not be investing any money in the project. It was apparently not party to the latest talks between curators and homeowners.
Illega casinos knock Transun

Transun, a company that operates a gaming establishment in South Africa, has reported virtually unchanged earnings of R78.5m in the year to end-June.

Chairman Ken Rosevear said that the lower operating margin and the utilisation of cash resources to fund the Wild Coast Sun expansion programme saw interest received decline to R1.5m from R7.4m. Rosevear said capital on expansion had been increased by 5% to R209.2m from R192.6m, and operating profit declined by 3% to R66.3m from R67.6m. Rosevear said higher wage rates, which had increased on average at a much higher rate than inflation over the past two years, had been the major contributor to the lower operating margin.

Lower interest rates and the utilisation of cash resources to fund the Wild Coast Sun expansion programme saw interest received decline to R1.5m from R7.4m. Rosevear said capital on expansion had been increased by 5% to R209.2m from R192.6m, and operating profit declined by 3% to R66.3m from R67.6m. Rosevear said higher wage rates, which had increased on average at a much higher rate than inflation over the past two years, had been the major contributor to the lower operating margin.

Transun's interest received could go into a net debit for a while. It would gain benefits from additional tax allowances, Rosevear said.

Earnings rose marginally to 37c a share from 36c a share. The dividend was increased by 1% to 27.3c a share, and coverage was maintained at 1.4 times. Rosevear said results were in line with expectations. However, Transun had expected the gaming issue to have been resolved and that there would have been some turn in the economy.

While he would make no forecasts for the coming year, he said the new road to the Wild Coast Sun would open, and this should have a positive effect. In addition, Transun would market itself aggressively.

Transun was confident that the completion of extension and refurbishment at the Wild Coast Sun would place it well to compete favourably and profitably, particularly in the medium to long term.
Despite lower margins, the Carousel had the effect of expanding the market "as demonstrated by the 30% improvement in gross revenues for the year". Kerzner said this was pleasing given "the proliferation of unregulated gaming operations that have spread uncontrollably through the cities and towns of SA". However, Kerzner said the Carousel's opening affected revenues at the Morula Sun and, to a lesser degree, Sun City. This saw margins contract and resulted in a 17% rise in operating profit to R269.2m (R229.5m).

Kerzner said margins were also affected by wage increases. In addition, it was necessary to drop margins in a tough economy to stay competitive.

Interest income dropped to R1m from R26.7m as the group's cash resources were used on completing the Carousel and building the Lost City.

The dividend was maintained at 135c a share. Kerzner said SunBop decided to increase dividend cover because of the poor economy and the group's expansion. SunBop distributed 70% of its earnings compared with 75% in the previous year, and intended to bring distribution down to 67%.

Occupancies had dropped from 77% to 75%, which Kerzner said was excellent in this environment. The Lost City, which was on schedule for opening on December 1 and was within the approved budget, had captured attention worldwide. Kerzner believed it would be a major drawcard for foreign visitors.
MEG WILSON

JOHANNESBURG. — Hilton International (HI) is planning to establish hotels in Cape Town and Johannesburg at a total cost of at least R450 million.

Peter Riddoch, executive vice-president in charge of property and technical services development, said this would take the form of "genuine" foreign investment, although the giant hotel group generally does not own the hotels it operates.

He told delegates to a conference on strategies for tourism investment and development that after its own investigation of the "commercial, macro-economic and political environments" in South Africa HI believed Johannesburg and Cape Town could support Hilton hotels.

The research had shown that two cities were the most important commercially in sub-Saharan Africa and likely to become more so as regional hubs.

HI's customer profile in South Africa would focus on the international and domestic business traveller.

In the international segment, the group had 160 hotels and more than 100 sales offices around the world to direct business to South Africa and was especially well placed in the key UK and German markets, which accounted for 65 percent of all European entries.

In the domestic market, HI believed it would capture a significant slice of a "frustrated demand" for truly international hotels with services and facilities like those business travellers had come to expect abroad.

HI, the largest subsidiary of the listed British Ladbroke group, now has operations in 47 countries and in 43 years has closed only two — one in Havana, taken over by Fidel Castro as his revolutionary headquarters, and another in Teheran at the height of the Islamic revolution and anti-American activity.

The reason for its high success rate, Mr Riddoch said, was the care with which it selected locations in which it was prepared to operate.

Apart from clearly defined demand for its product, the factors HI considered included the issue of currency convertibility and profit repatriation, and the availability of supplies for the operation of a luxury hotel.
Syndicate makes offer for Mykonos

CAPE TOWN — The curators have received a conditional R50m offer to purchase Club Mykonos Langebaan, Mykonos Weskus Beleggings and land owned by Portnet from a syndicate led by Johannesburg businessman Colin Wright.

The offer was received on Friday last week and meetings will be held with creditors of Club Mykonos and Mykonos Weskus Beleggings to find out whether they prefer this offer to the tentative agreement reached with the Club Mykonos Langebaan Homeowners’ Association.

The curators said they had not been able to evaluate the latest offer fully, but it is believed they consider it too low. They said they approved of the offer by the homeowners’ association.

In terms of proposed agreement between the curators and the association, debenture holders and homeowners would have to give up one third of their rights in exchange for equity capital in the reconstructed Club Mykonos. This would enable them to recoup their losses by sharing in any future profits.

In terms of the proposal the Cascades Hotel and other buildings would be completed, remaining residential units sold and the remaining undeveloped land developed and sold. Gross income for the first five years is expected to amount to R163,56m which would be partially used to redeem secured debentures.

“Consultants have prepared studies from which it appears that the proposal could be viable and should over a period of time enable investors to recover considerably more than they would recover in the event of liquidation,” the curator’s report said.

A cash underpinning by Spectravest of the proposal would allow investors who wished to pull out to receive a repayment of capital at a discounted value. The debentures would be ranked into three categories.

An application for the rezoning and subdivision of Mykonos Weskus land was under way. If granted, its realisable value would be enhanced.

The report said the curators believed some terms of the proposal made by Standard Merchant Bank and Group Five for the injection of R20m new finance and a JSE listing for Fancourt was not in the best interests of investors. However, they felt the offer should be submitted to investors for consideration.

Meanwhile, Fancourt needed finance to continue operating and Group Five and Fancourt had agreed to contribute R12,5m each. The Fancourt share would be raised by the curators waiving preference for bonds passed over the hotel to enable Fancourt to pass a first bond. If the SMB proposal were accepted the R12,5m would be repaid with the new capital.

There was R2,7m available for distribution to Silverhurst debenture holders, while the fate of Spectravest and Finanzhaus investors who had about R78,5m invested would largely depend on whether an agreement on Club Mykonos was reached.

Payments of R8,5m in respect of capital redemption was received from participation mortgage bond debtors, of which R7,38m plus interest of R400,000 a month had been distributed to investors. A total of R8,4m had been received as capital repayments on debenture bonds but no payments would be made until the method of distribution had been finalised.

The report said 883 investors did not agree with their allocation to specific schemes as recorded in the Masterbond records, while 134 investors did not agree with the amount invested.

“These matters are being investigated and distribution plans cannot be prepared until all the queries are resolved.”

Regarding Rosenfontein Masterprop, the report said an agreement had been reached in principle with the University of Cape Town for the transfer of the long-term lease over the Valkenburg Manor House at R1,45m.

A special hearing before retired appeal judge G P C Kotze found that the pooling of investments in the different debenture bond schemes would not be legal.
turned chilly up north and Europeans headed south. Then came Boipatong on June 17 and the outlook turned dark.

But the predicted mass cancellations never materialised. The mass action is now over and the negotiations are expected to resume soon. The outlook is bright once again for an industry that has the potential to become one of the country's largest. At least that's the feeling at the SA Tourism Board (Satour), which released its annual report last week.

There were some cancellations, but none since July 1, chairman Piet van Hoven said at the release. "There is cautious optimism now that the booking rate is returning to normal. Cancellations stopped 14 days after Boipatong and they are satisfactory from September onwards."

No charter operators have cancelled flights, he said. Britannia Airways has submitted a schedule for December and January and LTU, a German charter operator, is also committed to starting flights. Transavia, a Dutch charter operator that was reported to have cancelled some flights soon after Boipatong, has rescheduled them.

Van Hoven said the country's tourist areas should brace themselves for an influx of travellers. "The effect of charter operators entering the market will be felt from 1993 onwards. This will be the last year we can expect to enjoy our traditional tourist pattern. Charter aircraft loaded with 500 tourists, of a type we've never experienced before, touching down in Durban and Cape Town from next year onwards, will change our tourist profile considerably."

More flights, more tourists

He said there were several reasons for last year's 4,5% growth in overseas tourists to 251 257. There was new capacity, not only on the north-south axis between Europe and SA, but also on the east-west route between SA and the Far East. "The continuing weak economic situation all over the world led to major price competition between carriers, which benefited tourism. That's why our situation for the end of the year is so buoyant and why, despite strong competition from scheduled operators, charter operators have remained committed to this market."

Peter Hearfield, executive chairman of the Federated Hospitality Association of SA, agrees that the tourism picture has improved. "Judging from conversations I've had with hoteliers in the Cape and the other tourist areas, there is reason for cautious optimism from October onwards."

He says Boipatong was not the only reason for tour cancellations. The murder of tourists in Kenya also hit the headlines in Europe and the US and put a question mark over the safety of tourists everywhere in Africa. "Wholesale tour operators book tours six to 10 months ahead and sometimes cancel them rather than be held liable for the bookings. Sometimes it's because they read more into an event than actually happened and panic. Sometimes it's because they aren't selling as well as they would like them to."

TOURISM FM 14/8/92

Happier prospects (288)

Two months ago, the outlook for the tourism industry was bright. Advance bookings showed that SA was in for a tourist boom beginning around October as the weather
Tourism bookings drying up as political impasse festers

FEARS of violence and mayhem have dealt a blow to the tourism industry, struggling to find its feet after a long apartheid-induced slump.

Tourism officials say chronic political instability and widespread unrest are discouraging visitors just when the ailing economy needs more revenue.

"Worried? I'm shaking," says Riccardo Dell'Erba, managing director of Magari Safaris.

"We don't know what the final impact of mass action will be. People will put off travel with a strike if it means their room is not made up or soap replaced every second day. But tourism would dry up overnight if they see people being killed, cars burnt or bricks thrown through coach windows.

Dale Pretorius of the South African Tourism Board (Satour) says the industry has been put on hold by political uncertainty. "It is of tremendous concern. Future bookings have virtually dried up since mid-June," he says. "It's a wait-and-see situation.

Despite its magnificent scenery and game reserves, South Africa gradually dropped out of the world tourism mainstream as apartheid, laws imposed, strict, racial segregation, unrest festered in black townships and world trade sanctions bit.

President de Klerk's political reforms began two years ago changed the picture. The industry was just beginning to revive when the African National Congress quit the talks on a democratic constitution and launched its street protests.

The cheap rand, opening of new air routes and diplomatic ties, and the relaxation of sanctions had helped double tourism's contribution to gross domestic product from less than 1 percent in 1990 to 2 percent last year.

The number of overseas visitors rose to 520,000 from about 500,000 and was forecast to grow by 10 percent a year until the century's end.

The first half of this year showed a promising 15.6 percent gain on the same period in 1991, but future bookings dropped by some 60 percent from the first six months of 1992, Pretorius says.

Keen to promote South Africa as a safe destination, Satour has launched a $10 million advertising blitz in the Far East, North America and Europe.

Glossy brochures boast of magnificent game reserves, breathtaking scenery, award-winning wines, shopping for diamonds and gold, and traditional dances and crafts.

Most political analysts expect the ANC to resume negotiations, and Pretorius predicts that tourism jitters will fade once the political situation calms down. "As soon as the political parties get back to the table, you will see the positive trend resume," he says.

Some investors are betting on that. Club Med is pressing ahead with plans and local developers are pursuing plans for two luxury Johannesburg hotels.

Kevin Gilmore, managing director of Springbok Atlas Safaris, says tourism just has to ride out the tough times. "I've seen this industry go up and down due to what one politician says." - Sapa-Reuters
Mayor: City eateries among best

Staff Reporter

CAPE TOWN'S restaurants are among the best in the country and compare favourably with those of major cities around the world. Cape Town Mayor Mr. Frank van der Velde told restaurateurs yesterday that the city has a great number of good restaurants.

Last month the mayor took a fire from restaurateurs for his 'unfriendly' attitude towards the city. Mr. van der Velde was speaking at Nedbank's American Express Gold Card and Style magazine restaurant award ceremony held at Kelvin Grove, Newlands, at which the top restaurants in Cape Town and within 90 minutes' driving distance of the city hall were announced.

The awards were in two categories - "de luxe" and "popular". The former for "rare, or costly ingredients in dishes of very high quality" and the latter for restaurants which encourage informality, serve food with wide appeal and which are popularly priced.

Bosman's of the Grand Roche, Paarl, won in the "de luxe" category. Buitenverwachting in Constantia and Truffles in Heathfield, last year's joint winners, came second and third, respectively.

L'Aigle du Paysan, in Somerset West, won in the "popular" category. Le Quartier Français (Franschhoek) and the Fisherman's Cottage in Plumstead came second and third.
Spurhold's growth 'set to continue'

MARCIA KLEIN

SPUR Holdings' (Spurhold) chairman, Allen Ambor, said in the annual review that Spurhold increased its earnings by 22% to R301.3m in the year to end-February on the back of excellent results from 64%-held Spur, Steak Ranches.

Spur, Steak Ranches' attributable profit rose by 41% to R45.5m as it expanded market share and contained its operating costs.

Ambor said Spur, Steak Ranches 'has continued to dominate the trading activities of the group and contributed substantially to the 37% growth in attributable income during the current financial year'.

Its strong position in the market, on the back of continuing research into new ideas and concepts and dedication to service standards, would continue into the new financial year.

Ambor said other franchised brands, which included Panarottis and the Hard Rock Cafe, had shown promise during the year, and a number of new outlets would be opened in the current year. Sixteen new outlets were planned.
CAPE TOWN — A taste for fine detail and the happy coincidence that his personal foibles have proved to be recipes for success are part of the reason why restaurateur John Huxter won the Pichaba prize for the most innovative marketer this year.

Huxter runs the Le Quarteil Français Auberge, Restaurant and Bistro in Franschhoek.

Le Quarteil Français has been among the top 10 SA restaurants for the last two years, since it was taken over by John and Susan Huxter in 1990. As one of the Cape's best two restaurants this year, it is again in the running for national honours.

The restaurant's Cape cuisine entices many Capetonians to Franschhoek at weekends. Despite the recession and the off-season, the café-style bistro still draws a monthly average of 71 people a day and the restaurant an average of 43 a day.

In December last year the country inn Auberge de Quarteil Français, with 14 en-suite rooms, was completed. Situated behind the restaurant, it was built in the style of a Victorian square, with a garden court and swimming pool. Until April, when winter and politics kept tourists away, the inn had an occupancy rate of 60%.

Huxter says the innovative combination of the restaurant, café and inn is behind the Pichaba award, which is given to someone new to the industry and under 40 years of age (Huxter is 37).

In fact, marketing for the restaurant has been kept low-key, with emphasis on word-of-mouth promotion.

"If you have just one person fall in love with your place that is all you need. It has tremendous marketing potential," Huxter says. He does not believe in direct advertising, saying this does not reach the right market. He has targeted people in the A and B income group who want a good night's sleep with good food.

An unsolicited article in the New York Times did wonders for new bookings, as did contact with travel agents in France. Inclusion in "the Portfolio of Country Places" has also attracted visitors.
Unregulated gambling
hits Sun Ciskei results

MARCIA KLEIN

PRESSURE on consumer spending, unregulated gaming operations and big wage increases saw attributable earnings of Sun International, Ciskei (Sun Ciskei), rise by a marginal 2% to R28,5m (R28,3m) in the year to end-June, its first full year of reporting as a listed company.

The group, whose resorts include the Fish River Sun, Mpekweni Sun, Amatola Sun and Mdantsane Hotel and Entertainment Centre, reported a 7% decline in earnings to 86c a share from 42c in the previous year on an increased weighted average number of shares in issue.

Chairman Ken Rosevear said results reflected the difficult trading conditions, pressure on consumer spending and reduced consumer confidence brought about by the socio-political situation.

Revenues were affected also by the unregulated gaming establishments that operated during the year, espe-

ially those in the Port Elizabeth and East London areas.
Rosevear said against this background, results for the year were satisfactory. Revenues increased by 14% to R117,3m from R103,1m. But margins and profitability were affected by significant wage increases, and operating profit was 2% down at R32m compared with R32,7m in the previous year.
Profit after tax increased by 7% to R30,4m (R28,5m), benefiting from a lower interest charge and no tax-

ation. The big decline in interest and a reduction in gearing to 33% from 62% reflected additional financing in the form of preference share capital and cash flow from operations.
After R1,4m was paid in dividends to preference shareholders, attribut-

able earnings were up by 2%.
A final dividend of 12c a share brought the dividend for the full year to 27c (31c).
Rosevear said occupancies were 53% for the year, down slightly from the interim period. Sun Ciskei was working on various aspects of its res-
sorts to draw more bookings and it was marketing for day visitors.
There had been no improvement in trading conditions in the first weeks of the new financial year. This, and the activities of the unregulated gaming operations, made it difficult to forecast earnings for financial 1993, Rosevear said.
The share closed yesterday at 160c, lower than the 165c issue price.
Ciskei Sun in 7% earnings slide

JOHANNESBURG — Sun International’s Ciskei resorts and casinos posted a 14% increase in turnover but earnings a share dipped by 7% for the year ended June 30, 1992, according to its results released yesterday.

Ciskei Sun said the group had experienced difficult trading conditions throughout the year because of the depressing economic factors on consumer spending and the erosion of confidence due to the socio-political environment.

The group’s turnover increased from R163,1m in the previous financial year to R173,3m in the period under review, while earnings a share decreased from 42c to 38c.

It added the group’s “revenues were affected by the unregulated gaming establishments that continued to operate during the year throughout SA and more relevant to this group in the cities of Port Elizabeth and East London”.

Margins and profitability were also affected by the significant wage increase in the year, Sun Ciskei said.

A final dividend of 12c a share for the year was declared bringing the group’s total dividend for the year to 27c a share which is 4c lower than the previous year.

However, Sun Ciskei said this was “in line with the group’s stated policy to distribute 70% of attributable earnings by way of dividend”.

The group said it was confident that the Ciskei government’s indication that it was not in favour of maintaining the group’s gaming exclusivity would not affect its status in the homeland.

“The directors still consider that meaningful competitive gaming in Ciskei will not arise in the short to medium term,” it said.
The Southern Sun hotel group is planning to move into Africa.

Group managing director Ron Stringfellow says although the group is concentrating on its South African portfolio at present, it will be looking for management contracts in Africa in the future.

He does not foresee the group expanding into Europe or the United States but becoming an Africa-based chain of hotels.

Southern Sun already has a portfolio of three hotels in the Seychelles, which has operated under cover — under the Paradise Resort banner — because of the political situation in South Africa.

Its Seychelles portfolio comprises the Auberge Club des Seychelles and the Equator Hotel on Mahe and the Paradise Hotel on the Côte d'Or beach of Pralin.

A major refurbishment of the Paradise Hotel is due to be completed by June next year and the Seychelles portfolio will then become part of Southern Sun Resorts.

"By April next year we will be putting up the Southern Sun flags," he says.

The group now comprises five brands: Southern Sun hotels, Southern Sun Resorts, Holiday Inn core brand, Holiday Inn Garden Court and Formule 1.

"We want to be the leading hotel in each sector of the hotel industry."
Hotel occupancy at low ebb

HOTEL room occupancies were only 48.3% in the six months to end-June, representing the lowest occupancy rate in at least the past five years, Fedhassa executive director Peter Hearfield said yesterday.

He said the largest contributor to the lower occupancies was local corporate travel. Although the months from June to September would also be quiet, Hearfield said the industry could look forward to better occupancy levels from October.

Major SA hotel and tourism groups have boldly forecast large increases in international tourism to the country. But industry analysts said political unrest and the high cost of visiting SA could dampen this enthusiasm.

Major hotel groups have expanded and refurbished in readiness for the anticipated influx. Sun International (Bophuthatswana) chairman Sol Kerzner said recently that the commissioning of the Lost City project at the end of this year would bring with it a rise in foreign tourists.

Senekal, Mouton & Kitshoff analyst Christopher Gilmour said in his report on the industry that foreign tourism had never played a particularly important role in overall occupancy levels. But cyclicity in the local hotel industry could be removed if foreign tourism gained significant sustainable momentum.

Kessel Feinstein Consulting's publication Tourism Talk said that in the past 19 years the number of SA hotels had declined by over 10%, and occupancy levels remained significantly lower than international norms and historic levels since 1983.

STEPHANE BOTHEMA reports urgent calls are to be made for existing border control posts between SA and Transkei to be scrapped in an attempt to promote tourism in the region, the Transkei Tourism Board said last night.

In a statement the board said 18 representatives of tourism bodies from Natal, Transkei, East London, Border; Port Elizabeth and Soutour met in Umtata yesterday to discuss matters of mutual concern.
Gallic plans new luxury apartments.

Gallic is planning to increase its luxury executive apartment or Courtyard developments, and has selected sites in Cape Town and Pretoria.

"Furnished suites with kitchenette facilities are extremely popular as an alternative to hotel accommodation, and we want to have a development in each of the major business centres countrywide in the next five years," said Gallic MD Paul Kuip.

Construction on its second development is under way in Rosebank. The 83-unit Courtyard will cost R1.6bn to build. The development is expected to come on stream in the first quarter of 1993.

"We intend to sell about 30 units, which range from studio to two-bedroomed apartments, to private or corporate investors at prices from R195 000 to R320 000," he said.

Occupancy levels at the 69-unit Sandton Courtyard averaged at about 85% during its first year of operation. The business market is its main target, and half the guests so far have been foreigners.

He said the Courtyard of Sandton's daily rate was highly competitive, ranging from R250 for a studio and R295 for a one-bedroomed unit to R449 for a two-bedroomed suite.

In comparison, a night at the Sandown City Lodge costs R198 for a double room. The charge at the Balalaika Protea is R350 (two people), the Sandton Holiday Inn R420 and the five-star Sandton Sun R640.

"Our prices are very favourable and will be reviewed at a later stage when we have established ourselves in the market," Kuip said.

"We have monthly guests who pay R3 800 for a studio unit," Kuip said.

Gallic initially intended to sell the Sandton Courtyard development when it was complete, but then realised the niche service it was providing and its potential for expansion, he said.
Airline catering service upgraded

By John Miller

The Fedix Group recently completed the first stage of a R30 million refurbishment of its in-flight catering facilities around the country.

Fedix, which has a major share in Air Chefs and Air Caterers, hopes that the upgrading of its kitchens, at Jan Smuts Airport, D.F. Malan in Cape Town and Louis Botha in Durban, will meet the expected increase in air traffic until the year 2000.

Air Chefs supplies SAA, Flittestar and 13 other international airlines while Air Caterers stocks British Airways, Swiss Air, Lufthansa, Cathay Pacific, Quantas and Singapore Airlines.

Part of the R11 million Air Chefs project led to the hot and cold food sections being separated, which is in line with overseas trends.

Johannesburg outlets are able to handle up to 70,000 meals weekly.

The Cape Town facility has been increased to handle 4,000 meals daily while a completely new kitchen was opened in Durban.

Air Caterers, in a joint venture with Swiss Air, will open its new kitchen next to the Jan Smuts runway in December.

This allows it to supply 6,000 meals daily, with a planned maximum of 12,000.

From the time meals are loaded into the containers and into the plane, the plane takes a maximum of two hours. The companies also load utensils, cutlery, crockery, drinks and wine trolleys.
year, as was achieved in the days of the superstar performances.

The balance sheet has strengthened significantly. Shareholders’ funds have been boosted by a R178m rights issue; R152m from two scrip divs; retained income of R64m; R65m through revaluing fixed assets; and R54m in a tax equalisation reserve.

The policy is to provide a tax charge, even though allowances, more than offset any tax to be paid. Management intends to smooth the rate over five years, rather than have a zero rate for a couple of years, which surges after allowances are used up.

This possibly enabled management to play with the 1992 income statement to some degree; EPS may have been held back to ensure adequate results this year. Rosevear reckons long-term borrowings, R156m at year-end, will peak around R500m in March (after dividend and casino tax payments) but should drop under R400m by the 1993 year-end, given the strong cash flow.

With the surge in shareholders’ funds, gearing will be manageable, even at the R500m peak. One must take a view on foreign tourism in assessing SunBop, particularly with the new hotel at Sun City.

With average room construction cost around R400,000, industry sources speculate room rates will have to be more than R500 a night, thus aimed at the foreign market. At a 17.3 p,e, the share is probably overpriced.

William Dilldlon

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**SUNBOP**

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**No Mickey Mouse affair**

SunBop’s new Carousel hotel and entertainment complex is attracting roughly 9,000 day visitors. This is about the same as EuroDisney near Paris when it opened in April.

Deputy chairman Ken Rosevear concedes, though, the actual “spend per guest” is below expectations, probably because of the recession. However, the complex has (temporarily) silenced critics worried that the group is expanding almost irrationally as local gambling clubs are proliferating and with homeland reincorporation looking increasingly likely.

Local gambling club statistics are frightening; from SunBop’s viewpoint: Rosevear reckons they have about 1,000 blackjack tables against the group’s 170. SunBop’s major problem with this proliferation relates to the contribution at the margin; that is, as most gambling costs are fixed, profit margins are significantly squeezed by pressure on turnover growth.

The authorities are expected to introduce more laws in October or February to control gaming clubs.

If SunBop does not persuade them to ban the clubs, it may consider expanding its own activities into SA.

Turnover growth is impressive; as roughly a third of a total 50% increase is attributable to the Carousel, other operations recorded real growth of around 5%. Trading profit rose 17%. Bringing the Carousel into operation, with a consequent jump in marketing costs, partly explains the lower margin.

Occupancy levels, 73% for all SunBop and 77% at Sun City alone, are also impressive, considering the recession.

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**HIGHER STAKES**

<table>
<thead>
<tr>
<th>Year to June 30</th>
<th>1991</th>
<th>1992</th>
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</thead>
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<tr>
<td>Operating income (Rm)</td>
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<td>260</td>
</tr>
<tr>
<td>Net profit (Rm)</td>
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<td>191</td>
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<tr>
<td>Earnings (c)</td>
<td>177</td>
<td>191</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td>132</td>
<td>132</td>
</tr>
</tbody>
</table>

The success of the Carousel is probably a good indicator for Sun City’s Lost City project that comes on stream in November.

However, there are significant differences. Lost City will concentrate on outdoor life style, with its gardens, and the conference market, whereas the Carousel centre is all indoors and aimed at the family market. Its gregarious entertainment facilities include movie and disco complexes and 10-pin bowling.

Of R300m to be spent on Lost City, only R250m relates to the hotel component, indicating the extensive investment in the gardens and entertainment centre extension.

"Lost City will be driven more by occupancy than day visitors," Rosevear says. But day visitors will also be fundamental; SunBop aims to double their number to roughly 2m a...
A number of solutions to the Mykonos mess have been mooted over the past year. The finest has probably been based on the principle that all creditors take a one-third cut, which would avoid the liquidation route. Now that offer, along with another, will be put to the vote to various creditor groups around the country.

The creditors, comprising five main parties, have about R321m tied up in Club Mykonos. Each will have first, third and fourth-ranking debentureholders.

Spectravest proposes to accommodate second-ranking debentureholders in a scheme of arrangement proposed by the Club Mykonos Langebaan Home Owners’ Association.

The parties and their interests in the western Cape resort are as follows:

☐ The linked ordinary shareholders and debentureholders of Club Mykonos Langebaan Holdings — R45m.
☐ The debentureholders in Club Mykonos Langebaan (referred to as the bondholders) — R78m.
☐ Spectravest — R58m.
☐ Purchasers of various forms of occupational and other rights related to residential units at Club Mykonos represented by the homeowners’ association — R105m.
☐ Debentureholders of Mykonos Weskus Beleggings — R30m; and
☐ The remaining concurrent creditors of the Club Mykonos Group — R5m.

The homeowners’ association favours the one-third scheme. The association represents about 220 units which have already been sold, 54 of them to timeshare and points system operators. These operators, in turn, represent about 20,000 people who have occupational rights in the resort.

There is a countervailing offer. It comes from a private syndicate and is the best so far received from outside the homeowners’ ambit. It proposes to pay R30m for the uncounicered land belonging to Club Mykonos Langebaan and to Mykonos Weskus Beleggings. The offer is conditional on Portnet’s sale of reclaimed and leasehold land, on which some of the 220 home units stand. Such a sale would come on top of the R30m bid.

A spokesman says: “If the curators invest this, they should be able to earn at least R4,2m a year at 14%.”

The syndicate is also offering a 20% share in the resort’s profit to Masterbond investors — that is, all the bondholders and debentureholders linked to the resort.

Since the first airing of this offer in the press last week, the syndicate has sweetened its deal and tailored it according to the homeowners’ offer but with some differentes. Syndicate spokesman Athol Harrison says that the syndicate — like the homeowners — is offering to pass sectional title transfer to all the homeowners. “But, instead of them having to give up a third of their ownership in cash or in kind, as proposed by the homeowners’ association, the syndicate is offering to register an interest-free bond in respect of this one-third stake for a period of seven years.

“At the option of each owner, he may make his unit available to the hotel pool and the full proceeds of this letting will be credited to his bond account. His other options are either to pay for the third in cash or to borrow for it from an outside bank. This is a lot better than the homeowners’ offer.”

Homeowners’ association steering committee chairman Colin Hultzer, a former partner at accountancy firm Arthur Andersen, says the syndicate’s offer would necessitate the final liquidation of three Club Mykonos companies: Club Mykonos Langebaan, Club Mykonos Developers and Mykonos giving them their sectional rights; so there is no need for them to go to court to protect their assets. And we are giving them an interest-free bond for seven years, which obviates the need for them to find cash now or give up any of their units.

“In addition to the R30m, the syndicate will provide about R40m in development capital which it believes is the amount required to complete and market the development successfully. The homeowners’ association has no means of getting such capital, apart from raising more bonds against the assets, and if sales don’t go according to plan, these bonds could be called up. The association is talking about raising R2,5m by selling off some of the land, which we think is a gross under-provision of working capital.”

Hultzer’s response is that since “we have been financing the operations of the resort for the past nine months, out of our existing levies, we believe our working capital provisions are adequate.” He doesn’t want to give more of the game away.

To better the association’s offer, the syndi-

CONVERTING CLAIMS INTO EQUITY CAPITAL

The homeowners’ association’s proposal

<table>
<thead>
<tr>
<th>Party</th>
<th>Original claim</th>
<th>New claim</th>
<th>Equity in CML*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
<td>%</td>
</tr>
<tr>
<td>Club Mykonos Langebaan Holdings</td>
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</tr>
<tr>
<td>Club Mykonos Langebaan bondholders</td>
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<td>62</td>
<td>37.00</td>
</tr>
<tr>
<td>Mykonos Weskus Beleggings debentures</td>
<td>50</td>
<td>34</td>
<td>14.24</td>
</tr>
<tr>
<td>Concurrent creditors</td>
<td>5</td>
<td>3.3</td>
<td>2.41</td>
</tr>
</tbody>
</table>

10% of the equity will be held in reserve and 15% will be allocated to homeowners.

* The newly constructed operating company Club Mykonos Langebaan.

Weskus Beleggings.

Pointing to the differences between his offer and that of the syndicate, Hultzer says: “Our proposal is non-confrontational and is based on a continuing resort, which we think is significantly better than the syndicate’s proposal. The liquidation of those companies will mean incurring litigation costs because creditors — including ourselves — will have to go to court to protect our assets. That R30m offer, therefore, will be significantly reduced because of such costs and will incur a 10% or R3m liquidator’s fee.”

Harrison says the syndicate’s offer is “also non-confrontational. We are making an offer for the assets and if all parties agree to the kind of allocation of funds suggested by the homeowners, that same arrangement could work for us and only the shells would have to be liquidated without litigation costs.

“The syndicate is offering the homeowners a deal that is better than the one the homeowners are offering themselves. We are cathes and has used the homeowners’ figures and revised its own. Its cash flow will now consist of the following elements:

☐ R30m net payment in terms of the offer excluding an additional R3m liquidator’s fee and R2,4m in other expenses;
☐ R24,5m in interest earned on these funds over the same five-year period suggested by the homeowners;
☐ 20% of the trading profit, as proposed by the homeowners, making R13m; and
☐ Cash collections from Spectravest debtors to the tune of R38,7m.

Says Harrison: “This gives a total cash flow of R111,6m which must be compared with the homeowners’ figure of R103,6m. If these figures are present-valued, the syndicate’s figure is 20% more beneficial to the creditors.”

The R103,6m is not present-valued. Like the homeowners, the syndicate also envisages a continued role for Spectravest as banker to the individuals involved and sees it continuing to provide finance to the resort.

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keeping its ability to register a first mortgage bond over the title deed of particular homeowners.

Says Hultzer: "Our proposal takes care of everybody. All claimants have rights but these all have defects. Instead of wasting money on litigation over defective rights, which could take another two years should creditors opt for the liquidation route, we believe a reconstructed company which trades the resort out of its debt and secures the rights of all parties is more sensible and fairer. It is based on the principle that all parties, with two exceptions, will have a third of their claims converted to equity capital in a reconstructed Club Mykonos Langebaan.

"Spectravest will, therefore, release its surety registered against Club Mykonos Langebaan but will be entitled to register individual bonds against the sectional titles of purchasers indebted to it. In effect, it will cede R28m of its debtors to Club Mykonos Langebaan. In return for that, it will receive secured debentures in the company and retain the balance of its Mykonos-related debtors of R30m."

The only creditors who do not take a third cut are Spectravest and the former directors of Club Mykonos companies. They get nothing.

Hultzer adds: "The proposal is that all creditors have a stake in the proceeds arising out of the sale of Mykonos's forfeited and unsold homes, and incomplete Cascades Hotel rooms, reduced by one-third. There are 17 home units which have yet to be sold and a further 97 two-bedroomed units in the hotel block that must still be built.

"The reconstructed operating and development company Club Mykonos Langebaan — in which all creditors are shareholders — will use bridging finance, already tentatively offered, to finish building the Cascades."

As Hultzer points out, because the resort will be viable in terms of his proposal, homeowners who still owe R60m to Spectravest will continue to service that debt. Subject to the approval of the debentureholders, Spectravest will provide cash for those who need it — but they will have to sacrifice 50% of their entitlement to secured debentures and 50% of their equity in the new company.

If Club Mykonos companies go into liquidation and owners are denied their rights, it will not be possible to collect the R60m because owners will have no property rights delivered to them. The syndicate's offer does not threaten this arrangement.
Tourists unhappy with service in SA

PRETORIA. — A survey of foreign visitors showed that 80% of those polled felt service standards in South Africa were below average, but despite this 83% would recommend the country to family and friends, Satour said in a statement.

The survey, conducted by Satour in January, also found 25% of respondents felt the standard of personal safety was low and 63% regarded their visit as enjoyable.

The tourists came mainly from the United Kingdom (21%), Germany (11%) and the United States (7%).

"It was warming to note the extent to which most visitors left the country with positive feelings," Satour executive director Mr. Spencer Thomas said.

Scenic beauty was rated the most appealing aspect of the country by 31% of respondents, followed by climate (27%) and wildlife (14%). Only 5% of the respondents felt African culture was the most appealing aspect of the holiday.

The average length of stay was 33 days, compared with 29 days in a previous survey.

The average tourist spent R8 700 a visit.

Tourism would be improved if existing homeland border posts were done away with and a recommendation in this regard is to be made to the government.

The decision was taken at a meeting in Umtata yesterday, Transkei's Minister of Commerce, Industry and Tourism, Colonel D Mgwebi said in a statement.

The meeting resolved to form a regional tourism liaison structure which would involve the public and public service in tourism awareness.

A workshop will be held in Umtata within the next six weeks to work on short-term plans to improve the Christmas trade to the area. — Sapa
Excellent results offshoare aid Kersaf

EXCELLENT results from offshore operations Royale Resorts saw Kersaf Investments produce a 19% rise in attributable earnings to R181.4m in the year to end-June and increase its turnover by 15% to exceed R2bn for the first time.

The group, whose major interests include Sun International, Interludes and Douglas Green Bellingham, had seen reduced earnings, or earnings below market expectations, at nearly all its listed operations.

But executive chairman Buddy Hawton said yesterday that Royale — which includes the Mauritian operations and other undisclosed casino businesses — had reported “significantly higher earnings”.

Royale’s good results were achieved largely on the back of a lower base the previous year. There was a reversal of a prior year’s foreign exchange loss, and the Gulf war had also affected results in the previous year.

In addition, the St Regis Sun in Mauritius was closed for four months in financial 1991 for refurbishment. It had benefited from better occupancies in the current year.

Hawton said Kersaf was still looking at acquisitions through Royale. “We do have certain prospects in front of us, and one or two are quite substantial,” Hawton said.

The group was in the early phases of discussion with regard to one of the possible acquisitions.

The 15% turnover rise reflected increased revenues from Royale as well as from the recent opening of the Carousel Entertainment World. But operating profit was only 6% up at R514.5m from R484.7m in the previous year.

Hawton said the reduced margins reflected increased operating costs and significant wage increases.

Interest received declined to R38.8m from R50.5m, mainly as a result of the funding of major capex projects, which included the Lost City and the Carousel.

The reduction in the tax rate, resulting in a tax rate of 111.7% (R145.1m), was largely due to tax allowances for these projects.

About R460m in capex has been contracted or authorized. Hawton said the major capex would be expended by the end of the calendar year, and capital spending would be lower in the next year or two.

Earnings of 240c a share were 9% higher than the previous year’s 220c a share on more shares in issue.

In line with the earnings increase, a final dividend of 81c a share was declared to bring the full year dividend to 147c a share.

Shareholders have been offered additional shares in lieu of a cash dividend to enable Kersaf to repay external borrowings used to maintain its shareholding in SunBop, after its rights offer and scrip dividend offer in the past year.

Hawton said that, the group’s earnings, which were “admittedly assisted by the lower tax rate”, were satisfactory given the enormous downward pressure on results. In addition to difficult trading conditions, operations had also been affected by the unregulated gaming operations which were opening up throughout SA.

Hawton said that in view of the current gaming situation, Kersaf was looking at its gaming operations with a view to making them more attractive and competitive.

He said Kersaf remained guardedly optimistic that the authorities would deal with the situation.

Kersaf 24/8/92

From Page 1
Violence puts the squeeze on tourism

By Shirley Woodgate

Violence has hit overseas confidence in South Africa as a tourist destination, despite South African Tourism Board assurance about the safety of foreign visitors, say major travel agencies.

In July, Taiwan's China Airlines became the first airline to cut back on its flights to South Africa, with general manager James Chang claiming many tourist groups had cancelled holidays because of political violence.

Rennie's Travel general manager, marketing, Kathy McWhirter, said a definite fall-off in reservations had been experienced since the June 17 Botswana massacre and breach of Colesa negotiations.

There had been cancellations and, at best, postponements by visitors adopting a "wait-and-see" attitude, she said.

This was in spite of the R600 million boost to promote tourism and the high level of interest in the country up to May, specifically by tourists from Europe, the United States and the Far East.

She said the loss in foreign exchange would be millions of rands.

LCT and Associates spokesman Dave Lourens said many foreign tourists had already paid and forfeited deposits. Local operators were using those deposits to subsidise cheaper packages for South Africans.

Recently, after 80 tourists cancelled trips to Namaqualand, local senior citizens received a windfall cut-rate offer to see the area's daisies.

A drop in spring-time visitors had vast implications for the entire industry, relying on the annual pilgrimage to the region, Mr Lourens said.

South Africans could also find bargains at other destinations hard hit by cancellations, such as the Drakensberg and eastern Transvaal resorts, he said.

While overseas customers account for only 30 percent of the hotel industry's business, the violence has done little to improve the current situation. The 125 one to five-star hotels had an occupancy rate of only 49 percent between January and June this year, said Federation of Hotel, Liquor and Catering Associations of SA chief Peter Hearfield.

He said the violence would hit the North American trade, which was "notoriously skittish about problems in Africa", the Far East and Scandinavia.

Mr Hearfield said that although there were exceptions to the low occupancy rate, the hopes of the industry were pinned on the launch of charter flights in October.

The drop in tourism was confirmed by South African Tourism Board findings showing that the strong flow of reservations in the first five months of the year had slowed down due to political turbulence.

If the situation did not stabilise, it boded ill for the tourism industry, warned Satour spokesman Miranda Steyn.
Tourists give SA low marks for service

FOREIGN visitors are not impressed with standards of service in SA. An SA Tourist Board survey has found that 80% of tourists believe services are "below average".

Uncertainty about security isn't far from their minds, either. Almost a third of the 1,759 visitors surveyed during January this year said they felt unsafe in SA.

The good news is that most of the people still had a good time. "In spite of the negative comments, a higher percentage of tourists have voted their stay 'very successful' or 'successful' than in any of the previous surveys," Satour executive director Spencer Thomas said in a statement.
Johannesburg. — Excellent results from offshore operation Royale Resorts saw Kersaf Investments produce a 10% rise in attributable earnings to R181,4m (R165,3m) in the year to end-June and increase its turnover by 15% to exceed R2bn for the first time.

The group, whose major interests include Sun International, Interleisure and Douglas Green Bellingham, had seen reduced earnings, or earnings below market expectations, at nearly all its listed operations. But, executive chairman Buddy Hawton said yesterday that Royale—which includes the Mauritius operations and other undisclosed casino businesses—had reported "significantly higher earnings". Hawton said Kersaf was still looking at acquisitions throughout Royale. The 15% turnover rise reflected increased revenues from Royale as well as from the recent opening of the Carousel Entertainment World. But operating profit was only 6% up at R154,5m from R149,7m in the previous year.

Interest received declined to R30,8m from R50,8m, mainly as a result of the funding of major capex projects, which included the Lost City and the Carousel. The reduction in taxation, resulting in taxation of R111,7m (R143,1m), was largely due to tax allowances on these projects.

Earnings of 240c a share were 9% higher than the previous year's 220c a share on more shares in issue. In line with the earnings increase, a final dividend of 81c a share was declared to bring the full year dividend to 147c a share.
Tax breaks mooted for ailing hotel industry

CAPE TOWN — Tourism Minister Org Marais is pushing for export incentives to the hotel industry in terms of Section 37E of the Income Tax Act.

Marais told the Seeff Organisation Breakfast Club yesterday he was seeking 37E export incentives to aid new hotel projects for the next 24 months. The system of saleable tax certificates to generate cash flow would also be applied.

Sun International MD Ken Rosewarne welcomed the move, and said that present costs made the building of new hotels unviable. Section 37E, or a cash grant, would provide cash upfront when it was most needed to kickstart a project. Sun International was postponing new projects until the incentive scheme was clarified.

Section 37E provides that depreciation becomes effective from the time of making the investment instead of the start-up. This has considerable cash flow advantages.

"This is a very important way to assist hotels," Marais said. He was raising the issue with the Tax Advisory Committee and the Industrial Development Corporation. He felt that the role of tourism in the restructuring of the SA economy had been neglected.

LINDA ENSOR

The emphasis in the application of 37E had been to promote the beneficiation of export products but with SA’s low productivity exports could not be a core industry, and needed subsidies, Marais said.

The increase of depreciation allowances for the upgrading of hotels from the present 20% to the old system of 50%, 30%, 20% was also being considered. A report on how small operators could be assisted should be finalised by October. He hoped to get government money to assist them.

The report on the use of local or imported luxury coaches should be ready by September, and he was also due to receive a report yesterday on the commercialisation of national parks. Marais said.

He would meet tourism structures in the nine development regions in September to finalise regional structures.

There was a need to market SA internationally. More than R20m would be spent on marketing in the next year. Extrapolations showed tourism could earn SA R24bn in foreign currency by the year 2000, and a growth rate of 20% — a contribution of R7bn to GDP — was possible, Marais said.
Tourist ‘stayaway’ hits safari industry

GAME lodges and safari tours had been hit hard by the loss of foreign visitors as a result of violence in SA, and some might not survive another season, say industry sources.

At least one company, Bonaventure Tour Operators, went into liquidation recently and several others are struggling to keep afloat. An industry spokesman who asked not to be named said several tour operators were on the point of selling up or going out of business as they were no longer breaking even.

He said even the upmarket lodges were quietly trying to attract local tourists through two-tier rates, a change from their past practice of discouraging locals by quoting prices only in dollars.

In an effort to stay in business, several resorts are using cheap, subsidised tours to attract locals who would usually not be able to afford their rates.

Thornybush Game Lodge near Hoedspruit lost more than R350 000 country was being portrayed in overseas media as dangerous and in a constant state of turmoil. This foiled intensive efforts by organisations such as Satour and SAA to market the country’s tourist attractions.

Burger added that many Europeans still had moral objections to SA, now that political transition was perceived to have ground to a halt.

However, Kruger National Park executive director Salmon Joubert said the park was fully booked, largely because of the tourism spinoff from the New Zealand and Australian rugby tours, and no major change in booking trends had been noticed.

Rattray Reserves’ Mainie Main marketing director Ian Beuchamp denied the luxury end of the market had been significantly affected.

Individuals tended to be better informed than group tourists about SA, and had a greater knowledge of local conditions so were less easily put off by the country’s politics, he said.
Tourism ‘key focus for SA growth’

SA’s other foreign income earners in the export industries “would never be the best because of the poor productivity”.

Tourism attracted over 500 000 people to visit SA in 1991 — spending R800 a day compared with the local average of R100. It also employs some 400 000 people and currently lies fourth as a foreign money earner for the country.”

And yet 50% of the visitors in 1991 were coming to visit friends or relatives — which demonstrates the poor marketing and image of the country.”

Marais said the government would have to act as a facilitator in lifting the tourism industry in the same way they provided export incentives.

This would include licencing laws that did not inhibit trade, an improved transport system and a restructured all-round approach.

The government’s gameplan was aimed at deregulation, commercialisation and privatisation which would allow the private sector to drive the tourism industry.

The government would assist the small operator and sponsor SA Tourism Board’s marketing overseas “in the next 12 months”.

Marais said there had been calls to assist the hotel industry and this was under discussion but “in general I am against giving money away”.

He added that support for hotels could come in the form of immediate depreciation, for tax purposes, of fixed expenses and a plan to reduce the interest burden in developing a hotel complex.

He was quick to mention that “good tourism must work with good conservation” pointing out also that building tourism would be achieved on a regional basis — for Southern Africa.

And to bring it back to the Cape — Marais was reminded, from the floor, not to forget Robben Island in the drive to attract tourists to the Western Cape.
AFRICA is on the verge of becoming one of South Africa’s most important tourism markets, said the South African Tourism Board.

Satoro said about 1.5-million tourists from Africa alone were expected this year as compared to 1.1-million from the continent and the Indian Ocean islands last year.

“This total is not an unrealistic one judging from the current arrivals figures,” Satoro’s chief director of tourism promotions Dr Enos Heath said.

Tourist hot spots
Zimbabwe, Namibia, Kenya and Egypt were the main four priority incoming markets, Heath said.

“Although arrivals by air from Africa are less than 20 percent of the total arrivals from Africa, this figure is larger than the air arrivals from North and South America, Australia and Asia combined.

“This means that air arrivals from Africa could soon be on par with air arrivals from the whole of Europe, should the 1.5-million arrivals materialise,” he said.

Heath said the interest in the country’s political and economic future and in tourism by other African states had reflected a dramatic increase in visits to this country.

Added air routes
New air routes from Luanda (Angola), Antananarivo (Madagascar), St Denis (Reunion), Moroni (Comores), Mahe (Seychelles) and Kinshasa (Zaire) to South Africa have been established to boost the movement of visitors.

Routes still to be developed include Dar es Salaam (Tanzania), Brazzaville (Congo), Abidjan (Ivory Coast) and Dakar (Senegal).
Foreign visitors set to boost tourism

By Shirley Woodgate

South Africa’s tourist industry is to get a boost in October when the first of four charter groups is scheduled to start flying up to 1,200 additional European tourists into the country every week from the United Kingdom, Holland and Germany.

The move promises to pump millions of rands into the industry’s ailing economy, but experts have warned that political unrest and unrestrained crime in city centres must be curbed if the tourism boost in South Africa is to be sustained.

Durban and Cape Town have been targeted by tourist package operators as the initial destination points, said Graham van der Merwe, South African Tourism Board spokesman Dule Pretorius.

First off the runway will be Lufttransport-Unternehmen (LTU) flying from Frankfurt to Durban once a week from October 29, followed by Britannia Airlines on November 29 when the United Kingdom-based group will launch twice-weekly flights to Durban and Cape Town, he said.

In March, Condor Flugdienst will enter the market with weekly flights between Frankfurt and Durban, and in April the first batch of Hollanders will land at Durban’s Louis Botha Airport as the weekly Transavia tourist packages get off the ground from Amsterdam.

A spokesman from the Directorate of Civil Aviation said Britannia Airlines had been granted a licence for 18 flights, nine each to Durban and Cape Town. Transavia’s flights had at this stage been limited to about nine in December/January.

Other pending applications for charter passenger flights included those from Martinair, based in the Netherlands, and Britannia Airlines, which had applied for an extension to mid-1993.

Tourists would probably be transported in Boeing 747s or 767s, allowing, between 180 and 300 passengers per flight, depending on whether the trip was sold as an economy package, or first class.

Currently a maximum of 400 charters would be allowed, amounting to roughly 120,000 additional tourists annually. This would have a significant impact on the existing infrastructure, and an influx of visitors from March to June in Natal would boost the off-season period, Mr Pretorius said.

"Every 33 additional tourists create one job in the industry, mainly in the unskilled sector. This, combined with additional foreign exchange, stresses the importance of a thriving tourism sector," he added.

Eberhard Gemrich, vice–chairman of the incoming tourist section of the Association of South African Travel Agents and incoming tour operator in the LTU group, which is allied to the major European LTG group said tour packages would range from medium to high price.
More hopeful on offshore expansion

Kersaf's Royale Resorts is holding preliminary discussions with third parties to acquire foreign gaming and resort operations in a move to emphasise offshore developments. Chairman Buddy Hawton says the discussions relate to gaming resorts in the Caribbean, South America and Europe.

He adds that these acquisitions could see an overall investment, including offshore borrowings against the projects, of "US$450m upwards" in the long term.

If these foreign projects come off, they could contribute materially to Kersaf's attributable earnings in the medium to longer term, Hawton predicts cautiously.

If any deals are struck — Royale has been talking of expanding abroad for some time — the company will probably take significant minority stakes in the acquired operations while holding management agreements, effectively gaining control.

Though Hawton concedes Kersaf has been talking about expanding abroad for some time, he says "there are one or two projects out there which now appear more imminent."

Foreign acquisitions will lessen Kersaf's reliance on Sun International's local activities, which accounted for roughly 60% of Kersaf's earnings in 1992 and, within this, Sunbop accounts for around two-thirds of Sun International's domestic earnings. Transun and Royole are also important contributors to Sun International.

Progress on the foreign investments will come as good news to Kersaf shareholders as homeland gaming operations are under pressure from the proliferation of local gaming clubs.

There were other reasons for Kersaf's lower earnings growth rate, not the least of which was the substantial cash injection into the Lost City project that will come on stream in November. As the room rate at the new 328-room Palace Hotel is expected to exceed R$500 a night, it will rely heavily on the foreign tourist market which depends on political calm.

As gaming operations account for the largest slice of Sun International's earnings pie, however, this is where management will have to concentrate. Hawton says steps are being taken in this area. Minimum stakes on certain tables "will probably be lowered" while a top gaming man is being brought in from the US after the exodus of two Sun International gaming men to America.

GAMING PRESSURES

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<td>Dividends (c)</td>
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Waterfront company negotiates for hotel

CAPE TOWN — The Victoria & Alfred waterfront (V & A) company is negotiating with a major international group to operate an international businessmen’s hotel planned for the waterfront.

Groups such as the Hilton and Sheraton have been mentioned as possible contenders for the contract.

Sun International might be interested in building the hotel, MD Ken Rosevear said yesterday, provided government introduced incentives for the hotel industry.

V & A MD David Jack said it was envisaged that the new hotel would have between 200 and 250 rooms and would be linked to the 56-60m Victoria Wharf retail and entertainment complex under construction next to quay 5.

While he would not disclose the identity of the financial backer of the project, Jack said negotiations for financing the hotel were advanced.

Rosevear said Cape Town was high on Sun International’s shopping list of places for a new hotel to market internationally with the Low City Palace at Sun City. The Waterfront had a lot of attractions, had a high density and merited attention.

He said Sun International had looked at the waterfront site but had decided it would not be financially viable to build a hotel at present without incentives.

A new hotel would bring to three the number of hotels at the waterfront. There is an existing 68-room hotel, the Victoria & Alfred Hotel, which has enjoyed one of the highest occupancies in SA.

In its first year it had an occupancy rate of 86% compared with the national average of 60%. At the beginning of the year this rose to 90%, before dropping to 80% during the winter.

And a 184-roomed City Lodge is being built at a cost of about R20m.

Jack said the Waterfront had exceeded all expectations, with 8-million people visiting it in 1991. The V & A was expecting to match, at least, and even increase on last year’s attendance despite economic conditions and the wearing off of the novelty factor.

At present the number of visitors was running at between 10% and 15% higher than last year.

Tourists represented 12% of the visitors and contributed about 25% of the income.

Jack said most businesses on the waterfront had exceeded their projected targets in the first year.

Some retailers were trading at densities well above the average.

Businesses were continuing to do well, while the returns of the project had also surpassed expectations.

The V & A has invested R300m so far in the project in infrastructural development, conversion of old buildings and construction on the Victoria Wharf.

Another R20m had been committed by outside parties.

Council agrees to delay charges for new services

PROPERTY developers received a major boost from the Johannesburg City Council this week with the announcement that newly introduced fees for the supply of stormwater drainage, streets and electricity services to new developments would be implemented only from September 35.

Developers threatened to withdraw or scale-down several major projects planned for the Johannesburg area following council’s decision in February to add charges for the three services to standard water and sewerage costs. The addition of the three services added almost 30% to developers’ anticipated service costs and “threw their feasibility studies right out”, said Planning and De-

development Committee chairman Eddy Magid.

Developers complained that insufficient notice had been given concerning the addition of contributions for the three services.

Council engineering director Francois van Aswegen said the moratorium on the payment of contributions until 25 September was “a gesture toward the developing community to encourage development in Johannesburg”.

Council agreed that development companies who had paid contributions for the three services since February 25 would be refunded if applications were made during the 1992/93 financial year.

Blacks take on conveyancing

A JOHANNESBURG firm of attorneys has started a drive to increase the number of black conveyancers for property law in SA.

Webber Wentzel partner Gaby Norton said yesterday her firm had embarked upon the drive after a black lawyer, Justice Moloto, complained that conveyancing seemed to be an enclave of white lawyers.

Norton said Webber Wentzel took note of Moloto’s remarks and took on eight black lawyers on a free, nine-month conveyancing course.

Of the eight, three — Nosipho Sithole, City Serobe and Philemon Tsoka — in May passed the course.

Prior to this there had been only four black conveyancers in SA.
Listen, you can

HEAR

the silent voices

Cape Town's Victoria and Alfred Waterfront complex is an attempt to revive the city's tourist industry. But, asks HEIDI VILLA-VICENCIO, can we accept the white-washed walls blanking out huge chunks of our history?

"Die Waterkant-komploks is baie mooi, baie schoon, baie wit en baie nice — nie met so effe nasale 'n en 'n longere "s"" (Vrye Weekblad)

S

OPHISTICATED propaganda, the stuff of which modern tourism is made, is at best selective. The Victoria and Alfred Waterfront, which purports to be a reconstruction of Cape Town as the tavern of the seas at the turn of the century, is a vivid example of this.

It is historically selective and culturally dishonest. Victoria, Alfred and their cronies are there — but what about those who turned the soil and drank the booze in a not-so-sophisticated way?

The waterfront includes what is 'nice'. It excludes not only the underclasses of the present (who cannot afford its exorbitant prices), but also the memory of those who were not so nice in times past.

I sit down to watch the much publicised, "award-winning" video made on the V & A Waterfront.

There are the sounds of the sea, gulls crying, distant fog horns blowing and a miasma of pictures which blend into the setting sun.

Words from the almost-seductively mild voice, fill the room: "Welcome to Cape Town, the gateway to Africa, the window to its soul," the music slows down as the "clock is turned back". The atmosphere is set for my journey into the past.

Next comes the historical walk. I read the carefully-prepared brochure.

Then the 25-minute Prince Alfred Boat Tour, complete with talkative guide. There is also silence. A silence which, if you listen carefully, is the most audible part of the tour.

But back to the non-silence. Van Riebeeck, Queen Victoria, Port Alfred, the treacherous Cape seas, the dates of the revamped buildings surrounding the basin — then the silence about the ferry which carried the silenced rebels of each successive age (Dutch, British and Boer) to their Robben Island prison.

Silence too about the slaves, the convicts whose muscles dug the Victorian Basin, the fishermen, the drunken sailors, their women and those women who were their own people. A whole community of silence.

How did he feel? I asked a friendly security guard. Was he seeing the story of the past?

He laughed and said: "Well, ja man, but one does not see any bushes running around."

It took a while and then he spoke again: "It's not all here! Net die wit man se gedinkien." (The architects of buildings and culture have carefully chosen what to remember and what to forget.)

The Breakwater Jail confirms it all. It was near impossible to find anyone who could tell me about its history — one of the most notorious prisons in the country. The history of the prison has been white-washed into its present splendour.

The past is gone. The dungeons have become the castle which is now UCT's Graduate School of Business.

Or take the V and A Hotel. Once a warehouse, then a fish factory, now a luxury hotel.

The site of the petrol storage tanks which are soon to make way for a yacht basin was once the site of a hostel and kitchen for dock workers — until an outbreak of typhoid in the early 1900s drove the workers to Nidarien. (Group Areas legislation did the rest.)

To remember the past not as it was, but as how some like to imagine it romantically to have been — ensuring that the present too is controlled (no drunks, street urinals, prostitutes, beggars or skolliers), makes the waterfront into the fantasylan of the wealthy, white (and not so white) fun-seekers. It is a lesser place to visit. But let us at least remember the past. It might just help us face the present.

Seaports and taverns are where different cultures give rise to the new.

Here fishermen, sailors carve new cultures are born. Not so at the V & A Waterfront. This is the playground of the rich. Its history (or fantasy) is designed to distract.

Silently, in the not-so-distant background, are the underclasses. The workers at the fish factory, rough looking labourers, prostitutes and sailors are hidden in the background.

The history and buildings (red letter-boxes, English pubs and quaint alleys) provide the props for a culture that is as pure as it is white. It is also as alien as it is romantic. Even the Cape culture that is there (reduced to coon and their marching bands) merely provide a contrast and bit of light relief.

The question is whether a Victorian culture ever existed in such splendid isolation as does at the V & A Waterfront? Where are the black, coloured, Malay, boer and other cultures that Queen Vic's merry women and men were obliged to face?

"A window into the soul of Africa," the video presenter says. It is hard to imagine a port quite so un-African. The soul, the life-blood and the heartbeat is that of a colonial power that sought to impose itself on Africa, all the way from the Cape to Cairo.

There is no attempt in this fanta-syland to portray the soul of this southern tip of our. The souls of the Khoisan, the slaves, the scoundrels, the Malay traders, the politi-cos across the Robben Island strait, the Dutch burghers, the British soldiers, the sailors, the adventurers and the gamblers are forgotten.

The only soul is the soul of the Brit. It is also the soul of a brand of British imperialism which is miseducated, clean and ever so nice.

The other soul (of the underclass- es) is silenced. Is it a soul at all? Is it history? It is a lot of plastic-and, as someone has suggested, a bit like Disneyland.

An opportunity has been missed to show a blending of people and cultures that could have contributed to the quest for a common South African culture — an important ingredient, I am told, in nation-building. The underside of history has been excised from this tavern of the seas. It has, however, not gone away. One day we shall need to face this reality.
SPUR 'all set for a good year'

SPUR Steak Ranches was on target to meet its earnings budgets in the first half of the new financial year, chairman Allen Ambor said at the AGM last week.

He said Spur was entering the second half, which was traditionally the better trading period, and growth in terms of store openings was well in place.

Shareholders' Association of SA chairman Izzy Goldberg said turnover and dividends had risen exponentially over the past five years. Turnover of R26.6m at end-February compared with R5.8m in 1999, and dividends of 23c a share compared with 9c five years ago. In the year to end-February, earnings rose by 41% to 30.9c a share.
big future for SA in air travel, tourism

By AUDREY D'ANGELO
AUSTRIAN Airlines' new GM in Southern Africa, Thomas Zilk, sees air traffic between SA and Europe as a major growth area. He has spent the past four years in Venice and said he applied for a posting to SA "because I have always wanted to come here and see this country."

"I think there is a big future here for air travel and tourism. SA's economic and political problems cannot go on forever, and I am sure the whole situation will develop in a positive way."

Austrian Airlines was one of the first foreign airlines to come to SA after President F.W. de Klerk's historic speech in February 1990 unbanning the ANC and other 'extra-Parliamentary organisations. It provided its first service between Vienna and Johannesburg in July 1990. Now there are two flights a week.

Herta Daniel, the airline's sales executive in the Western Cape, said air travel was definitely increasing. "With the lower fares, I think people are travelling more in spite of the recession."

No add-on fare

There is no add-on fare for anyone going on from Vienna to another city in Austria, such as Graz, Innsbruck or Salzburg. It costs the same as going to Vienna is R2,000 return from Cape Town.

"We offer add-on fares to other European cities. Passengers can break their journey at Vienna for as long as they like in either direction." and we offer packages that make it affordable for South Africans to spend a few days in Austria."

The return fare from Cape Town to London by way of Vienna will be R3,300 between October 1 and December 3.
SERVICES

SECTOR: ACCOMM, LIQUOR & CATERING

GENERAL

1992

JULY — DECEMBER
Revenue from fast growing casino industry nears R200m a month

MUSHROOMING casino operations which are generating hundreds of millions of rands in revenues have made gambling one of SA’s fastest growing industries.

A casino operator said estimates of the number of casinos in SA could not be confirmed, however, as they were kept secret. The association also estimated that the industry was worth R15bn.

The Gambling Association of SA (GASA) was formed by operators, table manufacturers and all owners of casinos. The association was formed in 1989 and represents the industry collectively in revenue.

Chairman Grant Kaplan said the association was formed to promote and regulate the industry.

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A source said while many of the casinos were generating revenues, they were not paying tax on their income. Many were paying VAT, but not the income tax.

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Tourist industry call to black entrepreneurs

By AUDREY D'ANGELO
Business Editor

BLACK entrepreneurs should be running businesses in the Victoria and Alfred Waterfront development, Archie Nkonyeni, new President of the National African Chambers of Commerce (Nafcoc) said in Cape Town last night.

Nkonyeni was speaking at a ceremony at which Noel de Villiers, vice chairman of the SA Tourism Board (Salourt) awarded four-star grading to the Victoria and Alfred Hotel on the Waterfront.

Praising the success of the venture, De Villiers said the hotel had achieved an occupancy rate of 92% even in August and the Waterfront complex as a whole was a success.

The most pressing imperative in SA today was to stimulate socio-economic development and nothing could do this as well or as quickly as a successful tourist industry.

It should therefore not be seen as "a white man's game", because it affected everyone in the country, Nkonyeni would address the need for this to be fully understood by the entire community.

Nkonyeni said the Victoria and Alfred development was providing the equivalent of 1,690 jobs, including weekly and seasonal part-time employment.

"That does not include the 2,200 jobs that were annually provided by the construction and development phases.

"Because of the labour intensity of restaurant and construction activities I understand that the development is providing for employment where it is most needed."

The Victoria and Alfred development came at a time when SA as a whole was facing a very high level of unemployment in the longest recession the country had known in the past 40 years.

"As a nation we are in desperate need of a capital injection to generate activities that will reduce unemployment. But militating against this are the issues of social instability arising out of the violence that is reputed to have claimed no less than 12,000 lives in eight years, as well as causing the poor performance of our economy."

"To be able to address the problem of unemployment one of the requirements is what some people call an instant industry - and that is tourism."

But, Nkonyeni continued: "One would have preferred to see a greater participation of black entrepreneurs in the Waterfront development."

It was Nafcoc's major task to upgrade the capacity of black business to take its rightful place on the centre stage of SA's economy. But it was not going to be easy to overcome the effects of economic disadvantage.

"We want to see black businessmen in the boardrooms of the major economic players in this country."

"We will agitate strongly for the opening up by corporate SA of management opportunities to suitable black personnel."

"The debate on the importance of unbundling SA's corporate giants needs to be taken seriously."

And the black entrepreneur would have to come out of the townships "and wage economic battle in modern developments such as the Victoria and Alfred Waterfront."
Timeshare eludes the recession

RECESSION has not hit the timeshare industry as hard as other leisure-related industries, says RCI (SA) MD Steve Griessel.

"In fact we gained from certain adverse factors, such as the rising cost of hotel and alternative accommodation," he said.

While the airline industry is saying 1991 and 1992 are the worst years since the Second World War, timeshare sales have held up remarkably well, and timeshare exchanges have taken off. Industry sales for the six months to June were "only" 14% down on the same period last year.

"Although sales in the Cape were sharply down, mainly because of the collapse of Masterbond-related timeshare transactions, sales at inland resorts rose 55%, and they were much higher in Natal."

RCI exchange sales were booming, and had increased by 41% each year in the past two years. "In 1991 we made more than 49 000 exchanges, and we expect to confirm about 60 000 exchanges in 1992."

Griessel said the number of families wishing to swap their local timeshare weeks for holidays at international resorts had been boosted by lower airfares, a fall in timeshare exchange costs and a profusion of special travel packages.

"The first three months of this year showed a 250% increase in the number of families exchanging for overseas destinations."

If the expected increase in SA tourism occurred, local people would be "locked out of traditional holiday accommodation, making timeshare the only way to holiday."

Swap
SAA/Protea Hotels plan off to flying start

The new SAA/Protea Hotels Business Plan, launched last month, had proved extremely successful, says Rolf Kreckenberg, GM of the Braamfontein Protea Hotel in Johannesburg, one of three Protea hotels participating in the scheme.

Under the plan, business men and women travelling from Cape Town to Johannesburg or vice versa can enjoy a free night's accommodation at a four star Protea hotel as part of their return economy class airfare of R860.

Other hotels participating are the Ritz Protea Hotel in Sea Point and the Capetonian Hotel on the foreshore. Each additional night is offered at a reduced rate of R71 per person.

Kreckenberg said since the August 1 launch occupancy rates had improved considerably with women accounting for more than 30% of his guests.
The dream of an annual holiday for life is rapidly becoming a nightmare for the hundreds of timeshare owners who have bought into Umldloti Sands, a Natal North Coast resort.

Manager-cum-developer of the resort, Tilby Greenstein, after informing shareholders towards the end of 1991 that she had sold her stake to British businessman Anthony Quayle, has allegedly "disappeared." And so too has Quayle. At any rate, neither has been in touch with anyone connected with the scheme for the last few months.

According to Resort Condominiums International (RCI), to whom Greenstein unsuccessfully applied for affiliation on several occasions, she and her family are reported to be in Romania. The information comes from a Kreditinform report commissioned by the Timeshare Institute of SA (Tisa) which is currently doing an audit of all timeshare schemes in the country.

Kreditinform reports that the Greenstein family was last seen in May this year. Since then the bank, which holds the bond over the Greensteins’ Durban home, has placed guards on the premises. The report also ascertained that the shareblock company has creditors estimated at R6m and that the bank account of the shareblock company has been dormant for some months. According to Kreditinform, the bank has been advised that residents at the resort have been instructed to vacate because of an excessive electricity bill.

Greenstein has apparently issued a number of writs against several parties, including several timeshare owners who have asked not to be named. They maintain that in the wake of her disappearance, unpaid bills are mounting — including almost R90,000 in unpaid municipal rates. They also claim building maintenance is non-existent; there is no proper shareblock register, nor up-to-date records; and no shareblock company AGM has been held for two years.

But on the other hand, levies are no longer being paid because of "the supreme confusion that reigns over accommodation — timeshare units have been let to semi-permanent residents," according to one source.

And now Umldloti town clerk Paul Wiggill has issued a warrant in execution against the Umldloti Sands Shareblock Company because two post-dated rate cheques have been dishonoured. And several concerned timeshare owners at the resort have made reports to the police, the SA Co-ordinating Consumer Council and even Louise Tager’s Business Practices Committee.

Timeshare owners are also attempting to arrange an extraordinary general meeting at the end of the month, in terms of the Shareblock Control Act. This involves sending registered notification to all members of the shareblock company. But they say they have been unable to obtain a register of shareholders since they have been informed that no such document have been lodged with the Registrar of Companies.

Umldloti Sands began life in the mid-Eighties when the Selection Beach Hotel was converted to timeshare. It was never intended as a top-bracket resort, but owners say Greenstein intended to upgrade the establishment, located on a prime Umldloti site, and seek affiliation with RCI, which never materialised.

The FM was unable to contact either Quayle or Greenstein for comment. Faxes and telephone calls have been met by constantly engaged signals.

Other timeshare resorts that have landed in trouble are Mabula Lodge in the northern Transvaal, Club Mykonos in the western Cape, and the Halyards at Port Alfred.
It’s a snip for the foreigner

THE tariff in rands is valued for money, but in pounds or dollars it is ridiculously cheap. “This has been a bit of a problem for us,” says Stan Hoffmann. “Foreign tourists think that for the money they are going to be put up in third-rate accommodation. The reason is that SA’s currency is so weak against the world’s major ones. Foreigners cannot imagine getting such super-accommodation at the dollar prices.”

Marketing efforts are being made to change these views. Mr Hoffmann says the whole Karos group has been revamped at a cost of R150 million ahead of what he hopes will be a rapid rise in tourism. Since the cost to foreign trippers is low, they will want to stay at only the best holds and Karos has made sure it does not miss out on that market.

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CORPORATE training of staff members offers the Karos In-daba Hotel a new marketing opportunity. “Many companies find that it is more effective, both in terms of cost and results, to train staff at a conference centre,” says Mr Hoffmann.

Employees respond better to an ambient environment and believe more in their worth to their employer where he is prepared to invest money and time on them.

There has been a swing to shorter, more intensive conferences and training seminars, which has been to the advantage of the Karos Indaba Hotel because of its proximity to major centres.

Mr Hoffmann expects strong growth from the training market as South Africa wakes up to the needs of the future.
Southern Sun puts timeshare on hold

SOUTHERN Sun has withdrawn from timeshare development for the time being.

Southern Sun managing director Ron Stringfellow says the group intends maintaining the management and administration of its existing projects and will carry on with the sales of two developments. But it is postponing further schemes or rescues of liquidated timeshare developments.

Mr Stringfellow says static sales justify the move. He attributes the lacklustre market to the tight economy.

However, other sources suggest Southern Sun, the largest player in SA’s timeshare market, has had static sales for a few years, and the group plans to devise an innovative product.

The average price of a unit has dropped from R12,000 last year to R10,000. In spite of this, sales are down 14%.

Trade sources suggest falling sales are aggravated by the poor image the public has of timeshare — rocketing levies, fly-by-night characters out to make a quick buck. The collapse of several schemes has made the public wary of timeshare.

It has also been claimed the traditional market is saturated. The penetration of timeshare in SA is among the highest in the world. It is estimated that 7% of economically active people in SA have bought timeshare. In Europe, America and Britain only 1% are involved.

RCL chairman Steve Krige says 176,000 of the 200,000 weeks have been sold to 140,000 families. This is nowhere near saturation, as there is an emerging black market.

However, it is not encouraging that 60% of the weeks sold are up for resale. Renitas, which sells timeshare units on the secondary market, says 104,000 weeks are available.

Renitas managing director Christel Coetzee says people are willing to sell even though they stand to lose 20% to 40% of their purchase price.
Gaming club a drawcard

THE Karos Indaba Palace is a gaming club opened this year as part of the R120-million upgrade of the group.

Selwin Hurwitz says that controlled, gaming should be a major drawcard for tourists and could be a boon to South Africa’s tourist trade.

"We believe strongly that the playing fields in the Southern African region should be levelled and not restricted to a one-group monopolistic situation." This would ensure that the clubs were managed responsibly. The objective is to attract an up-market clientele. In other countries, gambling is the prerogative of the affluent.

"Those who can afford to gamble will visit venues of comfortable circumstances to enjoy gambling as an entertainment close to up-market restaurants and bars – in short, the sort of facilities available at four- and five-star hotels."

The Karos Indaba gaming club is restricted to games of skill, such as poker machines and Ace-High blackjack.

Bar and restaurant facilities are available in a secure and sophisticated atmosphere. Each wing of the gaming room has an open fireplace to give a cozy feeling during the highveld’s chilly winter evenings.

Mr Hurwitz believes that entry to gaming clubs should be available to foreign passport holders and hotel residents at all times.

Members of the public should be allowed to take part in gaming only after 48 hours of membership of the club. That would reduce the incidence of impulse visits.

This is the practice in other countries, although moves are afoot in England to have even this restriction lifted.

Mr Hurwitz is not averse to the enforcement of a 48-hour membership rule.

"We do not want to be responsible for the impulsive gambler blowing his pay packet on the way home from work. Our minimum stake is high at R20, especially to deter those who might be irresponsible."
THE Karos group operates two timeshare resorts, both of which have been awarded gold-crown status by Resorts Condominium International (RCI).

Karos Lodge is the gateway to the Kruger Park and the Karos Most-Aux Sources Hotel in the Drakensberg. They are two of only 140 RCI resorts around the world to achieve this quality.

Both resorts have recently offered holidays from Friday to Friday. However, a new marketing approach has been adopted. Karos is to offer part-week timeshare holidays. They can be either a three-day weekend or a four-day mid-week stay.

"This is in line with the trend by South Africans towards taking shorter holidays," says Mr. Harwitz.

The Karos resorts are not timeshare hotels. They are separate developments built on existing hotel sites.

The advantage is that privacy is enhanced while full use can be made of the next-door hotel's facilities."
The name Indaba conjures two images — one is its illustrious past with the then Barclays Bank. The other is conferences.

Karos' joint managing director, Stan Hoffmann says: "Under Karos, Hotels, the Indaba is no longer a conference venue only — even though we won the Highveld Store-Hilo Johannesburg Conference Centre of the Year Award this year.

"We cater for all manner of people who require hotel accommodation — from businessmen, travellers, tourists and airline crews to families and conference delegates."

There are 27 conference rooms, ranging in size from the small breakaway discussion units of eight or so to the full-scale conference of more than 200 delegates.

Every conference room has slide projectors, overhead transparency projectors, video screens and video cassette recorders and television sets. Computer-link facilities are also available.

On completion there will be four areas for conference delegates. The capacity is greater than 1,000 and the kitchens are well able to cope with that many.

In these recessionary times there has been a shift by companies to holding conferences closer to the business environment. Costs are lower and because travelling times are cut and the number of days spent at the conference can be reduced.

Mr Hoffmann says every pocket can be suited.

"We tailor conference packages to suit the customer. With careful joint planning, costs can be kept at an affordable level."

A package has been arranged with South African Airways to bring delegates from around the country to the Karos Indaba Hotel at a special rate. This also extends to the partner wishing to join his or her spouse for a weekend after a conference.

The lead times?

"We can put something together with only a few days' notice in some cases. It's a competitive market, but we bend over backwards to give top service."

Stan Hoffmann: Tailored packages at low cost.
City comfort comes to a rural setting

THE new four-star Karos Indaba Hotel gets into full swing this spring with the opening of additional rooms and new facilities. The intention is to diversify it from a conference centre to a full countrywide hotel.

JULIE WALKER takes a look at the new Resort in Fourways, Sandton.

THE Karos Indaba Hotel, a few kilometres north of Sandton, is an out-of-town hotel and conference centre with a whole new look since becoming part of the Karos Group two years ago. (TIM HARRISON)

Karos Group chairman and joint managing director Selwin Hurwitz made a R28-million bid for the Indaba and it was accepted by First National Bank.

"We saw its potential when we bought the Indaba," says Mr. Hurwitz.

"But the hotel was starting to show its age. It was renovated in the 1970s, principally as a conference centre. But after several years the bathrooms were looking dated.

Major

The bedrooms were last redone about seven years ago and had a tired air. In short, the facilities were not in tune with the demands of the day. We decided that a total revamp to incorporate the highest-quality finishes was the best way of tackling the task. We undertook a major expansion of the complex at the same time.

Almost as much has been spent on the refreshment and extensions as was spent on the original purchase. By the time the finishing touches have been completed, the bill will top R17-million.

Farm

The bathrooms of all the rooms incorporate a stand-alone shower instead of the plastic-curtain-round-the-bath setup. The finishes are flawless.

The number of rooms has been raised to 211 and they are available now.

Mr. Hurwitz says: "There were 114 when we bought it, but we gained another nine simply by using the available space. We can increase the number of rooms by another 40% without exceeding our kitchen's capacity.

"We own the six-hectare farm next door and can use it when we need to expand Karos Indaba Hotel again."

The Karos Indaba's facilities on 15 hectares are all built in the whitewash and thatch or grey slate roof; easy on the eye."
Call for bigger black role in Waterfront development

BLACK entrepreneurs are to be made more aware of Western Cape investment opportunities through the National African Federation of Chambers of Commerce (Nafoc) and the Western Province African Chamber of Commerce (Wepoce).

The two organisations will also investigate channels for raising money to finance black investment projects in the Western Cape.

Interviewed at a function where the Victoria and Alfred Hotel on the Waterfront was awarded four-star grading, Nafoc president Archie Nkonyeni urged white business people to help more black businesses get established.

"We also ask for details of investment opportunities to be given to our organisation in good time so that we can alert our members and also investigate possible avenues for raising finance for members who are interested in the projects," said Mr Nkonyeni.

The Wepoce president, Themba Pasiwe, said investment opportunities brought to the attention of his chamber would also be referred to Nafoc.

"In this way investment opportunities in the Western Cape will get national coverage so that black entrepreneurs have a much better chance of participating in the ventures," said Mr Pasiwe.

Mr Nkonyeni, who was guest speaker at the awards ceremony, told guests he would have preferred to see greater participation of black entrepreneurs in the Waterfront development.

"To me and all the members of my organisation such a step would have meant the beginning of the attainment of our dreams.

"In the first two decades of our existence as an organisation our mission was expressed in terms of doing everything in our power to get the government of the day to lift all discriminatory restrictions destined to stifle the development of black business.

"Today our major task is to upgrade the capacity of black business to take its rightful place on the centre stage of the country's economy."

Mr Nkonyeni said Nafoc attached high priority to the encouragement of black business capabilities through the Management and Leadership Development Centre established at the Nafoc head office near Pretoria at a cost of more than R7 million, where training courses would operate full scale from the beginning of next year.

However, much more needed to be done:

- Nafoc wanted to see black businessmen in the boardrooms of the "major economic players" in South Africa.

- Nafoc would agitate for corporate South Africa to open up management opportunities to suitable black personnel.

- Nafoc would do its best to ensure that the debate on the unbundling of South African corporate giants was taken seriously.
No such thing as free beer, shebeens told

SA BREWERIES has invited shebeen owners to discuss allegations that it is flooding township drinking places with free beer in order to destroy the market for the National Taverners' Association's own, imported brand.

The association, which imports Zambezi lager from Zimbabwe, meets today to discuss its dissatisfaction with SAB. The association says the company has overreacted to the "breaking" of its monopoly.

SAB public affairs manager Adrian Botha said he was surprised by the association's accusation because the issue had not been brought up at recent meetings the company had held with the taverners.

"We spoke only about responsibility in the use of alcohol. I don't know about this breakdown in communication, because they know how to contact me. I would be happy to set up a meeting with them."

Botha said he did not know if SAB representatives did supply free beer. "But if you give beer away you are not making money."

"We need to get together and talk to these people — they are our customers."

"We welcome competition, but I won't say 'You can take my market,'" Botha said.
Soweto shebeen ‘mass action’ targets SAB

SOWETO shebeen operators are to launch ‘mass action’ against SA Breweries — accusing it of lacking social responsibility and being discriminatory in granting discounts. They say their campaign could culminate in a boycott of SAB products.

The Soweto branch of the National Taverners’ Association decided at a meeting yesterday to remove all SAB adverts from shebeens in the township.

Association chairman David Mokoena said the executive committee would investigate insurance policies SAB had allegedly insisted on as collateral for credit.

"SAB refuses to have any other policy as collateral, and...holders are not insured for the stated amount for the first three years. If anything happens to you in that period and you owe SAB R240 000, you are paid out only the premium and still owe the money to the brewery," he said.

SAB was doing nothing in the way of social responsibility and did not contribute to the black community in times of disaster, Mokoena said. Instead, it pumped millions into soccer sponsorships. He also claimed black liquor dealers were not getting the same discounts given to Portuguese- and Jewish-owned outlets.

The association’s executive said it had been trying to arrange a meeting with SAB for the past 10 months, to no avail.

SAB public affairs manager Adrian Bolha said he would respond to the allegations after an investigation, “and we will be very happy to meet the association. I categorically deny that we have refused to meet these people. No approach has been made to SAB head office for talks on matters of this nature.”
Ithuba, Viva Trust: ‘no sign of contraventions’

GERALD REILLY

PRETORIA – No contravention of regulations governing the activities of fund-raising organisations such as Viva Trust and Ithuba had come to his department’s notice, National Health Deputy Minister Fanus Schoeman said yesterday.

He was reacting to reported claims by welfare bodies of profiteering by the two organisations and of a dispute between them.

Schoeman said figures submitted by Viva Trust indicated about 27.7% of money raised went to welfare services.

Ithuba Trust’s allocation to social services would be in line with a sliding scale of between 15% and 30% depending on the number of tickets sold.

The trust and Ithuba had to submit annual audited records to the director of fundraising. “The director will exercise careful control to ensure the required average of 27% is allocated to social and other welfare actions.”

Schoeman said Viva Trust chairman William Rowland had claimed the authorities were not prepared to accept criticism aimed at the Ithuba Trust.

Rowland’s attack on the SABC’s involvement with Ithuba Trust was strange since he had been present at a meeting of national councils in August where it was unanimously decided to express gratitude to the SABC for reaching out to the welfare community. The SABC was asked to go ahead with planned fund-raising programmes, said Schoeman.

It was praiseworthy that the SABC and M-Net had made their channels available to raise funds.

Schoeman said anyone aware of irregularities should inform the director of fund-raising.

The scratchcard scheme was introduced in SA recently and had enormous potential.

“It is, however, a relatively expensive method and to make it viable 50% of the money raised must be used for prizes. A percentage goes to administrative costs while the rest is divided among social welfare services.”

Currently 17 scratchcard schemes were operating.
Battered Safren ups earnings

BY AUDREY D'ANGELO
Business Editor

A COMBINATION of the recession, high capital investment by hotel and resort group Kersaf and competition from unlicensed casinos limited profits by Safmarine and Rennie's Holdings (Safren) in the year to June 30.

The final dividend is 100c (177,5c) a share. But shareholders can choose to receive new shares at an issue price of 8 290c per share — it traded at 9 150c yesterday — in lieu of a cash payment.

The huge conglomerate, with interests in shipping, freight, tourism and leisure, lifted attributable profit by 9,6% to R331,5m (R291,4m).

Although this lags the inflation rate the directors said results were satisfactory "in the light of prevailing economic conditions".

Turnover was 7,5% higher at R4,68bn (R4,30bn). Operating profit was 0,9% higher at R999,7m (R963,1m) before depreciation. But after R214,8m had been allowed for depreciation compared with R248m the previous year operating profit was 13,2% higher at R771,9m (R680,1m).

The interest bill was R28,9m compared with interest of R2,0m received the previous year. After tax profit was R542,3m (R480,7m).

Rennies achieved a 17,9% rise in attributable profit at R406m (R392m).

But, the biggest contribution came from Safmarine with R147,7m (R137,1m) and Kersaf with R137,2m (R125,3m).

Earnings at share level rose by 9,1% to 617c (565,5c). The total dividend for the year is 256c (237,5c) a share. The asset value per share has risen by 17,6% to R25,00 (R21,26).

"The directors explain that the alternative of a scrip payment of the final dividend is being offered to maintain the company's shareholding in Kersaf following the announced scrip dividend offer by Kersaf."

"Discussing the results, they say the continued deterioration of the economy was "the main factor contributing to the group's slower growth"."

"As a result of the slowdown in world trade Safmarine carried lower cargo volumes."

But "Rennies achieved commendable results through increased market share and improved efficiencies despite a reduction in imports."

"The directors consider Kersaf's results as "satisfactory", in spite of the rise in net interest because of the significant capital developments and "the proliferation of unregulated casino establishments in SA"."

CT 10912
Taverners discuss SAB

The love-hate war between the National Taverners Association (NTA) and South African Breweries (SAB) came into the open at a meeting of tavern owners in Soweto on Wednesday.

The meeting discussed the conduct of the SAB, crime and legal constraints created by the Liquor Act. A resolution was passed to pull down SAB posters in shebeens and taverns and burn them if the SAB refused to hold talks with the NTA within 10 days.
models, but initial reaction is to endorse the house's opinions on Sun and Target.

Anglovaal says the Sun borehole results show the potential for the development of a mine, but not at current gold prices and with present political and exchange rate uncertainties. The house says it cannot justify "major capital expenditure on this valuable asset at present." It adds, however, that the R37.3m drilling programme in the Target area has produced results good enough for that project to be continued.

Says Simpson McKee analyst Peter Bahnamann: "Anglovaal's geologists have done a first-class job of piecing the overall picture together. It reveals the gold-bearing reefs are continuations of those being mined at Lorraine, with the exception of the Ventersdorp Contact Reef."

"The ore bodies extend northwards at greater depths through the Target area into the southern section of the Sun area. All the good grades are concentrated in a narrow band along the western side. The borehole results show the grades deteriorate quickly towards the east and are erratic."

The reefs in the Sun area lie at depths between 2000 m and 4000 m, much deeper than many thought. Analysts are revising estimates of the cost of establishing a gold mine here, from around R2.5bn to about R4bn. And the structure of the ore body is more complex than previously believed.

The overall geological picture dampens previous optimistic speculation that Anglovaal had perhaps several potential new gold mines here. While the total area of ground Anglovaal now controls could support several mines if it was all underlain by payable reef, the grade distribution suggests only one potential gold mine. That mine would incorporate the Target ground and the southern section of the Sun area.

Anglovaal has not yet released borehole information on the Sun northern section. Over 11 years, the house has spent R143m drilling the Sun prospect and a further R110m buying the mineral rights to 12 158 ha in the southern Sun area as well as 11 024 ha in the northern sector.

Disclosure of borehole results has taken a long time. But one analyst describes the degree of disclosure as "the best I've seen in a long time." He feels Anglovaal's motives are to justify the R253m spent on Sun and retain investor interest in the project.

Kaplan, Stewart analyst John Handley says the results show there is potential for a new gold mine in the Sun area but not at present gold prices. Handley estimates a price of at least R40 000/kg at current money values would be needed. He speculates Anglovaal might try to "do a South Deep" on Sun/Target by working from the existing Lorraine workings in the same way as JCI has approached its South Deep prospect with a twin haulage development from Western Areas.

The trouble is that the existing Lorraine workings are shallower than the reefs in the Target and Sun areas. But the lure for fur-
SAB to talk to taverners in a froth

SA Breweries will meet a National Taverners' Association (NTA) delegation on Tuesday in an effort to avert criticism of its social-responsibility profile among Soweto shebeen owners and a possible boycott of its beer.

SAB public affairs manager Adrian Botha yesterday confirmed that a meeting had been arranged for next week.

The talks were called after the NTA Soweto branch's announcement on Wednesday that all SAB adverts would be removed from shebeens in the township.

Shebeen owners accused SAB of lacking social responsibility and also of being discriminatory in granting discounts.

They also mooted a boycott of SAB products.

Yesterday, Mr Botha categorically denied the claim that his company had refused to meet the NTA "for the past 10 months".

He scoffed at the claim that SAB lacked social responsibility, saying there might be some other reason behind the NTA's moves.

The NTA also said that it would investigate insurance policies that SAB had allegedly insisted on as collateral for credit. — Sapa.
Scandinavian tourists trade growing in SA

LONDON: — The flow of Scandinavian tourists to SA is growing at a prodigious rate, says a top Satour official.

Russell Barlow-Jones, Satour's manager in London, recently took on the additional role of marketing SA in the Scandinavian countries of Denmark, Finland, Norway and Sweden.

He maintains responsibility for operations in Britain and the Republic of Ireland.

Marked upturn

"There is a marked upturn in the number of visitors from countries which have traditionally seldom visited SA," Barlow-Jones said in a statement issued by Satour's London office.

"The Scandinavian market is still relatively new for SA, yet it is growing at a prodigious rate, with Sweden, for example, seeing a rise of almost 70% for the first part of this year.

"As preconceptions are broken down — and flight prices continue to fall — the number of visitors from Scandinavia who wish to see SA's spectacular scenery and varied wildlife will continue to increase," he said. — Sapa
CAPE restaurants have come up
turmps in a national competition by
taking first and second places in the
deluxe category, and two joint-third
places in the popular category.

Bosman's at the Grand Roche Hotel
in Paarl came first in the deluxe cate-
gory and Buitenverwachting second.

Truffles, in Heathfield, was also
placed in the top 10.

Joint-third places in the popular
category were taken by L'Auberge du
Paysan in Somerset West and Le
Quartier Français in Franschhoek.

Winner of the popular category was
La Madeleine in Sunnyside, Pretoria,
with Chêre Patrice — also in Pretoria
— taking second place.

Third prize winner in the deluxe
category went to The Royal Grill in
Durban, followed by (in alphabetical
order): Chagall's in Pretoria, Linger
Longer in Johannesburg, Punchinelo's at the Elangeni Hotel in Durban,
Sir Benjamin's at Durban's Holiday
Inn, The Three Ships at Johannesburg's Carlton Hotel and Truffles in
Heathfield.

The four winning popular category
restaurants were followed by Chatters
in Durban, the Fisherman's Cottage in
Plumstead, La Dolce Vita in Durban,
Amanzimtoti's Razzmatazz, Sausalito
In Sandton, Seasons in Gillitts, Natal,
and Simply Chapat in Krugersdorp on
the West Rand.

The winners of the Nedbank Ameri-
can Express Style magazine awards
were announced yesterday. — Staff
Reporter and Sapa.
SA luring more Scandinavian visitors

LONDON — The flow of Scandinavian tourists into SA is growing fast, says a top Satour official.

Satour’s London manager Russell Barlow-Jones recently took on the additional role of marketing SA in the Scandinavian countries of Denmark, Finland, Norway and Sweden.

He retains responsibility for operations in Britain and the Republic of Ireland.

“There is a marked upturn in the number of visitors from countries which have traditionally seldom visited SA,” Barlow-Jones said.

The Scandinavian market is still relatively new for SA, yet it is growing at a prodigious rate, with Sweden, for example, seeing a rise of almost 70% for the first part of this year.

“As preconceptions are broken down—and flight prices continue to tumble—the number of visitors from Scandinavia will continue to increase,” he said. — Sapa.
Incentive plan for tourism

PRETORIA — The Trade and Industry Department was looking at a new incentive scheme for the tourism industry. Tourism Minister Dr Mannie Malan said in Durban last night.

Speaking at a Fedhasa dinner, he said Satour had been asked to organise a meeting between himself and the industry's main players to explore the possibility of establishing an organisation like Safico for the industry.

Marais said tourism could be the country's top industry, the biggest foreign exchange earner and the biggest creator of jobs. However, serious obstacles such as violence had to be removed.

As long as the ANC planned to use mass action to overthrow homeland governments and attack the current government, tourism would fall short of the 20% annual increase which was possible, he said.

The doubtful economy of coach transport and the lack of three-star hotels also slowed the development of tourism.

Greater co-ordination between the private and public sectors was needed. It did not help to make big investments in games-park accommodation if air strips and good roads were lacking.

Motor task group to study Phase VII

THE Trade and Industry Department was forming a task group to investigate the possible structure of the Phase VII local content programme for the motor industry, director-general Stefa Naude said yesterday.

Naude said the department was discussing the composition of the group and its instructions with various parties.

The main objective behind the group's formation was to obtain certainty in the motor industry as soon as possible.

However, he said the introduction of Phase VII would not be rushed through as Phase VI was.

The news came after last week's meetings between the department, the National Association of Automobile Manufacturers of SA (Naamsa) and the National Association of Automobile Component and Allied Manufacturers (Naacam).

Naamsa president Bert Wessels recently said the soon-to-be-established research group already should have determined what direction the Phase VII local content programme should take by the end of next year.

He wanted the group established as soon as possible and to comprise representatives from the motor and parts manufacturing industries, the Industrial Development Corporation, trade unions, the Motor Industry Federation, the departments of Finance and Trade and Tariffs, and overseas consultants.

The current Phase VI local content programme, due to be wound down by the end of 1996, was flawed, Wessels said.

Problems included the changing of its rules and targets too often, non-participation in GEIS, Phase VI's contribution to price increases, and the fact that it was open to fraudulent practices, said Wessels.

Other problems included Phase VI's sensitivity to economic and political changes, its negative impact on the component industry and the role of catalytic converters in the scheme, he said.

Current protection levels on vehicles were too high and the weighting accorded to socio-economic priorities of Phase VII would determine the extent of the necessary protection, Wessels said.

'Public servants fearful'

THE public service was riven with anxiety and uncertainty about the future of government workers in any new dispensation, Public Servants' Association (PSA) president Johan van Wyk indicated yesterday.

He told the PSA conference in Durban a basic fear was that merit and ability would not longer be criteria for advancement.

Another was that public servants could be pushed out by political appointees.

Constitutional change could succeed only if founded on a stable public service. It was regretted public servants were being accused of being administrators of an unjust government system and unacceptable in a new dispensation.

The strength of a public servant lay in undivided loyalty to public service. A survey of management had shown a need for service security, and serious irregularities by government workers had had a serious impact, he said.
Time to learn from others' mistakes

The restructured Time Housing — which was subject to a R5m management buyout in March when listed Time Holdings withdrew from the low-cost market — does not intend repeating the mistakes of many developers by acquiring large tracts of land for housing developments.

"We will instead develop schemes in manageable phases that will allow us to control our holding costs and reduce corporate overheads, which is crucial given the present operating climate," MD Norman Jeffrey says.

In addition, giving managers an equity interest and accountability and responsibility for both profits and losses is important to the effective functioning of the company, he says.

In the wake of the buyout, independent entities were established in the form of Time Housing in Johannesburg and Pretoria and Time Housing Coastal in Durban.

A major obstacle in the market is the difficulty in obtaining bonds. A number of factors need to be addressed before the problem of bonds for affordable housing is resolved, Jeffrey says.

These include the support of the community for the basic rights of the lender and developing innovative techniques in place of traditional bond financing.
Complex changes its appeal

CAPE TOWN — A R3m furnished apartment complex has opened in Sea Point to cater for travelling businessmen, families on holiday and tourists.

The complex, Inverness, was originally intended to be sold under sectional title but a weak market led to its conversion into upmarket apartments.

"An ailing property market and high building costs swung the vote when it came to the marketing of the apartments. A rethink favoured the businessman or visitor for tenure," said Meridien Projects Cape MD Farrel Lazarus.

"The irony is that having spent more than R500 000 on furnishings and landscaping, we have been offered far more per unit than the original asking price under sectional title," he said.

The fully serviced apartments, equipped for self-catering, are let on a daily basis.
UMDLOTI SANDS

18.1.1992

Concerned owners of holidays at the Umldot
timeshare resort have set a date for a special
general meeting to resolve problems. It will be
held at the resort on Wednesday, September 30.

At the heart of their difficulties is a
growing tally of unpaid bills coupled with
the "unavailability" of the resort owners-
cum-managers who, allegedly, have
failed to maintain resort facilities.

A Kreditinform report commissioned
by the Timeshare Institute of SA (Tiss)
reports that the Umldoti Sands share
block company's bank account has been
dormant for months. (288)
SPUR STEAK RANCHES

Corralling the profits

Activities: Franchisor of Spur and Hard Rock eateries.

Control: Spur Holdings 64%.


Capital structure: 15.8m units. Market capitalisation: R63m.

Share market: Price: 400c. Yields: 5.8% on dividends; 7.7% on earnings; p/e ratio: 12.8.; c/e cover: 1.3. 12-month high: 450c; low: 225c.

Trading volume last quarter: 481 000 shares.

Year to Feb 28

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Since 1988, Spur has increased turnover at an annual compound rate of 46%, pre-tax income by 42%, EPS by 36% and dividends by 26%. In the 1992 year, turnover rose by 50% and EPS by 41%. Results don't come much sweeter than that, these days.

If you have recently been to a Spur steakhouse, you will be aware of the quality of its products. The quality of food and service is hard to beat in the comfort of a convenience foods environment. And prices are reasonable.

These benefits result from years of trial and error by executive chairman Allen Ambor and his executive team. They pioneered the Spur franchise concept, developed stringent guidelines for all aspects of the business and then sold these to franchises who have reaped good financial rewards.

Turnover comprises franchise fees received and sales of restaurant supplies made by Spur to franchised outlets. It does not represent the combined turnover of the 115 franchise and other company-owned outlets. Ambor and his team guide and support franchises where necessary, to ensure standards are maintained. For this service, the franchisees pay Spur a royalty, being a percentage of turnover.

Spur's main asset is the value of the franchise contracts it holds, which stood at R76m at year-end. Its second largest asset is short-term loans to franchisees, which form part of their working capital. Spur's current asset ratio of about 1:1 resembles that of a typical, cash-based retail business.

Spur depends for its success on growth in turnover per outlet as well as in the number of franchisees. Aside from the watchwords of quality and value, Ambor is conscious of the need to expand the steakhouse chain and to develop other franchise concepts. That's why Panerottis Pizza Pasta restaurants are being developed now.

Ambor can be well satisfied with results. He is providing a recipe for his franchisees to profit, for the consumer to enjoy fine fare at reasonable prices, and for shareholders to receive an above-average return on their investment.

Reading the excellent results that Spur has produced is refreshing. The share is still an attractive investment.

— Gerald Ingham
Last throw for SA's casinos

SOUTH Africa's booming gambling parlours are living on borrowed time, as a major police crackdown on "illegal" casinos is expected within weeks.

Deputy Law and Order Minister Gert Myburgh has warned that police will act swiftly against illegal casino operators as soon as the Gambling Amendment Bill is passed in Parliament during October.

According to the police, more than 1,000 illegal casinos are operating in South Africa. Myburgh, who is the immediate past chairman of the parliamentary standing committee on justice, says there is majority support for the Bill.

"The final meeting for the committee to discuss this matter has been brought forward by two weeks and it is now expected to meet on September 28 to finalise the Bill," he says.

"I am convinced that the obstacles encountered at the last parliamentary session have been overcome and the Bill will be passed in the special sitting of Parliament in October.

"We will take strong and immediate action against offenders. With the new Bill in place, we will be able to police illegal gambling effectively. We have a special squad which deals with this kind of thing and we will be able to crack down as soon as the Bill is passed." Operators have been forewarned about the Government's intention to prosecute illegal gambling places, he says. "But they have made purposeful, calculated risks, knowing that they had a certain period in which to operate and make money before being closed."

The proposed Bill redefines gambling in internationally accepted definitions and clearly closes the loophole which has allowed games of skill by substituting "games of chance" with "gambling games".

"The maximum penalties for contravening regulations governing gambling are a fine not exceeding R50 000 or a maximum of 10 years' jail for an illegal operator and a maximum of R100 000 or a maximum of five years' jail for anyone caught playing at illegal casinos."

The Bill, which will clearly outlaw casinos as they exist at present in South Africa, a Justice Department spokesman says.

The issue of the reincorporation of the homelands must be dealt with in the country's new constitution and is not a matter for the Gambling Amendment Bill, Myburgh said, when questioned about the future of the homeland casinos.

DP justice spokesman Tony Leon says that if the Government presses ahead with the Bill as it stands, it will be "an exercise in legislative stupidity. I think it is ill-conceived and flies in the face of all reality and commonsense."

The Gambling Association of SA (GASA) yesterday held an urgent meeting to formulate a response to President P W de Klerk's confirmation that the Bill would be passed during the coming parliamentary session.

GASA joint chairman Grant Kaplan said casino's were de facto legal because of their lengthy period of operation and everything possible would be done to get the Bill amended.

The matter of scratchcard games and lotteries will be dealt with by a commission of inquiry announced by Justice Minister Kobie Coetsee earlier this week. The commission will specifically investigate:

- The desirability of legalising lotteries and sports pools and their possible use for fund-raising for charity organisations.
- The desirability of legalising scratchcard games for fund-raising for charities.
- The rules and regulations to control them.
- Possible State taxation of these games.
- Statutory amendments necessary to accommodate any or all of these proposals.

"Before we even consider this Bill, the standing committee has itself to become a commission of inquiry," Leon says.
Bright for tourism

IMPROVING relations between South Africa and the Arab world are expected to lead to a spurt in two-way tourism. Flitestar's direct flights to Bahrain are due to start the ball rolling. In addition, Satow will promote SA as a new and exciting destination to the Middle East market at next month's exhibition in Dubai.

Emirates, the fast-growing international airline of the United Arab Emirates, has indicated that it plans to start flights to SA.

It views SA as a gateway to Southern Africa and members of its management have already visited this country to investigate opportunities.

Once this service begins, tour operators in Dubai are expected to start marketing the emirate's attractions in SA.

No doubt Dubai's blend of modern facilities and Arab heritage will appeal to the SA traveller.

Dubai offers miles of fine beaches, warm water, desert, oases, mosques and bustling markets.

The city is a haven for the bargain-hungry. Its modern shopping malls and ancient markets sell almost everything. All goods are tax free and bargaining is expected of customers.

Even when leaving the emirate, tourists will pick up a good deal at the duty-free complex at the airport. It is internationally recognised as one of the most stocked and least expensive in the world.

In addition to deep-sea fishing, scuba diving and a host of water sports, visitors may watch traditional sports like camel races.

A new sport, much enjoyed by expatriates, is wadi-hashing, which involves exploring dry riverbeds, dotted with water pools, in four-wheel drive vehicles.

But SA has its own set of attractions that will appeal to the Arab market. Keith Longstaff, senior general manager of the Middle East's largest travel agent, DNATA, says they include its novelty, beauty and variety. Major drawcards will be safaris, hunting and casino resorts.

Comforts

Mr Longstaff says Arab tourists, who can be "big spenders", travel in big groups, bringing along family and friends. They also like to bring their home comforts.

Many prefer renting a house or apartment to staying in a hotel and they often take an operated tour as a private party.

However, Mr Longstaff expects SA to be mostly visited by the large expatriate community in Dubai. They have available disposable income and some may have family members in SA.

He says the Arab market is small, but could grow once SA's attractions spread.
No-frills Lodges head for the JSE

By CIARA RYAN

THE eighteen City Lodge group plans to list on the JSE in November through a private placement.

The major shareholder, Milen Precision Funds (MPF) will reduce its stake from 45% to 4% in favour of institutions, staff members, management and business associates.

Five million ordinary shares and 2.5 million deben- turised are offered. The latter values the group at R130 million. Net tangible assets a share fully diluted is R3.80.

City Lodge chairman and MPF general manager Graham Dickason says the listing will assist in the expansion plans of the group.

"The company is mature enough to go for a listing. We prefer to have only listed businesses in our book."

The family of managing director Brian Embert, a for- mer chairman and managing director of Building Four, holds about 25% of the equity and at R130 million.

City Lodge was formed in 1982 by Mr Embert and the MPF. The first City Lodge in Randburg, including the architectural plans and con- cept, were bought from Building Four for R900,000 in 1984.

Tax (17%)

City Lodge pioneered the no-frills hotel concept in SA. The company grew from a gestation profit of R50,000 in 1985 to R15 million in the year to July 1992.

The occupancy rate was more than 90% compared with a hand-to-mouth average of 60%.

It will be the most profitable SA hotel chain listed on the JSE and is expected to attract institutional interest in a market starved of good quality stocks.

The 1992 dividend was 10c. Assuming the shares are issued at 60c, the historical dividend yield will be 1.67%. Fully diluted, the historical dividend yield will be 4% compared with a sector average of 3.5%.

The R15 million going to MPF by City Lodge will be converted into 150 million convertible de- bentures, 5 million of which are being offered to institutions and the public.

The group's gearing ratio is 43%. The proposed introduction of a 12½% tax surcharge for hotels - allowing them to write off between 10% and 25% of building costs a year instead of the current 5% - would add between R15 million and R25 million to the bottom line next year, based on a projected capital investment of R250 million for the year.

Mr Embert forecasts a 25% growth in earnings in the year to July 1993. "We are building two City Lodges and one Town Lodge."

From Page 1

City Lodge

They will add 400 or 460 rooms to our capacity. When complete we will have 1 650 rooms. We intend to continue expanding at the rate of two hotels a year for the next five years.

The City Lodge and Town Lodge trademarks have been registered in the US, UK, Australia and several European and Southern African countries in preparation for possible international expansion.

MPF has assets of R15 million. Large-scale refinanc- ings on the mines reduced MPF's cash flow in recent years, although Mr Dickason says it has nothing to do with the listing.

On the day of listing — which may be delayed if market conditions are unfa- vorable — there will be 24.8 million shares and 13.6 million convertible notes in issue.

The balance sheet shows long-term liabilities of R12.9 million of total capital employed of R10.1 million. Fixed assets are valued at R9.5 million and the company was able to provide cash of R12.7 million against current liabilities of R9 million in mid-1992.
Sol back on throne

By CHERILYN HETON

SOL Kerzner is back at the helm of Sun International. In a deal concluded this week, Sun International acquired a 50% stake in Mr. Kerzner's foreign operation, World Leisure Management, opening the way for his return as chairman of the hotel and leisure group.

The deal reunites much of the old Kerzner management team, separated when Mr. Kerzner quit to head Royale Resorts in 1987.

The merged management will prepare for an assault on the international tourism market, says Mr. Kerzner.

Discussions are under way for the acquisition of a resort in the Caribbean. Mr. Kerzner says: "It is a major transaction, but it is unlikely that negotiations will become final before the end of the year."

Sun International will not disclose the amount paid to Mr. Kerzner for his half-share of WLM, saying it was not significant enough to warrant a formal announcement to shareholders.

Mr. Kerzner says: "The deal is significant from a growth point of view and because it completes the consolidation of management. If we can put some international deals together, with the combined financial backing of the two companies, then we will become an important global player."

The management reshuffle that follows the deal results in Sarhad chief executive Buddy Hawton becoming deputy chairman, Sun International managing director Ken Rosewarne will maintain control of the group's South African operations.

Peter Bacon, who was with WLM, has been appointed joint managing director and will take responsibility for Europe and the Indian Ocean operations, says a memo sent to executive staff this week.

Peter Venet, long-time right-hand man of Mr. Kerzner, will be deputy managing director until early next year. He will return to Europe when the $300-million Liquid City is up and running.

Mr. Kerzner will continue to oversee the finishing touches to the project, but will focus more on international development.

SunBop managing director Peter Wagner will move to Sandton and become director of public affairs.

Mr. Kerzner says it is non-

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Sol back

From Page 1

sense that he has been lured back to sort Sun International

out.

The group has been under pressure because of the huge
growth in suburban casinos, the uncertain future of the
homelands and the recession.

Mr. Kerzner says: "We all
know that the economy is
goings through a tough time. But
once there is a political set-
ttlement, tourism will be the
fastest-growing industry in
the country, earning much-needed foreign exchange."

Mr. Kerzner says President
de Klerk's statement on Fri-
day that gambling would be
prohibited in "clear terms"
during the next parlia-
mamentary session was good news
for the country.

Mr. de Klerk warned that planning casinos, that the
Government and the
National Party did not like
hard gambling.

He said casinos in the inde-
pendent TBVC states would
remain in future regions.

The gambling spirit was
dangerous, Mr. de Klerk said.
UTA to fly direct to Cape Town

FRENCH airline UTA will introduce direct flights from Paris to Cape Town next month — the first since the carrier started flying to SA almost 40 years ago.

The move follows similar earlier announcements by German carrier Lufthansa, Dutch carrier KLM and British Airways, despite travel industry speculation that major airlines will cut capacity on flights to SA shortly.

SAA and international carriers serving SA have denied any intention of cutting flights in the foreseeable future and have said they would increase flights and services. UTA fares from Cape Town to Paris, London, Amsterdam, Frankfurt, Munich and several other European destinations would be available from R2 300 with certain conditions such as seasonal blackout periods and a R300 cancellation fee, UTA spokesman Wilma Lawson Turnbull said.

In addition, UTA would introduce non-stop flights between Paris and Johannesburg and flights to Namibian capital Windhoek. The first UTA aircraft would fly into Cape Town on October 29, she said. The airline had been operating in SA since 1955 but this was the first time it would fly to Cape Town.

However, no traffic rights between Johannesburg and Cape Town and Johannesburg and Windhoek existed on the UTA flights and therefore domestic passengers would not be able to board a UTA flight at Johannesburg, she said.

Smoking ban hangs in balance

CAPE TOWN — The Tobacco Action Group (Tag) — an anti-smoking lobby — yesterday urged government to support a proposed ban on smoking on international commercial flights.

Tag said the International Civil Aviation Organization would consider a resolution to prohibit smoking on international flights at its meeting in Montreal, Canada, this week.

Tag, which represents the Heart Foundation, the National Cancer Association and the National Council Against Smoking, said the meeting would ask member states to phase out smoking on international flights as soon as possible but no later than July 1, 1994. A majority vote was needed, Tag said. — Sapa.

Greed blamed for poor crayfish sales

CAPE TOWN — Profit-raking by restaurateurs — and not government’s quota system — was why so few crayfish and perlemoen were consumed in SA, Environment Minister Louis Plenaar said yesterday.

His comment follows criticism that government was making available insufficient stocks for the tourist trade.

Plenaar said local demand for crayfish had been lower during the past few years than the 25% of the total commercial catch allocated for sale within SA.

Far from there being a shortage, permission had to be given for the unused portion of the local quota to be exported, he said.

“If restaurateurs did not have the wish to make extraordinary profits on these sought-after products — some rumours hint at 300% — South Africans would indeed scoop up the 25% of the production.”

LINDA ENSOR reports that Western Cape Restaurant Guild chairman Aldo Giroto said it was impossible for Cape restaurateurs to obtain crayfish in season and they were forced to pay 10% to 15% more at the end of the season.

Western Cape Marine Society chairman Vic Kalbain, speaking at Fedhara’s AGM in Cape Town yesterday, said SA’s resources of rock lobster, kingklip and abalone were being depleted by gross mismanagement. Signatures were being collected for a petition calling for exports to be stopped.
City Lodge plan to list welcomed by analysts

THE proposed listing of economy hotel group City Lodge has been well received by market analysts.

They said yesterday although details of the company's performance were not yet available, they were expected to be good and growth prospects excellent.

City Lodge MD and co-founder Hans Enderle said the group planned to list on November 18, depending on the health of the share market over the next few weeks.

The placement of 5-million shares and 5-million convertible debentures would open on October 9 and close on November 4.

Enderle said City Lodge had attributable profit of R8,6m in the year to end-July and forecast a 25.6% rise in attributable profit to R10,6m in financial 1992.

An analyst said the group's occupancy rate of more than 80% was significant.

Most hotel groups had break-even occupancy levels of about 40% and were running well below these levels.

However, any additional occupancy above break-even point "was pure net profit and generated cash," he said.

In City Lodge's case, it would have a lower break-even level than most other hotels as the cost of constructing its hotels, and some other fixed costs, were lower.

He pointed out that in Sun International hotels, occupancy rates were not as significant because of casino revenues.

Analysts said the economy, limited service concept was working well in SA.

Although City Lodge would experience some competition from Southern Sun's Formule 1 hotels, it had established itself since launching in 1985, and the public was obviously happy with its service.

Its rates compared favourably with most other hotel groups, he said.

With only eight hotels and three under construction, the prospects for expansion were good, analysts said.

In addition, any upturn in tourist trade — particularly if air fares came down and less wealthy visitors arrived — would see demand for City Lodge hotels increase.

Enderle said City Lodge had mainly serviced business travellers, and was re-focusing its development strategy to benefit more directly from tourism.

"This will involve establishing lodges in major tourist areas".

He added that City Lodge had southern African development ambitions.

An analyst said Enderle had said in a radio interview that he held about a third of the shares and did not want to part with his stake.

This was a show of confidence in the company's future.

Although the stock market was depressed, he believed there would be investor interest as City Lodge appeared to be recession-proof.
Call for tax cuts on hotels

By AUDREY D’ANGELO
Business Editor

THE hotel industry — struggling in today’s tough market conditions — needs tax concessions to help it prepare for an expected growth in tourism, Wolfgang Thomas, regional GM of the Small Business Development Corporation in the Western Cape, said yesterday.

But SA business has such a bad reputation for abusing concessions, and “employing shrewd chartered accountants to help milk them for all they are worth”, that the government hesitates to give them.

Global competition

Thomas advised the regional conference of Fedhsa in the Western Cape to prepare a scheme with checks and balances to prevent it from being abused, and assure the Government it would take steps to ensure members acted responsibly.

Speaking at the conference luncheon, Thomas said the accommodation sector must modernise itself, become more competitive on a world level and expand its capacity to “meet medium-term increases in foreign as well as local tourists”.

He thought the Government might be prepared to make tax concessions to encourage this.

Previous concessions had been abolished in line with recommendations by the Margo Commission, which had aimed at reducing levels of taxation.

This meant doing away with concessions and rebates. “If one sector pays less tax it means that another must pay more.”

Now the pendulum was beginning to swing the other way. There were signs that the Government was prepared to consider offering tax concessions to selected industries.

This was in line with worldwide trends towards lower tax levels and fewer general tax rebates on the one hand and selective tax benefits for specific, targeted interventions on the other.

And it was likely that before long SA might have another commission to investigate tax structures — this time differently constituted from the Margo Commission, probably with more representation from the University of the Western Cape.

The hotel industry in SA was going through a difficult and complex process of structural adjustments.

While the worldwide recession dampened tourism and hotel occupancy rates all over the globe, SA’s political instability and severe economic recession put the hotel industry into a precarious position.

Under-utilised

This made investments into further capacities or upgraded facilities almost impossible out of own funds. High interest and tax rates also defeated attempts to expand or upgrade with the use of external loan funds.

But although hotel capacity was under-utilised at present the industry might find itself with far too little capacity in three or four years time.

Aldo Girola, chairman of the restaurant guild, commented that no-one could reasonably be expected to invest in new hotels in the present state of the economy.

“But, once tourists start coming back and there is plenty of money, you will see investment in hotels. It is possible to put one up in as little as 18 months.”
Restaurants in catch-22 on crayfish quotas

Business Editor

CRAYFISH — once a specialty tourists expected to find in Cape Town restaurants — is now difficult for restaurateurs to obtain. And they have to pay as much as R45/kg for it, which means customers believe they are being ripped off.

Explaining this at the regional conference of Fedshasa in the Western Cape, Restaurant Guild chairman Aldo Girolo said 75% of commercially caught crayfish was exported and the other 25% was intended for the domestic market.

But, he and restaurateur Don Ball claimed, suppliers said they had no crayfish available and later asked for permission to export more than 75% because restaurants had not taken up their full quota.

Tourism

"We are in a Catch-22 situation," said Girolo. "We cannot get the crayfish and then we are told we did not take up our quota."

He and Ball supported a suggestion from Victor Kabalin, chairman of the Western Cape Marine Society, that crayfish and perlemoen should not be exported, but should be kept in this country to encourage the tourist industry.

Kabalin said this was the case in California, where "wild" perlemoen was not exported. "Tourists have to go to California to eat it."

Kabalin said the lobster resource in the US was obviously better managed than that in SA, since the crustaceans were plentiful and cheap there.

He accused SA commercial interests of depleting the crayfish resource by catching smaller specimens and females, and by killing many of the undersized juveniles which were put back into the water.

Traps were primitive and the crayfish were sorted for size by passing them through a grid, which sometimes damaged the undersized ones.
City hotels slash rates

Staff Reporter

The international tourism boom that was expected to raise occupancy rates in Cape Town hotels by close on 40% this year has failed to materialize, and local hoteliers have been forced to slash prices to stay afloat.

The Central Statistical Services said the hotel occupancy rate in Cape Town had fallen by 2% relative to the first six months of last year when hotels had been 85% full.

The managing director of Protea Hotels, Mr. Arthur Gilliss, said the global economic recession combined with political unrest in South Africa had caused many local hotels to reduce rates 20 to 30%.

"After Boipatong our bookings of foreign guests dropped immediately by 30%," he said.

The general manager of the Cape Sun Hotel, Mr. Simon Morpuss, said the winter had been "very tough" as international visitors had been put off by the political climate.

Political instability

Mr. Gordon Oliver, chief executive officer of Captour, said he found the implications of political unrest depressingly at the winter season had been quiet despite efforts by Captour to market seasonal attractions.

The marketing manager for a large national tour operator in Cape Town said yesterday that political instability had caused a 10% drop in foreign tour groups.

• A new Captour head office and South Africa's first comprehensive tourist information and service centre — a one-stop tourism shop — opened at the old SAA offices at Cape Town station last night. The new office and centre were opened by the Administrator of the Cape, Mr. Robus Melring, who said the venue was not only a first by South African standards, but also by world standards as it encompassed facilities such as telephone and fax, a travel agency, foreign exchange, a coffee bar, and tour and air bookings for local, regional, national and international destinations.
Violence damming up potential tourism boom

PRETORIA — Dammed-up enthusiasm for SA as a tourist destination would be released only when the level of violence in the country was greatly reduced, Satour chief director Ernie Heath said yesterday.

Heath, just back from a trip to the Far East, said SA tourism's potential there was as great as in other major markets.

Satour was intensifying its international public relations effort, particular-
A SECRET investment scheme offering huge returns for a stake in Spur Steakranches and purportedly involving Metboard was a hoax, spokesman for the two companies said yesterday.

The hype scheme did the rounds in the Cape with faked promises of 25% to 55% profit a year for buying into Spur franchises. The letters claimed Metboard was sponsoring a fund that was investing in the franchises and was offering shares on a limited basis.

Metboard MD Errol Richa said the matter had been reported to the police commercial branch after an investor in the scheme tried in vain to trace the man — a Mr. Muller — who was supposedly running the Metboard side of the investment.

Eastern Cape insurance broker Nicolas Flavio, the investor who tried to trace Muller, said he had already put up part of a total investment of R130 000. Flavio was told he was buying a share of the Spur in Randpark Ridge. When he questioned the high returns, he was told that upmarket areas could yield returns of R1 000 to R9 000 a month.

"What saved my bacon was that I insisted on speaking to Mr. Muller before the money was transferred from a trust," he said. He also wondered about the need for secrecy and the absence of financial statements, but thought this might make sense since it was a limited offer.

A spokesman for Spur Steakranches said the letters he had seen made no mention of a specific steakhouse, but invited investors to put their money into "the Metboard sponsored fold of Spur franchises." The letterheads of a Johannesburg-based firm of attorneys had been used.

"They obviously wanted to use well-established names to lure people," he said. The Metboard/Spur cautionary said any cash, promissory notes, guarantees, disinvestment fees or other financial instruments exchanged in respect of the scheme would not occur any liability or obligation.
IN a surprise move, Sun International has split its prestige advertising account between four agencies.

Marketing director Ernie Joubert said yesterday the group had chosen various new agencies to handle its R27m account.

The agencies were Media Graphics, Hunt Lascaris TBWA, The Unit, and DMB & B Direct.

The entire account, one of the largest in SA, was previously handled by Ogilvy & Mather, Rightford Searle-Trip and Makin (O & M).

Industry sources had predicted the account would be split between two agencies, which would handle either the retail or the corporate side of the group's communications.

However, Joubert said the account was demanding, fast moving, complicated and large, and it was difficult for a single agency to cope with.

He said the group was, in fact, selling different brands, and each unit had its own special set of circumstances. Each agency would be able to focus on a major resort.

Media Graphics had been awarded Sun City and the Lost City, and some entertainment and events advertising, said Joubert.

Hunt Lascaris TBWA would handle the Carousel Entertainment World and the Morula Sun as well as the Fish River Sun, Mpekweni Sun, AmaTsha Sun and Mdantsane Hotel and Entertainment Centre — all housed in Sun City.

In addition, it was awarded the account for the four Swaziland hotels, and those in Lesotho, Botswana, Venda and Namibia, and the Riviera in Kimberley.

The Unit was awarded Sunscapes, the Wild Coast Sun, Sun International corporate advertising, the Mnabatho Sun and convention centre, Molopo Sun, Tulabane Sun, Thab'Nchu Sun and Naledi Sun.

All the direct response would be handled by DMB & B Direct.

Joubert said all the agencies would immediately start on new work, but O & M would retain a percentage of the billings until the end of November.

Any international marketing of resorts would be handled by the relevant agency.

In terms of billings, the account would be split three ways. DMB & B Direct and The Unit, which are both associated with D'Arcy, Masies, Benton & Bowles would take up about Rtm worth of billings, while the other two agencies would take up about Rtm each.
Tracking the money

The SA Tourism Board (Satour) and the Auditor-General do not agree on how much money the State-funded organisation spends on attracting visitors to SA each year. The AG says less than a third of Satour's R53.4m in income for the fiscal year ending March 31, 1991, was spent on promoting tourism — only R15.2m.

The AG, in his latest annual report, says that after R18.9m in staff remuneration, most of the rest of Satour's budget went to general expenses such as office rents, postage and telephone service, and to production, distribution and transport expenses. The report also mentions that Satour's new sumptuous head office in Erasmusrand, Pretoria, which it moved into officially at the end of last year, cost nearly R4m.

Satour disputes this breakdown of its budget. Derina Holtzhausen says 81.2% of Satour's income is spent on marketing. “The
AG records all personnel, office accommodation, printing and communication costs as purely administrative costs. The staff of overseas offices, with the possible exception of an administrative staff member in each of the larger offices, are all marketing and PR personnel."

Satour, however, does not include this breakdown in its annual report. In fact, the report does not provide any information on the organisation's finances. Holtzhausen says the report, which covers the year to December 31, aims to include the country's tourism statistics for the calendar year but omits financial details because the fiscal year does not end until March 31. This year, however, the report was not released until August 5, more than seven months after the close of the period covered and well after the close of the fiscal year.

The lion's share of Satour's income in fiscal 1992 came directly from the government budget — R48,5m — while another R3,1m came from a tax on hotel rooms. It generated less than R2m on its own.

Satour is now collecting more than five times more revenue from the hotel tax. The tax on a night in a five-star room was raised on July 1 from R4,20 to R4,20, while the tax for four-star rooms went from R3,70 to R3 and rooms in other classes of hotels were hiked by similar amounts. The charges are now paid only on rooms that are occupied, while before government taxed all rooms, even if they were vacant. The tax is now projected to pull in R17m a year.

The hotel groups and other companies in the tourism industry, which benefit from however many tourists Satour attracts, believe that the organisation serves a vital function. But that does not stop them from being critical.

Protea MD Arthur Gillis says SA failed to attract as many overseas tourists as it should have over the past 20 years partly because Satour was ineffective and underfunded.

"Though it is more effective than it was, it's still underfunded and can't afford the prolonged, extensive advertising that's needed."

Adds Nigel Diepering, the Southern Sun Group's international sales and marketing director: "When we ask Satour to join us in a promotion the answer is always that it...

AND CAN BE EXTREMELY DANGEROUS

The term "Afrikaner" can be used to indicate a unique breed of cattle. Or a certain type of flower. Or a dazzlingly broad spectrum of people – liberals, conservatives, rock stars, pothiekos experts, beauty queens, people of just about every hue in the South African rainbow.

Today, it is impossible to pin the Afrikaans speaking South Africans down to a single stereotype. The world around them is changing at a breakneck speed, and they are moving with it.

Their kind of radio station must acknowledge the vibrancy and variety of the modern South African scenario. And it should offer depth and insight into what's happening today.

Afrikaans Stereo is right on target. We're replacing the RSA (Afrikaans) station, broadcasting nationally on 100/104 FM. Our menu is aimed at that sector of the market that actually listens to radio and registers more of the advertising content than the casual listener would.

The divergent listenership of Afrikaans Stereo is united by one common denominator – the Afrikaans language. For many it is a highly emotional issue, for others their mother tongue is the one they simply feel more comfortable with.

Afrikaans Stereo invites you to come with us and discover a vibrant new target market.

For more information, contact Elize Duncan at (011) 744-3925
doesn't have the money. But it expects us, and other hotels groups, to make rooms available when it mounts a promotion.

"It should get its act together overseas, where its performance ranges from very good to dicey. Going to the World Travel Market in Britain and holding indabas here every year are just the start. Lots more needs to be done."

But even with the boost in the hotel tax, it's unlikely Satour will ever be able to mount the kind of promotional campaign that Gillis and Diepering envision. In fact, a far better case can be made for dismantling Satour and freeing the money for more pressing concerns in the government budget.

Individual companies in the tourism industry already spend more than Satour on drawing tourists to SA. SA Airways, for example, spent R93m abroad in its last fiscal year. Southern Sun has budgeted R5m this year on marketing its hotels and resorts overseas, not counting the free rooms it makes available for promotional tours that it says are worth millions more. Sun International and Protea decline to disclose what they spend overseas.

Most industries have to get by without taxpayer-funded boards set up to find customers for them. There's no doubt that the tourism industry could do this job all by itself, and far more effectively than Satour ever could.

**BUSINESS PLANNING**

**Foreseeing a disaster, or a new government**

During the Seventies, when oil was selling for US$27 a barrel, Arie de Geus asked his line managers at Royal Dutch Shell to play along with a little game. What would you do, he asked, if the price fell to $15 a barrel? The idea seemed preposterous. After all, they were planning for the days of $35 a barrel. But to humour De Geus, they discussed the unlikely scenario.

Needless to say, when the oil price crashed to $9, Shell was prepared.

Rather than relying on a forecast, which is as good as relying on a crystal ball, scenario planning attempts to outline all the likely social, economic and political outcomes. And with SA's volatile environment on those scores, it's no wonder that scenario planning and its sibling, business continuity planning, have caught on here.

Paul Aucamp, business strategy practice leader at the Business Futures Group, explains the difference between forecasts and scenarios: "Forecasts are extrapolations of the past. Scenarios remove the tendency to attempt to walk backwards into the future."

The biggest drawback to using scenarios is that designing them and estimating their probability is time consuming. Also, scenarios tend to reflect their designers' wishful thinking or subjectivity.

But the big advantage of scenario planning is that it makes people consider possibilities that they would otherwise shrug off.

"If the unexpected happens, you're better off than your competitor who never even discussed the scenario," says First National Bank's Andrew Lumaden.

Business Futures Group's Michael Olivier believes there are three pillars on which any scenario in SA depends: the political process, violence and the state of the economy. Though each factor exerts its own influence, the interplay between them exerts an equally powerful force.

Olivier has developed a range of scenarios based on various combinations of the three factors. For instance, he matches up a democratic outcome of political negotiations and decreased violence against the effects of a market-driven, a mixed or a socialist economy. By changing one of the variables, other scenarios emerge. And, for each one, businesses can plan accordingly.

Yet the point of the exercise is not the scenario itself but the broadening of top management's vision. Scenarios are better used "to highlight critical issues and to identify the environment's driving forces than to forecast the future," says Absa strategist Clive Brunner.

While scenario planners are trying to figure out how to grow the business whatever the future brings, business continuity planners are suggesting ways to keep the business up and running when disaster strikes.

Though business continuity planning also uses scenarios, the chief difference between the two disciplines is that one plans for new and expanded business opportunities while the other safeguards against losing existing ones. There is, however, some overlap.

"In the mining industry, for instance," says Nigel Hendrikz, of Business Continuity Management, "we recognise the value to a company of R&D in the time when money is tight. The point is that part of its survival strategy is to be ready and positioned for action when the upturn comes."

Trade & Industry and Finance Minister Derek Keys told a similar story recently. When he set up his own part-time financial consultancy in 1965, his first client — a manufacturer of agricultural machinery and equipment — had been hard hit by the worst drought in more than 30 years. "I have based a 27-year career on the fact that as a financial consultant, I gave my client the courage to plan for the upturn." The company rationalised and restructured — in time to reap the benefits when the rain came.

When it comes to continuity planning, run-of-the-mill disasters such as floods and fire come to mind immediately; planning for less obvious ones is harder. Therefore, an important part of any investigation begins with a study of an enterprise's most vulnerable spots.

Nevertheless, "identifying the cause of a potential problem is not enough, you have to look at its effects," adds Hendrikz, whose company works with a methodology relied upon by many UK- and US-based multinationals.

The process involves looking at a business's entire product line, identifying which is the most important — and therefore the most vulnerable — and formulating a "Plan B" in the event of a disaster. The art is to anticipate not only what might go wrong, but also where, when and how.

Hendrikz stresses that business continuity planning concentrates not on short-term losses of profits, but on the longer view of providing for contingencies when an enterprise's continued existence is threatened.

In the motor industry, for example, he explains that at a typical plant that produces, say, 10 models, it is most probable that three or four of these are responsible for about 70% of income. These lines are therefore the ones that should receive special attention.

Another area of vulnerability might be the spraying of vehicle bodies because it represents a critical phase in the production process — no further work can take place until a painted body is delivered to the production line. The sprayers are thus in a position of power. One way to make the rest of the plant less vulnerable might be to make paint spraying an autonomous division, which could then contractually bind itself to production quotas. The failure to meet quotas would be reflected in workers' pay packets.

"Disasters are not always government's problem," he says, "and it cannot be held responsible for an individual business's ability to remain in business when disaster strikes. The current recession is an example, so are the widespread strikes of the past few months - businessmen have to take the initiative to see that they remain in business across the stoppages."
COUNCIL leaders from SA’s seven largest cities are strongly opposed to Local Government Minister Leon Wessels’ plans to merge white and black councils into joint administrations by January 1, 1993.

It is claimed Wessels’ proposals are financially and politically unworkable and would force huge rate increases on residents by next year.

A city treasury document currently circulating in Johannesburg’s City Council circles suggests a rate hike of more than 25% would be likely.

The prime grievance is the intended appropriation of white local authorities’ non-domestic tariff and rates income for redistribution by an appointed administrator.

The appropriation of surplus income and creation of joint administrations were outlined by government earlier this year in the interim Measures and Provincial and Local Authorities Affairs Amendment Acts.

Johannesburg management committee chairman Ian Davidson said the move would place “severe restraints on the city’s ability to raise finance”.

With the demarcation of new joint administration boundaries, all SA cities would be expected to take on more responsibilities with less funds, he said.

It has also been proposed by government that local authorities’ right to generate and distribute electricity, a major source of income, be transferred to regional government.

Durban management committee chairman Peter Mansfield said the right of central government to interfere in city finances was a “very bad precedent for the future”.

If all business rates and tariffs were appropriated and redistributed outside the city boundaries, a rates increase in Durban of more than 100% would be inevitable, Mansfield said.

The attempt by government to force joint administrations would also lead to serious political difficulties as the ANC and civic associations objected to the unilateral restructuring of local government, he said.

Cape Town executive committee chairman Louis Kreimer said he was “vehemently opposed” to Wessels’ plans as companies already suffering among the highest rates in SA would be forced out of business.

The Major Cities Association (MCA), representing the seven largest cities in SA, would be meeting next week to formulate their objections to Wessels’ plans for local government, Davidson, who is also MCA chairman, said.

Counsels oppose Wessels on joint administration

ADRIAN HADLAND

SOUTH AFRICA

SAKIEE Louw (NP Newton Park) yesterday played a card he could come to regret, when he opposed President F.W de Klerk for insisting that hard gambling be banned.

This is not the first time the maverick MP has thumbed his nose at the spirit of the law and found himself firmly in the company of DP Justice spokesman and “free marketer” Tony Leon.

But this is understandable. Merely three months ago, while government was trying to force through Parliament the controversial gambling legislation — Louw was opening a casino of which he was a co-owner.

And this was being done next to the NP offices in Port Elizabeth in space rented from the Cape NP.

As soon as Cape NP leader and Public Enterprises Minister Dawie de Villiers heard about it Louw was put out of business and came to Parliament stating he was opposed to nefarious gambling.

NPP’s Louw supports gambling

BILLY PADDOCK

But yesterday he said he supported the proposal that soft gambling, lotteries and pools be legalised as even the NP Kerk had practised and benefited from this form of gambling.

He said when he was a young boy he got people to guess how many beans were in a bottle. “In this way thousands of candles were raised for the church and the NP,” he said.

Louw argued that De Klerk and the NP were being contradictory.

“A principle is a principle. I cannot accept that only a person like Sol Kerzner is allowed a monopoly on hard gambling just on the other side of the Fish River, while we on this side are prevented from doing the same,” he said.

As a strong believer in the free market, gambling should be legalised and licensed, he said.

Squash stars beaten up

TWO squash players taking part in the World Open Championship were beaten up by four men at an Irish bar in Johannesburg on Tuesday night.

Derek Ryan, the Irish number one, suffered face and shoulder injuries while Simon Frenz, the German number two, sustained facial injuries.

The players, together with another German player Hans Wien and two friends, were visiting McGregor's bar when they were attacked by four men.

Earlier on Tuesday, Ryan had lost his first round match at the championship to England's Chris Walker. — Reuters.
### Schedule A

**Maximum temperature at which perishable food shall be transported, displayed and stored**

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
<td><strong>Food</strong></td>
<td><strong>Temperature:</strong> &lt;br&gt; Cooling-room/Freezer: Manufacturer</td>
<td><strong>Temperature:</strong> &lt;br&gt; Cooling-room/Freezer or load space: Distributor, retailer and delivery vehicle</td>
<td><strong>Temperature:</strong> Display cabinet: Consumer points</td>
</tr>
<tr>
<td>1. Frozen products</td>
<td>Ice-cream and sorbet with the exception of sorbet used for making sorbet cones</td>
<td>$-25^\circ C$</td>
<td>$-22^\circ C$</td>
<td>$-19^\circ C$</td>
</tr>
<tr>
<td></td>
<td>Any other food marketed by a manufacturer as a frozen product</td>
<td>$-18^\circ C$</td>
<td>$-15^\circ C$</td>
<td>$-12^\circ C$</td>
</tr>
<tr>
<td>2. Refrigerated products</td>
<td>Fresh raw meat, fish and poultry</td>
<td>$-1^\circ C$</td>
<td>$+1^\circ C$</td>
<td>$+2^\circ C$</td>
</tr>
<tr>
<td></td>
<td>Partially cooked, processed, semi-preserved or preserved products that have to be kept cooled to prevent spoilage</td>
<td>$-1^\circ C$</td>
<td>$+1^\circ C$</td>
<td>$+4^\circ C$</td>
</tr>
<tr>
<td>3. Cooked products</td>
<td>Milk products, confectionery and pre-cooked food that has to be kept cooked to prevent spoilage</td>
<td>$-1^\circ C$</td>
<td>$+1^\circ C$</td>
<td>$+4^\circ C$</td>
</tr>
</tbody>
</table>

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A. W. HEYNEKE,  
Town Clerk.  
Civic Centre  
Cross Street  
GERMISTON.  
(Notice No. 160/92)  
(25 September 1992)
Until three months ago, veteran National Party MP Sakkie Louw was the co-owner of a slew of one-armed bandits installed in a Port Elizabeth building belonging to the NP. The building also houses the party’s regional office.

This week, Louw, who represents Newton Park in PE, came out in strong support of the opening-up of casinos and the legalisation of gambling in SA. Alas, this is against the express viewpoint of his party. In doing so he has openly sided with Democratic Party MP Tony Leon, who has been critical of government’s intended amendment of the gambling laws.

Louw this week admitted to the FM that the gambling machines (poker and other games) were set up in space he and a business partner rented from the Cape National Party. They were installed on the floor above the Tudor Rose restaurant, which belongs to Louw and his partner.

"We were in the process of expanding the restaurant to the floor above when we decided to install these (gambling) machines for the time being," said Louw. "But that was three months ago. The machines have since been removed and that floor is now part of the restaurant."

Louw’s pro-gambling stance and his admission that he has been running gambling machines come at a time when government is poised to introduce the controversial Gambling Amendment Bill. This is designed to close a loophole which allowed hundreds of "illegal" gambling dens to mushroom throughout SA. The Bill is expected to be approved by the parliamentary standing committee next week.

President FW de Klerk has also announced the appointment of a judicial commission to investigate certain lotteries, sports pools and fundraising activities.

Louw says he is totally in favour of legalised gambling and casinos in SA as long as the industry is strictly controlled and a large amount of the funds raised is donated to welfare. "I am not concerned about who runs it, whether it be the State or private enterprise, as long as it is licensed, preferably with the Liquor Board, and controlled as such."

He admits that his views are not those of his party: "However, I am a democrat and will abide by the decision of the majority of the NP. That does not mean, however, that I agree with it."

Louw also opposes the view that casinos and gambling only be allowed — after the re-incorporation of the independent States into SA — to regions where casinos now operate. "If Sol (Kerzner) is allowed to run a casino in Bophuthatswana (as part of the new SA), the man in Kakamas should also be allowed to apply for a gambling licence."

"To say that those people (like Kerzner) invested in the independent States when it was necessary to generate income in those areas, is tough luck. You either give everybody the opportunity to be part of the free-market system or you ban gambling altogether and close Sol’s palaces as well. The fact is that those States are now going to be part of SA again."

Louw expects further opposition to his viewpoint from the Afrikaans churches. In the late Seventies, they voiced strong opposition to bonus bond schemes which supposedly generated funds for SA’s defence requirements. Government eventually capitulated. Recently, the NGK’s Johan Heyns has come out against scratch card operations.

The appointment of the judicial commission by government will also determine the future of scratch card operations like Ithuba’s, currently being run on TV1. Over the past weeks, concern from various circles has been voiced about the percentage of funds raised, which privately owned companies like Games Africa, which runs Ithuba, donate to welfare and charities.

Last week, the FM reported that the SABC is analysing Games Africa’s shareholding and financial projections while Ombudsman Judge Piet van der Walt is investigating certain complaints about the company lodged with him.
no BCE, after last year’s losses. (28%) Generally, City Lodge paper will offer investors an entry into what looks a slick operation, niche-ed at the limited services business and tourist traveller, providing cash flow as well as an underlying inflation hedge.

City Lodge has invested in all its hotel properties. However, two of 11, the Jan Smuts Town Lodge and Victoria and Alfred (V&A) City Lodge developments, both now being built, are on leasehold land. The Jan Smuts lease lasts 50 years; while V&A has a 45-year lifespan.

City Lodge’s competitiveness will be enhanced by the inflationary environment. As building costs soar, it will be increasingly difficult for new operators to compete, assuming average returns are required. This makes City Lodge paper look attractive.

Despite this, there probably will be more competition at this end of the market, with retail, industrial and commercial development opportunities becoming increasingly scarce. Meanwhile, institutional cash flow continues, largely unabated. City Lodge should also retain its competitive edge through astute locations.

Southern Sun’s lower-priced Formula One chain will remain an option to the traveller. But, so far, there is only one, also at Jan Smuts. There should be room for both City and Town Lodges and Formula Ones.

William Giffflaid
TABEL

(1) Verseëlbing van aansluiting [artikel 9 (4) van die Raad se Rioleringsverordeninge];
(2) Oopmaak van verstopte perseekiele [artikel 13 (4) van die Raad se Rioleringsverordeninge];
(3) Verskaffing van aansluitings [artikel 7 (4) van die Raad se Rioleringsverordeninge];
Werklike koste van materiaal en arbeid plus 15%.

A. J. BRINK,
Stadsklerk.
Stadshuis
Van Veldenstraat
BRITS
0250.
(Kennisgewing No. 62/1992)
(25 September 1992)

RAADSKENNISGEWING 311 VAN 1992
STADSRaad VAN GERMISTON
VOEDSELHANTERINGSVERORDENINGE

Die Stadsklerk van Germiston publiceer hierby ingevolge artikel 101 van die Ordonnansie op Plaaslike Bestuur, 1939, soos gewysig, die Voedselhante-
ringverordeninge, hierna uiteengezet, wat deur die Raad ingevolge artikel 96 van voornoemde Ordonn-
ansie aanvaar is.

INHOUDSOPGAVE

HOOFSTUK 1: VOEDSELHANTERINGS-
VERORDENINGE

<table>
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<tr>
<th>Artikel</th>
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<tr>
<td>1</td>
<td>Woordomskrywing</td>
</tr>
<tr>
<td>2</td>
<td>Verbod op die hantering en vervoer van voedsel behalwe ooreenkomstig hierdie verordeninge</td>
</tr>
<tr>
<td>3</td>
<td>Standaarde en vereistes vir voedselpersel</td>
</tr>
<tr>
<td>4</td>
<td>Standaarde en vereistes vir fasilitate in ‘n voedselpersel</td>
</tr>
<tr>
<td>5</td>
<td>Standaarde en vereistes vir persone wat voedsel hanteer</td>
</tr>
<tr>
<td>6</td>
<td>Standaarde en vereistes vir voedselhouers</td>
</tr>
</tbody>
</table>
| 7       | Standaarde en vereistes vir die uitstal, opber-
        | ging en verkoop van voedsel |
| 8       | Vervoer van voedsel |
| 9       | Standaarde en vereistes vir klere |
| 10      | Pfigte van ‘n persoon in beheer van ‘n voedselpersel |
| 11      | Onderzoek |
| 12      | Dwarsboming |
| 13      | Misdywe en strawwe |

HOOFSTUK 2: KODES

<table>
<thead>
<tr>
<th>Kode</th>
<th>Binnenuurroppervlakke/Binneweande</th>
</tr>
</thead>
</table>
| 1    | Soort materiaal waarvan binnenuurroppervlak-
        | ke/binneweande gebou of vervaardig kan word |
| 1    | Afwerkings |
| 1    | Ander standaard afwerkings |

TABLE

(1) Sealing of opening [section 9 (4) of the Council’s Drainage By-laws] per connection:
(2) Removing blockage in drains [section 13 (4) of the Council’s Drainage By-laws]:
(3) Providing connections [section 7 (4) of the Coun-

cil’s Drainage By-laws]:
Actual cost of material and labour, plus 15%.

A. J. BRINK,
Town Clerk.
Town Offices
Van Velden Street
BRITS
0250.
(Notice No. 62/1992)
(25 September 1992)

BOARD NOTICE 311 OF 1992
CITY COUNCIL OF GERMISTON
FOOD-HANDLING BY-LAWS

The Town Clerk of Germiston hereby in terms section 101 of the Local Government Ordinance, 1939, as amended, publishes the Food-handling By-laws set forth hereinafter, and adopted by the Council in terms of section 96 of the said Ordinance.

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CHAPTER 1: FOOD-HANDLING BY-
LAWS

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<th>Description</th>
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<td>12</td>
<td>Obstruction</td>
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<td>13</td>
<td>Offences and penalties</td>
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CHAPTER 2: CODES

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<thead>
<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Inside wall surfaces/Inner walls</td>
</tr>
<tr>
<td>1</td>
<td>Type of material inside wall surfaces/inner walls may be built or manufactured of</td>
</tr>
<tr>
<td>1</td>
<td>Finishes</td>
</tr>
<tr>
<td>1</td>
<td>Other standard finishes</td>
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<tr>
<td>Artikel</td>
<td>Inhoud</td>
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<tr>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
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**Hoofstuk 1: Voedselhanteringsverordening**

**Woordomskrywing**

1. In hierdie verordeninge het 'n woord of uittreking waaraan in die Wet 'n betekenis gee is, daardie betekenis, en tensy dit uit die samehang anders byk, beteken—

   *bederf* ook siek, onsiwer, ongesond, verrot, geïnfecteer, besmet of ongeskik vir menslike gebruik

*die wet* die Wet op Gesondheid, 1977 (Wet 63 van 1977);

*fasiliteit* enige apparaat, toerusting, gereedskap, gerei, opbergruimte, werkoppervlak, plek waar voedsel hanteer word, of voorwerp waarvan in die hantering van voedsel gebruik gemaak word;

*Gesondheidsbeampte* 'n mediese gesondheidsbeampte, gesondheidsinspekteur of veearbe de ingevolge artikel 53 (3) van die Wet deur die plaaslike bestuur gemagtig is;

*gesondheidsgevaar* enige toestand, gebeurtenis of handeling wat voedsel sodanig kan besoedel of besmet dat inname daarvan waarskynlik vir die gesondheid gevaarlik of nadelig sal wees;

*hanteer* verwerk, produseer, vervoer, vervaardig, verpak, voorberei, opberg, uitstal, verkoop of bedien, en het "hantering" 'n ooreenstemmende betekenis;

*houer* enigiets—

(a) waarin voedsel gehanteer of vervoer word;

(b) waarmet voedsel in registreeke aanraking kom;

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**Chapter 1: Food-handling By-laws**

**Definitions**

1. In these by-laws a word or expression defined in the Act shall have that meaning, and unless the context indicates otherwise—

   "container" means anything—

   (a) in which food is handled or transported; and

   (b) with which food comes into direct contact;

   "Council" means the City Council of Germiston, the Council's Management Committee acting under the powers delegated to it in terms of the provisions of section 58 of the Local Government (Administration and Elections) Ordinance, 1960, and any officer to whom the Management Committee, on the authority of the Council, may delegate and has in fact delegated, in terms of the provisions of subsection (3) of the said section, the powers, functions and duties vesting in the Council in respect of these by-laws;

   "facility" means any apparatus, equipment, tools, gear, storage space, working surface, place where food is handled, or object used in the handling of food;

   "food" means a foodstuff as defined in section 1 of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972);

   "food premises" means a building, stall, stand, construction, vehicle or other similar structure used in or in connection with the handling of food;
“Raad” die Stadsraad van Germiston, die Raad se bestuurskomitee wat handel kragtens die bevoegdehede wat ingevolge die bepaling van artikel 58 van die Ordonnansie op Plaaslike Be- stuur (Administrasie en Verkiesings), 1960, aan hom gedelegeer is, en enige beambte aan wie die Bestuurskomitee ingevolge die bepaling van sub- artikel (3) van genoemde artikel op gesag van die Raad die bevoegdehede, funksies en pligte wat ten opsigte van hierdie verordeninge by die Raad berus, kan deleger, en dit inderdaad gedelegeer het;

“tuinsnyerheid” ’n privaat woning wat gebruik word vir die vervaardiging, bereiding en obpiering van voedingsmiddels vir die doeleindes van verkoop aan die publiek;

“vereis” vereis deur ’n gesondheidsbeampte;

“voedsel” ’n voedingsmiddel soos omskryf in artikel 1 van die Wet op Voedingsmiddels, Skoonheidsmiddels en Ontsmettingsmiddels, 1972 (Wet 54 van 1972);

“voedselperseel” ’n gebou, stellitjie, staanplek, konstruksie, voertuig of ander dergelike stuktuur wat by of in verband met die hantering van voedsel gebruik word;

“voedselsmos” ’n straathandelaar, venter of persoon wat ingevolge die Wet op Besighede, 1991 (Wet 71 van 1991), ’n lisensie besit om voedsel of voedingsmiddels te verkoop of te verruil van vir verkoop of ruil aan te bied of uit te stel;

“voertuig” ook ’n stookkar, vaartuig, vaartuig, boot, skip, kar, fiets of ander vervoermiddel, en sluit houers wat gedra kan word in.

Verbon op die hantering en vervoer van voedsel behalwe ooreenkomstig hierdie verordeninge

2. Niemand mag voedsel vir verkoop hanteer nie behalwe ooreenkomstig hierdie verordeninge.

Standaarde en vereistes vir voedselpersele

3. (1) ’n Voedselperseel—

(a) moet in die geval van ’n gebou of ander konstruksie voldoen aan die regulasies uitgevaardig kragtens artikel 17 van die Wet op Nasionale Bouregularies en Boustandaarde, 1977 (Wet 103 van 1977);

(b) moet op so ’n wyse ontwerp en gebou word dat die voedsel wat daarin of daarop hanteer word, beskerm word teen besoedeling of bederf deur gas, rookdampe, roetneerslae, stof, vog, direkte sonlig of chemiese of bakteriologiese besmetting of besoedeling;

(c) se binnenuroppervlakke/binnewande mag geen oop voë of nate hê nie en alle mure moet van skoonmakbare en nie-absorbeerende materiaal wees, indien vereis;

(d) se vloere mag geen oop voë of nate hê nie en moet van skoonmakbare en nie-absorbeerende materiaal wees, indien vereis;

(e) se dak en plafon moet onderskeidelik water en stofdig wees, indien vereis;

“food vendor” means a street trader, hawk or person who possesses a licence in terms of the Businesses Act, 1991 (Act 71 of 1991) to sell or exchange food or foodstuffs or to offer or display same for sale or exchange;

“handle” means process, produce, transport, manufacture, package, prepare, store, display, sell or serve, and “handling” has a corresponding meaning;

“health hazard” means any condition, event or act which may pollute or contaminate food to such an extent that the ingestion thereof will probably be hazardous or detrimental to health;

“Health Officer” means a medical officer of health, health inspector or veterinary surgeon authorised by the local government in terms of section 53 (3) of the Act;

“home industry” means a private dwelling used for the manufacture, preparation and storage of foodstuffs for the purposes of sale to the public.

“require” means required by a Health Officer;

“spoilt” also means sick, impure, unhealthy, rotten, infected, contaminated or unfit for human consumption;

“the Act” means the Health Act, 1977 (Act 63 of 1977);

“vehicle” means a barrow, cart, vessel, boat, ship, car, cycle or any other conveyance and includes portable containers.

Prohibition of the handling and transport of food other than in terms of these by-laws

2. No person shall handle food for sale other than in terms of these by-laws.

Standards and requirements for food premises

3. (1) Food premises shall—

(a) in the case of a building or other construction, comply with the Regulations promulgated in terms of section 17 of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977);

(b) be designed and constructed such that the food handled in or on them is protected from pollution or spoilage by gas, smoke fumes, soot deposits, dust, moisture, direct sunlight or chemical or bacteriological contamination or pollution;

(c) have no open joints or seams in the inside wall surfaces/inner walls and all walls shall be of cleanable and non-absorbing material, if required;

(d) have no open joints or seams in the floors, which shall be of a cleanable and non-absorbing material, if required;

(e) have waterproof roofs and dustproof ceilings, if roofs and dustproof ceilings, if required;
(f) moet voldoende geventileerd en verlig wees, indien vereis;
(g) moet knaagdierig wees soos bepaal in die Regulaties afgekondig deur Gouvernementskennis-
gewing R. 1411 van 23 September 1968, indien vereis.

(2) 'n Voedselperseel moet voorsien word van—
(a) wasbakke met warm en koue water vir die skoonmaak van fasilitiete en voedsel en vir persoonlike higiëne, indien vereis;
(b) een toeganklike toilet en handewasbak met suiker water vir elke 15 persone of gedeelde daarvan wat in die perseel werk of dit bezoek;
(c) 'n voldoende voorraad seep of ander skoon-
maakmiddels, naaierinigers en skoon wegadoen-
bare handeafdroogmateriaal of hande-afdroog-
toerusting wat vir die Gesondheidsbeampte aanvaarbaar is;
(d) 'n genoegsame getal vuilishouers met pas-
sende dekseks;
(e) 'n verklei-veetarea met klei-opberggereewe, indien vereis;
(f) voldoende ruimte vir die hantering en opberging van voedsel, fasilitiete en eetgerei en agterplaas skone asook dié van die oorsprong van 'n Gesondheidsbeampte nie elders beskikbaar is nie;
(g) 'n uitstigstelsel wat gas, dampe, stoom of enige onsuiwerheid wat gedurende die hantering van voedsel kan ontstaan, verwyses, indien vereis;
(h) toerike rakke, staanders of palette, indien vereis; en
(i) 'n toerike toegang tot 'n agterplaas indien vereis.

(3) 'n Voedselperseel—
(a) moet skoon gehou word;
(b) mag nie 'n direkte verbinding hê nie met—
(i) 'n toilet of urinal of
(ii) 'n vertrek waar enige gas, rook-
dampe, stof of roeteesleg aanwe-
sig is of kan ontstaan; of
(iii) enige area waar 'n handeling verrig word of 'n toestand bestaan wat die voedsel kan besoedel of besmet word.

(4) Geen deel van 'n voedselperseel mag gebruik
word nie—
(a) vir slaapdoeleinders; of
(b) vir enige doel wat die voedsel daarin kan besoedel of besmet; of
(c) tevly voedsel daarin hanteer word, vir dié van falsiteit, of skryf van kaapstukke of ander wasgoed.

Standaarde en vereistes vir fasilitiete in 'n voedselperseel

4. (1) Die oppervlak van 'n tafel, werkoppervlak of toonbank waarop voedsel hanteer word en enige toe-
rusting, gereedskap of houer, of enige ander oppervlak wat registreers met voedsel in aanraking kom, uitge-
sonderd 'n slagerskapblok, moet gemaak wees van gladde, roestvry-, nie-giftrige en nie-absorberende materiaal sonder oop nate of krake.

(2) Breekgoed, eetgerei, gereedskap, bakke, houers of ander sodanige fasilitiete—
(a) moet voor en na gebruik gereinig word; en

(f) be adequately ventilated and lighted, if re-
quired; and
(g) shall be rodent-proof as determined in the
Regulations promulgated by Government No-
tice R. 1411 of 23 September 1956, if required.

(2) Food premises shall have—
(a) wash-basins with hot and cold water for cleaning
facilities and food and for personal hygiene, if
required;
(b) one accessible toilet and wash-basin with pure
water for every 15 persons or part thereof who
work in or visit the premises;
(c) an adequate supply of soap and other deter-
genent, nail cleaners and clean disposable hand-
drying material or hand-drying equipment ac-
tceptable to the Health Officer;
(d) an adequate number of refuse containers with
fitted lids;
(e) a change-room/dining area with clothes storage
facilities, if required;
(f) adequate space for handling and storing food,
facilities and cutlery if such space, in the opinion
of the Health Officer, is not available else-
where;
(g) an extraction system which removes gas, va-
pours, steam or any impurity which may arise in
the handling of food, if required;
(h) adequate shelves, stands or pallets, if required;
and
(i) adequate access to a yard if required.

(3) Food premises—
(a) shall be kept clean;
(b) shall have no direct access to—
(i) a toilet or urinal; or
(ii) a room where any gas, smoke
vapour, dust or soot deposit is pre-
sent or may arise; or
(iii) any area where an act is performed
or a condition exists which may pol-
lute or spoil the food.

(4) No part of food premises may be used for—
(a) sleeping purposes; or
(b) any purpose which may pollute or contaminate
the food in them; or
(c) washing or ironing clothing or other laundry
while food is being handled there.

Standards and requirements for the facilities
in food premises

4. (1) The surface of a table, working surface or coun-
ter on which food is handled and any equipment, tool or
container, or any surface in direct contact with the food,
excluding a chopping-block, shall be made of smooth,
rust-proof, non-toxic and non-absorbent material
without open joints or cracks.

(2) Crockery, cutlery, utensils, bins, containers or
other such facilities—
(a) shall be cleansed before and after use; and
(b) mag nie gebruik word indien dit gekraak is nie.

(3) Enige gereedskap of 'n artikel wat volgens die oordeel van die Gesondheidsbeampte bedoel is vir eenmalige gebruik—

(a) moet in 'n stofdié houer bewaar word totdat dit gebruik word; en

(b) mag nie meer as een keer gebruik word nie.

(4) Niemand mag voedsel hanteer nie op 'n oppervlak wat in subartikel (1) bedoel word of met 'n fasiliteit wat in subartikel (2) of (3) bedoel word wat meer as 100 organisme en enige patogene organisme per vierkante sentimeter bevatt, voordat die voedsel daarmee in aanraking kom nie.

Standaarde en vereistes vir persone wat voedsel hanteer

5. (1) Geen voedsel, fasiliteit of houer mag hanteer word nie deur 'n persoon—

(a) wie se liggaam, en in besonder vingernaals, hande of klere, nie soos nie is nie;

(b) wat 'n etterende abces of seer aan sy liggaam het of 'n draer is van 'n siekte wat deur voedsel oorgedra kan word, tenby die aanslaande persoon wat deur 'n geneesheer uitgereik is ten effekte dat so iemand geskik is om voedsel te hanteer aan die Gesondheidsbeampte voorgelo of niet.

(2) Niemand mag—

(a) binne 'n area waar voedsel gehanteer word, spoe nie; of

(b) rook of tabak of enige ander manier gebruik nie terwyl hy onverpakte voedsel hanteer; of

(c) 'n handeling verrig wat voedsel kan besoedel of bederf nie.

Standaarde en vereistes vir voedselhouers

6. (1) Niemand mag voedsel in 'n hermeties seëlede en weerkoop nie wat—

(a) opgeblaa is of gas uitspuis, tenby—

(i) die houer 'n belugte drank bevat; of

(ii) die gas as bederfwerende middel gebruik word;

(b) geroes is; of

(c) so beskadig is dat dit lek of onverseel geraak het; of

(d) 'n lek het wat herseë is.

(2) 'n Houer moet skoon wees en vry van enige gisstof, bestanddeel of stof wat enige voedsel daarin kan besoedel of besmet.

(3) Voedsel, uitgesonderd voedsel wat as maaltye op 'n voedselpersoone bedien word, met verkoop word in houers wat die voedsel daarin teen besoedeling of bederf kan beskerm.

Standaarde en vereistes vir die uitstal, opberging en verkoop van voedsel

7. (1) Voedsel wat uitgestal of opgeberg word—

(a) mag nie in registreeke aanraking met 'n vloer of die grond wees nie; en

(b) moet vry wees van stof of enige ander onsuiwerheid.

(b) shall not be used if cracked.

(3) Any utensil or article which, in the opinion of the Health Officer, is intended for non-recurrent use—

(a) shall be stored in a dustproof container until it is used; and

(b) shall not be used more than once.

(4) No person shall handle food on a surface referred to subsection (1) or with a facility referred to subsection (2) or (3) containing more than 100 organisms or any pathogenic organisms per square centimetre before the food comes into contact with it.

Standards and requirements for persons handling food

5. (1) No food, facility or container shall be handled by any person—

(a) whose body, and especially his fingernails, hands or clothing, is not clean; and

(b) who has a suppurring abscess or sore on his body or is a carrier of a disease which can be transmitted by food, unless an acceptable certificate issued by a physician to the effect that such a person is fit to handle food can be submitted to the Health Officer.

(2) No person shall—

(a) spit within an area where food is handled; or

(b) smoke or use tobacco in any other way while handling unwrapped food; or

(c) perform an act which may pollute or contaminate food.

Standards and requirements for food containers

6. (1) No person shall sell food in a hermetically sealed container which—

(a) is blown or ejects gas, unless—

(i) the container contains an aerated drink; or

(ii) the gas is used as an anti-spoilage agent;

(b) is rusted; or

(c) is damaged such that it leaks or is no longer sealed; or

(d) has a leak that has been resealed.

(2) A container shall be clean and free of any toxic agent, ingredient or matter which may pollute or contaminate any food in it.

(3) Food, excluding food served as meals on food premises, shall be sold in containers which can protect the food in them against pollution or spoilage.

Standards and requirements for the display, storage and sale of food

7. (1) Food that is displayed or stored shall—

(a) not be in direct contact with a floor or the ground; and

(b) be free of dust or any other impurity.
(2) ’n Rak of vertoonkas wat vir die uitstalling of opberging van voedsel gebruik word moet skoon en vry van stof of ander ouwwereldheid gehou word.

(3) Voedsel, behalwe voedsel uitgestal in ’n bedieningsarea vir maatye, wat onverpakt of in ’n oop houer uitgestal word, moet op so ’n wyse van die publiek geskied word dat geen lid van die publiek die voedsel kan aanraak of daarop kan hoë of nies nie.

(4) Onverpakte voedsel wat uitgestal en opgeberg word, moet in houers uitgestal en opgeberg word en mag nie regstreek in aanraking met ’n vloer of die grond wees nie.

(5) Niemand mag voedsel soos hieronder gespesifieer vir menslike verbruik verkoop nie:

- (a) Voedsel, gelys in kolom 2 van Bylae A, wat by ’n temperatuur hoër as die temperatuur teenoor sodanie gelys—
  - (i) in kolom 3 deur vervaardigers in koel- of vrieskamers;
  - (ii) in kolom 4 deur verspreiders of kleinhandelaars en aflerverwerwers;
  - (iii) in kolom 5 in uitstalokasies by verkooperspunte;

- (b) Voedsel wat by ’n temperatuur van minder as 65 °C verhit word.

- (c) Bederfbaare hittebereide voedsel wat by kamertemperatuur afgekoel het tot by ’n temperatuur laer as 65 °C.

- (d) Voedsel wat ’n Gesondheidsbeampte rede het om aan te neem bederfbaar is en waarvoor nie voorsiening in subartikels 7 (5) (a) tot 7 (5) (c) gemaak is nie, en wat by ’n temperatuur bo 7 °C opgeberg, vervoer of uitgestal word.

- (6) Niemand mag met enige voedsel smous nie tenys sodanie handelende vir die smous van sodanie voedsel deur die Gesondheidsbeampte goedgekeur is.

- (7) Niemand mag ’n privaat woning gebruik vir die vervaardiging, bereiding, opberging, aanhou of verkoop op enige wyse van voedselindustries aan die publiek nie, tenys sodanie woning vooraf by die Gesondheidsdepartement geregistreer is.

**Vervoer van voedsel**

8. (1) Niemand mag voedsel in enige deel van ’n voertuig vervoer nie—

- (a) tensy daardie deel eers in so ’n mate gereinig is dat chemiese of bakteriologiese besmetting van die voedsel verhoed word;

- (b) saam met—
  - (i) besmette voedsel of dierlike afval tensy sodanie voedsel of dierlike afval voedsel in ’n aparte houer vervoer word;
  - (ii) gif of ’n nadelige stof;
  - (iii) iemand wat nie aan die bepaling van artikel 5 (1) voldoen nie; of
  - (iv) ’n dier.

(2) Behoudens die bepaling van subartikel (1) moet die vraagstelling van ’n voortuig wat gebruik word vir die vervoer van voedsel wat nie in stofdichte of verskilde houers verpak is nie—

- (a) se binnewand van ’n gladde, roesvrye, nie-giftige en nie-absorberende materiaal wees sonder barste of krake en daar mag nie meer as 100

(2) A shelf or display case used for displaying or storing food shall be kept clean and free of dust or other impurities.

(3) Food, other than food displayed in a serving area for meals, which is displayed unwrapped or in an open container shall be separated from the public in such a way that no member of the public is able to touch the food or cough or sneeze over it.

(4) Unwrapped food which is displayed or stored shall be displayed and stored in containers and may not be in direct contact with a floor or the ground.

(5) No person shall sell food as specified below for human consumption:

- (a) Food, listed in column 2 of Annexure A, which is stored, transported or displayed, as the case may be, at a temperature higher than the temperature listed against such food—
  - (i) in column 3 by manufacturers in cold or frozen storage;
  - (ii) in column 4 by suppliers or retailers and in delivery vehicles;
  - (iii) in column 5 in display cabinets at consumer point of sale.

- (b) Food heated at a temperature of less than 65 °C.

- (c) Perishable heat-treated food which has cooled down at room temperature to a temperature below 65 °C.

- (d) Food which a Health Officer has reason to assume is perishable and for which no provision is made in subsections 7 (5) (a) to 7 (5) (c) and which is stored, transported or displayed at a temperature above 7 °C.

(6) No person shall vend any food unless such act has been approved for such food by the Health Officer.

(7) No person shall utilise a private dwelling for the manufacture, preparation, storage, keeping or sale in any manner of foodstuffs to the public, unless such dwelling has been registered in advance with the Health Department.

**Transport of food**

8. (1) No person shall transport food in any part of the vehicle—

- (a) unless such part has been cleansed to such an extent that chemical or bacteriological contamination of the food is prevented;

- (b) together with—
  - (i) contaminated food or animal offal unless such food or animal offal is transported in a separate container;
  - (ii) poison or a harmful substance;
  - (iii) any person who does not comply with the stipulations of section 5 (1); or
  - (iv) an animal.

(2) Subject to the stipulations of subsection (1) the cargo section of any vehicle used to transport food not packed in dustproof or sealed containers shall—

- (a) be finished on its inner walls with a smooth, rustproof, non-toxic and non-absorbent material without cracks or fissures and no more than 100
organismes en geen patogene organismes per vierkante sentimeter, volgens erkende anali-
tiese ondersoekmethodes bepaal, daarop aan-
wegig wees voor die voedsel daarmee in aan-
raking kom nie;
(b) stofdig wees; en
(c) nie gelyktydig vir die vervoer van 'n persoon
gebruik word nie.
(3) Niemand mag voedsel van of uit 'n voertuig
smous nie, tensy sodanige voertuig spesifiek goedge-
keur is vir die smous van voedsel.
Standaarde en vereistes vir klere
9. (1) Die klere van iemand wat voedsel hanteer wat
nie in 'n verselfde houer verpak is nie, moet—
(a) skoon wees wanneer hy' daagliks met
voedselhanterings begin; en
(b) redelik skoon bly gedurende die werkstof tenwyl
hy voedsel hanteer.
(2) Niemand wat voedsel hanteer, mag klere dra wat
na die oordeel van die Gesondheidsbeampte nie
geskik is vir 'n bepaalde werkzaamheid met betrekking
tot die hantering of vervoer van voedsel nie.
Pflege van 'n persoon in beheer van 'n voedsel-
serseel
10. Iemand in beheer van 'n voedselserseel moet
toesien dat—
(a) maatreëls getref word om vlieë of ander onge-
wensde insekte of knaagdier uit te roei;
(b) maatreëls getref word om te voorkom dat vlieë
of ander insekte toegang verkry;
(c) vuilis so dikwels as wat dit nodig is of vereis mag
word, verwyser word uit 'n gebou waar voedsel
hanteer word;
(d) vuilis op so 'n wyse opgeborg en weggedoen
word dat geen oorlos ontstaan nie; en
(e) vuilishouers—
(i) gereed skoongemaak word; en
(ii) ontsmet word so dikwels as wat dit vereis
word;
(f) proseswater doeltreffend weggedoen word;
(g) die serseel en fasiliteitie skoon en netjies gehou
word;
(h) geen persoon wat onverpakte voedsel hanteer
enige juwele of versierings dra wat in aanraking
met die voedsel kan kom nie;
(i) die Gesondheidsbeampte onmiddellik in kennis
gestel word van enige geval van 'n oordraag-
bare en aanmeelbare siekte waarvan hy kennis
dra, of vermoed aanwesig te wees, by iemand
wat met die hantering van voedsel op 'n voedsel-
serseel betrokke is;
(j) geen dier, behoudens die bepalings van enige
Wet, gehou of toegelaat word nie in enige deel
van 'n voedselserseel waar voedsel gehanteer
word, behalwe dat—
(i) 'n gidshond wat 'n blinde persoon verge-
sel in die verkoops- of bediendearie van
'venselserseel toegelaat mag word;
(ii) live fish, molluscs or shell-fish may be kept under water until prepared for consumption;

(k) no condition arises on food premises that may pollute any food;

(l) any cooked or prepared food which is not wrapped is handled with clean instruments or apparatus;

(m) the Health Officer is advised as soon as possible if new premises or extension of existing premises is planned, and such officer is provided with a sketch plan of the proposed building or extensions within seven (7) days of such advice;

(n) the stipulations of these by-laws and the codes contained in Annexure B, and as may be required in the opinion of the Health Officer, are observed.

Inspection

11. Any duly authorised officer of the Council may, for any purpose related to the observance of the stipulations of these by-laws, at all reasonable times and without prior notice enter upon any premises on or in which food is handled or in respect of which such officer has reasonable grounds to believe that food is handled, and perform such examination, inquiry or inspection and tests in connection therewith and take such samples as he may deem fit.

Obstruction

12. Any person who fails to give or refuses access to an officer of the Council duly authorised by these by-laws or by the Council to enter upon and inspect any premises, vehicle or structure if he request access to such premises, vehicle or structure, or who obstructs such officer in the execution of his duties under these by-laws or who fails or refuses to give information he is legally required to give such officer or who deliberately gives such officer false or misleading information or who unlawfully prevents a person from entering upon such premises shall be guilty of an offence.

Offences and penalties

13. Any person who contravenes any stipulation of these by-laws or fails to comply with any such stipulation or causes or allows or permits another person to do so, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding R300, or in default of payment thereof, to imprisonment for a period not exceeding 12 months, or to both such fine and imprisonment, and in the case of a continuing offence shall be deemed guilty of a separate offence for each 24 hours or portion thereof that the offence continues, and shall be liable for each such offence to a fine not exceeding R100.

CHAPTER 2: CODES

Foreword

The purpose of codes or guidelines for the food industry is to ensure that development within this industry takes place without unnecessary delays and, in fact, to encourage it. Codes are provided to give the food industry some scope or to offer alternatives that were previously not considered. The principles are based on the scientifically verified facts and not so much on aesthetic aspects.
Elke voedselperseel is 'n unieke eenheid vanweë die gebied waarin dit geleë is, die norme en waardes van die gereelde klante asook die soort produk wat verkop word. Daarom is dit van die uiterste belang dat riglyne/kodes daargestel word wat aanvullend tot die wetgewing funksioneer om die vinnig veranderende tendense asook die asonderlike behoeftes van klante te omvat. Met laer inkostekoste word 'n teeninflasiionisiese atmosfeer geskap wat nogtans bydra tot die levering van 'n gesonde voedselprodieek wat geskik is vir menslike benutting.

Die kodes funksioneer kortliks as volg: Alternatiewe, veral geskoei op aspektes wat 'n direkte invloed het op hoe finansiële uitgawes, is vooraf bepaal. Higiëniëse aspektes is egter nie onderhollanders nie. Onderhollanders geskied tussen die Gesondheidsdepartement en die handelaar om 'n keuse te maak van alternatiewe wat wissel van hoë tot aanvaarbare standaarde. As die faktore wat 'n invloed op die bedryf het 'n behoefte aan 'n hoë standaard het, sal die handelaar somtidaal verbind voel om die hoë standaard te handhaaf. Eweneens sal die handelaar die klante wie 'n hoë standaard verwag nie, berus by die aanvaarbare standaard.

1. Binnenuroppervlakke/Binnewande

Daar word gedagte aan dat die bepalings van artikel 3(c) van die verordening van die voldoen deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) SOORT MATERIALE WAARVAN BINNEMUUR-OPPERVLAKKE/BINNEWANDE GEBOU OF VERVAARDIG KAN WORD

(a) Indien die mure van elke kamer in 'n gebou of konstruksie waar voedsel berei, geproduuseer, verwerk of vervaardig word, gebou is van stene of sementbeton.
(b) Indien die mure van elke kamer in 'n gebou of konstruksie waar voedsel berei, geproduuseer, verwerk of vervaardig word, gebou is van ander solide of syferdigte materiaal as stene of sementbeton.
(c) Indien die binnewande van 'n ander voedselperseel as 'n gebou of konstruksie vervaardig is van 'n syferdigte of solide materiaal wat hom daartoe leen om glad afgewerk te word, en maklik skoonmaakbaar en duurzaam is.
(d) Indien die mure/afskortingsmure van 'n perseel waarin slegs groente en vrugte en ander fabriekverpakte voedselprodukte alleenlik hanteer word, gebou of vervaardig is van plaatmetaal, stangystere of ander soortgelike materiaal.

(2) AFWERKINGS

(a) Indien die binnenuroppervlakke van elke kamer in 'n gebou of konstruksie waar voedsel berei, geproduuseer, verwerk of vervaardig word, van stene of sementbeton gebou is en afgewerk is met solide syferdigte materiaal of met geëglaansuurte teels of ander soortgelike glad afgewerkte, duurzame materiaal, van die vloervlak tot teenaan die platone bedek is.

Each food premises is a unique unit because of the area in which it is located, the norms and values of the regular customers and the type of product sold. That is why it is of the utmost importance that guidelines/codes should be drawn up, complementing the legislation, to cater for the rapidly changing trends as well as the different needs of customers. With lower input costs an anti-inflationary atmosphere is created which nevertheless contributes to the provision of a healthy food product suitable for human consumption.

In brief, the codes function as follows. Alternatives, based mainly on aspects which have a direct effect on high financial expenditure, were determined beforehand. Hygienic aspects, however, are not negotiable. Negotiations take place between the Health Department and the trader to choose between alternatives ranging from high to acceptable standards. If the factors which have an effect on the industry demand a high standard, the trader will feel himself obliged to maintain the high standard. Similarly, the trader whose customers do not expect too high a standard will meet the acceptable standard.

1. Inside wall surfaces/Inner walls

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (1) (i) of the by-laws.

(1) TYPE OF MATERIAL INSIDE WALL SURFACES/INNERWALLSMAYBE BUILT/MANUFACTURED OF

(a) If the walls of each room in a building or construction where food is prepared, produced, processed or manufactured are built of bricks or cement concrete.
(b) If the walls of each room in a building or construction where food is prepared, produced, processed or manufactured are built of solid or impermeable material other than bricks or cement concrete.
(c) If the inner walls of food premises other than a building or construction are manufactured of an impermeable or solid material which lends itself to a smooth finish, and is easy to clean and durable.
(d) If the walls/partition walls of premises in which only vegetables and fruit and other factory-packed food products are handled are built or manufactured of sheet metal, rod iron or other similar material.

(2) FINISHES

(a) If the inside wall surfaces of every room in a building or construction where food is prepared, produced, processed or manufactured are built of brick or cement concrete and finished in a solid and impermeable material or covered with glazed tiles or other similar smooth-finish durable material from floor level up to the ceiling.
(b) Indien die binnenuroppervlakke van elke kamer in 'n gebou of konstruksie waar voedsel berei, geproduceer, verwerk of vervaardig word en bedek is met die materiaal soos in 1 (a) hierbo genoem van die vloervlak tot 'n hoogte soos deur onderhandeling/behoefte deur die Gesondheidsbeampte vereis. Die gedeelte wat nie deur die materiaal soos gemeld in 1 (a) bedek is nie, moet glad afgewerk en met 'n ligkliggerige wasbare verf geverf word.

(c) Indien die binnenuroppervlakke van elke kamer in 'n gebou of konstruksie waar voedsel berei, geproduceer, verwerk of vervaardig word, van stene of sementbeton gebou en gepleister en glad afgewerk is met 'n dubbellaagpleister waarvan die afwerklaag bestaan uit 'n gipsbasispleister, en geverf word met 'n ligkliggerige wasbare verf.

(d) Indien die binnenuroppervlakke van elke kamer in 'n gebou of konstruksie, behalwe die kamer waarin voedsel berei, geproduceer, verwerk of vervaardig word, gebou is van sementbeton of stene en, indien nodig, van 'n gladde afwerking voorseen of geverf is.

(e) Indien die binnenuroppervlakke van elke kamer in 'n gebou of konstruksie, behalwe die kamer waarin voedsel berei, geproduceer, verwerk of vervaardig word, gebou is van 'n ander syferdié materiaal as sementbeton of stene en, indien nodig, van 'n gladde afwerking voorseen of geverf is.

(f) Indien die binnenu/innenwand-oppervlakke van 'n vertrek waarin voedsel genuttig word in 'n gebou of konstruksie soos vervaardig en afgewerk is dit dat die tema van die soort perseel komplementeer.

(g) Indien die binnwandoppervlakke, behalwe in 'n gebou of konstruksie vervaardig is van 'n duursame materiaal, soos plaatmetaal, glasveel of watter materiaal hom daartoe leen dat dit duursaam en glad afgewerk kan word.

(3) ANDER STANDAARD AFWERKINGS

(a) Indien die bekant van 'n afskortingsmuur wat nie tot plafonhoogte gebou is nie, binne 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word en die breedte van een kant van die muur tot by die ander kant daarvan glad afgewerk is met materiaal soos omskryf in 1 (a) en 1 (c).

(b) Indien die vensterbanke in 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word met 'n skuinsste van 45° van die onderkant van die vensterraam tot by die binnewand van die muuroppervlak glad afgewerk is.

(c) Indien die verbinding tussen vloere en mure in kamers van 'n gebou waarin voedsel berei, geproduceer, verwerk of vervaardig word met 'n skuinsste van 45° afgewerk word met 'n minimum breedte van 150 mm, gemee van die hoek wat so gevorm is dat die vloer of muuroppervlak onderskeidelik, of andersins geweel met 'n minimum radius van 20 mm.

(b) If the inside wall surfaces of every room in a building or construction where food is prepared, produced, processed or manufactured are covered with the material referred to in 1 (a) above from floor level up to a height as required by the Health Officer after negotiations or as needed. The part not covered by the material as referred to in 1 (a) shall be finished smooth and painted with a light-coloured washable paint.

(c) If the inside wall surfaces of every room in a building or construction where food is prepared, produced, processed or manufactured are built of brick or cement concrete and plastered and finished smooth with a double layer of plaster, the final layer of which consists of gypsum-based plaster, and painted with a light-coloured washable paint.

(d) If the inside wall surfaces of every room in a building or construction, other than the room where food is prepared, produced, processed or manufactured, are built of brick or cement concrete and, if necessary, given a smooth finish and painted.

(e) If the inside wall surfaces of every room in a building or construction, other than the room where food is prepared, produced, processed or manufactured, are built of an impermeable material other than brick or cement concrete and, if necessary, given a smooth finish and painted.

(f) If the inside wall/inner wall surfaces of a room in which food is consumed in a building or construction are manufactured and finished in such a way as to complement the theme of the type of premises.

(g) If the inside wall surfaces, other than in a building or construction, are manufactured of a durable material, such as sheet metal, fibreglass or whichever material lends itself to a durable and smooth finish.

(3) OTHER STANDARD FINISHES

(a) If the top of a partition wall which does not reach up to the ceiling in a building or construction where food is prepared, produced, processed or manufactured is finished smooth with material as defined in 1 (a) and 1 (c) at an angle of 45° along the width of the wall from one side to the other;

(b) If the windowills in a building or construction where food is prepared, produced, processed or manufactured are finished smooth at an angle of 45° from the bottom of the window frame to the inner surface of the wall;

(c) If the join between floors and walls in rooms in a building where food is prepared, produced, processed or manufactured is finished at an angle of 45°, with a minimum width of 150 mm, measured from the angle thus formed to the floor or wall surfaces respectively, or otherwise covered with a minimum radius of 20 mm;
2. Vloeren

Daar word geaag dat aan die bepalings van artikel 3 (1) (d) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) SOORT MATERIAAL

(a) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word, geen pypwerk bevat wat nader as 50 mm vanaf dié muuroppervlak gemonteer is nie, met dien verstande dat alle pypwerk, uitgesluit wat net onder die mure ingelaat word.

(b) Indien die vloer van 'n ander voedselpersoel as 'n gebou of konstruksie vervaardig is van 'n duurzaam solied materiaal, word die afwerk word gevereerd.

(2) AFWERKING

(a) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word, afgewerk is met keramiek of 'n ander suurvaste afwerking, en die voë, indien nodig, met epoksie- of ander syferdietaal gebevryvul word.

(b) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word, afgewerk is met semibuitbare vinievlotee of ander soortgelyke duurzaam materiaal wat 'n gladde oppervlak verseker.

(c) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word, afgewerk is met staalsteels.

(d) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word, word die afgewerk met 'n glad gestykte sementaal (float) afgewerk.

(e) Indien die vloer van 'n vertrek in 'n voedselpersoel waar voedsel genuttig word so afgewerk is dat die tema van dié soort persoel komplimenter.

(f) Indien die vloer van 'n ander voedselpersoel, as 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word, vervaardig is van 'n syferdietaal materiaal soos plaasmetaal, metaal, glasvel of watter materiaal hom tot 'n duurzaam en gladde afwerking leen.

(3) ANDER AFWERKINGS

Indien die voedselpersoel dit regverdig, indien die vloer van 'n gebou of konstruksie waarin voedsel berei, geproduceer, verwerk of vervaardig word ten einde proseswater deur middel van 'n vloedreinigingstelsel weg te voer na 'n effikiewe buitebeskikkingsstelsel.

(d) If the inside wall surfaces of every room in a building or construction where food is prepared, produced, processed or manufactured contain no piping mounted closer than 50 mm from the wall surface, provided that all piping, excluding water drainage piping, shall be chased into the walls.

2. Floors

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (1) (d) of the by-laws:

(1) TYPE OF MATERIAL

(a) If the floor of every room in a building or construction where food is handled is constructed/manufactured of cement, concrete, steel or other durable material having characteristics which lend themselves to a smooth finish and easy cleaning.

(b) If the floor of food premises other than a building or construction is manufactured of a durable solid material with a smooth finish.

(2) FINISH

(a) If the floor of every room in a building or construction where food is prepared, produced, processed or manufactured is finished in a ceramic or other acid-resistant finish, and the joints grouted, if necessary, with an epoxy or other impermeable material.

(b) If the floor of every room in a building or construction where food is prepared, produced, processed or manufactured is finished in semi-flexible vinyl floor tiles or other similar durable material which ensures a smooth surface.

(c) If the floor of every room in a building or construction where food is prepared, produced, processed or manufactured is finished in steel tiles.

(d) If the floor of every room in a building or construction where food is prepared, produced, processed or manufactured has a floated cement finish.

(e) If the floor of a room in food premises where food is consumed is finished in such a way as to complement the theme of the type of premises.

(f) If the floor of food premises, other than a building or construction, where food is prepared, produced, processed or manufactured is manufactured of an impermeable material such as sheet metal, metal, fibreglass or whichever material lends itself to a durable and smooth finish.

(3) OTHER FINISHES

If justified by the food premises, if the floor of a building or construction where food is prepared, produced, processed or manufactured is graded slightly to drain process water by means of a floor drainage system to an effective outside disposal system.
3. Sizes

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (2) (f) of the by-laws:

(1) DEFINITIONS

(a) For the purposes of this code the following definitions apply:

"high-risk premises" means—

bakeries;
hotels;
canteens;
crèches;
roadhouses;
restaurants;
butcheries;
vendors of perishable foodstuffs;
caterers;
food factories;
take-aways;

"low-risk premises" means—
delicatessens;
greengrocers;
cafés;
supermarkets;
home industries;

"food preparation area" means an area where all activities in connection with food preparation take place, including the area where final preparation is done.

(2) IMPORTANT FACTORS WHEN DETERMINING SIZES

(a) Commodities to be sold.
(b) Equipment to be used.
(c) Number of employees.

(3) SIZES OF high-risk food-preparation AREAS

(a) The maximum surface area to be occupied by equipment shall be equal to 55% of the total preparation area, with a minimum floor area of 4 m² where applicable.
(b) The remaining 45% of the preparation area shall be used as unobstructed floor space for employees in the ratio of 3.5 m² of free floor space per person.
(c) Size of a mobile food unit shall be determined in accordance with the needs.

(4) STORAGE SPACE

(a) The storage space for the commodities prepared in the food-preparation area shall be equal to a minimum of \( \frac{1}{3} \) (one third) of the total preparation area. For commodities not prepared on the premises, additional storage space shall be provided.
4. Bakke

Daar word geag dat aan die bepaling van artikel 3 (2) (a) van die verordeninge voldoen word deur voldoening aan die bepaling van die ondergenoemde kodes:

(1) HANDEWASBAKKE

(a) Indien 'n konvensionele handewasbak(ke) met lopende water in 'n gebou of konstruksie voorsien is in die kombuis vir die gebruik deur personeellede.

(b) Indien 'n konvensionele handewasbak met lopende water vir alle voedselhanterenders voorsien is in 'n woonhuis waar voedsel berei word vir verkoop aan die publiek.

(c) In gevalle waar voedsel deur die publiek in 'n gebou of konstruksie as deel van 'n besigheid se bedrywighede sittend benut word, indien 'n konvensionele handewasbak(ke) met lopende water vir die kliente voorsien word.

(d) Indien 'n handewasbak vervaardig van duursame roesvrye syferdigte materiaal voorsien word in 'n ander voedselperseel as 'n gebou of konstruksie vir die gebruik deur personeellede werkzaam daarop.

(2) OPWASBAKKE

(a) Indien 'n opwasbak, in 'n gebou of ander konstruksie voorsien is met warm en koue lopende water daaroor aangeê wat beskik oor dubbelkomme met 'n minimum diepte van 230 mm en 'n inhoud van minstens 5 ℓ en toereikende droogblanders, vervaardig is van vlekvry staal of 'n ander duursame roesvry syferdigte materiaal, geplaas is op 'n afstand van 100 mm van enige muur af, voorsien is in lengtes van 1,8 m, 2,3 m of sodanige lengte as waarvoor daar 'n behoefte bestaan en gekoppel is aan 'n funksionele beskikkingsstelsel.

(b) Indien 'n opwasbak-cum-voorbereidingsbak met lopende water in 'n residensiële perseel geïnstalleer is waar voedsel vir verkoop aan die publiek berei word, wat beskik oor 'n enkel- of dubbelkom met 'n minimum inhoud van minstens 15 ℓ per kom: Met dien verstande dat waar 'n enkelkomopwasbak geïnstalleer is, daar gebruik gemaak moet word van 'n addisionele houer wat sal dien as 'n afspeelkom wat vervaardig is van 'n duursame roesvry materiaal en gekoppel is aan 'n funksionele beskikkingsstelsel.

(c) Indien 'n opwas-cum-voorbereidingsbak met lopende water voorsien is in 'n ander perseel as 'n gebou of konstruksie wat beskik oor 'n enkelkom met 'n minimum inhoud van 5 ℓ, vervaardig is van vlekvry staal of 'n ander duursame roesvry syferdigte materiaal en gekoppel is aan 'n opgaartenk vir afvalwater wat op 'n gesitte stadium in 'n funksionele beskikkingsstelsel geledig word.

4. Basins and sinks

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (2) (a) of the by-laws:

(1) WASH-BASINS

(a) If a conventional wash-basin(s) with running water is provided, in a building or construction, in the kitchen for use by staff.

(b) If a conventional wash-basin with running water is provided for all food-handlers in a dwelling where food is prepared for sale to the public.

(c) In cases where food is consumed by seated members of the public in a building or construction as part of the business’s activities, if a conventional wash-basin(s) with running water is provided for the customers.

(d) If a wash-basin manufactured of durable rust-proof impermeable material is provided in food premises other than a building or construction for use by staff working there.

(2) WASH-UP SINKS

(a) If a double-basin wash-up sink with a minimum depth of 230 mm and a capacity of at least 5 ℓ is provided in a building or other construction with running hot and cold water laid on over it, which wash-up sink shall have adequate drying slabs and be manufactured of stainless steel or some other durable rust-proof impermeable material, be placed at least 100 mm from any wall, provided in lengths of 1,8 m, 2,3 m or such length as there may be a need for, and connected to a functional disposal system.

(b) If a wash-up-cum-preparation sink with running water is installed in residential premises where food is prepared for sale to the public, which sink shall have a single or double basin with a minimum capacity of at least 15 ℓ per basin: Provided that where a single-basin wash-up sink has been installed, use shall be made of an additional container, which shall serve as a rinsing sink, manufactured of a durable rust-proof material and connected to a functional disposal system.

(c) If a wash-up-cum-preparation sink with running water is provided in premises other than a building or construction, which sink shall have a single basin with a minimum capacity of 5 ℓ and be manufactured of stainless steel or some other durable rust-proof impermeable material and connected to a storage tank for waste water which is emptied at a suitable stage into a functional disposal system.
5. Rakke, staanders, kabinette, palette

(a) Indien 'n voorbereidingsbak(ke) in 'n gebou of ander konstruksie voorsien is met slegs koue lopende water daaroor aangelê, wat beskik oor dubbelkomme of 'n enkelkom met 'n minimum diepte van 230 mm en 'n inhoud van minstens 55 ℓ en toerikelende drogoombidens indien verlang, vervaardig is van vlekervy staal of 'n ander duursame roesvry syferdig materiaal, geplaas is op 'n afstand van 100 mm van enige muur af, voorsien is in standaard lengtes van 1,8 m, 2,3 m of sodanige lengte as waarmee daar 'n behoefte bestaan en gekoppel is aan 'n funksionele besikkingstelsel.

(b) Indien 'n voorbereidings-cum-opwasbak met lopende water voorsien is in 'n ander persee as 'n gebou of konstruksie wat beskik oor 'n enkelkom met 'n minimum inhoud van 5 ℓ, vervaardig van vlekervy staal of 'n ander duursame roesvry syferdig materiaal, en gekoppel is aan 'n oppaartenk/houer vir afvalwater wat op 'n geskikte stadium in 'n funksionele besikkingstelsel geledig word.

5. Shelves, stands, cabinets, palets

The stipulations of the by-laws in terms of section 3 (2) (h) shall be deemed to have been met by the terms of the codes below:

(1) TYPE OF MATERIALS AND CONSTRUCTION OF THE SHELVES, STANDS, CABINETS AND PALLETS

(a) If the shelves and stands are manufactured of steel for storing, placement or display of goods or equipment and are at such a height above floor level that unobstructed access is provided for effective cleaning and inspection of the entire floor below them (minimum height from floor surface—150 mm).

(b) If the shelves and stands are manufactured of smooth-finish treated wood for storing, placement or display of goods or equipment and are at such a height above floor level that unobstructed access is provided for effective cleaning and inspection of the entire floor below them (minimum height from floor surface—150 mm).

(c) If pallets are manufactured of smooth-finish treated wood for storing or once-only temporary promotional display of goods, and the necessary apparatus (forklift) is readily available to move the pallets in order to clean the floor below them.

(d) If a cabinet is manufactured of properly coated steel for storing goods in it and the cabinet is placed or installed such that the premises can be effectively cleaned.
(e) Indien 'n kabinet vervaardig is van duursame glad afgewerkte en behandelde hout vir die opberg van goedere daarin en die kabinet so geplaas of geïnstalleer is dat die perseel effektief skoongemaak kan word.

6. Display or storage of unwrapped food in open containers

The stipulations of the by-laws in terms of section 7 (4) shall be deemed to have been met by the terms of the codes below:

(1) If the food is stored or displayed on shelves or stands manufactured in terms of the code under section 5, but are at least 500 mm above the floor level.

7. Extraction systems

The stipulations of the by-laws in terms of section 3 (2) (g) shall be deemed to have been met by the terms of the codes below:

(1) If a hood has an extraction flue which disperses the gases and vapours in such a way that no nuisance to the environment is created.

The installation shall serve a threefold purpose:

(a) It shall remove steam and grease from the cooking area in order to prevent it from spreading and condensing on the walls and ceiling of the room.

(b) It shall prevent food odours from penetrating the rest of the premises.

(c) It shall aerate the room and remove excess heat.

To this end, the device shall be properly designed, installed and maintained.

(2) If a hood meets the following criteria:

(a) The inner edge of the hood shall at all open ends project a horizontal distance of at least 230mm beyond the cooking device(s).

(b) The edge of the hood shall be a maximum of 2m from the floor.

(c) The depth of the hood, from the bottom edge to the top edge, shall be at least 600 mm.

(d) An extraction fan having a capacity which will ensure that air movement is established which is adequate to remove the total convection stream of heat and steam generated by the heating process shall be fitted to the hood.

(e) The entire hood shall be designed and built such that it is easy to clean and drains into a drip tray which is easily removed for cleaning.

(f) When grease traps are provided it shall be possible to clean them easily and they shall drain into a drip tray that is easily removed for cleaning.
(g) Tensy daar filters in die kap aangebring is, moet daar 'n verwynderbare bak in die kap aangebring word om die vet wat van die leiding afdrup op te vang.

(h) Indien vetfilters verskaf word—
   (i) moet daaraan die wrywingsverlies van die betrokke soort filter onder werktekoste stande kan oorkom;
   (ii) moet die totale filteroppervlakte sodanig wees dat die vereiste hoeveelheid lug wat die vervaardigers aangee as die ontwerpvermoe van die filters wat gebruik word, kan instroom;
   (iii) moet die filterenhede maklik verwyder kan word om skoonemakbaar te word;
   (iv) moet daar opvangbakkies aan die onderpunt van die filters geplas word om opgegaarde vet wat nie aan die filter vasstel nie, te vang;
   (v) moet al die onderdele van die filters nie-brandbaar wees;
   (vi) moet die minimum afstand tussen die onderpunt van die filter en die kookoppervlak as volg wees ten einde die brandgevaar te verminder:
      (aa) Geen oop vlam nie—750 mm.
      (bb) Oop vlam van die houtskool type—1,5 m.
      (cc) Ander oop vlam as in (ii)—1,0 m.

(i) Die uitvoering van die kap moet so 'n deursnee-oppervlakte hê dat die lugsnelheid in die leiding minstens 450 m/min. en hoogstens 670 m/min. is, en moet so gebou wees dat dit nie 'n getrommel of ander steurende geraas veroorsaak nie.

(j) Die uitvoering moet die gasse en dampe op sodanige hoogte en posisie of wyse wegvloer dat dit nie 'n oorlast aan die omgewing inhou nie.

(k) Daar moet gesorg word dat genoeg lug die kamer kan binnekom.

(3) Tekeninge en spesifisiasies van alle kappe moet aan die Stadsgeesondheidsafdeling voorgele word sodat dit goedgekeur kan word voordat dit geïnstalleer word.

(4) Die voorgaande vereistes betekenis nie dat geen ander installasies aangebring kan word nie, mits sodanige ander installasies net so doeltreffend is.

8. Oorkliere/Klerie
Daar word geag dat die bepalings van Artikel 9 (2) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) Indien elke persoon wat onverpakte oop voedsel, uitgesonderd vrugte en groente, vir verkoop aan die publiek verwerk, berei, vervaardig of verpak—

   (a) oorkliere dra vervaardig van 'n ligklerige wasbare materiaal wat die liggaam van die nêk tot minstens by die heupe bedek, met moue wat minstens tot tussen die skouer en die elleboog strek of die arm met 'n noupassende smit tot by die gewrig bedek;

(2) teen die oorkliere moet daar 'n hoofwarmers bygehou word.

(3) Indien die oorkliere van metaal of ander onbrandbare materiaal gemaak is, moet daar 'n futermuur of 'n regulerbare warmers bygehou word.

(4) Die oorkliere moet deur elke persoon reg en voed word en moet ongebreuklik wees.

(g) Unles the hood is fitted with filters there shall be a removable tray in the hood to catch the grease dripping from the flue.

(h) If grease filters are provided—
   (i) the fan shall be able to overcome the friction loss of the type of filter under operating conditions;
   (ii) the total filter area shall be such as to let in the required amount of air as specified by the manufacturer as the design capacity of the filter;
   (iii) the filter units shall be easily removed for cleaning;
   (iv) drip trays shall be placed at the bottom end of the filters to trap accumulated grease which does not adhere to the filter;
   (v) all the components of the filter shall be fireproof; and
   (vi) the minimum dimension between the bottom end of the filter and the cooking surface shall be as follows to minimise the fire hazard:
      (aa) No naked flame—750 mm.
      (bb) Naked flame of the charcoal type—1,5 m.
      (cc) Naked flame other than as in (ii)—1,0 m.

(i) The extraction flue of the hood shall have such a cross-sectional area that the air velocity in the flue is at least 450m/min and not more than 670m/min, and shall be built such that it does not cause a rumbling or other irritating noise.

(j) The extraction flue shall dispose of the gases and vapours at such height and position or manner that it does not constitute a nuisance to the environment.

(k) It shall be ensured that sufficient air can enter the room.

(3) Drawings and specifications of all hoods shall be submitted to the City Health Department for approval before installation.

(4) The foregoing requirements do not mean that no other installations are permitted, provided that such other installation shall be equally effective.

8. Overalls/Clothing
Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 9 (2) of the by-laws:

(1) If any person who processes, prepares, manufactures or packages unwrapped open food, excluding fruit and vegetables, for sale to the public—

   (a) wears overalls manufactured of a light-coloured washable material which cover the body from the neck to at least the hips, with sleeves extending to at least between the shoulder and the elbow or covering the arm in a close fit to the wrist;
(b) 'n weggooibare/wasbare voorskoot oor sy normale kleedrag dra wat sterk van die boonste gedeelte van die bors tot ongeveer by die middel van die boebeen;

(c) normale klere dra wat ooreenkomstig die maatskappy se beleid beskou kan word as 'n uniform, tesaame met 'n voorskoot wat sterk van die middellyf tot ongeveer by die middel van die boebeen.

(2) Indien elke persoon wat onverpakte bereide voedsel aan die publiek bedien om op die perseel te nuttig—
(a) wasbare oorklere dra wat die liggaam bedek van die nek tot minstens by die middellyf met moue wat minstens tot tussen die skouer en die eimboog strek;
(b) 'n wasbare voorskoot bo-oor sy klere dra wat sterk van die middellyf tot ongeveer by die middel van die boebeen;
(c) klere dra wat ooreenkomstig die maatskappy se beleid beskou kan word as 'n uniform, tesaame met 'n voorskoot wat sterk van die middellyf tot ongeveer by die middel van die boebeen.

(3) Indien elke persoon wat dierekarkasse of onverpakte gedeeltes van dierekarkasse na 'n afleveringsvoertuig dra of van 'n afleveringsvoertuig na 'n voedselpersoel dra oorklere dra vervaardigbare gladde materiaal met moue wat die hele arm bedek en voorsoen is van 'n hoofbedekking wat so vervaardig is dat dit sal verhoo that enige gedeelte van die kop of nek in aanraking met enige gedeelte van sodanige karkas kom.

(4) Indien elke persoon wat dierekarkasse of onverpakte gedeeltes van dierekarkasse op 'n perseel voorberei vir verkoop van die publiek 'n wasbare/wegdoenbare slagtersvoorskoot bo-oor sy klere dra wat sterk van die bobsors tot by die knieë.

(5) Indien elke persoon wat betrokke is by die slag van diere en die afslag van dierekarkasse by 'n abattoir 'n wasbare oorpak dra wat die hele liggaam van die nek tot by die enkels bedek, met moue wat minstens tot tussen die skouer en die eimboog strek.

(6) Indien elke persoon wat betrokke is by die opsny van dierekarkasse by 'n abattoir—
(a) 'n wasbare oorjas dra wat tot ongeveer by die middel van die boebeen strek, met moue wat minstens tot tussen die skouer en die eimboog strek;
(b) 'n wasbare oorbaadjie en voorskoot dra. Die oorbaadjie moet sterk van die nek tot minstens by die heupe, met moue wat minstens tot tussen die skouer en die eimboog strek. Die voorskoot moet sterk van die middellyf tot minstens by die middel van die boebeen.

9. Verkle-- en eetarea of -ruimte met klereopbergeriewe

Daar word geëis dat daar aan die bepalings van artikel 3 (2) (e) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

VERKLE--OF EETAREA OF -RUIMTE

(1) Raadpleeg die Gesondheidsbeampte ten opsigte van 'n verkle--/eetarea vir minder as ses persone in diens.

(2) Verkle-- en eetarea of -ruimte met klereopbergeriewe.

(b) wears a disposable/washable apron over his normal clothing extending from the upper chest to about the middle of the thigh;
(c) wears normal clothing which may be regarded, in terms of company policy, as a uniform, together with an apron extending from the waist down to about the middle of the thigh.

(2) If any person who serves unwrapped prepared food to the public for consumption on the premises—
(a) wears overalls which cover the body from the neck to at least the waist, with sleeves extending to at least between the shoulder and the elbow;
(b) wears a washable apron over his clothing extending from the waist to about the middle of the thigh;
(c) wears clothing which may be regarded, in terms of company policy, as a uniform, together with an apron extending from the waist down to about the middle of the thigh.

(3) If any person who carries animal carcasses or unwrapped parts or animal carcasses to a delivery vehicle or from a delivery vehicle to food premises wears overalls manufactured of an impermeable smooth material with sleeves which completely cover the arms and is provided with a headgear manufactured in such a way as to prevent any part of the head or neck from coming into contact with any part of such carcass.

(4) If any person who prepared animal carcasses or unwrapped parts of animal carcasses on premises for sale to the public wears a washable/disposable butcher's apron over his clothing which extends from the upper chest to the knees.

(5) If any person involved in slaughtering animals and skinning animals carcasses at an abattoir wears a washable overall which covers the entire body from the neck to the ankles, with sleeves extending to at least between the shoulder and the elbow.

(6) If any person involved in cutting up animal carcasses at an abattoir—
(a) wears a washable overcoat extending to about the middle of the thigh and having sleeves extending to at least between the shoulder and the elbow;
(b) wears a washable overjacket and apron. The overjacket shall extend from the neck to at least the hips, with sleeves extending to at least between the shoulder and the elbow. The apron shall extend from the waist to at least the middle of the thigh.

9. Change-room and dining area or space with clothes storage facilities

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (2) (e) of the by-laws:

(1) CHANGE-ROOM/DINING AREA OR SPACE

(a) Consult the Health Officer about a change-room/dining area for fewer than six persons employed.
(b) If, where six or more persons are employed, a separate change-room/dining area for the sexes with a minimum floor area of 6 m² is provided for the first six persons, with an additional 0,750 m² of floor area for each person in excess of six.

(c) If the change-room/dining area is provided with—

(i) sufficient tables and chairs for the number of persons which will be using such change-room/dining area;
(ii) adequate ablation facilities; and
(iii) adequate clothing storage facilities for each employee who handles food, which facilities may be of the following type:
   (aa) Metal or wire lockers.
   (bb) Wire baskets.
   (cc) Any other approved type of clothing storage facility.

(2) DINING AREA

If, where 25 of more persons are employed, a separate dining area with a minimum floor area of 15 m² is provided for the first 25 persons, with an additional 0,550 m² of floor area for every person in excess of 25; provided that a change-room is still required.

10. Food vendors

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 7 (6) of the by-laws:

(1) CATEGORIES OF FOOD

For the purposes of these codes vended food is classified into the following categories:

(a) Category A
   Fruit and vegetables.

(b) Category B
   Factory-packed ice cream, sherbet, frozen confectionery, milk and milk products, fruit juices and other cold drinks which have to be refrigerated.

(c) Category C
   Factory-packed sweets, nuts, biltong, sweet and savoury snacks, dainties, cold drinks which may be stored at room temperatures, candy-floss and popcorn.

(d) Category D
   Cooked sausages ready for consumption when sold without any further preparation being necessary, provided that such sausages may be prepared further by placing them in hot water. Baked meat pies ready for immediate consumption. Bread rolls, hot dogs and sandwiches. Boiled eggs, tea, coffee and other prepacked beverages. Any other approved food.
(2) Die eienaar moet jaarliks vir elke voertuig wat gebruik word vir die smous van voedsel 'n permit bekom van die Gesondheidsdepartement en moet die nommer van die permit op sodanige voertuig aanbring.

(3) Die naam en adres van die voedselsmous moet duidelik leesbaar en onontwisbaar op 'n opsigtelike plek op die voertuig aangebring word.

(4) Wanneer onverpakte voedsel op 'n voertuig kan teer word, moet sodanige voertuig so ontwerp en gebou wees dat minstens 0,8 m² vraye vloerruimte per persoon op die voertuig beskikbaar is.

11. Tuisnywerhede

Daar word geag dat aan die bepalings van artikel 7 (7) van die verordeninge voldoen word deur die voltoening van die bepalings van die ondergenoemde kodes:

(1) Slegs banketgabek, worsrolletjies, vieispasteitjies, terte, ingemaakte of gedroogde vrugte en groente, lekkergoed, kontyl- en vrugtekonser en jellie mag in 'n privaat woning vir verkoop bereid of verwerk word.

(2) Geen voedingsmiddels wat in 'n privaat woning bereid of verwerk is, mag verkoop word op 'n ander perseel as 'n perseel wat vir die verkoop van voedsel goedgekeur en geregistreer is nie.

(2) The owner shall annually, in respect of every vehicle used for vending food, obtain a permit from the Health Department and shall affix the number of such permit to such vehicle.

(3) The name and address of the food vendor shall be indelibly and legibly affixed to the vehicle in a conspicuous place.

(4) When unwrapped food is handled on a vehicle, the design and construction of such vehicle shall be such that at least 0,8 m² of free floor space per person is available in the vehicle.

11. Home industries

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 7 (7) of the by-laws:

(1) If only confectionery, sausage rolls, meat pies, tarts, canned or dried fruit and vegetables, sweets, jam and fruit preserves and jelly are prepared and processed for sale in a private dwelling;

(2) If no foodstuff prepared or processed in a private dwelling is sold on premises other than premises approved and registered for the sale of food.

BYLAE A
MAKSIMUM TEMPERATURE WAARBY BEDERFBARE VOEDSEL VERVIOER, UITGESTAL EN GEBERG MOET WORD

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ANXIOUS PUNTERS keep their distance

Gamblers shun city casinos

ATTENDANCES at city casinos country-wide have experienced a drop of at least 50 percent since last weekend's announcement by President de Klerk that so-called "hard" gambling would be banned by legislation expected to be passed by Parliament at its special 10-day sitting beginning on October 12.

Casino operator Hymie Sussman says one of his group's newest casinos, Craddock in Rosebank, has to date enjoyed full-house attendances on Saturday nights — but last Saturday there were only four people there.

Gambling Association of South Africa (Gasa) committee member Frank Scheepmaker says casinos have been swamped with calls from people asking whether casinos are still open and expressing concern that they may be arrested.

The statements by De Klerk and Deputy Speaker of the House of Representatives, Dr. Tony Yengeni, and also by Parliament's Standing Committee on Justice, are not reassuring to the industry.

Law and Order Minister Gert Myburgh have had a huge effect. They have frightened people away and the situation is unlikely to change much until the matter is resolved," he says.

Gasa will be taking out full-page ads in national newspapers next week on the days it is presenting its case to the Parliamentary Standing Committee on Justice which is meeting in Pretoria to consider the final draft of the Gambling Amendment Bill.

If the committee approves it — and there is some dissension about whether or not this will happen — then the Bill will most likely be passed by all the Houses of Parliament and become law shortly afterwards. "We are going to fight this matter tooth and nail to the bitter end," Scheepmaker says.

Gasa supports the establishment of a strictly regulated gambling environment.

According to a document compiled by Gasa and submitted to the Standing Committee on Justice, it is clear that a "demand for gambling exists and is undeniable and, irrespective of any legislation which the Government passes, will not go away.

"What could be open, controlled and a source of enjoyment for the people and revenue for the State will mutate — if banned — into something sleazy, exploitative and riddled with vice, corruption and human tragedy."

Banning "hard" gambling would simply drive the industry underground and open it up to a criminal element, the Gasa report warns.
Gambling plan to raise millions

By CHERLYN IRETON

A PLAN that would generate millions of rand for the Government and end Sun International's gambling monopoly will be presented tomorrow.

It is a last-ditch attempt to change the official stance on legalized gaming.

The proposal offers the casinos, which authorities a way of collecting about R20-million from gambling licences and hundreds of millions more through VAT charged on casinos' gross winnings and increased company taxes.

The plan will be presented to the Select Committee on Justice by Karos chairman Selwin Hurwitz when it sits for the last time in Pretoria.

The meeting will consider changes to the Gambling Act to be put to Parliament at its special sitting in October.

Rooms

Mr Hurwitz is tired of “selective morality on gambling”, he says, and the Government must look beyond the inevitable reincorporation of the TVBSC states in South Africa.

It should avoid introducing hastily legislation that would enhance Sun's casino monopoly. He says the monopoly has had a crippling effect on the domestic hotel trade in the past 15 years.

Mr Hurwitz proposes that only four- and five-star hotels — with a minimum of 100 rooms — be granted casino licences.

This would put an end to the estimated 1,000 small suburban-type casinos that have sprung up. It would open gaming to hotel operators other than Sun International.

It would provide the State with additional revenue.

Mr Hurwitz says suburban gambling halls are not paying licence fees or VAT. Tax payments by Sun International to Bophuthatswana are heavily diluted by allowances for capital expenditure projects such as the R600-million Lost City project, maintaining the indirect burden for revenue on SA taxpayers.

If hotels' income increases as a result of gaming, so would their corporate tax contributions.

There are 41 four- and five-star hotels in SA spread among private groups and individuals. Mr Hurwitz suggests that those who want gambling licences pay R50 000 for the initial one and thereafter high annual renewal fees.

“Government has to level the playing fields. It must on the one hand eliminate the small non-hotel operators who have no basis for continued existence and hold no benefits for the tourism industry and on the other hand it must end Sun International's monopoly.”

Mr Hurwitz claims that Sun International's profit of R200-million in the year to June 1992, earned mostly from homeland operations, is more than the entire South African hotel trade earned in the same time.

Open

“Casinos are an integral part of the hotel industry. If we want a tourism industry then we have to ensure that gambling operates in an open but regulated manner.”

Mr Hurwitz says a minimum of 100 rooms as a prerequisite for a licence would eliminate the building of small predominantly gaming hotels.

Three-star hotels would be encouraged to upgrade their facilities. That would help to meet the expected boom of high-quality tourists prepared to spend money.

Existing controls in the hotel trade, such as the liquor and hotel boards, would be sufficient to regulate gaming which would be restricted to people over the age of 18.

President De Klerk's statement that hard gambling will not be tolerated has given hoteliers little hope that they will be able to enter the gaming business.

Mr De Klerk says he has no doubt that gambling in the homelands will continue — whether or not they are reincorporated.

If the Gambling Amendment Bill goes through as is, it will outlaw casinos not in the homelands and will close the loophole that allowed games of "skill" to flourish. The Bill was tabled in Parliament this year, but was not passed because of strong opposition.

Mr Hurwitz urges the Government to consider the gambling issue responsibly by appointing a properly constituted commission or by extending the brief of the new commission under the chairmanship of Mr Justice Howard.

Car prices up 3%

By DON ROBERTSON

Car manufacturers will raise prices by about 3% this week.

The increases will be lower than expected. They will take the increase in car prices for the year to between 11% and 13%.

This is the fourth round of increases for most manufacturers, all of which are concerned about the rising cost of vehicles.

At a maximum of about 14%, the increases are well below forecasts earlier this year when some manufacturers feared they would exceed the inflation rate. Last year, average prices rose for cars were 18%.

Car sales this year are now expected to reach only 177,000, the lowest since 1977. This compares with projections at the beginning of the year of as high as 200,000 and last year's sales of 197,700. Light commercial sales are now expected to be 50,500 compared with the forecast of 104,500. Sales in 1991 were 100,460.

The industry estimates that about 85% of new cars are bought by the corporate sector and fleet companies. The affordability problem for the private motorist has become a significant factor and most manufacturers are compelled to price competitively.

In the small-car market, the price of the Fiat Uno has risen by 6% this year, the Mazda 223 and Toyota Corolla by 6%.

A small car cost 65% of the average family income in 1961. This rose to 90.2% in 1986 and to 90.5% last year.

Market leader Toyota will maintain prices until November and then any increase is likely to be small.

Price rises to date have been kept at 9.2% throughout the range. The cost of top-selling Corolla has risen about 8%. The price rise for the year on this model will probably be kept to 9%. The overall increase should be about 12%.

Nissan has held price rises to 6.4% on average so far.

BMW has lifted prices by between 2.5% and 3% each quarter.
SA throws keys away

By KEVIN DAVIE Washington

SOUTH AFRICA lost this week on possibly a once-off opportunity to maximise its position in the world’s most powerful financial institution, the International Monetary Fund.

"It’s almost like throwing away the keys to the bank vault," says one observer.

At stake were the alternate director positions in the new Swiss-led constituency at the IMF and World Bank. The Swiss now hold the executive director positions on both boards. SA stood to get the two alternate director positions permanently.

Poland

The Swiss constituency, which includes Poland and former Soviet republics Azerbaijan, Tajikistan, Uzbekistan and Kirghizstan, has only a few members. But including SA, it would be about 14th in voting power.

"It was a top priority of the Government and the ANC to reach consensus with the Swiss to give the two alternate director positions to Poland, the second-largest country in the constituency in voting power," says a South African diplomat.

Although the issue had not been settled, it was believed that SA would get the two positions because its voting quota at the IMF exceeds that of Poland. Discussions between the Swiss and SA began some months ago and continued this week as Wednesday’s voting deadline approached.

The Swiss had in the meantime promised the alternate director positions to the Poles. This meant that even if SA had joined the Swiss constituency, it would have been without the positions of the two alternate directors.

SA is unable to vote at the IMF because it does not belong to a constituency. It has a permanent representative at the IMF. Joining the Swiss constituency would have meant the loss of this permanent representative.

SA can still join a constituency — the Swiss have indicated that they are keen for it to happen. But SA is unlikely to get the alternate director positions permanently.

Finance Minister Derek Keys says: "Our interests will be adequately represented until there is an interim government."

He says the discussions with the Swiss were conducted informally for about two or three months.

Reserve Bank Governor Chris Stals says SA had the potential to negotiate a good position, but the failure to do so was part of the frustration it faces. He says the Swiss constituency was not the only possibility.

Dr Stals says a daunting question is whether SA should be part of one of the African groups in the IMF.

Delays

The ANC’s Trevor Manuel says the issue should ideally be settled over. SA’s 1% voting quota is "fairly tradeable".

Mr Manuel says the ANC was not responsible for the failure to join a constituency this week. "There were delays from their side. There was awareness of the issue for nine months."

Mr Manuel blames the delays political process: "We all expected that an interim government would already be in place."

A boost for the islands

By CHERILYN IRETON

The deal that put Sol Kerzner back in charge of Sun International has spilled over into the group’s Indian Ocean island operations, which are to be consolidated and expanded.

Beachcomber in the Comoros and Mauritius will now fall under the banner of World Leisure Holidays, Mr Kerzner’s tour wholesaler. It previously specialised in holiday packages at the Le Galawa Beach Hotel in the Comoros.

The enlarged World Leisure Holidays now includes the three Sun Resorts Mauritius hotels of Le Saint Geran, Le Toesescrook and La Pilruge. It has set a turnover target of R68-million.

Although the deal is essentially an in-house restructuring, it gives World Leisure Holidays a new partner, Island Blythe (Mauritius). This group was a shareholder in Sun Resorts Mauritius.

It has extensive interests in tour operations for the inbound traveller to Mauritius, Seychelles and the Comoros. It owns the Avis car-hire franchise on the three islands and serves about 100 000 tourists a year.

Bruce Hutchison, managing director of World Leisure Holidays, says the group now has an integrated travel operation which will enable marketing funds to be focused. It will stimulate expansion particularly in the Seychelles.

Of the expected turnover of R68-million, about R8-million will go to retail agents in commission, R11.2-million to all airlines and R37.5-million into the island economies.
Comores: ‘No tourism drop’

By AUDREY D’ANGELO
Business Editor

CHEAPER air fares to Europe have not affected the number of South Africans going on holiday to the Comores, says Bruce Hutchison, MD of World Leisure Holidays.

At present his company is sending 8,500 people a year from this country to the Le Galawa Beach Hotel on Grande Comore.

Lower prices
Now it is about to take over the marketing of package holidays at three hotels in Mauritius, as well.

This, says Hutchison, will result in lower prices through economies of scale and even better value for money.

“We do not regard ourselves as competing with the airlines introducing new cut-rate services between SA and Europe because we are offering a different type of holiday.

“And South Africans flying to Europe find their rands do not go very far. They may go to the Indian Ocean once a year, or more, but a European holiday is something they may take only every two or three years.

“We are offering exceptional value for money — the air fare and seven nights in the Comores with breakfast and dinner, currently cost R311 from Johannesburg on the Apex rate booked 40 days in advance.

“Without advance booking the normal rate is R3498. But the senior citizen’s package, available to people over 50 until the peak season starts in December, is only R3399.”

SA based World Leisure Holdings is a subsidiary company in the Sun International group.

Package holidays
This weekend Sun Resorts Mauritius — in which the controlling shareholders are Sun International (SA) and Island Blythe (Mauritius) — took a major stake in World Leisure Holdings and the Le Galawa Beach Hotel.

As a result, Hutchison told members of the travel trade, World Leisure Holdings will be marketing package holidays in three hotels on Mauritius — Le St Gerain, Le Touessrok and La Pirogue as well as the Comores.

His goal is an annual turnover of R60m.
Playing with a stacked deck

ONLY in South Africa could the Government turn gambling into a lose-lose situation for all the players. No-one wins with the succession of bizarre turns of the wheel we've seen so far with the Gambling Amendment Bill.

In an attempt to hold all the aces with various constituencies, the Government plays with not one stacked deck, but several. A supposed "moral majority" within rank-and-file National Party support has qualms about legalising the vice of gambling.

Yet, unusually, certain Nat MPs have broken the wall of actuarial discipline and expressed unprecedented public doubts about the latest legislative moves to curb aspects of gambling in South Africa, but to ease restrictions for charitable gambling. Hence the wholly fictitious statistics, between "soft" (acceptable) gambling and "hard" (sinful) gaming.

This is double-dealing, in anyone's language. The Government is creating a distinction without a difference. The difference and the double-standards seen here plague the Government in its approach to other constituencies.

Its shrinking revenue and the growing bill for the ailing apartheid past create a desperate need for cash. The use of lotteries to fund social spending is standard practice in many countries. So principle is sacrificed to pragmatism and a Commission of Inquiry was announced into lottery-style or sports-pools funding for welfare, health and education.

It is to be headed by Mr Justice Howard, Judge President of Natal. Fair enough, but what a hesitant and shame-faced way of tackling an issue that has been in the realm of public debate for at least a generation.

At the same time, the Government, through the Gambling Amendment Bill, seeks to close the loophole that has seen a proliferation of suburban casinos throughout South Africa.

The Bill is due to be discussed by the Justice Standing Committee and President de Klerk has announced his intention to enact it in October. These casinos are now to be made "firmly illegal" in a knee-jerk reaction that gives every indication of being an attempt to protect those children of apartheid - the homelands.

The casino business in the TBVC states is to be protected by clamping down on South African gamblers who gamble close to home. In effect, it means the monopoly enjoyed in the homelands by Sun International will be shored up by an Act of Parliament.

And the Cabinet dealing the cards in this situation claims to be converts to the doctrine of the free market. What we are getting here is a quick shuffle of the cards that takes no account of the fact that the dealer will soon be changed and the new game could very well be "reintegration".

A short-term sop to Sun International and the favoured status of TBVC casino operation could needlessly complicate the already thorny process of reintegrating the homelands into South Africa. Can we have gambling at Babezegli, but no gaming in "pure" Pretoria just 15 miles' drive away? Protection to provincial/homeland gambling already affects the South African horse-racing industry - which at least pays a levy so the South African taxpayer benefits from the wagers of the wagers of the South African punter.

The Democratic Party would favour strict "house rules" for gaming in South Africa which recognised the following realities:

1. Gambling can be addictive; it is not recommended, but Government is not in business to police ever moral and crummy of its citizens. People have a right to choose, even to choose to lose their money if they so wish. So-called "hard" gambling should also be subject to scrutiny by the Commission of Inquiry for a determination as to how it can be strictly controlled and regulated inside South Africa.

2. The homelands precedent shows that substantial revenues can be provided to governments by the casino industry. Sun International has proved that casinos linked to hotel resorts can boost tourism and provide jobs. This precedent should inform and guide our approach. Horse-racing in South Africa is one of the chief contributors to provincial coffers. 15 percent of all betting revenues is paid over by the racing industry to Pretoria. At the moment, local casinos operate with no such obligation.

3. Though legal, casino and gambling clubs need to be regulated and controlled - the provincial policing of the horse-racing industry is a good example of controls that work. We also don't require, or need, a casino in every cafe or suburb. A gaming commission should be established to set strict and objective grounds for granting licences.

4. The structure of the gambling industry and the running of lotteries and pools should be designed to provide on-going funding for social projects.
Casino pickets target parliament

CAPE TOWN — About 80 casino operators and staff members protested outside Parliament yesterday against the threatened shutdown of gaming establishments.

Posters carried by the demonstrators said, among other things: "Stop the violence"; "Not fun"; "Don't rob us of our jobs." "Free enterprise is a Fairy Tale.

Signatures were also collected for a petition objecting to President F.W. de Klerk's announced intention of prohibiting casinos in SA. The petition called for the establishment of a commission to investigate all aspects of the matter.

"One wonders what pressure groups can have such power and influence that even the government throws recognized democratic principles overboard," the petition said. It accused the government of double standards in allowing horse racing and other forms of gambling.

Director of one of Cape Town's largest casinos, Crown Casino Club's Gerhard Stotzel, said the demonstration was a protest against the proposed Gambling Bill.

Stotzel criticised De Klerk for taking no account of the wishes of 60,000 industry personnel and the investments of casino operators. He objected to Sun International's monopoly.

© Comment: Page 12
Take holiday soon, urges travel expert

By John Miller

Tourists should take advantage of current low air, hotel and park fares because dramatic increases are forecast for the new year, according to the president of the Hospitality Association of Travel Agents, Rupert Lawlor.

Mr Lawlor said local tourism currently enjoyed leisure industry prices that were at bargain prices.

However, "it would not surprise me if companies did not review their positions in January", said Mr Lawlor.

He described the tourism market as a 'chicken and egg' situation at present.

"If the market does not grow and everything gets put off, the infrastructure will not be in place when the boom occurs and people will again drive international tourists away."

During the past few months domestic air fares have been slashed.

Major hotel chains have also introduced various packages in an attempt to fill empty beds and the National Parks Board last week announced discounts at certain of its parks.

Cathy MacWhirter, marketing manager of Rennie Travel, said: "No matter how much you advertise and offer discounts, the international tourist is more concerned about his safety than saving money."
Committee to discuss bid to ban gambling

By Peter Pabichies
Political Correspondent

Parliament's joint standing committee on justice meets today to consider controversial legislation to ban gambling, amidst growing opposition to the Bill.

Moves are afoot within the National Party to allow a free vote on the Gambling Amendment Bill – due to be passed by Parliament early in October – because there is so much opposition to it within the party.

If a free vote is allowed, there is a strong possibility that the Bill could be rejected by Parliament. At least two NP MPs have publicly criticised the Bill, reflecting the deep underlying opposition to it.

However, NP King William's Town MP Ray Radoe, chairman of the justice committee, said this week that he was sure the Bill would go through.

NP MPs opposed to the Bill said there was little chance of blocking it. After President de Klerk told the Transvaal NP congress last week that it would go through.

The Democratic Party has also strongly opposed the legislation and it is believed that there is strong opposition to it in the House of Delegates.

The casino and hotel industry has made strong representations to the Government against the Bill, arguing that its intention was to protect the Sun International casino monopoly operating from the nominally independent homelands.

Karoosh Hotels chairman, Selwin Hurwitz, rejected Government arguments that gambling was a regional concern. He said the Sun International casinos were situated strategically to target the South African market and not that in the homelands.
A threatened boycott of SAB products by the National Taverners' Association was averted when the brewery agreed to most of the taverners' demands.

Soweto tavern operators threatened 'mass action' against SAB last month after complaining that SAB lacked social responsibility, was forcing operators to take up its own insurance policies as collateral for credit, and that it had a discriminatory discount policy.

The taverners even took down posters advertising SAB products in their premises.

A meeting held in Soweto yesterday to report back on discussions between the association's executive and SAB was told that taverners who were not pleased with the SAB insurance policy should hand it to the executive as SAB had agreed to refund money paid.

Taverners' association executive committee member Phil Moatshe told the meeting: "Those who took the policies under duress should bring them to us. They are not life cover, as you were led to believe. Bring them back so that money you have paid in can be refunded."

Moatshe said SAB had agreed to pay the taverners for the advertisements displayed in their premises.

"But wait until we see what advertising experts say the rates should be, before putting them up again," he warned.

In view of the violence gripping the townships, SAB had also agreed to donate money in the event of the death of a tavern operator or a member of his family, and in the case of a massacre in the shebeen — as had happened in recent months. The funeral would be the responsibility of both the taverners' association and SAB, the meeting was told.

SAB also agreed it would not introduce anything to taverners' association members without consulting the association, Moatshe said.

SAB could not be reached for comment at the time of going to press.
TAHITI IN THE TRANSKEI

Sun International is spending R90m transforming Transkei's Wild Coast Sun into a South Sea island theme resort. The project is due for completion in December—18 months after work started. It was to have cost R75m but Transkei Sun International (Transun) decided on R15m of additional attractions including a bingo lounge, more children's facilities and undercover parking.

Transun chairman Ken Rosevear says the first phase of the development, completed last year, included new stone walls for the landward side of the complex and thatch-roofed walkways. Additions completed last month included an hotel, covered driveway, entrance and foyer with shops, including a clothing boutique, hairdresser and kiosk. There was 30% more casino space, 830 slot machines, panelled salon, privé with sea view, bar and cashier; another casino, restaurant and bar, covered parking for 100 cars and a tropical water garden.

Rosevear says: "The new casino is a break from tradition. In place of the usual dark interior there is an airy, well-lit room, full of bright colours. The focal point is a circular area under a dome in which a tropical island fantasy village is being created. This area of thatched-roofed huts will offer video arcade games and electronic fun fair games."

He adds that all of this will increase the capacity of the Wild Coast Sun which already has more than a million visitors annually. But it's the Tahitian theme that makes the Wild Coast Sun so different.

Changing the Wild Coast theme... tropical theme.
Stacking the deck

Get out of the way, the Gambling Amendment Bill is coming through. Political reforms? Economic reforms? They may just have to wait. We're shocked to find out that gambling's going on (and not where it's supposed to). Something must be done.

Parliament's multiparty standing committee on justice was to meet late this week behind closed doors in Pretoria to discuss the Bill. If it's passed at the special parliamentary session that begins October 12, the upstart casinos' Indian summer will be over.

But, while government is acting with uncharacteristic haste, the industry's players are hampering their cause with a spate of disjointed efforts to build a case for gaming in SA. All the players have called for gaming to be officially sanctioned, but all have different ideas on how this should be done and who should be allowed to operate casinos. These ideas, of course, coincide with each player's special interest.

Sun International, desperate to preserve its casino monopoly in the homelands, has come out openly in support of the Bill. Then there is Karos Hotels, which last week produced a detailed document on its vision of gaming in the country.

But the newly formed Gaming Association of SA, which is acting for the upstart mini-casinos that have sprung up in the suburbs, takes a different view.

Sun International CEO Ken Rosewar says the group has no problem with allowing
gaming in SA proper but argues that it should be stringently controlled and tied to development of tourism and the economy.

Sun International has been hurt by the casino explosion — around 500 have popped up outside the homelands — and recently the company said casino staff who left the group to work in the new casinos may not be re-employed by Sun.

Sun wants a highly specialised body formed to look at gaming in SA and decide who will be able to participate. It believes that controls are needed to prevent criminal activity such as money laundering. "Government should close down these casinos and have a commission of inquiry to decide whether people want casinos and where they should be," Rosewar says.

He believes that licences should be awarded selectively to people who will invest in tourism. "Neither the country nor the people are benefiting at the moment — the only people who are, are the mini-casino operators." This doesn't include the 10 000-15 000 people who work in the new casinos.

Karos Hotels chairman Selwyn Hurwitz says it is hypocritical of government to allow horse racing, lotteries and scratchcards that benefit the provinces or charities, while saying that casino gaming is morally wrong. "I say tax us — government can make hundreds of millions of rand taxing casinos."

He believes gaming should target the quality tourist and be allowed in four- and five-star hotels only — which he has.

Keeping casinos in the hotels, he adds, would ensure the industry remained reputable, crime-free and socially responsible. Only hotel residents or club members would be able to use gambling facilities and the fact that it was an hotel operation backed by substantial investment would mean gambling debts would be honoured.

Hurwitz denies he wants to join the Sun International club. "I'm not looking for a duopoly — of the 32 four- and five-star hotels that would qualify, we own only four."

He also believes that no special boards need be appointed to regulate gambling because the hotel board would be able to monitor the industry. Rosewar replies: "This is an absolute joke; the hotel board can't even agree on hotel grading."

Gaming Association of SA joint chairman Grant Kaplan believes that the industry does need to be strictly controlled, preferably by a special board. "Regulate the bad guys out. If a potential casino operator does not have sufficient financial and personal standing, then he doesn't get a licence."

Government's haste has also generated heat from within its own ranks. Veteran NP MP Sukkie Louw, who believes that government is forfeiting millions of rand in tax revenue, has come out strongly in support of legalised gambling in SA.

Louw, however, says casinos should be allowed to operate only under the conditions proposed by Hurwitz, though poker, blackjack and slot machines should be allowed in what he calls smart restaurants.

If the Bill is passed, Louw says he will support it despite his feelings on the issue. But he is concerned at government's hastiness. "Why the speed? I'm worried."
**TIME HOLDINGS**

**Seeking an agreement**

A major construction group is set to take an indirect stake of about 33% in TimeLife Insurance, a fast-growing life office and financial services company controlled by Time Holdings. An official announcement is expected within a fortnight.

Restructuring and unbundling of Time Holdings was forecast in the FM (Companies September 18). Through a deal which probably includes a rights issue of the unlisted TimeLife shares to Time Holdings’ shareholders, the holding company expects to raise R20m-R25m by year-end.

Market talk is that Concor or LTA, both construction groups sitting on cash, might be among those wooing TimeLife; the former, in particular, ‘seems interested’ in diversifying further. For Time Holdings, which has property interests extending to Botswana, it means a link with a large construction group, as well as the freeing of cash through the sale of part of the life office.

TimeLife is 66%-owned by Time Holdings and 29% by its MD Bill Haslam, with the balance spread among business associates. Time Holdings needs the money after taking severe knocks in its low-cost housing division, now sold to management.

Time Holdings has 3.5m TimeLife shares, which the market accords an embedded value of about R2,800 each. Net effect of the issue could be a cash injection, after issue costs, of about R9.4m to Time Holdings.

TimeLife has inevitably experienced new business strain, so stronger backing will be needed to consolidate the capital base and allow further expansion. Its expense ratio is around 22%, too high to be sustained but a figure that reflects the amount of broker-driven business written in the past two years.

A rights issue by TimeLife would probably not be the end of the restructuring. One view is that there could be a new major investor — perhaps taking as much as 50% — in the unlisted holding company, Timecon, which has 51% of Time Holdings. Timecon is controlled by Time Holdings chairman Colin Hibbert and family trusts. **Byron Forrest**
A novel approach offered to timeshare

PRESENT economic conditions are contributing to the growing demand for timeshare accommodation as conventional holidays move further out of the reach of the man-in-the-street, industry players say.

This has created an additional niche in the market for an alternative system offered by Cape Town-based newcomer Rentals.

The group, which launched an aggressive national marketing campaign a few months ago, claims to have adopted a novel approach to conventional timeshare sales and service operations.

Reasonable

"We have done away with exorbitant commissions and charge a reasonable fee for each of the services we offer, whether this is buying, selling, renting or subletting holiday accommodation," says MD Christel Costzee.

Part of the Renoir Group, the new one-stop-resale organisation has become a prominent player in the highly competitive timeshare market and has already established a local and international client portfolio.

"Careful market research indicated there was a need for a resale organisation in the timeshare market and the response to this has supported these findings," she says.

Rentals offers timeshare owners and prospective owners a wide portfolio of services under one roof.

It has also established a strong levy subsidy fund and has secured low-interest backing from leading financial institutions.
All's not lost! Sol's dream of a city will be open on time

AT SUN-UP today the arid hills of the Pilanesberg reverberated to the crack of jackhammers, the drone of heavy-duty压缩and the boom of nearby 5,000 voices.

Construction workers at Sol Kerzner's new hotel and water-world project were on site while most people were still in bed — and they'll be there well into the night.

The two-year project is in the final straight, and the race is on to complete the R900-million Lost City in time for its official opening on December 1.

It is one of the biggest structures of its kind in the world, and the pace on the hill above Sun City is frenzied.

Every worker knows that exactly six weeks from now, on November 15, the first paying guests will occupy their rooms in the monumental hotel Sol Kerzner has vowed will be among the world's 10 best.

Outside, the Palace, builders on motorbikes and carrying walkie-talkies roar through a dustbowl that will — come December, be a water park with underground slides and rapid rides comparable with those offered at Euro-Disney and Disney World.

Trucks rumble between newly planted bababab, rain and dry forests, to which landscape gardeners add 30,000 indigenous and exotic plants each week.

Electricians put the finishing touches to a resort which will use as much electricity as a town the size of Hermannus and a water park that will consume 35-million litres of water.

In the hotel lobby — which is not dissimilar to St Peter's in Rome, with a 35m-high dome handpainted by artists looking on their backs — public relations officer Lesley Moore-Williams darts breathlessly among platoons of men in shorts and veils along with groups of foreign tour operators inspecting Southern Africa's newest tourist attraction.

Reservation are pouring in and some dates are booked out three months ahead.

Among early celebrity visitors were Miss France, Linda Hardy, and Miss Spain, Sofia Mazzagatos, who will return next month to prepare for the Miss World contest on December 12.

Sun City Resorts chief operating officer Jerry Inzerilla is revealing none of the names on the guest list for the grand opening, but rumour has it that former US President Ronald Reagan and his wife, Nancy, will be among those watching the spectacular fireworks and laser show played by French composer Jean Michel Jarre, while top model Jerry Hall and actors Billy Dee Williams and Deborah Shelton are excited to take part in the Miss World contest, which will be televised live on M-Net.

On-the-job training of the 1,100 hotel employees is already under way, and their enthusiasm is contagious.

"We eat, breathe and sleep the Palace," said Crystal Court manager Kai Smit, sliding across the marble floor of a restaurant lit by a magnificent brass and crystal chandelier, in which guests will sit on an island surrounded by a river and be entertained by a string quartet.

Down in the Elephant Wing the catering staff — those who were not dispatched to refine their culinary skills at the Villa D'Este at Lake Como in Italy — sitend lectures while workmen hammer overhead, putting the final touches to moulded columns more than eight metres high.

Meanwhile, Italian chefs imported to run the hotel's floating restaurant, Villa del Palazzo, sit beneath the life-size statue of Shawu the Elephant, co-ordinating the flights that will bring in fresh produce every day.

The 333 rooms will cost R610 a night for the standard, twin-bed version, and R1000 more for the deluxe.

The 16 suites start at R880 and run to R10 000 nightly for the 400-square-metre King Suite.

It's the size of a house and offers a library, butler's pantry, sauna and spa bath, two bedrooms, a living room, guest powder room, two outside telephone lines and its own palm-leaf-covered gazebo.

Menu range in price and style from the Villa del Palazzo where a dinner for two could cost R580 to Leonardo's in the revamped Entertainment Centre where a potato and mushroom pizza costs R18.

Access to the water park will be free for hotel guests. Day trippers — the park can hold up to 5,000 people — will pay R15 for children and R35 for adults. The price includes all rides, access to the wave pool and beach where surfers can challenge two metre high waves, walks through the forests and access to the Elephant Wing of The Palace.

Both day trippers and guests will benefit from the special effects created by artists imported from Hollywood, and which would make even Indiana Jones feel at home.

Most dramatic will be a nightly subterranean "volcanic eruption" when the carved stone bridge leading from the entertainment centre to the water park will rumble and shake, the eyes of a stone leopard sitting high above the bridge will flash and steam will gush from between the rocks nearby.

Report:
DAWN BARKHUIZEN
Picture:
ANDY KATZ
Munching through recession

SPUR. Steak's business has made a meal of the recession, lifting turnover by half to R13 million in the six-months to August.

"South Africans love eating out, in and out of recession," says chairman Allen Ambor.

Mr Ambor says the only way to out-trade competitors is by offering consistently high quality.

Menu prices have increased only once — by 10% — in the past 18 months and economies of scale have helped to keep costs under control.

There are 119 Spur's around the country and the highest growth potential lies in greater Johannesburg, where the group has only 14 restaurants.

Mr Ambor says landlords are approaching Spur to become tenants because the outlets are strong traders and pull in customers.

Spur earned R7.5 a share 46% above the interim last year and paid 11.5c in dividend.

The share price added 3c to a high of 408c this week, 12.5 times historic earnings.
Sol Kerzner, small casinos wage war of words on Act

By JOCELYN MAKER, GLENDA NEVILL and DIANA STREAK

STAMP out small-time casino operators: That's the message from boxing heavyweight Mr Sol Kerzner, who said this week that the loophole in the law that allowed "corner cafe casinos" to operate was a disgrace.

But the chairman of the Gaming Association, Mr Grant Kaplan, which represents about 500 small casinos countrywide, is adamantly that the industry should be allowed to flourish with certain stringent regulations.

Millions of rand would be lost, if legislation went through parliament this month to stop the small-time operators, of which there were more than 500 who employed more than 60,000 people, he said.

Sun International has been hardest hit by a sharp decrease in business from the Cape area as a result of the ever-increasing number of casinos opening in the region.

As more and more gamblers prefer to stay home and gamble at local casinos, the company is losing out on gambling revenue and no money that would have been spent on accommodation and other entertainment at its various Southland resorts.

Outrage

Mr Gary van der Merwe, manager of the Highhead Manor casino in Sea Point, accused the government of having "double standards" towards gambling.

Horse-racing and scratch cards were both forms of "hard gambling", he said.

He rejected the convening of parliament's joint standing committee on justice - which is to consider the controversial issue this week - as a "sham" or a "ruse" to appear to do something before Parliament this month, because of opposition to it within the party.

Meanwhile casino owners are outraged by Mr Kerzner's derogatory comments about small operators. Cape Town casino owners say they run "clean" operations and would welcome legislation to control the industry. At present no licences are needed by casinos.

The new casinos outside the homelands should not be banned and that Sun International had "written its own Gambling Act". The company employed 90 percent foreign staff who took their earnings home whereas local casinos employed South African workers, previously without jobs, thus contributing to the local economy.

"Mr David Block, who was casino manager at Sun City for eight years and now owns a casino in Sea Point, said Mr Kerzner, appeared to be "above the law".

Exclusive

Mr Block said Sun International's table turnover had dropped by 45 percent this year "because people don't want to travel", especially from Cape Town which is far from the major gambling establishments.

He said nothing was ever done about the bribery charges against Mr Kerzner in Transkei and the subsequent extradition request to the SA government.

"He paid a million to Matatangwa for exclusive casino rights. He just doesn't want competition." Major General Bantu Holomisa said his government would not "write off" the charges against Mr Kerzner in Transkei and he was still waiting for the SA government to respond to requests for his extradition.

Mr Kerzner denied allegations by "illegal" operators, that he was behind State President FW de Klerk's declaration to disallow hard gambling in South Africa.

He also denied pumping millions of rand into the National Party in an attempt to prevent hard gambling.

"This is utter hogwash. I agree that changes to the Gambling Act should be made. The current situation and the loophole in the law is an absolute disgrace."

Mr Robert van der Merwe, director of Casino Royale International, one of the biggest gaming concerns with clubs in Cape Town and other major cities, said more than 1,500 people would be jobless if it was forced to close.

"There is no doubt that Sun International and Sol Kerzner are backing the government to stamp us out. Casinos should be given licences and monitored to the standard that the government requires," he said.
Kerzner opposed to legal gambling in SA

Sun International head Sol Kerzner came out last night against legalising gambling in South Africa and insisted it had to be developed as a tourist industry.

Speaking in a panel discussion on TV1’s “Agenda”, Mr Kerzner said gambling establishments should be properly organised and controlled to attract tourists and create job opportunities.

“Organised gambling is the only way to achieve this,” he said.

“We, as a group, object to a few entrepreneurs opening up gambling schools. It has happened that gambling clubs have been taken over by criminals.”

Gaming Association of SA president Grant Kaplan said he believed gambling should be opened up to entrepreneurs on a controlled basis. It was legal in the United States.

He said many thousands of South Africans regularly spent large amounts of money on gambling in neighbouring countries, when they could do so at properly supervised schools in their own country.

The Rev Demetrius Palos of the Methodist Church said gambling was a compulsive habit like drinking.

There was need of regulations against gambling.

He said should TBVC states be reincorporated into South Africa, there would be a need to control gambling. — Sapa.
Spur boosts earnings 45 pc

Spur Steak Ranches has trebled turnover in the past three years, and announced an increase of 59 percent to R13 million in the six months to August.

Interim earnings were up 45 percent to 17,67c (12,53c) a share and an interim dividend of 11,5c is being paid.

Chairman Allen Ambor and group managing director Gerd Topat say Spur is well positioned to take advantage of cycles in the economy.

"In leaner times, customers rely on the basic, value-for-money items, and on the upsing we sell more luxury items such as larger steaks, hors d'oeuvres and desserts," Mr Ambor says.

Spur Holdings, which has a 64 percent holding in Spur Steak Ranches, reports a 51 percent growth in attributable income.

It is paying an interim dividend of 8,5c (6,5c).
"resounding success"
By Sven Lünsche

Sun International Bophuthatswana plans further capital expenditure of R400 million in the year to end-June 1993, chairman Sol Kerzner says in the group’s latest annual report.

The bulk of the money — R270 million — will be spent on the completion of the Lost City project and the balance on improving the facilities at the established resorts.

In the 12 months to end-June this year Sunbop spent R600 million on Lost City and The Carousel.

The original R1 billion budget for the year was revised to R1.15 billion.

Since its opening in November The Carousel had proved a "resounding success", attracting more than 11 000 visitors a day.

Mr Kerzner forecast that the expected boost in visitors to both The Carousel and Lost City will offset the impact of the poor economic conditions and allow Sunbop at least to maintain earnings for 1992-93.

In the past financial year the group lifted earnings by 13 percent to R216 million on a 30 percent rise in turnover to just over R1 billion.

Sunbop operated at an occupancy rate of 73 percent, compared with the 52 percent average for other South African hotels, Mr Kerzner says."
Kerzner urges govt to speed up gaming laws

Marcia Klein

SUN International (Bophuthatswana) chairman Sol Kerzner has called on the authorities to give highest priority to the introduction of new gaming legislation.

In his 1992 annual review, Kerzner said the group's business had been seriously harmed by the proliferation of unregulated gambling operations.

In the year to end-June, attributable earnings rose 15% to R216m on a 33% turnover rise to R1bn.

Kerzner said inadequate and poorly drafted legislation had seen prosecution by police fail in the courts. This had led to the opening of many more operations in the past six months.

Sun Bop did not fear competition, but was "strongly opposed to an environment in which gaming is uncontrolled".

The situation was not conducive to the development of tourism.

Kerzner said gaming was one of the world's most strictly controlled industries "to guard against infiltration by undesirable elements". Historically, the industry was a target for organised crime.

Despite the effect of unregulated gaming operations, the opening of the Carousel Entertainment World in November had helped boost turnover.

The Carousel, which had attracted 11 000 visitors a day since opening, had affected revenues at the Mongala Sun and, to a lesser extent, Sun City, resulting in a contraction of profit margins.

The group operated at an average room occupancy of 73%, down from 77% in the previous year.

During the year the R1bn capital budget for the Lost City and Carousel projects was increased by R150m "to cover cost escalations and increase the scope of the Lost City".

The offer of shares in lieu of a dividend and a rights issue raised R300m.

Capex for the year totalled R842m, of which about R600m was spent on the Carousel and Lost City.

During the coming year, Sun Bop would spend R400m, about R270m of it on Lost City and the rest on improving facilities, including refurbishing Sun City Hotel and its casino.

Kerzner said earnings for the coming year should at least approximate those of the past year.

Sun International Ciskel (Sun Ciskel) chairman Ken Rosewarne said in his annual review that the first weeks of the current year reflected no improvement in adverse trading conditions.

Sun Ciskel's earnings rose 2% to R26m in the year to end-June as a result of pressure on consumer spending, unregulated gaming operations and big wage increases. Its average occupancy was 4% down at 83%.

Hotel revenues improved slightly, but operating margins fell. Gaming operations showed satisfactory growth in revenues and operating profits, and this more than offset the decline in hotel profitability.
‘Value for money’ keeps Spur ahead in lean times

CAPE TOWN — The Spur Steak Ranches group of franchised restaurants maintained its excellent track record by notching up a 45% increase in earnings a share on a 52% rise in turnover in the six months to end-August.

This was in spite of the deep recession which knocked many other companies.

Earnings rose to 17.87c (12.33c) and a 35% higher dividend of 11.5c (8.5c) was declared.

Chairman Allen Ambor said market share was gained at the expense of competitors in the same category of restaurants and also at the expense of higher-priced restaurants as diners looked for lower priced fare.

“In leaner times customers rely on the basic, value-for-money items on the menu and in the upswing we sell more luxury items such as larger steaks, hors d’oeuvres and desserts,” Ambor said.

The group, which consists of the 110-restaurant Spur, Panarottis (4) and Hard Rock (7) chains, had also benefited from goodwill built up over 24 years, from promotions and from introduction of new dishes.

Pre-tax income of R8.4m (R3.7m) showed an increase of 46% on a turnover rise of 52% to R15m (R9.6m) as margins slipped to 41.7% (43%).

However, maintaining margins at such a high level in a situation of escalating food inflation was an achievement, especially as there had only been one menu price increase in the past 18 months, Ambor said.

He said the franchising system brought with it economies of scale which enabled the chain to control price increases.

The second half of the year — traditionally the better half — was expected to maintain the momentum of profit growth.

Spur has 14 restaurants in greater Johannesburg, which would be the major area of expansion in future, Ambor said.

The group planned to open 12 new restaurants this year.

“We follow a conservative expansion policy and don’t like to grow for growth’s sake only. These days we are in the good position that landlords come to us first because they know we are strong traders who can pull customers.”

Two new Panarottis had been opened during the six months.

Spur Holdings, which has a 64% stake in Spur Steak Ranches, produced a 20% growth in earnings a share and declared a dividend of 8.5c (6.5c).
Gambling may have gained a reprieve

By Peter Fabricius
Political Correspondent

EAST LONDON — Gambling in South Africa appears to have been given another reprieve.

It is understood the issue of whether or not gambling should be legalised is to be referred to a judicial commission.

Parliament’s joint standing committee on justice met yesterday to finalise the processing of the Gambling Amendment Bill which would have effectively outlawed the casino industry.

Although members of the committee have been sworn to silence about their decisions, it is understood gambling would not be summarily axed after the short session of Parliament as expected.

It was not clear last night exactly what had been decided but it was expected that a compromise deal would be announced today.

Although the gambling Bill in some form is still expected to be passed next week, it is believed there may be a moratorium on prosecutions against casinos pending a decision by the Howard Commission of Inquiry.

It now seems as though the Government has heeded the widespread advice that it should allow gambling, but only under strictly controlled conditions.
Threatened casinos get a reprieve

By Peter Fabricius
Political Correspondent

EAST LONDON — The threatened casino industry is to be given a temporary reprieve while a judicial commission decides whether or not hard gambling should be legalised in South Africa.

This was announced at the National Party Cape congress in East London yesterday by Ray Ratcliffe, chairman of Parliament’s Joint Committee on Justice.

After months of wrangling, the committee decided on Monday that the Gambling Amendment Bill, which will outlaw hard gambling, would be submitted to Parliament next week.

If passed, which is now almost certain, the Bill will impose an immediate ban on all hard gambling retrospectively to October 1, this year.

But in a moratorium provision agreed upon this week, no prosecutions against gambling will take place until February 1 next year.

The moratorium will only apply to gambling operations begun on or before October 1 this year.

Meanwhile the Howard Judicial Commission, which is already investigating charitable lotteries, will have its terms of reference expanded to decide whether hard gambling should be allowed in South Africa.

Justice Minister Kobie Coetsee told the Cape NP congress yesterday that the main purpose of extending the commission’s terms of reference was for it to consider whether gambling should continue to be allowed in the TBVC states, if they were reincorporated into South Africa.
**COMPANIES**

**Kersaf turnover breaks through R2bn barrier**

**Marcia Klein**

MAJOR new developments, notably the Lost City and Carousel projects, should enable leisure group Kersaf to achieve "acceptable earnings" in financial 1993, executive chairman Buddy Hawton says in the annual review.

Kersaf, whose major interests include Sun International, Interleisure and Douglas Green Bellingham, reported a 18% rise in attributable earnings to R161,4m in the year to end-June as turnover exceeded R2bn for the first time in the group's history.

Kersaf spent about R330m in the year, and would spend a further amount of more than R550m.

Funding of capex in the year ahead would "necessitate an increase of approximately R150m in external borrowings", Hawton said. These borrowings should not materially change the gearing structure of the group, and gearing should not approach the self-imposed 60% limit.

Sun International reported a 22% rise in revenues and an earnings increase of 12%. Room occupancies of 63% were 5% lower than the previous year.

Offshore division Royale Resorts, which has direct holdings in three Mauritius resorts and one offshore casino, as well as indirect investments in several offshore casino operations, showed a 42% increase in earnings off a lower base.

Hawton said in line with the objective that offshore earnings should show satisfactory long-term growth, Royale had reached agreement to acquire a 56% stake in Sol Kerzner's World Leisure Group, which held management contracts for offshore casinos.

Leisure and entertainment group Interleisure's earnings declined by 6% to R353m. It would spend R66m in the coming year, mainly in Ster-Kinekor.

Douglas Green Bellingham, in which Kersaf has a 56% stake, had a disappointing year with revenues down by 15%.

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**Trenchor cautious in forecasts**

TRENCHOR would be more than satisfied if earnings were maintained in the current financial year, chairman Neil Jewell said in his latest annual review.

However, he was unable to make a meaningful forecast because of uncertain trading conditions.

Domestic trading conditions were unlikely to improve this year, and the group's container exports were also facing difficult markets which were unlikely to improve in the short term, Jewell said.

On the other hand, Trenchor's overseas operations were operating toward a modest improvement in profits.

The rand/dollar exchange rate had had a significant effect on both the export and overseas operations and trends over the next 12 months were difficult to predict, he said.

Trenchor's overseas and export operations, which contributed 36% of the group's earnings, were being maintained at the current level.

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**Murray & Roberts optimistic about Africa**

ENGINEERING, construction and supply materials group Murray & Roberts says it sees reasonable prospects for new business in Zambia, Kenya, Ghana and Zaire which indicated "reasonable prospects for future business", he said. A recent school construction project in Angola's Cabinda province had gone well so that more work there was anticipated.

Ratcliffe declined to specify the projects the firm had lined up in other African countries. He reiterated that trading conditions in the current financial year to end-June 1993 would be as tough as in the past year, when moderate improvement in the division's contribution was forecast.

The group's tyre operations Tycoon and Trenchor were expected to generate a good performance in the future, but structural changes in the industry would critically affect their ability to improve results this year.

Profit margins and competition in the group's trailer manufacturing markets with volumes down to levels of 20 years ago were such that returns were below economically sustainable levels.

The container manufacturing market had become so competitive that dollar prices had declined.

In addition, inflationary costs in SA were eroding manufacturing margins because selling prices were set in foreign currencies which were not depreciating in line with inflation rate differentials, said Jewell.

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**Trenchor cautious in forecasts**

Trenchor's R130m attributable income in the 1992 financial year to end-June compared with R116m in 1991, comprised the export of containers and trailers and their components built by Heenan Truehan.

The international container market had continued to soften.

The main pressure on margins had been the creation of new manufacturing capacity in countries where exports were growing strongly.

Trenchor's transport division continued to operate in depressed markets. Competition had intensified and Jewell believed many transport operators were not achieving returns that would keep them economically viable in the long term.

The express business Crosscape would take longer than projected to reach profitability, but overall, a

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**Commissions paid to Africa**

Murray & Roberts indicated that share earnings dipped to R680 (R600 previously) after an increase in shares in issue to fund acquisitions.

"It will be a struggle to maintain earnings over the year ahead, but we are positive about growth prospects over the next three years to enable us to maintain dividends."

Total budgeted capex for the next three years was R2bn, which would be financed comfortably from operating cash flows, he said. — Reuters.
Timeshare cleans up its act

By Frank Iann

In a major drive to clean up the industry and afford buyers more protection, the Timeshare Industry Association (TIA) has announced major changes as of September 1.

The new measure was put in place after a four-month period that saw the industry come under scrutiny and criticism for its practices. The Timeshare Act of 1982, which bears the signature of the late President Ronald Reagan, has long been the subject of controversy and criticism for its lack of consumer protection.

Under the new act, buyers will be required to receive a more detailed disclosure of the terms of their contract, including information on the down payment, the amount of the initial fee, and the total cost of the timeshare. The act also provides for the creation of a Timeshare Standards Council, which will oversee the implementation of the new rules. The council will be made up of representatives from the industry, consumer groups, and government agencies.

The new act is a significant step forward for consumer protection in the timeshare industry, and it is hoped that it will help to restore confidence in the industry and improve the reputation of timeshare resorts.

Protection

The new act includes a range of provisions to protect buyers of timeshares. These include a requirement for the disclosure of all conditions and restrictions associated with the purchase of a timeshare, a prohibition on the sale of timeshares to consumers under the age of 18, and a ban on the sale of timeshares without a written agreement.

The act also includes provisions to protect the interests of timeshare owners, including a requirement for the disclosure of all conditions and restrictions associated with the sale of a timeshare, a prohibition on the sale of timeshares without a written agreement, and a ban on the sale of timeshares without the consent of the owner.

The act also includes provisions to protect the interests of timeshare developers, including a requirement for the disclosure of all conditions and restrictions associated with the development of a timeshare, a prohibition on the sale of timeshares without a written agreement, and a ban on the sale of timeshares without the consent of the developer.

The act is a significant step forward for the timeshare industry, and it is hoped that it will help to restore confidence in the industry and improve the reputation of timeshare resorts.
Rhône-Poulenc faces police probe

FRENCH pharmaceuticals giant Rhône-Poulenc, already under threat of possible civil suits following a blaze at its warehouse north of Johannesburg, now faces a police probe, the Midrand Town Council announced on Wednesday.

In a letter to residents, the council said it would ask police to investigate the fire on September 19 in conjunction with the National Health Department, which issued the licence for Rhône-Poulenc to store chemicals.

Midrand town secretary Tom Pieters said the police and the department should make committee party involved in the "disaster" had complied with the regulations.

The council has complained that Rhône-Poulenc did not warn its fire brigade about the chemicals on site until about two-and-a-half hours after fire crews arrived, and did not make a full disclosure until six days later.

Eighteen firemen were taken to hospital suffering from nausea, vomiting, skin irritation and diarrhoea, and six were found to have non-lethal amounts of organo-phosphates in their blood.

On Monday, Rhône-Poulenc appointed the Atomic Energy Corporation to conduct soil and air tests and put together a dispersion model to see where a cloud formed during the fire might have deposited tox- ins. The scientists were looking for dioxins, which may have been formed when phenol-related products in the warehouse burned, said warehouse general manager Simon Grimbbeek.

Grimbeek said the samples may be sent to the US for analysis. Results would take at least three weeks to come back. An independent search for dioxins by a Pretoria company, based on samples around the site, is expected to yield results earlier.

Tests for organo-phosphate, benzene and other chemical poisoning carried out on Rhône-Poulenc's 49 workers and some 27 people in neighbouring offices, have come back negative.

The council has advised the nearby offices to have their air conditioning systems cleaned out. — Sapa-APP.

Code of conduct approved for the timeshare industry

THE Harmful Business Practices Committee had approved a code of conduct for the timeshare industry, said committee chairman Prof Louise Tager.

The code of conduct, "noted" by the Timeshare Institute of SA and would allow the industry to regulate itself.

Tager added that a newly established industry watchdog, the Timeshare Standards Council would administer the code of conduct, and could turn to the committee for enforcement against unscrupulous timeshare operators.

Retired Judge Cecil Margo would act as industry ombudsman and head the council. The code would apply to all timeshare companies and developers to ensure that consumers were protected.

Resort Condominiums International MD Steve Griesel said the formation of the council was only part of a "breadth initiative by the institute to clean up the industry's image, and boost slowing sales."

Speaking at the launch of the Timeshare 2000 initiative yesterday, Griesel said the customer would benefit directly from a range of innovative programmes which would come into effect on November 1 this year.

One innovation was the introduction of a mandatory five-day "cooling-off" guarantee, which came with pressure-selling tactics by salesmen.

"The cooling-off period gives purchasers the option of cancelling agreements within five days, should they feel they have been pressured into buying, "This is one of the most significant changes as salesmen are going to have to become far more creative in their selling methods, " he said.

Among other things the institute would offer a 15-year warranty to provide holidays to timeshare buyers whose resort had been liquidated, or who had lost their occupation rights, Griesel said.


"The far-reaching changes will ensure the continued growth of this vital part of the tourism infrastructure, while at the same time eliminating undesirable practices."
It was dark in the restaurant and past midnight. The launch party for the first Spur was over. All the guests, mostly family and friends, had gone. And Allen Ambor sat contemplating whether his new venture would work. That was 25 years ago this month.

Since that opening of the Golden Spur in Newlands in the Cape, Spur Steak Ranches haveizzled their way into 119 new Spurs, seven Hard Rock Cafes and four outlets of a new franchise operation, Panarottis Pizza Pastas.

Ambor’s interest in restaurants began when he worked nights in a steakhouse as a waiter to finance his university education. After completing his BA an trying a frustrating job as an assistant to a personnel manager, he made up his mind to establish a steakhouse.

After many attempts to find suitable premises, the Newlands site was selected. Because Ambor could not afford an architect, the premises were designed with a draughtsman and the decor made by a friend who manufactured brass-plated lamp shades out of aluminium basins and old Koo peach tins with holes punched in them. He also made batiks for wall hangings. It was a shoe-string start.

Spur Steak Ranches was listed on the JSE in 1986. This week, it announced a 52% increase in turnover for the six months ended August 31. Attributable earnings grew by 45%; dividends by 35%.

Ambor appears to be much tougher than the tender steaks in which he specialises. He is known among his franchisees as a difficult customer. He knows he is demanding and proud of it: “When a franchisee becomes an owner of a Spur Steak Ranch, it’s like lending him my personal car to transport paying passengers. If he dents it he has to repair it. If he doesn’t take pride of ownership in his business, I’m going to take my car back. I don’t want passengers to think I maintain a crummy car,” he says.

Ambor seems genuinely reticent about the limelight and prefers to push Spur’s MD and his team. So, while he is proud of the way Spur has performed, he has more than his share of humility. He says: “I’d rather be anonymous. How else can the chairman walk into a Spur to check out the quality without being recognised?”

His spare time is spent at the cinema, on his bicycle or with his two children.
STOCKS AND LOUW PULL OUT

Pretoria-based Brian Stocks Properties (BSP) has sold all its interests in timeshare development and marketing company Southern Sun Timeshare (SSTS), Sage Property Holdings, which previously had a 25% stake in SSTS, has acquired Stocks's 25% to match its shareholding with third partner, Southern Sun Hotel Corporation. Negotiations apparently started in June.

BSP majority shareholder and chairman Brian Stocks, together with BSP joint shareholder and financial director Alan Louw, plan to look at other property opportunities. Stocks says he will continue, however, to serve on the seven SSTS shareholder boards around the country. These schemes, now over 96% sold out, are the Beacon Island Hotel, Unhlanga Sands, Sabi River Hotel and Country Club, Pine Lake Inn Timeshare, Cabana Beach Hotel, The Breakers and the Drakensberg Sun Hotel.

Stocks will have no further involvement with Nela's Lodge, which was reduced by SSTS late last year. He says the resort requires more development which will be undertaken by the Sage/Southern Sun partnership.

Stocks’s main reason for pulling out is that “in the short term, we have little further development opportunity and have successfully sold most of the projects.” Until the end of the month, Stocks and Louw will be transferring management control of SSTS from Pretoria to Johannesburg. Brian Stocks Properties, however, will remain in its Hatfield offices, though these are likely to be scaled down.
**Five days to cool down**

*Consumer research* shows that seven out of 10 approaches to sell timeshare fail. This has spurred the industry to act against what it believes are the real culprits — high-pressure sales tactics. And so — along with several other measures designed to overcome a persistently negative image — it is introducing a five-day, mandatory cooling-off period in which buyers can withdraw from sales.

This is the first time such a clause has been introduced into SA property-related sales activity — though 14 days of cooling-off are common in the UK and Europe. (Some SA timeshare companies have a voluntary cooling-off period.) It is also different from overseas measures in that it is a self-regulatory step, not imposed by government.

The initiative — driven by a 13-member body formally known as Timeshare 2 000 — raises the question of whether SA property salespeople in general should not follow suit. High-pressure sales tactics are not exclusive to timeshare. Estate Agents Board manager Andrew Harrison disagrees. He also denies that pressure is being brought to bear on the board by Business Practices Committee chairman Prof Louis Tager to introduce cooling-off in its own sphere.

Says Harrison: "Prof Tager has only mentioned the idea in passing. I believe cooling-off periods are fraught with difficulties — for example, they give potential buyers a chance to opt for another property."

Tager could not be reached for comment.

Timeshare 2 000 has appointed a sub-committee to find ways to save timeshare owners in weaker resorts in the event of failure.

Then there are guarantees. Timeshare Institute of SA, like Resorts Condominiums International, will now offer members a 15-year warranty of holidays in the event of resorts being liquidated and buyers losing occupancy rights. From November 21 1992, Tisa members — comprising 60% of the industry's 160 000 timeshare owners — will be offered similar guarantees over the initial 36-month period of their purchase.

The Code of Ethics — originally introduced by the institute — will apply to all members of the timeshare industry. It will be administered by a Timeshare Standards Council headed by Judge Cecil Margo, who will act as ombudsman. Members of the council will be drawn from independent organisations outside the industry.

Says new institute chairman Riona Cominelli: "The industry unanimously agreed at a recent meeting, which produced Timeshare 2 000, that the steady growth in sales over previous years, while welcome, was being unnaturally achieved by increasing amounts of pressure at point of sale and marketing methods. Drastic measures have become necessary to eliminate poor operators, practices and unsound projects."

According to Cominelli, sales in 1992 are 15% down on last year — largely because of the recession. They now average about 1 700 new sales per month.

The market is possibly approaching maturity — though as Cominelli points out, Disney only entered US timeshare once that market had been cleaned up.
That sinking feeling

Umfolozi Sands, the ill-fated Natal North Coast timeshare resort, faces closure within weeks unless it resolves its mounting debt crisis. About 300 timeshare owners at the resort attended a special meeting last week which was claimed to be the first AGM in two years. They were told their share block company owed more than R560 000 and might also be liable for a R1.2m mortgage raised this year.

Not present were the resort’s developer, Tilly Greenstein, or the man to whom she reportedly sold the bulk of her stake, British businessman Anthony Quayle (Property September 4). Organisers of the meeting say notices were pinned to the doors of their last known addresses.

It is estimated that an initial R350 000 is needed to overcome the immediate crisis and that it will take another five years to get everything shipshape.

Rioma Cominelli, chairman of the Time-share Institute of SA, and MD of timeshare operators H Lewis Trafalgar Timeshare, says the institute has kept abreast of developments at Umfolozi Sands and her company will be willing to offer its expertise to help ward off provisional liquidation.

The special general meeting was told that an application for the provisional liquidation of the shareblock company could be lodged with the Supreme Court in Durban next week. A committee of five directors headed by Umhlanga property valuer Bev Robinson has been elected to investigate ways of saving the resort.
Gambling operators to defy govt ban

MARCIA KLEIN

Small gambling operations would remain in business and would not wind down operations over the next three months, Gaming Association of SA (Gasa) joint chairman Grant Kaplan said yesterday.

Kaplan was reacting to Wednesday's announcement that hard gambling would be prohibited by Parliament within the next two weeks, but gaming operations already in existence on October 1 would have a three-month period of grace to wind down their affairs.

"By pushing through the Bill in its present form in the coming session, Parliament is pre-empting issues which in any event will be decided upon by the Howard Commission of Enquiry, which may well decide in due course that either some or all of such establishments now in existence will be entitled to continue trading permanently on some basis or another," Kaplan said.

The gaming operations would continue to operate until proposals were made by the Howard Commission, he said.

He believed the three-month period, which could be extended, was aimed at allowing the Howard Commission time to come up with its findings and not at giving the industry time to wind down.

Wednesday's announcement would spell the end for existing players, he said, but existing players would continue to trade as usual.

Sun International MD Ken Rosevear said he was disappointed with the decision, as it did nothing to resolve the issue.

The deal would further entrench the rights of the small operations for the period to February 1, he said.

If governmental had acted sooner, the gaming operations would not have proliferated to the extent they had and government would not be in the position it was in now.

"Yet again, the situation was not dealt with conclusively," he said.
**TIME HOLDINGS FM 9/10/92**

**Unusual refinancing plan**

Concor’s investment in Time Holdings seems to make sense for both parties. From the engineering and construction group’s standpoint, the investment means an association is established with a life insurer, similar in principle to Rapp & Maister’s connection with Liberty.

The deal should also position Concor strongly in Botswana as Time Holdings has a relatively significant infrastructure there through its construction operations. Activity there should increase as Time Life has recently been granted a Botswana life licence.

From Time’s viewpoint, Concor’s entry means the group will be recapitalised, which is important following the large loans it has taken on low-cost housing. The slide in Time Holdings’ share price meant it wasn’t feasible to recapitalise through a rights issue.

The position between Time’s construction arm, McCarthy, and Concor remains unclear. Time executive chairman Colin Hibbert declines to say whether the two will be merged.

The deal is complex. Concor will acquire a 50% stake in private company, Timecon, which holds 45% of Time Holdings. Hibbert, with his family trusts, will own the remaining half of Timecon.

As new Timecon shares will be issued to Concor at a cost of roughly R6,57m, and as Concor, with third parties, will subscribe for R11m worth of Timecon redeemable pref shares, Timecon will be significantly recapitalised.

Time Life, held 66% by Time Holdings, is then to be sold to Time Holding’s shareholders at R2,80 a share in a R9,4m deal, to be underwritten by the recapitalised Timecon.

This leg of the deal is unusual as holders of listed paper will be given the option to hold new paper, but in an unlisted company. Hibbert predicts Time Life will be listed around the end of 1995, provided market conditions are favourable.

Shareholders may choose to sell their rights rather than subscribe for shares in Time Life, but they should recognise that if they take the shares they will not be able to sell them through the JSE for several years. Hibbert says the unlisted paper will be traded informally, with an actuarial valuation undertaken annually to provide an indication of the share’s value. Hibbert is following his own rights in Time Life.

The niche assurer, which started operations in 1988 and is targeted mostly at the A and B income groups, should start paying a dividend only in fiscal 1994.

Meanwhile, there is a rather unfinished look about the new structure. When asked if there are further steps envisaged, Hibbert declined to comment.

William Olliffan
Amended Bill makes gambling really risky

By ARTHUR GOLDSTUCK

The government would like the courts to view gambling as a crime four times more dangerous to society than drunken and reckless driving.

This is one of the hidden messages behind the Gambling Amendment Bill, due to be debated in parliament shortly.

The maximum penalty for an illegal operator will be R200 000 or 10 years in jail, while anyone caught gambling can be sentenced to a maximum of R100 000 or five years in jail.

"This is right out of Jonathan Swift," Democratic Party (DP) justice spokesman Tony Leon said yesterday. "To be found guilty of drunken and reckless driving, the maximum fine is R24 000 or six years' imprisonment."

Leon is a member of the Parliamentary Joint Committee on Justice, which deliberated the Bill after it was passed to them by government. The committee accepted recommendations for an amendment that would allow a moratorium on "illegal" casinos until February 1. The amendment also freezes existing casinos at their October 1 levels, prohibiting any new casinos from that date. This would give existing casinos an opportunity to wind up their establishments by February 1 — although the amendment allows the minister of justice to extend the moratorium.

Perhaps more significantly, the DP persuaded the committee to accept its recommendation to empower the Howard Commission, set up to examine "soft" gambling like lotteries, to investigate "hard" gambling as well. If the commission recommends a change to the new law, the Gambling Act will have to be amended again.

Leon believed the absurdity of the penalties involved would undermine the legal process in gambling cases.

"We've legislated in such an absurd fashion, it's very unlikely anyone will land up in prison on a gambling charge," he says. "There is such a complete disparity with other crimes that I can't see such penalties being imposed. Mass murderers walk free in less time than that."

Suspicion of the Act being partly a government move to protect Sun International's gambling monopoly in the homelands is also confirmed by the Bill. It specifically provides for the continuation of gambling in the TBVC states.

Although Sun International spokesmen deny it, almost every recent financial report from its associate companies in the homelands has blamed the proliferation of "illegal" casinos for reduced profits.
City Lodge heads for JSE

City Lodge will offer 5-million shares and 5-million debentures to selected institutions, employees and business associates at 480c an ordinary share and 850c a debenture when it lists on November 18.

The listing, by way of private placement, will capitalise the group at just under R200m, placing it in the top third of JSE companies in terms of market capitalisation. Many financial institutions and pension funds have responded favourably to the new listing.

A City Lodge spokesman said at the weekend that Saalam, Old Mutual, Federated Life, Commercial Union, the Metal Industries' Pension Fund, Jecor Pension Fund and Syfrets were among those that would take up their allotments of ordinary shares. He said some wanted more stock than they had been offered.

City Lodge operates seven City Lodge Hotels and one Town Lodge in the economy segment hotel sector of the industry. Three more hotels, being built, at a total cost of R150m, are due to be completed this year.

The listing prospectus, published today, forecasts taxed profit for the year ending July 31, 1993 to be not less than R10.8m, representing earnings of 43.5c a share compared with, fully diluted, pro forma earnings of 33.5c a share in financial 1992.

A dividend of 3c a share based on 24.5-million shares was expected to be paid in
to Page 2

City Lodge

April 1993. Dividend cover would be maintained at 1.5 times. In 1992 a pro forma special dividend of 3.9c a share was declared which was not taken into account in the prospectus income statement.

The spokesman said City Lodge planned to develop two lodges a year in SA over the next five years. Tourism in the new SA was expected to provide not only higher room occupancy rates, but opportunities in the leisure accommodation field.

The Mine Officials' and Mine Employees' Pension Funds undertook to provide loans repayable over 20 years for the development of new hotels to a maximum of R58m, in addition to R10m as at July 31 1992.

On completion of the three hotels under development in Morninggide, Jan Smuts Airport and Victoria & Alfred Waterfront, about R43m would have been spent, leaving R13m for further development.

The full benefit of the three lodges would only be felt from the start of the 1994 financial year owing to expected low initial room occupancies and the impact of servicing debt during the initial period of build-up of occupancy levels.

From Page 1
ANC plan to liaise on tourism lauded

THE ANC’s plan to liaise with major tourist operators on the drafting of a comprehensive tourist policy has been welcomed by American Express Travel Services MD Rod Rutter.

He said in a statement yesterday that the move was a positive and reassuring step towards realising the tremendous potential of the travel and tourism industry.

“Our image has suffered several hard knocks recently. A peaceful, stable and democratic society is a prerequisite for attracting overseas visitors in significant numbers.” 13/10/92

Travel and tourism was the largest industry in the world in terms of employment, providing jobs for one in every 15 wage-earners. In SA, there were already about 370 000 people employed in the industry.

“Tourism Minister Org Marais has also unveiled valuable new initiatives in recent months. The active and positive involvement of politicians can only benefit the industry and the economy as a whole,” said Rutter.

A comprehensive strategy would be essential as SA fought back from its previous status of international pariah to win its rightful place as a leading international tourist destination.

“This cannot happen without the participation of political decision makers, so the ANC’s involvement is highly welcome,” Rutter said. — Sapa.
IDC grants loan to Natal Parks Board

THE Industrial Development Corporation (IDC) granted the first loan from its R100m eco-tourism fund this week to the Natal Parks Board, to be used for the upgrading of the Hluhluwe Game Reserve.

The R18m loan will be spent on the Hilltop Hatted Camp, to build facilities such as a restaurant and shop, and to upgrade the rondavels. 

IDC MD Carel van der Merwe said three other loan applications, for a total of R30m, had been approved. Another six were still being considered.

Of the approved eco-tourism loans, 33% were for the private sector and the rest for conservation authorities.

Our Durban correspondent reports that a new R7m road is to be built through the Corridor Game Reserve to link the Umfolozi and Hluhluwe game reserves.

The road will improve game viewing opportunities for visitors and ultimately lead to the establishment of accommodation facilities in the Corridor.

The 'combined' area, covering about 100 000ha and containing the world's largest concentration of rhino, will be known as the Hluhluwe/Umfolozi Game Reserve.
Changes to building societies tabled

LINDA ENSOR

CAPE TOWN — The Mutual Building Societies Amendment Bill, bringing mutual building societies into line with deposit-taking institutions in terms of minimum capital and reserve requirements, was tabled in Parliament yesterday.

The Bill empowers mutual building societies to issue permanent, irredeemable interest-bearing shares to drum up a hard core of capital.

This in turn will enable them to strengthen their capital bases to meet the new capital and reserve requirements.

The memorandum to the Bill, which would come before Parliament next year, said it had become imperative that mutual building societies be subjected to the same prudential requirements as deposit-taking institutions in the light of the greater freedom they had been granted by the adjustments made this year to their mandatory financial ratios.

Competitive

These new ratios made it necessary for mutual building societies to conform to a standard of risk management commensurate with the risk exposures that would be encountered as a result of the extension of their business.

New regulations came into effect on July 1 enabling mutual building societies to utilise their operating capital more profitably as the highly competitive financial services market.

The maximum ratio of operating capital that they were permitted to apply to business advances and general advances was increased from 30% to 40%.

ANC ‘will ignore FW’s demands’

CAPE TOWN — The ANC has chosen to ignore President F W de Klerk’s insistence that it must control its radical before joining the NP in a government of national unity, saying ‘we have heard it all before’.

Spokesman Gill Marcus said the ANC would not react to the President’s hardline pre-conditions, but sources in the ANC have already described them as unacceptable.

Marcus said the ANC’s reaction to De Klerk’s speech in Parliament on Monday still applied.

In that, the ANC said the President’s indulgence of his McCarthyite proclivities was as insignificant as it was puree. That he and members of his party still entertain the hope of squaring tension in the ANC by targeting members who are communists betrays a naivety that is laughable,” it said.

Sapa reports CP leader Andries Treurnicht called for De Klerk’s resignation and demanded government crack down on the ANC.

Govt forces gambling legislation through

CAPE TOWN — In spite of vigorous opposition, government yesterday forced its controversial anti-gambling legislation — which will outlaw “hard gambling” from February 1 — through Parliament.

Crucial to its success was the support of the ruling House of Delegates party, Solidarity, which had blocked the legislation in the standing committee before the end of this year’s parliamentary session on June 19.

The DP, with support from the Labour Party, argued vigorously that the legislation should have been suspended until the Howard commission completed its probe into gambling.

However, the NP, majorities in the House of Assembly and the Solidarity support in the HD gave government the numbers it needed to push through the legislation.

In terms of an amendment to the Gambling Amendment Bill, the legislation will only become applicable on February 1, Justice Minister Kobie Coetsee said that this was to give “illegal” casinos time to wind up their business.

However, there was still hope for at least some of the estimated 2,000 casinos that have sprung up this year. Coetsee confirmed yesterday that the Howard commission was to be expanded to include an urgent investigation into the desirability of permitting gambling in regions or areas where it was presently banned.

It is understood that areas or cities such as Cape Town, without easy access to a homeland casino, could be considered for an exemption.

Coetsee yesterday defended government’s actions, saying it had no other aim than to create order in the present chaotic hard-gambling situation.

The DP, mounted a scathing attack on the legislation during the debate, with Houghton MP Tony Leon saying it was a “plessiezwa”, “fitilis” and “kneek-jerk” measure which made a mockery of careful and considered law-making.

The CP supported the Bill as the party was “strongly opposed to gambling”, said Roodepoort MP Jurg Frinsloo.
Dickson believes City Lodge has enough capital to fund growth until about 1994. After that the market will probably be used to raise capital, if necessary.

Despite pressure on the hotel industry, the forecasts seem reasonable based on performance so far. Though working on tighter margins, Dickson says City Lodge has kept an 80% occupancy level this year, and expects it to fall only a few percentage points when the three new hotels are running next year. That compares with an industry norm of 48% for the first seven months of the year. Shane Harris

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CITY LODGE

Fairly priced issue

At 480c per ordinary share and 550c per debenture, City Lodge's placing price seems fair relative to the hotel sector. But the sagging market makes evaluation a bit tricky and, anyway, the price is largely academic, with the public excluded from a first bite of the share.

Life offices and big pension funds seem happy with the price. Financial director Bill Dickson says most of the 5m 11% unsecured compulsorily convertible subordinated debentures, as well as 5mords, have been placed. The listing is due on November 18.

The five-year profit history and forecasts look promising, and the listing is one of this year's more interesting. Dickson says the issue is a private placing because, at R51.5m, it was felt to be too small for a public offer.

City Lodge forecasts a 26% increase in attributable profit to R10.8m, and 25% increase in undiluted earnings to 43.5c. It expects to pay a dividend of 26c per share on dividend cover of 1.5. Undiluted NAV is 69c.

A forward yield of 5.4% is probably reasonable compared to the sector's average 2.2% and Sunbop's 4.8%. The p/e ratio, if forecasts are met, will be around 12 on diluted earnings and 11 undiluted. That's in line with Sunbop's 12.3 and Kersa's 12.9.

But comparisons are difficult because of the niche market City Lodge has carved out for itself. Since the first lodge was opened in 1985 others have appeared, but, the group claims, are not really in direct competition.

A big plus is the favourable financing arrangements, with a big daddy in the joint Mine Officials & Employees pension funds, which bankroll the company and provide soft loans for expansion — for which they have undertaken to provide another R88m.

The listing is, in part, a move away from dependence on the pension funds, but enough capital is in place for City Lodge to complete three more hotels this year, taking the chain to 11 hotels with 1 600 rooms.

Plans to build an additional two hotels a year for the next five years seem ambitious, and in the present state of the hotel industry optimistic, but Dickson says US experience shows there is room for growth.

"About 25% of the US hotel market is limited service. On that basis we think SA could support about 5 000 rooms," he says.

Another advantage is a high asset base, shown as R112.5m in the pro forma statement. The group owns all its buildings, and nine of its 11 sites, as well as other property.

This takes rentals, and possible escalations, out of operating profits. Interest should remain relatively stable, thanks to the low-interest mine pension fund loans.
Leisure Lodges — the resort arm of the Three Cities Management Group — has been given the go-ahead to develop the first phase of a R12m-R15m lodge on the southern shore of Sibaya Lake in Maputoland. Leisure Lodges will be responsible for all aspects of development from structuring the participating partners to the design, finance, construction and management of the project.

Three Cities Hotels chairman Russell Stevens points out that discussions with Thornybush Game Lodge (Property October 2) were in fact between Leisure Lodges — not Three Cities — and Thornybush. Three Cities generally deals only with CBD hotels while Leisure Lodges specialises in resort management.

The first phase of the yet-to-be named Sibaya Lake resort will have 24 double-bedroom, luxury suites, a restaurant and bar. An excursion boat will take guests to see crocodile, hippo and, particularly, abundant bird life.

Sibaya is a 75 km² lake behind the coastal dunes north of Scotts Bay in northern Zululand. Development on its southern shore will take place within a proposed 6 000 ha game reserve along the western side of the lake. The reserve will stock antelope and other game but not lion or elephant.

Stevens says guests will have access to neighbouring Natal Parks Board reserves to see the Big Five at Mkuzi, Hluhluwe and Umfolozi, as well as to Conservation Corp’s Phinda, with which Leisure Lodges has reciprocal visiting agreements. The lake is considered too sensitive ecologically to host elephant and walking trails would be hazardous among dangerous predators.

Leisure Lodges will lease land occupied by the lodge from the Mabaso Tribal Authority. Stevens says the group is assisting in the development of a cash-crop project that will employ Mabaso tribe members.

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The lake is under the control of the KwaZulu Bureau of Natural Resources. Both it and the KwaZulu Tourism Group have been hard at work to open Maputoland to tourism. Leisure Lodges is the first major project to be approved.

Rates per night will be competitive with top private game lodges.
James Howard, was appointed by parliament’s Standing Committee on Justice last month to look at “soft” gambling — lotteries and scratchcards — but its mandate now includes “hard,” casino-based gambling.

The other two people on the panel, who were all appointed by President FW de Klerk, are Mohale Mahanyele (53), executive chairman and CE of National Sorghum Breweries, and Proff Sybrand Strauss (62) of Unisa’s Criminal Procedural Law Department. Mahanyele is also a member of the State President’s Economic Advisory Council. Strauss was a founding member of Lawyers for Human Rights.

The commission, which meets for the first time in Durban next week, has called for written representations from interested parties to be submitted by the end of the month. When it will turn in a report is anyone’s guess. “I have no idea when we’ll be able to make any recommendations,” Judge Howard says.

But the industry now has a foot in the door and intends to keep it there. Gaming Association of SA chairman Grant Kaplan believes that “the situation will remain unchanged until the commission has decided on the issue.”

The four-month moratorium can be extended at the discretion of the Justice Minister, says Tony Leon, the Democratic Party’s spokesman on justice. Leon is hopeful that the issue will end with government allowing hard gaming in certain areas and under strict control.

The mini-casino operators have often made the point that when the independent homelands are reincorporated into SA, provision will have to be made for the huge casinos already existing there, and it seems unlikely that government will turn around and outlaw them.

Though small, the commission appears to have the support of the interested parties, in contrast with other government commissions. The Viljoen Task Group on Broadcasting, for one, was harshly criticised because it was headed by the chairman of the SABC and was loaded with members who would not — and did not — recommend a wholesale deregulation of broadcasting.

Leon says: “The (Howard) Commission is less of an inside job (than the Viljoen group).” He believes that the outcome of the inquiry will depend heavily on the quality of the submissions.

The moratorium has not been welcomed by everyone. “We’re disappointed: instead of answering questions, it’s left a lot of uncertainty,” says Ken Rosevear, CE of Sun International (SI), which operates the big casinos in the independent homelands.

While the official purpose of the moratorium is to give the mini-casino operators a breathing space to start winding down their operations and lay off staff, Rosevear believes they will “just hang in there.”

SI has been hurt by the casinos. Last week, the group retrenched about 1 000 workers across its eight Sun Bop units in
Row over beauty in belly of the beast

African National Congress members in Bophuthatswana are outraged over an apparent stand-off between the organisation's cultural desk and Sun International giving the green light for the multimillion rand event to be staged on December 12 as part of the opening celebrations for casino magnate Sol Kerzner's African-fantasy theme resort, The Lost City.

Also under fire is the ANC's international affairs head, Thabo Mbeki, who is accused of having developed a "cosy" relationship with Kerzner.

At issue is the ANC cultural desk's alleged failure to consult the organisation's members in the region, who are vehemently opposed to the political and economic mileage President Lucas Mangope's government will earn from the event — to be watched by 600-million television viewers in 60 countries.

The pageant coincides with renewed agitation around the homelands in the wake of Bisho, including proposals for an ANC march on Mmabatho.

This week the ANC's Mafikeng branch called on the ANC's Department of Arts and Culture (DAC) to schedule an urgent meeting with Sun International, aimed at eliminating from the event the presence of Mangope, his cabinet ministers and officials, as well as the Bop flag and anthem.

Failing this, they want the event moved to another venue outside the homeland — and have threatened to unleash an international campaign of protest if it goes ahead as planned.

"The DAC maintains that Sun City is part of South Africa — but the reality is that taxes earned from the Miss World pageant will pay for repression in Bophuthatswana," said Mafikeng ANC branch spokesman Roy Williams.

He said members were questioning the relationship which had sprung up between Kerzner and Mbeki. Kerzner, adroit in keeping both sides of his bread buttered in smoothing the way for his showbiz extravaganza, was photographed as a guest at Mbeki's birthday celebrations recently.

According to Williams, the Mafikeng newspaper, The Mail, recently announced that Miss Bop would be among the 80 Miss World title contenders, who include South Africa's Amy Kleynhans. A subsequent news report, however, stated that Miss Bop — to be chosen within a few weeks — would not be a contestant, but a hostess.

"Downgrading Miss Bop's role to that of hostess is no satisfaction to us at all," Williams said. "If the pageant is to be staged as a South African event then this must be explicit. There must be no Bop government role at all."

Mafikeng Anti-Repression Forum (Maref) chairman Andy Manson said negotiations between Sun International, the DAC, Maref and ANC structures in the region took place last year, with a view to drawing up terms under which entertainers could perform at Sun City and assist Bophuthatswana communities. "The next thing we heard was that this event was going ahead."

He said Maref wrote to the DAC and received a "woolly response". The issue was again raised with the ANC two months ago but nothing had been done.

Various organisations in Bophuthatswana have now formed committees to co-ordinate opposition to the pageant.

Group entertainments director for Sun International Ltd, Hazel Feldman, said yesterday: "I certainly don't see any necessity for a future. We have been working with the ANC, Pan Africanist Congress and Azanian Peoples' Organisation on fundamental criteria established years ago for ongoing consultation with regard to international performers at Sun City."

Feldman said Miss Bop would not compete in the pageant as "a country must be a license-holder. Licenses are issued by the Miss World office in London, based on specific criteria relating to United Nations' recognition of a country".

ANC spokesman Carl Nishaus was unavailable for comment yesterday.
Rich Arabs keen to buy SA holiday homes

DUBAI — Wealthy Arabs are keen to buy luxury holiday homes along SA’s coastline.

An exhibitor at the current SA and the Gulf show, Hivest International director Ara Manuellian, said yesterday Middle East businessmen had shown great interest in investing in commercial, retail, residential and tourist property in SA, as well as in new developments.

Other businessmen confirmed the growing interest in exclusive residential properties.

Manuellian said his company would organise a number of tour packages for potential investors. Three groups had already visited SA, he said, and he was surprised by the interest shown this week.

Manuellian said he was representing a leading SA company — which he declined to name — looking for Middle East investment in SA joint ventures.

Meanwhile, Deputy Trade and Industry Minister David Graaff yesterday urged Arab businessmen to join SA in forming an Indian Ocean trade bloc.

Graaff told a seminar here that geo-political shifts had left Africa and the Middle East outside the three major world trade groupings.

The development of a trade bloc encompassing SA, the African east coast, India and the Middle East should be considered a natural development which would benefit all the regions concerned. “We see Dubai as a natural window into the Middle East and I hope that you will see SA as a window into Africa,” he said.

Like Dubai, SA was also at the axis of major east/west trade routes.

See Page 3
COMPANIES

Gambling crackdown to help Safren

CAPE TOWN - A restriction on the nation-wide operations of gambling houses would have a significantly positive impact on Safren's results for the present year, deputy chairman and CE Buddy Hawton said in an interview after the group's AGM at the weekend.

He said economic conditions were proving more difficult than originally projected and the group was looking to cut costs right across the board in terms of efficiencies, structures, and buying procedures.

Hawton said Safren had embarked on an intensive cost reduction programme to become a more efficient and lower-cost supplier of goods and services.

Cash flow was vitally important to Safren and required even more attention in the light of the enormous investments made by the group over the past two years. Once the costs of the Lost City and Carousel projects were over, the group would be reducing its capital expenditure significantly and this would improve cash flow.

Royale Resorts was being hit heavily by the international recession, especially in Europe and was fighting hard to keep market share. The group was continuing with its appraisal and discussion of international expansion of Royale Resorts, but was careful not to overstretch its management and executive team, especially in the light of the Lost City project.
Visa move ‘an indication of confidence in SA’

Visa’s investment in SA demonstrated its faith in the future of the country and would contribute to trade and tourism in the southern African region, Finance Department director-general Gerhard Clooster said at the opening of Visa’s offices in Johannesburg yesterday.

The move was an indication of the confidence Visa had in the area’s potential, he said. 10/11/1997.

It also demonstrated Visa’s appreciation of the sophistication of the domestic financial services sector, Crooster said, and the fact that SA was becoming accepted for the appropriate expertise it could provide.

"We are going to find increasing trade and tourism throughout the region and Visa will play an indirect role in this by oiling the wheels of tourism.”

Crooster said the message was coming home that SA’s economic problems needed to be solved, otherwise a future government was going to have a severe problem. “Hopefully the political posturing will disappear,” he said.

Visa president and CEO for Europe, Middle East and Africa, Jean-Jacques Desbons, said the decision to open offices in SA was evidence that Visa thought the southern African region would be of growing importance to the organisation.

"It is a bet on the future and the best way to show it is to be here and invest here," he said.
BA geared for Cape tourism

By AUDREY D'ANGELO

BRITISH Airways (BA) is aiming ultimately at two direct flights a day between London and Cape Town, when the expected surge in tourism comes, regional manager Ian Petrie said yesterday.

With full loads this would bring approximately 900 people a day to the city.

BA planes have been calling at Cape Town for the past eight years, but until yesterday they all travelled by way of Johannesburg. Last night a new non-stop service began, increasing the number of BA flights to three a week.

Petrie said last night's plane was full 46 capacity. "We have very high load factors into Cape Town - between 65% and 90% of passengers on the route come here."

"And demand has been fantastic since the non-stop flight was announced. Bookings on some dates are 60% or 90% higher than last year."

He did not expect to lose market share to KLM, Lufthansa or UTA-Air France, all of which have started flights from Cape Town to Europe by way of Johannesburg this week.

"Nobody wants to go by way of Johannesburg if they can help it."

BA has brought its World Traveller fare down to R2,750 until November 19. Petrie thinks it unlikely that normal fares will drop below this level in view of increasing competition.

"The value of fares currently being offered is excellent - people thinking of travelling should go now, particularly as the pound has weakened so much against the rand."

He would not comment on the likelihood of "peak" sales, in which a certain number of seats are offered at reduced prices on specific flights for which bookings are light, in the new year. But he said that BA's new Rand-saver package, updated every year, would be announced in January.

Airlines are becoming increasingly competitive on the total packages of accommodation, car hire and other services they offer.

Petrie said he was confident that holiday traffic to SA would grow. "It is our hope that numbers will ultimately grow sufficiently for us to have two flights a day, as we do to some popular destinations in the US."

Meanwhile, Swissair's nonstop service between Johannesburg and Zurich is currently about 75% full.

It was introduced a year ago and has resulted in a growth in total business.

"We find demand high on both routes, which means we are carrying a higher total number of passengers."

"The change means that we arrive at Jan Smuts at 6.10am, making the service more convenient for passengers going on to Cape Town. Coming by way of Nairobi we got in at lunchtime."

Swissair's hyperpex fare will be R2,600 from Johannesburg until November 19.
Liquor traders set for a boost

**Beleaguered Industry:**

BLACK liquor traders are to be advanced in business by a mini-loan scheme being negotiated by the Trust Bank and the United Taverners Association of South Africa.

Utass general secretary Mr. Stephen Moloko yesterday said that talks were at an advanced stage.

Utass was also negotiating with the Development Bank of Southern Africa, the South African Breweries and other liquor wholesalers.

DBSA's senior project leader on business and entrepreneurial development, Mr. Neil Sapford confirmed that negotiations were taking place between Utass and the bank.

No finality had been reached. It was premature to comment but he said that the bank 'will not necessarily grant loans but will assist as far as possible. We are also talking to other groups, and commercial banks regarding developing business in the communities,' he said.

These developments come in the wake of the tightening economy, violence, looting and robberies resulting in the closure of many bottleshops and taverns in black residential areas.

Moloko said although the liquor industry was booming, it had been plagued by instability in the townships.

He said they aimed to provide education and training and legal advice to their members and interested people.

For more information Moloko can be contacted at 29-08567/8.
End violence and watch tourism grow, says Sol

DURBAN.—Stop the violence and, within two years, Southern Africa would attract a million foreign tourists annually, who would splash out R4 billion—enough cash to create 150,000 jobs, says hotel magnate Mr Sol Kerzner.

He was speaking on the future of foreign visitors coming to South Africa as his Sun-International resort group prepared to open the multi-million rand Lost City at Sun City.

Mr Kerzner said he could see political stability in the country in a short space of time—within months, not years.

"For there to be this growth, the violence must stop—once that happens, the visitors will come. A substantial percentage will obviously visit Sun City but this will not be their sole objective of their holiday. They will want to visit other centres of South Africa— they will want to go to Durban, to the Eastern Cape, to the nature reserves. They will also want to see the Victoria Falls in Zimbabwe.

"Air fares from Britain and Europe are expensive. When people come here, they will want to visit the whole region," said Mr Kerzner.

Speaking about the development at Sun City—where the Palace Hotel is being built in the "Lost City"—he said it would see the number of beds rising from 850 to 1,200 and the doubling-up of conference facilities.

He said a series of extravaganzas, similar to that being staged by French superstar Jean Michel Jarre for the official opening in December, were in the pipeline.

Other major events would be the Miss World contest, to be held for the first time in Africa, the Million Dollar golf tournament and a host of cabaret events.
At play in the theme park

The Indiana Jones-style city gambles on a public willing to spend for fantasy

Bold as brass, Kersaf's board continues to raise the stakes. Perhaps that's what would be expected of a group whose primary business is in casino resorts; even so, spending R330m on capital projects in a year characterised by a continuation of deep and intensifying recession takes some nerve.

By far the bulk of capital expenditure projects is concentrated on Sun International, of which Kersaf holds 80% and which contributes 72% of total turnover. And the largest slice of this was devoted to Sun International's Bophuthatswana's dramatic development projects.

Last November, the Carousel Entertainment World project north of Pretoria was opened. SunBop is proud of it and chairman Sol Kerzner says it has attracted on average 11 000 visitors a day. The downside is that the average spend has been lower than hoped for.

But the jewel in SunBop's crown is Kerzner's grandiose Lost City, which will open on schedule on December 1. Its total cost, including the Palace Hotel, will be around R330m, nearly R100m up on original estimates. Much of this, says MD Ken Rosevear, is due to enhancements and extensions to the original concept and the intricacy of the ornamentation work that features throughout the Palace.

A visit to the project certainly impresses, as it's meant to do and as it should do — after all, the total cash spend would make a very nice contribution to establishing, for example, a deep gold mine. The Lost City incorporates lakes, rivers and waterfalls along with the Palace Hotel and new Gary Player-designed golf course.

Intriguingly, Kerzner's ability to translate his flights of fantasy into reality extend to the creation of a baobab forest. Undaunted by the time required for these arboreal aristocrats to reach maturity, Kerzner took advantage of bush clearing operations elsewhere and arranged to truck venerable specimens to a new abode as part of the Lost City. A 1 000-year-old specimen is reported to have adapted "nicely" to its new surroundings.

This ability to "make things come true" has always served Kerzner in good stead. Now he says, the Palace will be the finest hotel in the world. That's a tall order. The merits or otherwise — and there will certainly be detractors — of its curious architecture are one thing; but the best hotels usually owe little to brick and mortar. They invariably emphasise that indefinable quality called service.

Can Kerzner, SunBop and Sun International, noted more for entertainment and casinos, handle the conversion to hotel managers on the grand scale? Rosevear says the group can: "We've employed some of the finest professional hotel managers in the world to train the staff to run the Palace. If they can't do it, no one can." Cynics, of course, will disagree.

Nor will the Palace be cheap. A standard double room will set a couple back R610 for the night. One of the King suites, accommodating four, will cost R10 000 for a weekend. Finding the Lost City's treasures will be an expensive exercise.

Stockbroker Ed Hern Rudolph analyst and Sun City watcher Alan McConnachie says the real key to the success of Sun City lies in day visitors. "The magic of Sun City — and soon of the Lost City complex, the entertainment centres, the sporting attractions — they are all in place for one purpose and that's to get people who are looking for some fun to put their hands in their pockets and gamble."

Rosevear responds by saying: "Of course the whole ball of wax which is Sun City was necessary. How would you persuade people to travel these distances if it was simply to a gambling hall?"

But Lost City is something else. "We're well aware there are limits to growth if all we do is concentrate on the population of the PWV and its surrounds. Lost City is an acceptance of those limits. It is really an investment in the future of SA tourism. It will be a permanent attraction in its own right. And because the Palace will be world-renowned, people will go out of their way to get to it."

This suggests that Sun International is beginning the process of changing its underlying philosophy from gambling-centred entertainment venues to being among the world's elite hotels. Certainly it has a significant investment in that area: when the Palace is completed, Sun International will offer more than 4 600 hotel rooms at 30 venues, all in and around the subcontinent.

But gambling will remain the big draw-card. And the argument about where and where not gambling can legally take place in SA has an importance for Kersaf which shouldn't be underestimated.

The peculiar distribution of areas where gambling is permitted has its roots very largely in the religious sensitivities of the ruling political party. Increasingly, these look out of place in an SA in which the reincorporation of "independent" countries is becoming a matter of "when" rather than "if". And loopholes in the Gaming Act, which have permitted a proliferation of gambling in major cities, have been of profound concern to Sun International.

Rosevear denies flatly that the group has been hurt to the extent suggested by advocates of unrestricted "gaming" — the more innocuous term the industry prefers to "gambling." He points to room occupancy rates down to 73% in 1992 compared with 1991's 77% — a fall he believes had as much to do with poor economic conditions as with any other factors. "First-quarter figures for financial 1993 show that we're marginally ahead at Sun City; occupancy of its three hotels in the first two weeks of October is about 89%."

Room occupancy rates are one thing; the number of people using the gaming facilities another. Independent reports indicate that Sun City has been hard hit by the rash of casinos which have opened much closer to main population concentrations.

McConnachie estimates that fully 80% of Sun City's profit is rooted in gambling and that a colossal 90% of that comes from slot...
machines, the ubiquitous one-armed bandits that lurk in every nook and cranny. Rosevear
shakes his head in response to these figures and says: "It's very difficult to split the
gaming and casino business from the hotels
because of cross-subsidies." In other words, Rosevear's not telling.

Kerzner is much less reticent. He says the
group is not afraid of competition; that's why
it has built world-class resorts. But he's ap-
palled at the thought of a gaming industry
operating in an "uncontrolled, unrestricted and
unregulated" environment. That's why
he has argued so strongly in favour of the
recent much-publicized amendment to the
Gaming Act, which will be to close, from
February 1, the gaming outlets which have
multiplied across SA over the past year.

"Historically, the gaming industry was a
target for organised crime, which took ad-

advantage of the cash nature of the business
for money laundering and drug trafficking
operations," says Kerzner.

Expanding on the
theme of welcoming competition, Rosevear
says it's always been inevitable that SA will
be opened to the gam-
ing industry. "But
what we really urge the Howard Commiss-
ion (the body ap-
pointed to investigate both soft and hard
gaming in SA) to do is to examine what has
happened elsewhere in the world. I would
hope that if licences are to be issued select-
ively — say one each in Johannesburg,
Cape Town and Dur-
ban — they will be linked to the require-
ment that a real and genuine contribution
has to be made to tourism."

Sun International's major operations are
conducted through SunBop, Transun and
SunCisk. Not much is happening in Ciskel
aside from an R18m extension to the Fish
River Sun, but Transun is planning host to a
major renovation costing around R92m. The
project at the Wild Coast Sun includes a
redesign of the casino and refurbishment of
hotel rooms and public areas and other facil-
ities.

Transun has been an area of some worry.
It is a single resort company and has been
hard hit by a 33% compound rate of increase
in wages and salaries over the past three
years. Significant and unremittting pressure
from the dominant union, Saccaw, has res-
sulted in Transun's minimum wage escalat-
ing to R965 a month.

This hasn't been helped by the capital
expenditure programme which has turned
the hotel into something akin to a construc-
tion site. Rosevear says the project will be
completed in time for the year-end holiday
season. And he's relieved the new toll road
linking the resort with Durban is now open.
That, coupled with the removal early next
year of "illegal" gaming operations, should
help bolster the Wild Coast Sun's attractiveness.

Sun International itself has a significant share in the shadowy Royale Resorts, intend-
ed originally by Kerzner as the offshore arm. At one stage, Royale was partially owned by British & Commonwealth (B&C) before that company slid beneath the waves. B&C's holding has been assumed by an undisclosed new partner and, despite pressure, Rosevear
will say only that "it's company policy not to reveal this information."

Meanwhile, Royale holds a 25% stake in
receipts in its first two months. This will, no
doubt, confirm the views of those who fear
the country is fast degenerating into a sink-
hole of immorality.

Sports goods was Interiure's Achilles heart:
MD Mike Egan says 1992 was the first year
in which it noted a decline in the number
of rounds of golf played across SA. Sales
of golf equipment fell accordingly. He con-
cedes Interiure missed the boat with running shoes. It stockcapped when Nike announced it intended to withdraw from SA. Instead, it delayed its departure by nine months, playing havoc with Interiure's carefully laid plans to become the dominant player.

Kersaf's combined operations passed R2bn turnover for the first time in 1992. After-tax profit rose 8% to R405,6m, helped by a sharp reduction in tax and share received an improved dividend of 147c a share. The balance sheet remains strong, borrowings accounting for a mere 16% of capital employed.

That, of course, has been Kersaf's secret all along. Quite apart from the fact that the barriers to entry for any would-be competitor are unusually high. Kersaf and its operating companies have made certain they are not at the mercy of lenders. SunBop, for example, offered additional scrip in lieu of dividends, and in February held a rights issue. The result was overwhelmingly positive and the company strengthened its posi-
tion with another R330mn of shareholders' money.

Everything now hinges around the success of the Lost City. Nearly R1bn is being in-
vested in it. Kersaf chairman Buddy Hawton says: "Look, when we initiated this project we weren't expecting the economy to become as bad as it has. Still, we've reworked the figures and remain perfectly confident that the project will be a great success, though it may take longer than we planned." But given SA's current political and economic environment, is it still the sure-fire bet of which management was so confident at the outset?

The group's history is characterised by the
fact that it has consistently got it right. Now, its board has dealt from a new deck. Will its
hand again hold the customary royal flush? Investors in stocks that analysts describe as
"cheap relative to their assets and their abil-
ty to spin cash" will be wondering anxiously
how things will turn out.

Well, that's what a gambler's about, after all.
Time heals its housing hurts

ELSEWHERE in the world, the housing industry goes in cycles. But in South Africa it collapsed into a coma in 1989 and put Time Holdings into a poor state of health.

Chairman Colin Hibbert describes Time as "predicament in its ineligibility."

It had been building 5,000 units a year for the middle-income black housing market.

Bonds were available, payable at the end of the life of the lenders — short, a business started in 1983 was not on track until bond subscriptions led to the beginning of the end.

Without repayments there are no lenders and no industry. Yet Time made major investments in land and infrastructure from which there was to be no more return.

"We decided to sell the operating companies of that business to their respective managers at the start of this year," says Hibbert.

"The other divisions — Botswana, property development and management, and our insurance company, Time Life — are doing well, but their performance has been masked by the housing losses."

Ruthless write-offs led to losses of R13 million for the year to December 1991. At the 1992 interim, Time was breaking even, at least Hibbert expects it will be maintained this year.

Recapitalisation of the group was inevitable, and Concor has come on board as a non-managing investor. The roll-up, which Concor has developed in recent years.

"Concor was winning a lot of our contracting business on tenders and we got to know it," says Hibbert.

"The strongly capitalised group was looking to broaden its business and there is a strategic fit with Time's restructured group."

Concor has invested R6.5 million for 85% of the mixed top company of Time — Timetec — and together with third parties will subscribe for R11 million of redeemable preference.

And in a light touch with a difference, holders of Time shares have been offered the opportunity to subscribe for eight Timetec shares at R2.80 for 100 Time held.

Timetec will not be listed immediately, but the letters of allocation can be traded on the JSE for three weeks.

Hibbert expects Timetec to be listed in 1995 or so. This way, Time gets a cash boost of R54 million.

The life company started five years ago as a natural progression — offering insurance cover to mortgage holders.

In SA the reverse has been the usual path — the insurer comes first and property expertise develops later. Timetec has been moved sideways in this move, and when it probably will go on top sooner or later. Hibbert is satisfied with the way things have turned out.

"The link between the property groups and the life company has been maintained, while at the same time repackaging Time Life more correctly within the overall structure."

He has foresworn half his control, but is still at the helm.

Shareholders should follow their rights to the life offer and stay ahead of Time. Timetec has been pitched at discount to the value arrived at by independent actuaries because it will not be quoted for several years. Time itself is that a share — below net asset value, whereas services companies trade at a premium.

"Time's shareholders were faced with an unavoidable offer to restructure the Time Holdings balance sheet. The current restructuring will offer shareholders who follow their rights to an improved group structure and a direct investment into the fast-growing Timetec."

"The medicine has been taken," says Hibbert.

"It is still tough, but from 1993 the income statement should start to improve."
Sanlam in US deal to lease top Cape hotel

SANLAM Properties is negotiating with US-based world hotel giants Hilton, Marriott and Western to buy or lease the five-star hotel planned as part of its R225-million development on the old President Hotel site in Bantry Bay, Cape Town.

Apart from the hotel, the development will include three luxury apartment towers, the first of which is being built at present. The development was launched this week.

According to a confidential source, Sanlam is negoti- ating various options for the hotel — to sell it as a shell for the purchaser to fit out or to finish it and lease it.

Overseas investors appear to feel that South Africa — and Cape Town in particular — is stable enough to warrant an investment of this kind.

“All major tourist-related industries are very confident of the future here and are planning accordingly,” the source says.

“Sanlam does not anticipate any difficulty in writing a management contract for the hotel. Just the style of the contract is at present being negotiated.

The project is a gigantic undertaking and builders Murray and Roberts will employ 600 people on site. The first phase of apartment buildings — of which the seventh-floor penthouse has already been sold, for R4-million — has a sales value of R75-million, a

By EVE VOSLOO

spokesman for Seeff Residential Properties, sole agents for the project, said this week.

The hotel will probably be built before the other two apartment blocks.

Praised

It is estimated that about 8 000 people will be involved in directly in the construction, including local companies making tiles, bricks and fittings.

Construction of the entire complex will take between two and three years.

Architect John Adler of Stasch Vanster has created a design which has been praised for its sensitivity in protecting views and providing open garden spaces around an ‘environmentally friendly’ building.
‘SA unrest no risk to tourists’

By AUDREY D’ANGELO

Business Editor

THE average tourist is not at risk from violence in SA, State President F.W. de Klerk assured more than 1,000 senior executives in the international travel and hospitality industry — from 53 countries — yesterday.

And within a year or two SA will no longer be looked at as one of the world’s trouble spots. It will become one of the leading countries in the southern hemisphere.

Opening the annual conference of Skal International at the Good Hope Centre, the State President said: “Those involved in tourism would do well to invest in our country. Rich rewards await them.”

He said uncertainty, continued violence in some areas and delay in the negotiation process were working against SA at the moment.

“I would like to assure you that these problems will be solved. The violence is obviously totally unacceptable. We are doing everything possible to end it, and it will come to an end.

“Nonetheless you will find that in the meantime the average tourist is not at risk.

“The standstill in the negotiations has basically been lifted and I am confident that good progress is once again possible.

“It is our goal to free SA from its divisions and conflicts, to unlock its tremendous potential, to play a positive role in the region of Southern Africa, to be an open gateway to Africa.

“We have much to offer to our neighbours and to the world.”

SA had been “relatively isolated for a long time. This is changing fast. And with our restoration to the international community will come a tremendous surge of tourism.

“It is the government’s policy to be helpful in the preparation for such developments. Our private sector also realises the importance of tourism and it is preparing itself for a new era.

“It is good to know that the international tourism agencies and sports administrators are ready covering SA.”
Merry-go-round fun at Carousel

By Elliot Makhaya

The Carousel Hotel and Entertainment World in Bophuthatswana has become one of Africa's most exciting holiday complexes. It was officially opened on November 6 1991, the eleventh Sun International resort.

One year on, The Carousel has made numerous inroads for the day-tripper in offering superb live entertainment, food from the five corners of the earth, supervised children's activities and the most colourful casino in the Southern Hemisphere.

Situated 55 kilometres north of Pretoria on the N1 Pietersburg Highway, The Carousel is served by a national road offering a quick and safe route for cars and buses.

Bus trippers booking with the Tour Co-ordinating Department are offered a special package including free casino entrance, a R10 double-up slots voucher and numerous discounts.

This holiday world offers a unique experience aimed at entertaining the entire family and is one of the most innovative complexes within the entire Sun International Group.

The exquisite Victorian style building characterises the funfair that moved from town to town with the entire resort built around one of the most popular attractions of those times...the carousel...a merry-go-round with brightly painted horses, rising and dipping in a circle while young riders squealed in delight.

Glittering chandeliers

Inside the main entrance, with two glittering chandeliers hanging from the stained glass roof and ornamental tiles, a feast of shopping facilities and entertainment can be found.

The Victorian Court Coffee Shoppe offers light meals and snacks as well as superb coffees and bar facilities.

The Han Palace offers the best in Chinese and Taiwanese cuisine. The Squires Loft Explorers Club is a magnificent steakhouse adorned with mementos collected by great explorers.

The Cheyne Saloon is one of the three showbars with The Carousel, and is the largest entertainment venue within the complex, catering for 600 people and plays host to enthralling entertainment from Wednesday through to Sunday with live bands, comedians and The Carousel Showhelles, The Carousel's own Dance Company.

There is also a pool table and three state-of-the-art pinball machines. Pub lunch is served daily.

A great emphasis has been placed on children at The Carousel Entertainment World with 400 video arcade and simulator games to be found in Carnival Court as well as a tenpin bowling alley.
Captour’s has new HQ

By Elliot Makhaya

THE final trims are being added in preparation for the opening of Captour’s new head office and South Africa’s first fully comprehensive tourist information and service centre incorporating a private company, The Rendezvous.

Both this “one-stop tourist shop” and Captour’s new look reflect the gearing and development of an infrastructure that will support the expected increase in tourists to the Mother City and environs.

The new centre, situated in Adderley Street on the station complex, is ideally positioned for in-bound and out-bound tourists.

It offers telephone and fax facilities, a travel agency, foreign exchange, coffee bar, tour and air bookings (local, regional, national and international) and curio, jewellery, wine, restaurant, accommodation and leisure information.

Stephen Caine, director of the Rendezvous, said the centre was not only a first for South Africa, but also a first by world standards.

The head office is manned by a multilingual staff, seven days a week from 8.30am to midnight.

Captour was established in 1978 as the Cape Tourism Authority to provide tourist information and effectively market the Cape to the target market to potential holiday-makers from the PWV and Durban areas.
Hotel school must expand to meet tourism needs


The Technikon Witwatersrand Hotel School will have to train many more students when SA’s tourism “bomb” explodes, as it must eventually, says school director_Relaja Mornet.

“As soon as any interim government is in place, foreign visitors will flock to SA and the tourism industry will be caught with its pants down. We are nowhere near prepared.”

Hotel school lecturer Chris Francis says SA would have been attracting 15 times as many visitors as it does now if it had not been for the 1976 Soweto riots and former president Mandela.

Studies involve a six-month practical component, in keeping with the technikon’s mission to be involved with industry and to produce job-ready graduates.

Students are placed at catering companies or upper grade accredited training hotels in SA, Namibia and Bophuthatswana. Mornet monitors students on the practical course. They are assessed by their employers on attitude, deportment, punctuality, quality and quantity of service.

The hotel school accepts about 80 students a year for each of its three courses. Applicants with reasonable matric symbols, leadership and sports achievements, and experience in a restaurant or the army’s catering corps are preferred.

About 130 students graduate each year. They are usually snapped up by the industry, says Mornet.

Hotel school alumni include Sun City GM David Hayes, Sandton Sun GM Chris Najibz, Southern Sun and Holiday Inn group development director Kevin Page, Indaba Hotel GM Gary Bisset, Bouchaud cellarmaster Hilko Hegewisch, Protea Hotels MD Arthur Gillis, La Pirogue manager Andrew Stone and Protea Ritz Hotel GM Bernard Cassar.

Mornet says most diplomates go into hotels but are then lost to restaurateurs and private catering companies where hours and pay are more competitive.

Limited facilities preclude the training of more students. “It may be feasible to start thinking of a new hotel school at the Auckland Park campus towards 2000,” says Mornet.
**Most enticing resort**

By Mokgadi Pela

THE Lost City is a name that will soon be in the same league as Euro-Disneyland in Paris.

Situated at Sun City, it is destined to become one of the most enticing tourist attractions in the world.

The designers of this R800 million "heaven-on-earth" complex say it is a tribute to African art from past centuries.

The Lost City covers 25 hectares and centres on The Palace, which is described as the one-time home of kings. Around the Palace stretch indigenous gardens and exotic forests as well as rock and waterscapes.

The most attractive part of the Lost City will be The Palace. Its exterior is dominated by towers, decorated with sculptures of wild animals.

Surrounding the hotel will be a 25-hectare jungle. More than 1 600 000 plants, trees, shrubs and ground covers have been gathered from all over the world.

Water is said to have been an integral part of the life in this ancient valley. The jungle will be threaded with paths snaking past cascades and waterfalls, lakes and pools.

The project will open in December because the designers say everything is on schedule.
ineraries can be varied or you can make your own unique one

Travel choice is wide

By Elliot Makhaya

Logans International Tour Operators offer a broad range of special places and activities not normally available to the traveller.

And this is in addition to the more popular destinations and excursions it offers. Their itineraries can be varied as required, or you can make up your own unique one.

Logans give advice on practical itineraries, flight routines and fares to save you money and maximise the enjoyment of your trip.

They have an experienced staff which can arrange all aspects of your holiday. They handle African safaris to Botswana, Zambia and Namibia.

The Okavango Delta in Botswana is one of the favourite destinations.

The vision of beauty and uniqueness takes on multiforms: to some it may mean crystal clear water, dugout canoes and exotic bird life, to others it may mean huge herds, lions and elephants and still there is a further group whose vision is that of the best fresh water fishing in Africa.

The water activities include boat rides, mokoro trips, bird watching, fishing, swimming and walking. There is nothing more relaxing than gliding down narrow papyrus lined channels on a mokoro (wooden dugout) searching for rare and elusive birds.

The delta water is pure and crystal clear making the scenery all the more attractive. Game is generally not encountered at a typical water camp, although it is often present in the area.

Land activities in game areas include game drives and walking through diverse terrain offering excellent game viewing.

All camps are reached by light aircraft either from Maun or Kasane or by four wheel drive vehicles. Accommodation is authentic safari styled lodges offering rustic, comfortable facilities with good cuisine.
Jo’burg Sun goes budget

THE landmark Johannesburg Sun hotel in the city’s CBD will be converted into a budget Holiday Inn at a cost of R6m.

It was announced yesterday that the conversion, which would close the hotel between the end of December this year and the end of January 1993, would include the construction of a new entertainment centre featuring cinemas, restaurants and sports facilities.

Southern Sun group MD Ron Stringfellow said it was the group’s intention “to bring life back into the CBD”.

“We are bringing a range of secure entertainment facilities directly into the hotel complex so guests will not need to leave the hotel to enjoy an evening out,” he said.

The current Johannesburg Sun occupancy rate of around 47% indicated “that what is being offered at the hotel is in excess of customers’ requirements”, Stringfellow said.

“A new pricing strategy was expected to pull occupancy from neighbouring hotels. The price of a double room in the new Holiday Inn Garden Court would be R119 a night. Stringfellow said “by changing the level of service and reducing the room rate, while maintaining product quality, we expect to increase occupancies significantly.”

Staff cutbacks due to the conversion would be absorbed by three new hotels the group was building in Sandton, he said. The conversion of the hotel would be done in two phases.

The first R6m phase would involve the construction of the entertainment centre and refurbishment of the hotel’s 670 rooms. The second would see the 115 suites of the adjacent Johannesburg Towers Hotel converted into 200 single rooms at a cost of R25m.

“The Towers hotel would be mothballed until the group was ready to begin the second phase. Stringfellow said. He expected profitability within five years.”
SA is among the first targets of British Airways ambitious marketing campaign in Europe this year. The campaign is part of a global marketing effort that will promote South Africa as a tourist destination.

The campaign will be launched in the UK, where the airline's largest market, with a focus on high-end travel. The campaign will feature high-end travel agencies in the UK, which will target affluent customers with travel packages to South Africa.

The campaign will also feature a promotional video that highlights the beauty of the country's wildlife and natural landscapes. The video will be shown in airports and on flights, as well as on the airline's website and social media channels.

The airline has also partnered with leading travel agencies and hotels in South Africa to offer promotions and discounts to travelers who choose to visit the country.

The campaign is expected to boost tourism in South Africa and help the country's economy by attracting more visitors and generating revenue from travel-related activities.

More than 500 travel agents will receive travel incentives as part of the promotion, which will run until the end of the year.
Tourism starts taking off

DALE KNEEN
Weekend Argus Reporter

CAPE Town’s tourism boom has begun, say travel bosses who believe billions of rands in foreign exchange are set to pour into the city over the next few years.

This week hundreds of foreign visitors arrived on board inaugural flights of three European airlines, most of them jam-packed with tourists and a few thousand of people flocked to the Waterfront where the glittering new V & A Waterfront shopping centre opened its doors.

On top of this, 1,300 travel agents, airline executives, hoteliers and tour operators from around the world attended a Skal conference at the Cape Sun this week, and are expected to boost the future number of foreigners visiting the city.

Captor’s Mr Gordon Oliver said “This could be the start of the tourist boom. They say a city reaps positive benefit from a Skal conference for at least two years.”

French airline UTA, Dutch carrier KLM and Germany’s Lufthansa began flights between European destinations and Cape Town this week.

British Airways also inaugurated a non-stop direct service between London and Cape Town, a move that tourism operators believe indicated the carrier’s confidence in the city’s potential.

Customs and Excise deputy director Mr Philip Swart said additional staff would be recruited if other airlines, which have indicated their intention to fly to the city, began operating.

Travel industry insiders believe the city earned about R5 million in foreign exchange this week.

Much of the money came from delegates attending the Skal conference. The Skal Organisation is a “world-wide friendship” club which has members who own airlines, hotels and travel agencies all over the world.

The annual Skal conference was held in Munich last year and Sri Lanka the year before. This year’s conference was attended by representatives from 54 countries. Next year, it is in Istanbul and Los Angeles in 1994.

Mr Nigel Bichard, spokesman for the organisation, said the conference generated over R10 million in foreign currency and most of it was spent in Cape Town.

Skal delegates held meetings with municipal authorities, visited tourist spots like the National Botanical Gardens at Kirstenbosch and the wine route and were taken on scenic drives.

They also went to the Waterfront where the spectacular Victoria Wharf shopping complex opened yesterday. The centre houses the premises of some of the city’s top clothing designers, crafters and restaurateurs.

President De Klerk attended one of the congress’s functions and participants viewed it as a “tremendous success.”

Mr Oliver said some of the delegates arrived with “negative perceptions” of the country, but “there was a tremendously positive spirit while they were here.”
By Quentin Wilson

BLACK holidaymakers are still being turned away from Stormsvlei Hotel, a holiday resort about 35 km from Swellendam in the Boland.

I experienced this last week when a SOUTH colleague and I tried to book into the one-star resort for the night.

Receptionist Ms Cozette Brand first told me that a room was available but then quickly changed her mind when she realised that my colleague, Mr Mansoor Jaffer, was Indian.

"I'm sorry, but we do not give rooms to Non-Europeans. It is unfortunate, but I am afraid those are our rules," Brand said while averting her eyes and making her way to another section of the hotel.

As she was leaving, we asked for an explanation.

"I don't want to argue about it - it's just that we're not multi-racial," she said while a black worker was polishing a stool behind her.

Later the owner, Mrs Mary Spies, was asked about hotel policy.

"This has nothing to do with you," Spies said. "The quicker you get off Stormsvlei and stop interfering the better. If you don't like what we do, then you can shoot yourself but you're not going to get anything from me. I'm not going to talk about it. If you can write whatever you like in your story but things won't change here."

A burly white man standing next to her, who refused to give his name, then proceeded to push me out the hotel and slammed the door.

"After 10 minutes, I tried to order a drink. Same story. Even though, the hotel runs an off-sales bottle store which sells liquor to all races, only whites could be served at the bar.

Brand reappeared. "Ja, I can serve you, but I can't serve him," she said, pointing to Jaffer without looking at either of us.

"What makes you more human than me?" Jaffer asked calmly."
SA Greeks to raise profile

Improving SA-Greek relations have prompted members of SA’s 20,000 Greek families to endorse a book about leading members of their community in an attempt to promote trade and tourism between the nations.

Behind the project is SA-born Danny Anagnostopoulos, recently returned to this country after studying and working in Greece and now an SA citizen.

He believes it is high time the Greek community raised its profile above the inaccurate “cafe owner” perception held of it by South Africans. Many prominent Greeks deserve recognition in their respective fields.

Sandra Gordo, managing director of publisher Platinum Publications, describes Greek Forum as a kind of Who’s Who of SA’s Greeks — the largest expatriate community in the world.

Greek Forum will comprise up to 150 pictures and profiles — in English and Greek — of businessmen, artists, performers and community leaders.

Due in January, it will be distributed in SA and Greece at such places as tourism centres, chambers of commerce, churches and cultural centres.
Fall in tax rate offsets Carlton Hotel's losses

A 66% fall in its tax rate helped Anglo-American Properties (Amprop) offset increased losses from the Carlton Hotel in the six months to end-September. 81/92

While turnover rose 20.1% to R120,47m (R100,3m previously), net-operating profit fell 1.5% to R31,94m (R32,53m). 81/92

Chairman Gerald Leisner said vacancies in the portfolio had remained relatively static during the review period — at about 9% for offices and 4% for shops.

"The difficulty is that rental levels are under pressure and new and existing space is being let at static to lower levels. These difficult conditions will be reflected in our results over the next five years," he said.

Interest paid rose 6.1% to R12,78m (R12,03m), resulting in a 5.6% fall in pre-tax profit to R19,18m (R20,31m).

However, a 66% drop in tax paid to R1,47m (R4,52m) pushed taxed profit up 10.7% to R17,72m (R16,01m).

As a result, earnings rose 15.6% to 33,86c a share (31,03c), while the dividend was maintained at 15c a share.

The Carlton Hotel had reported a loss of R2,1m for the six months from a R1,4m loss in the comparable period last year.

"I am optimistic that the downgrading of the Johannesburg Sun will be of benefit to the Carlton."

While we may lose some occupancy, we could make this up in an increased rate," he said.

Land sales were higher as a result of the launch of Silver Lakes Country Club Estate east of Pretoria. However, no profit would flow until proclamation, and this was not expected this year.

Amprop had invested in the infrastructure and land. A decision had been taken not to proceed with any new developments for some time.

Upgrading

While there had been no acquisitions or disposals in the period under review, about R20m had been ploughed into landscaping, upgrading and refurbishing a number of its properties, Leisner said.

A long-term lease was also in place with associate Compass Property Holdings to develop the Durban Station site at a capital cost of about R23,5m, and revamps of Devonshire House in Braamfontein and Highpoint in Hillbrow were being investigated.

"I expect taxed profits in the second six months to be similar to these, assuming there is no improvement in profit from land sales activity and the Carlton Hotel," he said.
CAPE TOWN — An overwhelming majority of Club Mykonos investors yesterday appeared to have voted in favour of the rescue operation proposed by the Club Mykonos Homeowners' Association rather than for the liquidation of the resort.

Investments in the project total is about R250m.

A meeting, chaired by retired judge of appeal G P C Kotze, was held at the Good Hope Centre for investors to hear details of the association’s proposal and to vote.

In terms of the proposal — endorsed by the curators — interested parties would give up a third of their rights and capital in return for a third of the equity of a restructured company, giving them a profit share.

Association chairman Reg Riley said 17 schemes of arrangement arising from one main scheme would be needed. Each class of investor would elect representatives to the board.

The running of the resort would be put out to tender and money to repay the debentures would come from the sale of 186 sectional title and time-share units to realise about R93m.

The association predicted sales of R3m a month for five years.

“Debentures book of R15m would be recovered over five years,” Riley said.

“We anticipate that over the first five years more than 90% of the financial liability would be repaid to investors,” Riley said.

Masterbond curator Franz Malherbe said liquidation was the worst possible alternative.

“If it can survive on a hand-to-mouth basis in the bad times then surely it stands a chance to trade itself out of its difficulties.”

There were conflicting rights to Club Mykonos assets, but on the assumption of the validity of the debenture bond claims and the invalidity of the lease, “Masterbond” debenture holders would only receive about 24.5c in the rand and concurrent creditors 4.5c on liquidation.

If the bond was valid, but the lease ranked preferential, Masterbond debenture holders would get 15c in the rand and concurrent creditors 10c.
Southern Sun’s announcement that it will convert its five-star Johannesburg Sun to a two-star Holiday Inn Garden Court has been welcomed in some quarters.

The five-star Carlton Hotel — operated by Three Cities Hotels and owned by Ampros — is especially pleased. It now has a virtual monopoly of the five-star market in the city centre.

Says Three Cities Hotels MD Nick Martin: “We’ve always felt there wasn’t enough room for two big five-star hotels in Johannesburg because the market just isn’t there. We hope it will benefit our business.”

It is too soon to tell what effect the hotel’s conversion will have on the city’s other hotels, including one in Braamfontein, but it will undercut its competitors.

As Southern Sun is pitching the hotel at fairly low rates — R119 a room regardless of single or double occupancy (room only) — the market is also becoming increasingly stratified.

At the top of the hierarchy, The Carlton is quoting standard single room rates of R335 (room only), and R405 double. Corporate rates are R245 single and R315 double. Carlton Court rates are R300 single and R390 double. A suite is R870 a night.

Southern Sun’s new Holiday Inn Garden Court Johannesburg is competing directly with Karos Hotel’s three-star Johannesburger Hotel on the corner of Twist and Wolmarans streets.

The Johannesburger’s single rates are R99.50 (including, bed and breakfast) and R121.50 for two people sharing.

It substantially undercut its all-suite, four-star Braamfontein Protea Hotel on De Korte Street, where singles pay R305 (room only) and doubles R370. The corporate rate is R229 single or double.

Compared with Southern Sun’s Downtown Inn — the old Landdrost Hotel — on the corner of Twist and Plein streets, one of its few unbranded hotels and the equivalent of three stars, the Garden Court’s rates are keener. At the Downtown Inn, singles pay R172 (room only) and doubles R212. Corporate rates are R146 single and R180 double.

The Downtown Inn’s lease expires at the end of next year but no decision has yet been made about its future.

A spokesman for the Inn says: “Like many other hotels in the group, it will be considered in our overall rebranding strategy.”

Worrying competitors

The Johannesburg Garden Court’s planned conference and entertainment centre is worrying competitors. It will initially have two levels and comprise a Chinese restaurant, review bar, cinema complex, shops and conference facilities.

The conference facilities will be similar to existing ones. Food and beverage outlets will remain but will be refurbished. The emphasis is on providing a full range of secure, in-house entertainment facilities, which will ensure that guests do not need to leave the building.

It would be a big plus if the group could secure casino rights.

In Sandton, Southern Sun is taking a more active stance towards hotel development. It is building the new five-star Sandton Towers hotel in Fifth Street; it also plans to refurbish the Sandton Sun and has purchased a site directly opposite Sandton City on the corner of Katherine Street and Rivonia Road for a new R20m Holiday Inn Garden Court Sandhurst hotel.

The Garden Court will open late next year, with construction beginning early in the year. A total of 160 rooms are planned, mainly in the configuration of the famous Holiday Inn double-double room. In keeping with Garden Court philosophy, rates will be quoted per room.

In addition to having a residents’ bar, the new hotel will operate a breakfast room offering full English breakfasts.

The four-storey hotel, to be set in a low-rise office complex, has been designed to blend into the surroundings.
Graham Dickason, City Lodge's chairman (left) and Hans Enderle, managing director, are all smiles as they consider the company's forthcoming listing on the JSE.
IN exactly 10 days time — Wednesday, November 18 — the City Lodge group will join the ranks of South Africa’s listed public companies on the Johannesburg Stock Exchange.

With its market capitalisation expected to be around the R200-million mark, the company will automatically be in the top third of the JSE’s member companies in terms of share market worth.

Graham Dickason, general manager of MPF Management Services and City Lodge’s chairman, says the listing will realise an ambition that has been held since City Lodge was formed in 1985.

“We have now reached a stage where it is more beneficial for City Lodge to become a public company and afford the investment community an opportunity to participate in the company’s future,” he said.

“With plans to develop two hotels a year over the next five years it is important for the group to have the right corporate structure so that it can develop the solid foundation that has been built up over the past seven years.”
TO OPEN NEW

SIMPSON AIRPORT AND A CITY LODGE IN

CAPE TOWN

Three will be a City Lodge in Mowbray

Cape Town's prestigious Victoria and

Ardmore Waterfront development

Where a large Lodge is being built. The

City Lodge Group, which opened its doors in

Mowbray in 1985, is in the process of open-

ing two more Lodges in the Jo-

hannesburg area and one in

The City Lodge has already been constructed and the

Lodge was scheduled to open in

1987, but the addition of 250 rooms to

the existing City Lodge nearJan

smits Airport and a City Lodge near Ma-

The first 60 rooms of the Victoria and Alph-

Lodge will be in full swing by mid-

The first 80 rooms of the new Sandton hotel

by Christmas

service hotel

are being completed to meet the demand

for luxury lodges by the major hotel

chains. To better service the hotel trade,

the Sandton Hotel Group is due to open

in the Sandton district. The first floor rooms

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LODGES

ORTLY

8/11/92
S. Times

An artist's impression of the Victoria and Alfred Waterfront City Lodge, which has been designed to blend in with its unique architectural surroundings.

ent.
Our policy is to build several smallish establishments with character and charm rather than one or two large and impersonal hotels," said Enderle.

"All three lodges will continue the excellent reputation that City Lodge has developed since its formation seven years ago. Our emphasis will continue to be on providing friendly, efficient and value-for-money limited service accommodation to guests from around South Africa and overseas."

When all the rooms are open at the three new lodges, the City Lodge group will offer a total of 1,600 rooms at 11 lodges in Bloemfontein, Cape Town, Durban, Johannesburg and Port Elizabeth.

Over the next five years, the group will actively seek new sites for City Lodge and Town Lodge developments.

It is possible that by 1998, the chain will almost double in size to 21 lodges, offering approximately 3,000 rooms to travellers in various parts of South Africa and neighbouring states.
City Lodge likely to enjoy premium

By CHERYLNE IRETON

WHEN City Lodge makes its Diagonal Street entrance on November 18 it will be only the second South African hotel group on the JSE boards.

The listing follows the placing by the Mines Pension Funds of R51,5-million worth of shares and debentures in the eight-hotel chain.

The shares, placed at R4.80 each, are expected to trade at 10% to 15% above the issue price if the market holds its present levels.

Karos

Based on early demand for the shares, some brokers suggest a trading price of about R6.50, which would give a market capitalisation of above R200-million.

City Lodge joins Karos as the only two quoted SA hotel chains. The rest of the JSE's hotel sector are Sun Interna-

HANS ENDERLE: In the bag

tional subsidiaries operating in the homelands.

The listing dilutes the Mines Pension Funds' shareholding to 42.8% from 63%. However, the funds retain joint control with City Lodge founder and managing director Hans Enderle, who keeps his 35.2% stake.

Mr Enderle says institutions have picked up 10.1% of the issued capital and the public 17.2%. Executives and management now hold 3.7%.

Among those to take up shares are Sanlam, Old Mutual, UAL, Sylfrets, Norwich Life, Federated Life, Commercial Union, Metal Industries Fund and Issor Pension Fund.

The convertible debentures, with an 11% coupon, attracted the additional attention of Liberty Life and Rand Merchant Bank Asset Management, says Mr Enderle. The Mines Pension Fund holds 8.6-million of the 13.4-million convertible notes, the institutions have picked up 3.4-million and the public 1.8-million.

These notes, worth R27.5-million at the issue price of R5.50, will convert to ordinary shares — one for one basis — when City Lodge's dividend equals 60.5c a share.

The dividend is expected to be 26c in 1993, yielding 5.4% on the issue price.

The group plans to open three hotels at the start of 1993, boosting growth prospects. These "no-frills projects" — in Sandton, the Victoria and Alfred Waterfront and at Jan Smuts Airport — have been funded by the Mines Pension Funds at an total cost of roughly R125 000 a room.

Mr Enderle says the existing hotels have operated at occupancy levels above 80% for most of 1992. This compares with a trade average of about 59%. The addition of another 460 rooms at the start of the year is expected to enhance City Lodge's pro-

Focused

This view is supported by the joint sponsoring brokers for the listing, A Davie, Bor-

kur, Hare & Co report says investors can look to real earnings growth from this niche focused group.

Martin & Co suggests that the listing will give access to a business with good pros-

pects and in a substantial growth phase.

Mr Enderle says City Lodge's 500 staff members have each been given 100 shares. Many have taken up additional scrip, which was offered at the same terms available to the institutions.
Airlines and hotels turn to tourist package deals

MAJOR airlines and hotel chains are increasingly turning to package deals in a bid to attract tourists.

Locally, Flitestar has introduced its Escape plan, in terms which it has joined forces with Budget Rent-A-Car, Diners Club and the Southern Sun Hotel group to offer a wide ranging package.

MD Jan Blake says the system works on the accumulation of Starmiles calculated on every Flitestar full fare domestic flight, car rentals, hotel accommodation and Diners Club purchases.

This means travelers earn additional credits every time they make use of one of the partners in the scheme.

Also, to make its package more attractive, the scheme gives members three years to earn and redeem Starmiles, unlike other packages which restrict the credit to 12 months.

At the bottom end of the scale, rewards for Starmiles include free domestic tickets and at the top benefits include an Amazon adventure, two return economy class tickets to London, a Caribbean cruise or a camel trekking safari.

British Airways, which accounts for a large number of tourists coming into and leaving from SA, has such a plan. As a result of a deal with Kenning Car Rental, visitors receive lower car rental prices, unlimited mileage and free Automobile Association service.

If you book a British Airways Car Hire Holiday, free services include unlimited mileage, an information pack with maps, British VAT, vehicle insurance including third party, fire, theft and passenger liability excluding initial collision damage waiver.

The service can also be extended, through the airline, to other parts of the UK and to certain destinations in Europe.

Cars for hire include Peugeot, Rover, Metro, Escors, Sierras and Montegos.

KLM includes a rented car for a week in the price of the air ticket. The offer is available in Holland as well as England and Scotland and in the UK there is no extra drop off charge. Competitive rates are also offered if the customer wishes to take the car for longer than the week.

The scheme was introduced in October and will run until March, after which its success will be reassessed. An airline spokesman says it has been very popular so far.
Karos Hotels to consolidate

MARCIA KLEIN

KAROS Hotels, which has undergone an extensive and prolonged refurbishment programme, had entered a phase of consolidation, chairman Selwin Hurwitz said in the annual report.

Although short-term profit had been affected by the fact that many of the group's rooms and facilities were unavailable, Hurwitz said the long-term effect of its refurbishment programme would be considerable.

The programme was virtually complete and the company had entered a period of rationalisation now that Karos had strengthened its competitive position in the market. In the year to end-March, Karos reported an attributable loss of R3.9m from a profit of R4.1m in the previous year.

Hurwitz said the violence that had accompanied the breakdown in political negotiations had affected tourism. But Karos believed that an acceptable political dispensation was imminent, and tourism was set to accelerate significantly.

Karos had continued with its upgrading and refurbishment programme. The Polana Hotel in Maputo, which reopened in July, was expected to make a meaningful contribution to the group profit.

In January, Karos acquired the Edward Hotel in Durban for R3.3m, ensuring its representation "in a key tourism area".

Hurwitz said room occupancies of 57% for the year were slightly ahead of the previous year.

Although turnover was up by 25%, the increased cost of operating leases and interest saw the company show a loss of R3.2m.

Hurwitz said the present monopolistic gambling situation needed to be curbed and gaming facilities should be extended.

Trading for the first six months of the year would be weak, but Karos expected to return to profitability in 1999. The extent would depend on political conditions and a reduction in prime lending rates, Hurwitz said.
Brighter and safer Christmas this year?

By TOSH LEVETT-HARDING

SEA POINT faces a brighter Christmas this year with plans to upgrade the lighting along the beachfront from Three Anchor Bay to Saunders Rock.

The city's assistant electrical engineer, Mr. Gordon Munro, said: "Our areas are dimly lit during the festive season and the bright lights of Somerset West put us to shame."

"The Atlantic coastline area springs into life at night and that's where we need the bright lights - where they can be seen and enjoyed."

Protection

He was supported by Councillor Chris Joubert, who said: "We not only want a brighter Christmas but also a safer one and I am going to motivate the council to employ beach constables on a 24-hour basis during the festive season."

"The Green and Sea Point Ratepayers Association has given me its backing to provide greater protection to the large number of tourists who like to wander along the promenade late at night."

Mr. Joubert said he felt the expenditure would be justified as it would help to boost the tourist trade.

Tourist influx

He said it was well known that security at the Waterfront was tightly controlled and added: "We must marry ourselves with the Waterfront."

"We are not competing against them but are following their example and our security should be as good as their's, and beach constables employed on an around-the-clock basis could ensure this."

"I also suggest that they should not only patrol the Atlantic coastline but should also be employed along the False Bay coast because Muizenberg also has a big influx of tourists at Christmas."

"Safety is the keynote if we are to increase our tourist trade."
Sun group's shining success

Strategically located all around the country are the Holiday Inn hotels, well-known for their warm welcome and their value for money standards. Holiday Inn hotels offer all service, as well as bar, racing and conference facilities.

The big news from Holiday Inn is that all room rates now include breakfast, so that famous eat as much as you like breakfast buffet costs not extra.

A major development in the Southern Sun Group has been the establishment of the Holiday Inn Garden Court chain of hotels. These selected service hotels offer all the room comforts and space associated with Holiday Inn, but with the extra facilities of room service, conference and banquet amenities.

Good news.

Holiday Inn Garden Court hotels are situated in Durban, Bloemfontein, Port Elizabeth and Cape Town, as well as in a number of smaller centres such as Harrismith, Kimberley and Kimberley. Good news is that at these hotels the rate is charged per room, whether the accommodation is shared by one, two or three (in some cases, even four) people. Rates vary from R199 to R439 per room.

The first Formule 1 hotel in South Africa opened this year near Jan Smuts Airport and two others are scheduled to open soon in the Johannesburg area, in Sandton and Berea.

The rate at Formule 1 is R74 per room and each room, with private shower and toilet facilities as well as colour TV, is designed to accommodate three people.

With its strategy in place and its objectives clearly defined, the Southern Sun Group is on the path to success.

It extends warmest wishes for the success of the Soweto Nation Building programme and will continue to play its part in taking South Africa confidently into the future.
JOHANNESBURG. — The Domestic Workers' Association (DWA) yesterday expressed concern that it was not consulted about negotiations between Cosatu and the government regarding the extension of the Basic Conditions of Employment Act to domestic workers.

DWA chairwoman Ms Maggie Oewies said the association had been negotiating with the government since 1974, and she also served on the Manpower Commission which made recommendations about the working conditions of domestic workers. She said she found it strange that these recommendations were now seen as part of an agreement with Cosatu.

DEASA national chairwoman Mrs Claire Read said the agreement between the minister of manpower and Cosatu was too general in its scope.

Meanwhile, farmers in the Transvaal, Free State and Natal have condemned the agreement.

Free State farmers yesterday expressed their amazement and disappointment at the "one-sided" statement by Minister of Manpower Mr Leon Wessels and Cosatu on three labour laws that will apply to agriculture from March, 1993.

Reacting to the farmers' discontent, Mr Wessels said yesterday the country could not wait for the SA Agricultural Union to produce concrete proposals for a consolidated labour law for agriculture. — Sapa
Ghost town a turn-off for tourists

Staff Reporter

CRIME and business hours-only shopping in Cape Town's CBD, which turned the city into an after-hours ghost town, were among criticisms in a panel discussion last night.

The gripes were raised at Captour's 14th AGM in Milnerton.

Captour members complained that locally produced wine was marked up by 200% and 300% in restaurants and hotels, and, less expensive house wines were not available as was the case in other countries.

Mr. Herbert Hirsh, president of the Cape Town Chamber of Commerce, suggested that the city council look at ways of attracting residents to the CBD, saying city residents would then attract visitors and "give life to the after-hours ghost town."
Lost City sets level for future projects

THE experience gained by Schenid Israelite, project managers on the
R80m Lost City project at Sun City, will stand the company in good stead for
any future major projects, says director Jules Schenid.

"The pace and pressure has been intense from the outset. The project has taken 28
months from the conceptual stage. In any circumstances this would have been a dif-
cult job, as new technology was intro-
duced and local staff had to be trained.

"Not one project in the southern hemi-
sphere has, I believe, been produced in this
time frame and to this quality of design.

"The tender, design and construction
phases almost all overlapped, and design
and building were almost parallel events."

The snagging (attention to defects) has
already been completed, and The Palace
hotel has been handed over to manage-
ment. The first paying guests will start
occupying the rooms later this month.

"The remainder of the job was to deal
with latent defects and to supervise the
final finished," says Schenid.

"I believe this has been a remark-
able experience and management achieve-
ment," says Schenid.

Project managing the Lost City was a
demanding task and superb learning experi-
ence, as the company was responsible for
all activities related to the project, which
involved 50 disciplines, employed 350 sub-
contractors and about 6,000 workers.

Site and off-site activities had to be mon-
tored, and there were meetings on co-
ordination, design and budget run. There
were 20 management staff on-site, includ-
ing five partners. "In addition, we had
become involved in procurement of furni-
shings as a result of our involvement in a

similar capacity at The Carousel resort."

Schenid Israelite had been involved with
Sun City as project managers from the
resort's inception.

One of the most difficult aspects of the
Lost City project was the precast construc-
tion system, which introduced a totally
new technology -- the artificial ageing of
the building and maintaining this appear-
ance.

"Mock-ups had been made of "every-
thing" and because of the intricacies of the
finishes, resources often had to be brought
in from elsewhere.

"Our staff were stretched to the limits
working long hours but still maintaining
high quality finishes and construction. De-
spite the pressure, there was never any
thought of compromise," Schenid says.

Much of the specialised work with ex-
pensive materials was done in the early
hours of the morning because of interna-
tional time differences and need for con-
sultation with advisers overseas.

The US architects supplied only con-
sceptual drawings. These had to be trans-
formed into detailed working drawings, which
created additional problems with the intro-
duction of new technology.

The project has been designed to func-
tion with as little maintenance as possible.

The building has been constructed with
"hard finishes" that cannot deteriorate,
while the painting is designed to age.

"We will be involved in the refurbish-
ment of the main Sun City hotel and are
tying up the loose ends at the Lost City.
Having achieved this we are confident we
can tackle any major projects in a pro-
ject management role," Schenid said.
Dispute under the sun

JOHANNESBURG. — A dispute has been declared with leisure giant Sun International at the Wild Coast and Ciskei Sun hotels by the South African Commercial, Catering and Allied Workers Union.

CT 11/11/92
Indications of boom in timeshare secondary market

INDUSTRY players believe the timeshare resale market has boomed over the past year, but are unsure by how much, because the secondary market has no central database.

RCI MD Steve Griessel, whose organisation is primarily involved in timeshare exchanges, estimated the secondary market had grown by a maximum 20% in 1992 to about 10,000 weeks, from 8,000 weeks in 1991.

Griessel said his figures were based on research conducted by RCI in 1991.

"Although this growth is significant within the secondary market, the resale market remains small compared to the size of the total timeshare market of 176,000 weeks."

Time & Time Again MD Helene Samuels said there were three major reasons for growth in the secondary market. First, timeshare was one of the first things to go when the consumer was financially hard-pressed, and the recession had enlarged the sellers pool.

"Second, fewer new resorts have been launched of late and some demand has reached the resale market."

The third reason was that the secondary market had benefited the primary market could not match.

"Prices in the resale market come at a discount as they do not include the huge marketing costs, such as commissions and other expenses, borne by the buyer in the primary market."

"There is also no VAT on timeshare resales between individuals — an additional saving for the buyer."
Lucky Spreads Goodies

Business

Kendrick, Graduate Restaurant

owner committed to job creation and
black advancement

By James Rapoport
CLUB MYKONOS

The art of compromise

The revival of the leisure property market over the next four years will be crucial to the success of an ambitious plan to save Club Mykonos.

The complex scheme put forward by the Club Mykonos Homeowners' Association (CMHA) was agreed to by a majority of homeowners, investors and creditors at a meeting in Cape Town last week. The results were due to be reported to the Supreme Court on Wednesday.

In essence, the plan means creditors and investors will forfeit one-third of what is owed to them and homeowners will give up one-third of their occupation rights (Property August 21). The forfeited debt will be replaced with equity and homeowners will be given sectional title ownership of their properties to replace their current shareblock rights.

The success of the scheme hinges on the sale of the 73 accommodation units that will become available when the homeowners give up a third of their rights as well as the sale of 17 unsold units and 97 planned additional units.

Total sales revenue over five years is forecast at around R65m which, together with about R25m from the continued repayment of money still owed to Club Mykonos, will virtually settle all outstanding debt (reduced by one-third).
Your passport to shopping pleasure

By Jus'in Pearce

HE WAS wearing a floral pantsuit, he was wearing a trendy blonde haircut and a shirt open to the solar plexus. Their arms round each other, their free hands holding shopping bags, he bent down and she raised her face for a long kiss as they walked, sated, towards the carpark.

Any moment they would light up cigarettes and the scene would transform into an ad for Courtleigh Satin Leaf.

The new Victoria Wharf shopping mall is the sort of place where you go to pretend you’re in a cigarette ad. Whether your preference is for the yuppie-ish Satin Leaf, the fun-filled world of Peter Stuyvesant, or the Olde English lushe of Rodmans, it’s all there for you.

“Yuppie” is the cliché that springs to mind. But the customers aren’t. Last weekend the middle-middle-class turned out in force.

They gazed with interest at the expensive little boutiques but it’s unlikely they bought anything there.

Victoria Wharf also has plenty of the chainstores that spread like acne to every new commercial development. It’s just that here they come gift-wrapped.

CNA has gold lettering on the shopfront. The male checkout staff at Pick ‘n Pay wear ties that look as if they could have been bought at any of the expensive little boutiques out in the mall. Some of them also wear badges saying “I am a part-time casual”.

This branch is called a “Pick ‘n Pay Pantry”. Heaven forbid that anyone should mistake it for a supermarket. Yet most of the items on the shelves are exactly what you’d find at your local branch, and, give them credit, no more expensive.

All that distinguishes the merchandise from lesser Pick ‘n P pays are the microwave-and-eat dishes, the ready-to-eat salads, deserts and baroque yoghurts: “Champagne Rhubarb” must take the prize for the most outrageous flavour.

Then there’s Nando’s, the takeaway whose other branches are done out in garish red and green plastic. Here it’s all bare wood and ceramic tiles with scenes of 15th century Portuguese navigators. On the menu is a message from the proprietors: “Centuries ago it was our Portuguese ancestors who discovered these shores ...”

Internationalism is packaged behind the glitter: Greek, French, Italian. There is even a halal takeway with salomes and samoosas — the first time the Waterfront has seen anything genuinely Capetonian.

The anticipated clientele is similarly multinational. The information booth has the word “information” in English, Afrikaans, Xhosa, German, French, Spanish and Portuguese. The Xhosa version is spelt wrongly.

I put on a thick foreign accent and asked the information lady: “Do you speak Cherman?” She didn’t. I regretted being too pale to be an authentic Xhosa speaker, as I would have liked to test them on that one. Given the spelling error, I wouldn’t hold much hope.

Nor were there any Xhosa-looking people in the vicinity whom I could ask to help. While it’s not true that the Waterfront is a whites-only space, its present clientele seems to consist entirely of those who may vote in the trienmeral parliament.

Most of the glamour and exorbitant prices are to be found in the row of restaurants facing the quayside. To the left is the old emigration point for Robben Island prisoners. On Friday night, men in tuxedos and women in cocktail dresses were queuing up next to the razor wire to embark on a cruise. The real people hung around munching pizza slices or ice cream and watching the mugs or the trapeze artists.

That’s what Victoria Wharf is all about: your chance to mix with the rich and the beautiful while you do your routine Pick ‘n Pay shopping or take the kids out for a weekend treat. Like a cigarette ad, it lets you fantasise about the lifestyle you never had, before the beautiful people shimmy back to the Victoria and Alfred Hotel, and you drive the kids back to Addison or Plumstead.
Residents outraged about liquor licence

RESIDENTS of Bergvliet and Meadowridge collected about R15 000 in five days last week towards R30 000 they need to fight a liquor licence granted despite "strenuous" objections.

The chairman of the Bergvliet/Meadowridge Ratepayers' Association, Mr. Donald Craythorne, said this week that the Rebel Discount Liquor organisation had been granted the licence in a small shopping centre in Howard Drive, Meadowridge despite "literally hundreds" of objections.

He said the bottle store would be located in the community centre of Meadowridge close to two retirement homes, two nursery schools, a high school, a library, a bowls club, a tennis club and "many, many homes".

"The idea is grotesque and will devastate the community heart of Meadowridge," he said.

"Despite all this, the MD of Rebel claims the area needs a bottle store. This arrogant and intransigent attitude unleashed a wave of anger at the annual general meeting of the Bergvliet/Meadowridge Ratepayers' Association on November 2.

Another resident of the area said they were determined to stop the bottle store as there were already three others nearby.

"This is another case of people being pushed around by big business. It is happening all over the place and we are determined to stop it."

Residents were collecting money to appeal to the Supreme Court, she said.

"We are also organising protests, anti-rebel banners and boycotts, marches and other anti-rebel events."

Mr Craythorne said: "The residents are angry. They want answers, such as why their views were not accepted. We are rebels with a cause!"
Wine Shop determined to fight Liquor Board

CAPE TOWN — Wine retailer Vaughan Johnson and wine farmers are to fight the refusal of the Liquor Board to grant Vaughan Johnson’s Wine Shop at the Waterfront a special liquor licence which would enable it to open seven days a week.

The Liquor Board has said that the R1.8m wine shop, which offers wine tastings and lectures and has facilities for cultural events, is just the same as an ordinary bottle store.

A furious and disappointed Vaughan Johnson has vowed that the “archaic” decision of the Liquor Board would not be taken lying down, adding that he had the support of wine farmers.

“The Waterfront is expecting 9-million visitors this year and is an ideal place to promote Cape wines. More than 50% of the visitors come to the Waterfront on Saturday afternoons and Sundays, yet we have to close our doors at 1pm on Saturdays — the only shop of about 200 that has to.”

The decision was attacked last week by Pepkor chairman Christo Wiese, who said the board often enforced regulations that were absurd.

“While Sunday trading is allowed at Groote Constantia estate and DF Malan airport, an application to do the same at the Victoria & Alfred Waterfront, Cape Town’s biggest tourist attraction, has just been turned down.”

Meanwhile, our Cape Town correspondent reports that KWV Deputy CEO Kobus van Niekerk, reacting to criticism of the SA wine industry by Wiese, said SA wines were the cheapest in the world.

Wiese told the congress of the SA Society of Oenology and Viticulture that sales were stagnating because wine had become too expensive. He singled out KWV for “exercising a stranglehold on the industry” in setting a minimum price for wine.

Van Niekerk said at the weekend SA wines “offer undoubted good value for money”. The real minimum producer price for natural wine had dropped by 21% since 1990, Van Niekerk said.

“The producer price of R8c a bottle actually represents only 8% of a bottle of wine costing R10 and 22% of a bottle of wine costing R3.99 at a retail outlet.”

The consumption of natural wine in SA, he said, had grown by about 8% a year since 1980.

However, Stellenbosch Farmers’ Winery MD Frans Stroebel said he agreed with Wiese that free market principles should be applied in the industry.
Muggers force peace observers to move

MANY of the UN and EC peace observers have moved out of their five-star hotel in central Johannesburg because of muggings in the area.

Nearly 50 envoys from various countries are staying in Johannesburg, and others are stationed in various parts of the country to monitor public violence.

Fewer than 10 are still living in the Carlton Hotel, the rest having moved — as one diplomat put it — “to more amenable pastures” after making their own accommodation arrangements.

At least four members of the group have been attacked and robbed barely metres from the hotel, and a Norwegian diplomat on a one-day stopover had his pockets emptied a few hours after his arrival.

With a bit of time to spare after a meeting, the Norwegian went for a stroll to do some sightseeing, and was mugged.

Jim Anderson, security liaison official for the delegations, said alternative arrangements for the monitors still in the hotel were being considered, and a decision would be made shortly.

Carlton Hotel GM Stephen Ford said the hotel had held consultations with the delegation heads, and every possible step was being taken to ensure guests were adequately protected.

He said talks with Law and Order Minister Hermus Kriel and local police chiefs had been held, and a number of security measures had been taken.

Satour says 130 Carlton guests and 119 guests at the Johannesburg Sun have been mugged this year. Both hotels were providing armed escorts for residents, the Sunday Times reported yesterday.
LONDON — New tax incentives to expand and improve the tourism industry in South Africa were being considered by the government, the Minister for Information and Tourism, Dr. Org Marais, said here yesterday.

Addressing the launch of the South African stand at the World Travel Market expo in Earls Court, Dr. Marais said the tax incentives would be for new developments and refurbishments by industry members.

Another scheme in the pipeline was voluntary registration and grading for all establishments at which guests would pay a daily levy to Satour. The money would be used by Satour to market tourism. The establishments would in turn receive a marketing and technical incentive package, plus access to Satours marketing platforms in SA and overseas.

Dr. Marais said that in the first six months of this year, tourism to SA rose 14% over last year, with over 200,000 overseas arrivals.

With 1.7 million tourists expected by the year, 2,000 conservation had become vital and the government supported programmes which enabled travellers to "personally assist" threatened environments and poverty-stricken communities. The Natal Parks Board was the first to benefit with R17.5m given by the Industrial Development Corporation to re-develop its huffed camp at Hluhluwe Game Reserve.

The IDC had reserves of R600m for similar financing, he said.
Tourism providing a beacon of hope

By TOSH LEVETT-HARDING

TOURISM is providing an important beacon of hope in the gloomy South African economic climate. Captour chairman Alderman Louis Kreiner told the organisation's annual meeting at the Cape Тurt Club in Milnerton last week.

"Political uncertainty, frustration, the shrinking value of the rand and high inflation hold our economy and tourism industry in a vice," he said.

But there was hope, he added. "The decision of foreign airlines to fly to Cape Town has encouraged us in our efforts to promote the Western Cape." 

Significant change

Mr. Kreiner said Captour had reviewed its own role in the industry, which had resulted in a sharpening of marketing and promotional effectiveness.

The appointment of Mr. Gordon, Oliver as chief executive officer was the most significant organisational change during the year under review," he said.

Mr. Oliver said "Captour takes a serious view of its role and its contribution to the economic development of the Western Cape."
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Taiwan has highest Forex Reserves
Conservation of historic sites is high on agenda

WITHOUT its historic buildings - some dating back to the 17th century - Cape Town would not have as great a charm as it does.

However, preserving that cultural heritage in the face of the pressing demands of development requires vigilance on the part of the authorities.

The National Monuments Council (NMC) - responsible for vetting projects affecting buildings more than 50 years old - is often attacked for holding back development. Generally, though, says NMC regional manager Ashley Lillie, Cape Town's city council has a good track record on conservation, and the NMC is always ready to compromise.

He believes Capetonians are aware of their role as custodians of their cultural heritage, and that the city council has become increasingly supportive as it realises the value of conservation for tourism.

The city's oldest building is the Castle, completed in 1679 and currently undergoing major restoration.

Valuable

"It is vital that the survey and conservation of archaeological sites be incorporated into planning and development programmes at the earliest possible stage and that preliminary surveys are undertaken well in advance of construction work," Lillie says.

City council development coordinator Philip Theron says the council would be unlikely to approve demolition of old buildings to make way for high rise structures, as old buildings are valuable tourist attractions with a high revenue-generating capacity.

However, conservation in future will depend on finding acceptable economic uses for historic buildings so that they can fund their own maintenance. The trend is to keep the environment intact rather than have isolated buildings surrounded by non-descript modern structures.

The National Monuments Act protects all palaeontological, archaeological and historical sites. It is an offence to destroy, damage, alter, remove from its original site or excavate any such site or material without a permit from the NMC. If convicted of an offence in terms of the Act, a person could be liable for a fine up to R10 000, two years' imprisonment, or both.

The NMC has initiated a rock art management programme and is investigating ways to use rock art for education and tourism without damaging it by too much exposure. The work of the NMC is greatly impeded by a critical shortage of funds and staff. Four people are responsible for the whole of the western Cape.

In its latest financial year, the NMC received R3.9m for administration expenses and R795 000 as a capital amount - not enough, says Lillie, to restore one building.

Dramatic improvement in service standards needed

STANDARDS in Cape Town's restaurants and hotels will have to improve dramatically if the city is to attract more foreign tourists, industry sources say.

Captor CE Gordon Oliver emphasises the need for staff training to ensure better service. Captour and the Cape Town Chamber of Commerce are to link up to promote a service ethic in the tourist sector.

Cathy's Don Ball says standards of service in Cape Town are "disgusting" and "poor" and leading to many complaints from foreign tourists.

"Restaurateurs and hoteliers have not recognised the problem, which stems from inadequate training of staff. Protea MD Arthur Gillis believes standards in South Africa are atrociously low compared to overseas."

Nevertheless, the Cape region has a good selection of high-quality restaurants, with a number scoring well in a national competition organized by American Express and Style magazine.

Grand Roche Hotel in Paarl came first and Buitenverwagting second in the deluxe category while in the popular categories the L'Anberge du Paysan in Somerset West and Le Quartier Français in Franschhoek took a joint third place.

Fedhasa Western Cape Restaurant Guild chairman Aldo Girolo says the problem of standards arose particularly with the opening of the Victoria & Alfred Waterfront, which was not equipped to handle the unexpectedly large number of visitors. This has led to the perception that Cape Town restaurants generally offer poor service, he says.

Prices charged for food by waterfront restaurants are high, but this reflects the forces of supply and demand. Girolo says.

He feels it is natural that the waterfront has taken business away from other restaurants, but says that the development has also contributed to an overall growth in the market by attracting more tourists.

But for restaurants located in the centre of the city a revitalisation of the CBD at night is vital.

Oliver agrees but says this will come about only through development of a residential component to the city. He says development of District Six as a residential suburb is vital.

Girolo says the restaurant trade has had a tough time during the recession, with companies cutting back sharply on their entertainment allowances.

High food prices added to the problems and with market resistance to higher prices, it has not been possible to pass on the extra costs. Eating habits have changed as diners switched from meat, crayfish and prawns to pasta.

However, the signs for the coming season are good.
MUZENBERG is set to regain its status as a prime tourist resort once the multimillion-rand revitalisation of the False Bay coast has been completed. Local investment in Muizenberg could amount to as much as R350m, while the redevelopment of Kalk Bay, Muizenberg East and St James is also planned.

**Proposals**

Cape Town city council’s executive committee has chosen two of the 14 proposals submitted by private sector developers for the project, which is expected to get under way next year.

Council development co-ordinator Phillip Theron says the aim is to redevelop the beachfront by providing leisure, entertainment, commercial and residential facilities. A new hotel is also planned.

"The False Bay coast... should be marketed as a unique region, like the winelands." Surfing, sailing, scuba diving and mountain-climbing are just some of the attractions.

Theron says it is necessary to convert Muizenberg — in terms of employment for at least 15 years — from a rundown village into a major tourist resort and to create job opportunities.

The council, which owns about 58ha in Muizenberg, has allocated several million rand to improve beachfront infrastructure and general landscaping.

The old railway station has already been restored and its usage changed to accommodate commercial activities.

It is proposed that an existing pavilion be redeveloped to include a leisure centre, bowling alley, health club, indoor water sports, cinemas, and an ice or roller skating rink.

Theron says the city will use its land as a catalyst to developing the coast.

The SA Rail and Commuter Corporation, which has about 3365m² in Muizenberg, is also involved in the area’s revitalisation.

**Earmarked**

Most of the land available has been earmarked for nonpermanent residential facilities such as holiday accommodation, time share, or hotels, all with related restaurant and entertainment facilities.

Theron says development will proceed only after negotiation with the local community.

**Special rates lure winter visitors**

HOTEL bookings for the Christmas season are looking good, but the short festive season will not do much to counteract the long winter in the industry, which has seen hotel occupancies nationwide plummet to 49%.

Southern Sun’s winter at all its Cape Town hotels was quieter than normal, but forward bookings from mid-October to end-December look strong, says group reservations director Chris de Cock.

The perception that Cape winters are something to avoid has affected hotels, many of which have offered cut rates to attract visitors. Corporate cutbacks have also knocked occupancies.

Protea MD Arthur Gillis says the recession has placed such pressure on disposable incomes that without special packages, holidays are unaffordable for most people. "I shudder to think what our occupancies would be like without the packages." Protea’s averaged 55% against the industry average of 49%.

**Warns**

While some people in the industry believe Cape Town has insufficient hotels for an influx of foreign tourists, estimated to reach 900 000 by 1996, Gillis warns against the folly of building new hotels based on "highly debatable" projections.

To build a hotel on a profitable basis and get an adequate return on the investment, an occupancy of 60%-65% is needed.

Protea Hospitality Corporation executive chairman Otto Stehlik says rather than build new hotels, SA’s hotels should be refurbished to satisfy the needs of the international tourist.

He believes that about 30 000 of the 46 000 rooms available in SA require refurbishing at a cost of about R200 000 each, or a total cost of R600m — the amount voted by government for the development of an eco-tourism structure.

Western Cape Growth Organisation executive director David Bridgman says that if tourism in the Cape is to grow at the desired 20% a year, there will not be sufficient facilities of international standard to cope with the demand.

Ways have to be found to attract tourism during the months before there will be new investment in hotels.

**De Overberger a base for day-trips**

DE OVERBERGER Country Hotel and Conference Centre is situated 115km from Cape Town on the outskirts of Caledon in the foothills of the Swartberg, with views over rolling wheat and barley fields.

The hotel is marketing itself as a base from which tourists can conveniently conduct day trips into the southwestern Cape. GM Brian Macaskill says tourist attractions include the winelands, flower routes, Bontebok National Park, De Hoop Nature Reserve, Cape Agulhas, Hermanus and Arniston.

"Recreational facilities at the hotel include the famous hot water springs, a health centre with a gymnasium, nature walks, a swimming pool, Jacuzzi, volley ball, tennis, squash and a children’s play room. "A nine-hole golf course and bowling greens are available less than five minutes’ drive away," Macaskill says.
Arts council responding to changing community needs

SA's arts councils are involved in turbulent change as the process of democratization penetrates all aspects of society. Capab is responding to the changes, attempting to make its facilities accessible to community arts projects and taking its work into the community. But however well-intentioned, it seems unlikely that this will satisfy the demands of community arts groups for a role in decision-making and control.

Nico Malan theatre complex director George Loopuyt believes that during the process of political settlement, the perception of arts boards — in his view unfairly tainted with the brush of being state institutions — will improve. Nevertheless, thought has been given to the creation of new structures within Capab, and an internal committee has been established to co-ordinate contact with communities.

Community performing arts groups use the Nico Malan complex for shows, while other groups borrow equipment and sets. "We are willing to help where we can, but we don't have unlimited resources. As barriers break down, we will learn more ways we can work together," he says.

Capab's Nico-for-all project, which uses final dress rehearsals as well as sponsorship to bring groups to certain performances, enabled 23 887 disadvantaged people of all ages and cultures to be exposed to 49 productions in the year to end-March 1992.

Outreach

The Nico also has a township outreach programme which sends groups to schools to perform set works and plays. Last month a two-week community youth groups festival was held at the Arena Theatre.

Loopuyt says Capab should also be involved in fostering local talent. However, he is not optimistic about the possibility of being an attraction for tourists, believing that they will have seen most productions of high quality already and that there is a paucity of local work that would attract them.

The arts are suffering as a result of the recession, and Capab has had to resort to staging commercial productions, which are guaranteed box office success, or restaging productions for which there are already sets and costumes.

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Sea Point hard-hit by Waterfront popularity

THE Waterfront and Alfred waterfront development may have been good for the tourist trade in Cape Town, but its success appears to have been bought at the expense of Sea Point, where trading is on the decline.

However, at least one form of commercial activity — property development — remains successful, although the many elderly residents complain of escalating rentals as prices rise.

Seapoint councillors John Sonnenberg and Joe Rabinowitz say the joie de vivre previously associated with Sea Point has moved to the Waterfront, and local traders, especially those involved in entertainment, are feeling the pinch.

Rabinowitz says "no one will risk money to set up new businesses there", and Sonnenberg says business in the suburb is becoming seasonal.

But property developers do not seem too perturbed about the slowdown in trading activity and continue to apply for rezonings and the unbundle of stands.

The most recent example is Sanlam's planned development of sectional title apartments, one of which recently sold for R4m to a Cape Town buyer.

Sanlam plans a hotel complex on adjoining land but first needs approval of the city council, which is "trying to be accommodating".

Town planner Neville Riley says the council is attempting to unbundle Sanlam-owned parcels of land on and around the site, and tie them together to allow the hotel development to take place.

"If, however, there is some resistance from the community to rezonings, and residents are increasingly taking matters to court," another city official says that apart from a "succession of court cases" he expects resistance from residents on the refurbishment of a block of flats on the Clifton beachfront.

Rabinowitz says another problem with the Sea Point area is lack of parking, which led to the demise of Regent's Road.

"Some held out that a planned Woolworths development on the corner of Regent's and Kloof roads was the great hope for the area, since it would come with two levels of parking. But I do not think so."

Councillor Chris Jordaan, who owns a shop in Sea Point and is active in the local traders' association, was not available for comment.
Panel probes value for money to tourists

By TOSH LEVETT-HARDING

WELL-KNOWN radio personality Nigel Murphy was bombarded with questions when he chaired a panel discussion entitled “Is Cape Town outracing itself?” at the Captour AGM at the Cape-Turf Club, Milnerton, last Tuesday.

The panel comprised Mrs Maureen Thomson, marketing manager of the Waterfront, Mr Otto Stehlik of Protea Hotels and Mr Aldo Girol of the Restaurant Guild.

Mrs Thomson opened the discussion by saying: “I think we must look closely at the subject of giving value for money and everybody in Cape Town should be prepared to do this.”

Seafood

Councillor Jack Frost, Captour’s deputy chairman, said: “My complaint is about wine sales and restaurant charges. I think people should also expect excellent seafood.”

“But for every R100 we take we have to pay R60 in overheads and the comparison in selling wine in restaurants and at bottle stores is not relevant.”

Security

Another speaker said the city became a “ghost town” at night and there was little to attract tourists. “If shops remained open until 11pm this would be a tremendous boost — particularly for Sea Point.”

Murphy put it to the vote and the majority favoured shops remaining open until 8pm.

Alderman Louis Kreiner, Captour’s chairman, said the success of the Waterfront was based on security and cleanliness.

Murphy said many interesting points had been made, from the floor to the panel and that a “feedback” should be given to Captour’s chief executive officer, Alderman Gordon Oliver.
Natal violence hits tourism

Own Correspondent

DURBAN.—The wave of violence sweeping Natal has caused a massive drop in foreign bookings for holiday accommodation over Christmas.

However, hotel and publicity association spokesmen said the violence has not affected local tourism over the festive season. But tourists from other parts of Natal were staying away from Durban's overcrowded beaches.

"Our bookings for the week after Christmas (from December 25) are pretty strong — around 80% — but prior to that from the start of the season on December 14, we have only about 40% bookings," Fedhasa chairman Mr Alan Gooderson said.

He said the media coverage of the "chaos" on Durban's beach front during last year's festive season had dealt a "devastating" blow to Durban hotels.

South Coast Publicity Association spokesman Mr John Tack said holiday accommodation during the "peak" week was about 60% booked and it would be "very difficult to find a bed during that time". But bookings were at about 60% from the beginning of the holidays until then.

On the North Coast, "everything is full", said Dolphin Coast Publicity Association spokes-woman Miss Sharon Wessels.
City Lodge makes its JSE debut today

HOTEL group City Lodge lists today on the JSE's beverages, hotels and leisure sector.

Analysis expected the ordinary shares to list at a slight premium to the 490c issue price, with the debentures expected to come on the market at the issue price.

City Lodge's private placement of 5 million ordinary shares at 490c and 5 million convertible debentures at 560c each was fully subscribed. Major institutions including Sanlam, Old Mutual, Syfret,

A City Lodge spokesman said the company was expecting to come on to the market at a premium of up to 10%, and believed the listing would be successful.

In its prospectus, City Lodge forecast taxed profit for the year to end-July 1993 to be not less than R16.8m, and a dividend of be expected to be paid in April 1993.
Storm brews as taverners opt for boycott

THE 25 000-member National Taverners’ Association said yesterday a boycott of SAB products would go ahead because the brewer had “reneged” on agreements that had averted earlier action.

Association PRO Saint Madlala said members would be selling Zambezi Lager, a brew the association began importing from Zimbabwe earlier this year.

SAB refused to grant the “preferential discounts” it said the taverners demanded, and warned of the violence that might erupt if other people were forced to observe a boycott.

The parties seemed to have buried the hatchet at the end of September when the association’s executive said the SAB had agreed to most of the taverners’ demands. These included the scrapping of a requirement that taverners should take up an SAB insurance policy as collateral for credit, the brewer should pay operators for displaying its advertisements on their premises and should donate money in the event of mass killings at shebeens.

Madlala said the executive committee, which had been “reliving it” members who had long demanded a boycott, would tell them to go ahead next week.

SAB public affairs manager Adrian Botha said the brewery could not deviate from its policy of not giving preferential financial treatment. “Everyone gets the same treatment.” He said SAB was worried about the possibility of violence the boycott might trigger.

Madlala said his organisation had “mobilised all the political, labour and other groups. But we have left out schoolchildren and intimidation, it’s all voluntary.”
City Lodge makes its debut on JSE

City Lodge made its debut on the JSE yesterday, closing at a 8.3% premium to the issue price of 480c a share in fairly good trade. The group's ordinary shares reached a high of 535c and a low of 500c. A total of 383,700 shares worth R1.7m changed hands. The preference shares, which were issued at 355c, closed at 500c in lower volume trade. The closing prices of the ordinary and preference shares give City Lodge a market capitalisation of R202m.

In terms of the share issue, the Mine Workers Pension Fund has 45.8% of the shares, MD Hans Enderle and family, 20.2%, institutions 10.1%, executives and management 5.7%, and the public 17.2%.

Breweries face boycott threat

DEMANDS REJECTED SAB denies there is favouritism or preferential discounts.

 Liquor traders are to consider boycotting SAB's products when they meet at Uncle Tom's Hall in Soweto next Wednesday.

The National Taverners Association yesterday warned that similar action might be decided against spirit and wine distillers if they fail to meet their demands next year.

NTA chairman Mr. David Mokoena said the decision was taken after talks between them and the SAB broke down for the second time.

He said the parties could not agree on major demands, which included granting "preferential discounts", economically empowering black traders, and the favouring of white dealers to be stopped.

An SAB spokesman yesterday said the company deplored and was "extremely concerned" about any talk of a boycott in these "sensitive times", particularly when the root cause of the alleged action was to give "preferential financial treatment" to NTA members.

"We cannot accede to such a request as we have never and will not discriminate for reasons which should be patently obvious," the spokesman said.

He said the NTA was not the sole representative body of taverners nationally, adding there were also other important associations like the SA Taverners Association and the United Taverners Association of Southern Africa.

"Boycotts will exacerbate tense situations, leading often to violence as we believe that, particularly in these troubled times, they are not appropriate action," he said. Mokoena said they would consult trade unions, community and political organisations because "our people are involved in liquor - both as a business and as workers".
Union calls vote on hotels strike

EAST LONDON: — The SA Commercial Catering and Allied Workers Union is to hold a strike ballot today at all Sun International hotels in Ciskei following a deadlock between management and the union over retrenchment proposals.

The deadlock occurred earlier this week over the union’s demands that retrenchments be stalled and a centralised bargaining forum be initiated.

Sun International Ciskei’s regional manager, Mr Graham Vass, said after a meeting on Tuesday that the company had given notice of its intention to retrench at least 200 employees.

To minimise the number of retrenchments, the company was offering voluntary retrenchment to all employees within the negotiated bargaining unit and early retirement to all employees over 50, he said.

Mr Vass said an urgent interdict had been applied for to prevent further disruption. — Sapa
Liquor laws: FM 20/11/92

Losing to bureaucracy

SA might want to promote tourism and other industries, but not if it means bending the notoriously rigid liquor laws.

Liquor merchant Vaughan Johnson wanted to open a "window for SA wine" at Cape Town's premier tourist attraction, the Victoria & Alfred Waterfront (V&A), but bureaucrats and a rival merchant have scuttled the plan.

The Liquor Board has restricted opening times for Johnson's specialty store — which he says has cost him R1.5m — to normal bottle store hours, even though the V&A is busiest at night and on Saturday afternoons, Sundays and public holidays.

This means that while virtually all the V&A's 200 other shops, restaurants and pubs are open seven days a week to cope with demand from an expected 9m visitors this year, Johnson will have to close during the most lucrative trading times.

Johnson, who also operates a specialty wine and spirit store in Illovo, Johannesburg, applied for an extended hours licence, but it was turned down this month. No reasons were given. Liquor Board chairman Dan Botha refuses to discuss the matter. Johnson vows to fight on for an extended hours licence.

Though a "special" licence was granted, it still restricts trading to 9 am-6 pm on weekdays and 9 am-1 pm on Saturdays, the same times as an ordinary bottle store.

Johnson says support for his application was widespread and included the V&A management, the Cape Town Tourism Board, KVV, wine estates and co-operatives, and tour operators. But it was opposed by Marcow Cellars, which operates a chain of bottle stores in the city, including one not far from the V&A. MD Les Marcow says that if Johnson is allowed to open after hours, everyone else should be able to do so.

Johnson agrees. "All liquor stores should be able to trade when it suits their customers." He says the V&A is the perfect setting to show visitors the full range of SA wines and to promote the winelands. While spirits and beer will be sold, 90% of the available space will be devoted to wine sales and tastings. "I certainly don't want to become a corner liquor store."

Marcow denies that his objection was based on jealousy, because The Wine Society, a company in which Marcows has a "small" interest, was an unsuccessful applicant for the V&A liquor store concession.

He says he was personally opposed to the Wine Society's application because he didn't believe the concept would succeed unless trading was allowed on Sundays. That was also why Marcows did not apply.

"I can understand that Vaughan Johnson is upset, but in my view there is no reason why he should get a special licence. If the Liquor Board wishes to change trading times then so be it, but the playing fields must be level for everyone."

There may be some relief for Johnson, though perhaps not in time for the festive season tourist rush. Government is expected to amend the current liquor laws next year because it now believes they are not in keeping with the move towards business deregulation on the one hand and the needs of tourism development on the other.
Karos keeps its nose above water

KAROS Hotels just managed to keep its nose above water with an attributable profit of R13.7m for the half-year ended September.

Chairman Selwin Hurwitz said the group had succeeded in reversing the previous year's loss and expected that the second half, traditionally a better trading period, would provide improved profits.

Turnover advanced by a fifth to R58.4m (R42.1m), and operating profit by 46% to R13.8m (R8.5m).

Hurwitz said new facilities had become available as renovated hotels had come on stream, resulting in a higher turnover. Operating margins had improved significantly due to strict cost and asset controls.

Operating leases, interest, depreciation and amortisation absorbed R12.5m (R11m) and the pre-tax profit came to R1.3m compared with a loss of R1.5m the previous year.

An associate contributed R1.1m, and R2.3m was paid to holders of preference dividends. Attributable earnings were R23.06, or 0.1c a share.

Hurwitz said Karos had spent R120m over the past 40 months upgrading its facilities. This had been financed by a combination of shareholders' funds, convertible preference shares and debt.

The programme was mostly completed and the group would now enter a period of rationalisation where reduction of debt would be a priority over the next two years. The group hoped to reduce debt (including redeemable preference shares) to 40% of shareholders' funds from the present 71%, he said.

Hurwitz expected a much stronger second half. Recently started gambling operations, which had added to profits only in the last two months of the interim period, would make a more meaningful contribution in the second half.

Major redevelopment completed last month at the Karos Indaba Hotel would also have an impact.

Hurwitz said the group was now excellently represented in key tourism areas of southern Africa and was well placed to compete effectively in the expected tourism upswing.
The foreign tourism boom that should have rocked Durban this month fizzled out—the November cancellation rate for international bookings in the city's hotels stands at 80%.

Fear of violence and continued stagnation of the world's economies, in Europe and Britain in particular, combined to fuel the flop, says Alan Gooderson, chairman of the Natal and Durban divisions of Fedhaisa.

With airline deregulation and the resulting lower airfares, bullish international carriers stepped up speculative advance bookings in anticipation of a surge in package tours during the European winter. That never materialised, hence the high level of cancellations.

Gooderson stresses, however, that 90% of Durban's travel business comes from local holidaymakers, especially from the Reef. Things aren't looking that bright in this arena either, though the peak week between Christmas and New Year looks promising for the 13,205 holiday beds within 20 km of the Durban city centre. "Hotels for this period are roughly 80% booked. However, the rush normally occurs only after December 11, when people know whether they're getting good Christmas bonuses."

He is less positive about the pre-Christmas period. "Durban is usually 60% booked for the period leading up to Christmas by this time of year. However, we seem to be following the recessionary pattern of the past two years. Reservations for this period now stand at only 40%."

He says hoteliers have adopted a pragmatic approach to the problem: a collective decision has been taken to offer accommodation at low, rather than peak, season prices.

Says Gooderson: "The advantage we have over Cape Town, which seemed the preferred destination for many Vaalies last year, is that Durban has taken steps to eradicate the
Armed guards take tourists out on Rand

PAUL DAVIES
Weekend Argus Correspondent

JOHANNESBURG. — Burgeoning crime in the inner city has forced luxurious hotels to take the unprecedented step of deploying armed guards to protect tourists.

Just across the way from the Johannesburg Sun hotel, the Smal Street satellite police station includes a 47-strong force with the sole task of protecting and accompanying foreign visitors through Johannesburg's crime-plagued CBD.

Liaising with travel agents and hotels like the Sun, the Tourist Protection Unit provides armed escorts for visitors wanting to sample downtown shopping malls.

The TPU was set up about a year ago and will continue until December 18, when the sun sets on the Johanneburg five-star hotel and it is converted into a one-star garden court Holiday Inn.

The service extends as far afield as the Johannesburg Zoo and Gold Reef City in the southern suburbs.

At any given moment five force members await tourists in the safe lobby of the hotel.

The TPU is an unusual concept born of extraordinary times and has an operating routine that is a trifle unorthodox too.

Should visitors choose to shun a pistol-packing escort, members of the TPU follow at a distance, keeping an eye on camera-carrying travellers.

TPU members go to some lengths to ensure they mingle undetected with the city's mugger population. Tatty jeans, T-shirts and veldskoens seem standard garb.

The sergeant leading me through the Smal Street mall wore dirty black jeans, a soiled T-shirt, baseball cap and dingy canvas shoes. The disguises work well. Sometimes too well.

"Once I was arrested for drinking in public," said the sergeant. "I was waiting on a street corner, monitoring a tourist couple. I had a beer can and was arrested by one of my colleagues. He only believed me when I showed him the can was filled with water."

The TPU's busiest days are the daylight hours of Saturday and Sunday when the city streets are almost deserted.
R30m hotel complex for Milnerton beach

22/11/97

A NEW R30-million hotel and apartment complex is to be built at the Dolphin Beach development at Milnerton.

Apartments will range from bachelor flats to three-bedroom duplexes and sold for between R175 000 and more than R500 000.

Apartments owners will have access to the hotel facilities including a swimming pool, sky-lit restaurant housed in a separate pavilion and a cocktail lounge with sea views.

John Rabin, chairman of Rabie Property Developers, which is jointly developing the resort with Equitor, said the hotel was scheduled for completion by December next year.

"The hotel — with the restaurant, shopping facilities, pool and 45 sectional title apartments — formed the final phase of Dolphin Beach development," he added that when completed the "R110-million resort would have a total of 210 sectional title apartments."
Special deal for tourists

CASH-STRAPPED South Africans who have to think twice before spending in Europe or the USA may find things easier near home.

"Helping to spread the buying power of the rand in Mauritius and the Comores is a special discount card introduced by World Leisure Holdings. The managing director, Bruce Hutchison, launched the card last week at a function attended by travel agents.

Holidaymakers booking with the company, which is the largest operator to the Indian Ocean from South Africa, will automatically qualify for a Paradise Card.

"Exchange rates are likely to worsen," said Mr. Hutchison. "The savings associated with the card will go some way to giving the South African tourist a better deal."

He estimated that holidaymakers making good quality purchases using the amenities and having hotel meals with drinks could save up R2,000. The discounts extended for car rentals, beauty treatments, diving and fishing excursions.

Golfers get one free round of golf and there are free casino chips to the value of about R50, while children get accommodation discounts."
Tax incentive bid for tourism industry

AN investigation into the possibility of greater tax incentives for companies engaged in promoting SA as a tourist destination is under way.

SA Tourism Liaison Council chairman Rupert Lawlor said the council commissioned a probe by business advisory firm Arthur Andersen and Associates.

Lawlor said a greater understanding was needed of what the industry was doing internationally to promote SA as a destination and that recommendations should be prepared on tax incentives to assist those tourism-related companies involved in marketing exercises abroad.

"After all, if tourism is to fulfil predictions that it will be the number one revenue generator in SA by the year 2000, tangible encouragement must be given," he said.

Two incentive schemes were already in place — the general export incentive scheme (GEIS) and the Export Marketing Allowance (EMA).

"GEIS only applies to 'qualifying claimants' who are manufacturers who export directly or manufacturers who export goods using agents or export trading houses," he said.

Exports that qualified for GEIS were goods which had undergone a production process in SA and which had not been specifically excluded.

Lawlor said EMA involved limited assistance offered to certain export initiatives which did not involve the manufacture and sale of goods.

Four schemes were available under EMA. These were primary export marketing research which compensated exporters for marketing costs incurred in establishing export markets; outward selling trade missions aimed at employers or organisations who travelled abroad to initiate and conclude contracts; travel expenses assistance for inward buying trade missions considering potential importers of SA goods; and exhibition assistance which encouraged the introduction of products to foreign markets.

He hoped a combination of both schemes could be negotiated in order to recognise and encourage innovation and development in the industry.

On completion of the investigation, proposals would be put to the Trade and Industry Department requesting either a special tax incentive or that money be set aside.

The tourism liaison council was formed to encourage growth in SA tourism and to facilitate effective communication between the tourism industry and statutory bodies.
Servgro on track to meet forecast

NEWLY listed Servgro International has increased interim earnings 19% to 23.4c (21.2c) a share, and is on track to meet its prospectus forecast of a 10% earnings rise for the year to end-September.

The group, which has interests in Interleisure, Teljoy, Avis, Fedex, Interpark, Price Forbes and Naspers, reported a 13% rise in attributable profit to R34.5m (R31.7m) and declared an interim dividend of 7.5c a share.

The group’s results to end-September were better than chairman Peet van der Walt had forecast.

Servgro’s turnover increased 8% to R445.5m (R401.3m) and operating income rose 8% to R60.1m (R54.9m), reflecting an improvement in the operating margin.

Income from associates and investments grew 11% to R6m (R5.4m), bringing profit before interest up 10% to R66.1m from R60.5m in the previous year.

After a reduction in the interest bill to R8.4m (R7.5m) and an increase in taxation, profit after tax was 3% higher at R58.5m (R58.2m).

Van der Walt said results were off a high base in the previous year, when earnings grew 19.5%.

Servgro

Although the various companies had adapted well to the political and economic environment, there was room for further cost containment and reductions, and better management of working capital.

Unlisted companies had performed well, but listed Interleisure and Teljoy had produced marginally lower results than the previous year on the back of lower consumer spending.

However, in the quarter since Interleisure reported to end-June, cinema audiences had increased with the opening of new cinemas, Sunday films and a growth in attendances.

Naspers, from which Servgro received only dividend income, was expected to maintain its high level of earnings recorded in the previous year, Van der Walt said.

In November, Price Forbes reached agreement with Safecorp and Willis Corroon to buy the Willis Faber Ehrensen Insurance Broking Group. Van der Walt said the newly acquired company was not expected to make any significant contribution to profits this year, but benefits would be felt in the next year.

Although he did not expect trading conditions to improve over the next six months, Van der Walt said the 10% growth in earnings would be achieved on the group’s enlarged capital base.

Servgro would also “keep an eye on the lookout for acquisitions”, he said.

The share, listed on August 7, closed yesterday at 60c, after reaching a high of 65c soon after listing and a low of 55c earlier this month.
Beach Hotel revamped

DURBAN'S 113-bedroom Beach Hotel has completed the second, R12m-phase of its refurbishment programme. The bedrooms, entrance and foyer have been modernised; and the nightclub replaced by two conference rooms capable of accommodating 220 delegates.
The lowdown on franchising

By Mzimkulu Malunga

A conference on franchising will be held at the Carlton Hotel on December 8 and December 9.

The objective of the gathering is to encourage black entrepreneurs to get involved in franchising and joint ventures.

"Franchise business has a proven format and it is easier to manage compared to a new and untested enterprise," said Leyland Hazelwood, chief executive of the Black Integrated Commercial Support Network in South Africa.

BICSN is jointly organising the conference with the Washington based International Franchise Association.

According to Hazelwood, his company was commissioned by the US Agency for International Development (Usaid) to develop strategies for the advancement of black entrepreneurship in the country.

Over ten US franchise companies and around 200 local and international entrepreneurs are expected to attend the conference. Registration fee is R90.

In addition to international and local speakers delivering papers on a variety of topics on the dynamics of franchising, there will also be workshops on wide range systems for franchise ventures.

The workshops will entail advising participants on methods of developing a franchise operation, the legalities involved, partnerships as well as managing such a business.

Due to its proven record of success, financial institutions were less conservative in financing franchise ventures.

"Franchising has been called the single most successful marketing concept ever and in the US alone a new franchise business opens every 17 minutes.

"We believe it is poised to take off in South Africa in the 1990s," said Hazelwood.

Franchise business was prioritised mainly because it was seen as the fastest and easiest way for a black business break into the mainstream of the South African economy.

A BICSN study on how the corporate world arrived at purchasing and contracting decisions as well as on problems encountered by black businesses in selling to the formal sector was under completion.

"This will allow us to develop a targeted strategy for expanding markets for black business both locally and abroad," he said.

The second phase of the BICSN involvement in South Africa would be the establishment of an equity capital fund.

WE ARE THE BOOTS OF MARADONNA, THE VOICE OF MADONNA.

(Read Monday's paper to find out who we are)
TWO national taverners' organisations have joined forces to boycott SAB products from Monday.

The National Taverners' Association (NTA), which threatened a boycott last week after talks with SAB deadlocked, was joined by the SA Taverners' Association (Sata) at a meeting in Soweto yesterday.

The organisations said their combined membership was 40 000 and they would mobilise SA's 100 000 black liquor operators to achieve a total boycott of SAB. NTA and the SAB had been discussing several issues including discounts for NTA members, payment for displaying SAB advertisements, and the SAB contributing to funeral expenses.

Last night SAB beer division marketing director Barry Smith said: "If Sata intends joining the boycott, SAB is extremely disappointed because Sata has not raised any of these issues with us. SAB reiterates that it has not reneged on any agreement made with the NTA, and approved minutes will confirm this."

He said the boycott threats could be seen only as a tactic to press SAB into giving preferential discounts exclusively to NTA members, and disputed the organisations' membership claims.

NTA liaison officer Saint Madlala said the "indefinite" boycott would involve only refraining from stocking and selling SAB products and that monitors would ensure there was no intimidation.
Govt falls short on tourism

By Sven Lünsche

The government has been criticised for its lack of commitment to tourism. Gavin Simpson, executive chairman of Holiday Africa, which this week received the State President's Award for Export Achievement, said yesterday that the government's tourism policies contradicted its recommendations in the recently released White Paper on the industry.

He cited the scrapping of the export marketing incentive for tour operators in April and Satour's meagre R60 million a year budget as examples of lack of commitment.

He said: "Such policies make it extremely difficult to market South Africa as a destination for overseas tourists. Tourism could develop into a major employer and export earner with relatively little financial support."

According to Satour figures, SA should attract about one million visitors by 1995 and 1.75 million by 2000, creating almost 80 000 jobs and earning about R24 billion in foreign exchange by the turn of the century.

Simpson said that with government support SA could attract 4.5 million visitors by 2000, equivalent to one percent of the expected international tourism market, compared with a mere 0.25 percent at present.

However, despite the apparent lack of official support, the industry had shown satisfactory growth.

For the first seven months of the year the number of visitors from overseas had increased by 16.1 percent to just over 300 000.

The satisfactory growth (Satour has targeted growth of 18 percent for 1992) compared with a 1.8 percent rise in overseas visitors last year at a time when the Gulf War had depressed tourism internationally.

The 521 000 overseas tourists last year spent R2.76 billion, of which 28.4 percent went on accommodation and 17.4 percent on meals.
two.

The new in-flight kitchen of 67%-held Air Caterers (Swissair owns the rest) will be opened at Jan Smuts airport on December 3. The new kitchen has direct access on the runways, a significant improvement on the previous arrangement when the kitchen was in Isando. As Air Caterers supplies almost all the foreign airlines flying out of SA, Fedics dominates the locally supplied airline food industry.

In November, Price Forbes acquired local insurance broker, Willis Faber. Entrenched from Safren and UK-based Willis Corroon, extending Price's corporate base significantly. Willis's geographical spread, with significant exposure in Cape Town and Johannesburg, complements that of Price Forbes. Van der Walt declines to give the purchase price, which was funded using cash.

In fact, with gearing of only 17% and considering that Sankorp is prepared to reduce its 74% holding, Servgro has significant means with which to make further acquisitions.

Though Servgro's 12.3c per share remains at a significant discount to the 15.6c per share of its largest contributor, Interleisure, the rating is fair.

William Gillilan

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**ON TARGET**

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**SERVGRO**

**Unlisted to the fore**

Servgro's unlisted contributors came to the fore when listed Teljoy and Interleisure, both consumer-orientated, felt the pressure from lower disposable incomes.

When Servgro was listed in August, the FIM noted that the share offered investors the only entry into the unlisted entities. These comprise risk management and insurance broking business Price Forbes, car rental and full maintenance lease-business Avis, a 22% stake in publishing group Naspers, food group Fedics and parking garage operation Interpark.

- **Teljoy**'s Interim EPS increased 10% to 23.4c (1991: 21.2c), on which a dividend of 7.5c was declared. Full-year EPS should rise 10%, in line with the prospectus forecast.
- **Interleisure**'s contribution to trading profit declined to 40% (47%) as their results dropped marginally, while the unlisted operations came through strongly. Chairman Peet van der Walt says Avis, Fedics and Interpark enjoyed "good growth," while Price Forbes "showed an improvement."

Servgro's accounts reflect only the dividend received from Naspers, which increased to R1.1m for the publishing group's full year to end-March from R880 000 in the previous period.

Three deals have been consummated since listing. Fedics has established a joint venture company with SAA, supplying the airline (as well as a few others, including Flietestar) with its food requirements. Though Fedics has supplied SAA for some time, Van der Walt notes the joint venture ensures the establishment of a long-term relationship between the
Hotel and liquor chain Aroma strengthens its market position

CAPE TOWN — Hotel and liquor chain Aroma Liquor Holdings strengthened its previously precarious position markedly in the six months to end-August, producing earnings of 1c a share.

At the last interim Aroma's earnings were slightly above breakeven level, having suffered an 83% decline from the 1990 period.

They recovered in the second half of 1991 to produce annual earnings of 3.1c a share.

Chairman and MD Mike Kovensky paid both the hotel, the Cape Rendezvous, and the liquor division benefited from aggressive marketing campaigns and improved service.

Costs had been monitored carefully and the anticipated benefits from Aroma's substantial investment in computerisation and management information systems was being realised, said Kovensky.

Turnover rose 31% with the bottom-line performance benefiting from improved operating margins and the relatively small growth in finance charges.

Net operating income rose by 41% and attributable profit by 279% to R144 000 (R33 000).

Kovensky said the repositioning of the liquor chain into a middle to up-market operation with a strong pricing presence had paid off and Aroma had gained market share despite the downturn.

The operating margin had strengthened as the computerisation programme had cut down enormously on shrinkage and had improved stock management and stock turns.

The change in product mix had also played a role.

Occupancies at the hotel improved but at a lower average room rate so that the revenue generated was at a lower margin.

Losses were reduced significantly and the hotel was near to breakeven point.

Hotel bookings for Christmas were reasonable and while the liquor trade expected a 4% drop in sales over the season, Kovensky hoped Aroma would be able to maintain its growth momentum.
Taverners' association disputes SAB statement

THE SA Taverners' Association (Sata), which this week joined the rival National Taverners' Association (NTA) in boycotting SAB products, yesterday disputed SAB's statement that Sata had never raised contentious issues with the brewer.

Sata's general secretary Dave Moshapalo said yesterday the organisation had discussed areas of unhappiness with SAB as early as 1999, when the brewer's labour dispute with the Food and Allied Workers' Union (Fawu) had resulted in a call for a boycott.

SAB marketing director Barry Smith, reacting to Sata's decision to join the boycott, which starts on Monday, had said SAB was surprised because Sata had not raised the issues in question with the brewer.

Among the issues Moshapalo mentioned were that SAB was giving huge sponsorship to football, was refusing to grant Sata members use of wholesale depots, and had refused to pay members for displaying its advertisements at their premises.

"The SAB wants to be manufacturer, distributor and retailer, and we are treated only as customers," said Moshapalo. He said Sata had on several occasions told the NTA executive it was "talking to a brick wall" and would never get SAB to address their demands.

"Now that they have seen the light and decided on a boycott, we are happy to join them," he said.
Boycott may mean big loss to SAB

By Abdul Milazi

South African Breweries (SAB) stands to lose "hundreds of thousands of rand's worth" of sales in Soweto next month, following the National Taverners' Association (NTA) decision to launch an SAB beer boycott.

SAB spokesman Adrian Botha said it was difficult to estimate the Soweto taverners' beer consumption as they were in the minority.

Taverners nationwide sold 172.2 million litres of beer a year, to the value of R579.5 million.

However, he admitted SAB was concerned about the boycott because "it came at a time when people need beer."

The boycott was sparked by SAB's refusal to grant "preferential discounts" to NTA members.

Differences between the NTA and SAB appeared to have been resolved in September when NTA officials said SAB had agreed to scrap a requirement that taverners take up an SAB insurance policy as collateral for credit, or pay to display SAB advertisements on their premises.

Instead of SAB products, the NTA would sell Zambezi Lager, imported at "slightly" higher cost from Zimbabwe.

The SAB owns a "small percentage" of the total shares in the Zimbabwe National Breweries (ZNB), which brews the Zambezi Lager, but NTA spokesman Saint Madlala said that was "of no significance."

"Even though they own shares in the Zimbabwe breweries, they make most of their profit from their own products," said Madlala.

Taverners had already placed enough orders of Zambezi Lager for the festive season, he said.
By De Mille, via Rider Haggard

FROM Cecil B. De Mille out of Rider Haggard, the Lost City complex and its corollary, the Palace Hotel, seem to be the same movie set. Like a movie, the Lost City is gambling on the imagination of the public—in this case, to the tune of $325 million. The Federal Film Board will try to draw in both local and foreign crowds to succeed. The necessarily overdone hotel is only part of the story. Lost City is also gambling on Sun City’s gaming halls. Unlike the Superbowl, which only occasionally offers an act powerful enough to leave the spectators breathless, the Sun City, the Lost City complex will be a permanent tourist attraction, open on all weekends and holidays, as will the new hotel. At $600 per room, the Palace Hotel is not cheap for the South Africans. As an indication of other costs, there is a report that if there were no short-term effects, the hotel would be cheaper. More high rates were said to be envisaged initially. They have probably been lowered to fill in the market with the competitive foreign tourist rates. At 600 dollars, it seems certain that Sun International has not tripled its Sun City rate, as it was reported in the newspaper. The analyst of the hotel’s future says it is “not the time to be caught in the world.”

Sun International owns 33 percent of Sun City, so they gain either way. And in any case, it’s not the local market. And in any case, it’s not the local market. It’s the international market that’s the target. Indeed, the report that the Palace Hotel in the medium term may suffer from the group’s casino turnover. This figure has never been disclosed, however, Rosemeyer says it’s “not the time to be caught in the world.”

What will happen in future to regulation of gambling is impossible to say. However, it is likely that international tourism will prove more profitable than it attracts new customers to pay up the revenue provided by casinos.

Regulated casinos are easier to tax than are other industries, which have Rather, that the casino be kept at least some international tourists away.

It’s a long-term gamble, and in the short term, it is a bet on the Lost City rather than those provided by Jean Michel Arnaud.

Fiddling the odds? No way, says Sun

By ARTHUR GOLDSUCK

EVEN if you've ever seen a horse race, you can't hope to make any money at the Sun City's slot machines, that dictum is firmly held out. The Sun City has spread them, the more slowly does your money. Every slot machine comes with a built-in payback guarantee. And the payback is the amount of money that the machine generates. A slot machine pays 90 percent of the money that you throw in. In that, the higher your percentage payback.

The payback—the percentage of the money you bet that is returned to you—is determined by the payback guarantee. This guarantee is the amount of money that the machine generates. If the machine is generating 90 percent of the money you throw in, you lose your money. The laws of probability say the punter must lose eventually, but at 90 percent, the randomness of probability gives the punter an almost-eve chance of walking away a fortune.

In the case of the Lost City hotel rooms, the payback is very fast and that the odds on the slot machines are against you. The better the odds, the more favorable to the house the slot machine is. If the house is offering 90 percent payback, the players are getting a more favorable payback to the house. Some players set the payback as low as 60 percent. This is a very good long-term bet. People are losing money here, but are keeping some of their money. The laws of chance are as strong as ever. We order the machine from the factory with the payback set. We specify what payback we want. It is against the odds, but the casino's equipment is machine that will pay at 90 percent payback, period, or 10,000 jackpots of twelve percent, frequently. The house is against it with mechanical wheels which spin every time the handle is turned, and the odds are set by the amount of money that is paid back, and that whatever is the jackpots that are being paid out, the odds are paid on the reels. The odds can only be altered physically. Mathematically, the only way to change the odds is to alter the mechanics. You can’t do that with a slot machine.

But you can’t see the advantage of black and white markup, says Rosemeyer. "If you own one black mark in winning, you're up the way the 90 percent payback, period, or 10,000 jackpots of twelve percent, frequently. The house is against it with mechanical wheels which spin every time the handle is turned, and the odds are set by the amount of money that is paid back, and that whatever is the jackpots that are being paid out, the odds are paid on the reels. The odds can only be altered physically. Mathematically, the only way to change the odds is to alter the mechanics. You can’t do that with a slot machine.

The most important argument against remuneration of expenses is that it is against the law to split the losses over the winnings of the players.

The most important argument against remuneration of expenses is that it is against the law to split the losses over the winnings of the players. Only about 6 percent of all ticket sales are considered gambling income, the remaining 94 percent are revenue from the hotel and other amenities. The latter is spent in the casino.
When taste is the enemy of creativity

YOU CAN HARDLY HAVE MISSED THE NEWS BY NOW:
SOL KERZNER'S LOUD, BRASH MONUMENT TO EXTRAVAGANCE IS OPEN TO GUESTS. BUT TRY AS YOU PLEASE, IT'S HARD NOT TO ADMIRE THE ENERGY.

T

HE aesthetics and the militancy of some tourists would like to bury Sol Kerzner—but let us begin by praising him. He has got his eye on the line and he has vision.

The Lost City, due to be launched next week, is no "eighth wonder of the world", as its publicists would have it, any more than it is — in their "legit" sense — a fabled lost city restored and restored to its former splendour. That it probably qualifies as the largest theme resort and gambling complex in the southern hemisphere.

Tasteless it may be — but taste, Picasso noted, is the enemy of creativity. Set on 22ha, it is made up of the Palace, a 35-storey hotel (ranging up to a king's suite at R8 000 a night), a plaza containing five restaurants with a capacity of 1 500 people, a sliding roof, complete with barbecues and a race track, and a casino that purports to have been designed by the architect of the Oak Tree in London.

At the palace, the rates are staggeringly high. A four-bed suite (for two persons only) costs R5 950 a night. The two-bedroom suite costs R10 000. A six-room suite costs R15 000. All rooms have a private balcony.

In the Palace, there is a "Rembrandt" bar and a "Van Gogh" bar. The former is decorated with Rembrandt paintings, and the latter with Van Gogh paintings.

The Lost City is one of the most ambitious projects ever undertaken in South Africa. It is a major step forward in the development of the country's tourism industry. It is also a major step forward in the country's cultural life, providing a new dimension to the experience of living in South Africa.

Artifice comes alive

In fact, the Lost City is the embodiment of South Africa's recent history. It is a symbol of the country's transition from apartheid to democracy.

The city was designed by the renowned architect Norman Foster, who has also designed the Pompidou Centre in Paris and the Gherkin in London. It is a stunning example of modern architecture, with its glass and steel construction.

The project was financed by the South African government, which saw it as a way to create jobs and boost the economy. It has been funded by the state-owned South African Development Corporation (SADC) and supported by the private sector.

The Lost City marks a new chapter in the history of South Africa, as it is a place where the past and the present meet.

Nearby, the REAL lost city

The city is located near Johannesburg, in the region of Soweto. It is a sprawling metropolis with a population of over one million people. It is one of the largest cities in Africa, and it is renowned for its vibrant culture and history.

Soweto is a place where people from all walks of life come together, sharing their stories and their struggles. It is a place where hope and optimism are always present.

The city is home to many of the country's most famous figures, including Nelson Mandela and the late Archbishop Desmond Tutu.

Like the Lost City, the city of Soweto is a symbol of the country's transition from apartheid to democracy. It is a place where the past and the present meet, and it is a testament to the resilience of the human spirit.

The city of Soweto is a place where people from all walks of life come together, sharing their stories and their struggles. It is a place where hope and optimism are always present.

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Like the Lost City, the city of Soweto is a symbol of the country's transition from apartheid to democracy. It is a place where the past and the present meet, and it is a testament to the resilience of the human spirit.
HAVING crashed every challenge its control of the local beer market, South African Breweries is facing an attack from a different quarter: the township taverners who give it a 60 percent of the liquor market.

The National Taverners Association will this weekend initiate a boycott of SAB’s products in protest against alleged discriminatory behaviour by South African Breweries and a charge that it reneged on agreements reached with the NTA three months ago.

In many ways the conflict is a sequel to the strike that resulted in the utter helplessness of retailers in the face of a powerful sole supplier.

At the core of the conflict lies the NTA’s demands for preferential treatment — a demand SAB has declined to accede to. SAB, say the taverners, must prove its much vaunted commitment to black economic empowerment by granting the taverners preferential discounts.

They accuse SAB of racism, claiming white wholesalers are receiving the discounts the brewer is refusing them.

Denying this claim, SAB’s Beer Division chairman Graham Mackay says the company is not prepared to afford the taverners “special privileges” simply because they are black.

“We have this kind of pressure all the time from small bottle store owners and big wholesalers to hotel groups. But we reject it because if you give a discount to everybody, everyone will start asking for it,” he says.

Mackay reckons the demand for discounts stems from certain powerful individuals within the NTA who are in the red.

“Many areas of the trade are not doing well. People are competing on prices and now owe us hundreds of thousands of rands. They now want us to bail them out by giving discounts,” he says.

The NTA is in pretty much the same weak position on the issue of point-of-sale material which the brewery gives taverners for display in their outlets.

Whereas the taverners want payment to display this promotional material, SAB says its policy is not to pay for it and the taverners have the option to display it or to ignore it.

Other grievances the NTA says SAB has stonewalled on are the brewery’s insistence that taverners should use the Forlife insurance policy which it administers rather than their own policies as collateral.

The taverners also have complaints about SAB’s insistence that they pay up front for empty bottles, and SAB’s refusal to deliver to certain townships.

They want SAB to donate money to the funerals of shebeen massacre victims.

The taverners say SAB agreed to most of these demands in October but have failed to stick to them. Hence their decision to take on the giant which controls 99.4 percent of the beer market and 60 percent of the liquor market.

Promoting their beer. But now there is no such thing, as we have helped them become this big monopoly,” SAB’s giant share of the market also means no effective action against the brewer — even the

NTA's threatened boycott of SAB products — can hope to be successful. For how does one gather enough support to convince beer getters, 80 percent of whom are black, to sacrifice their beer for the cause of "black economic empowerment".

"More than just asking people to sacrifice their beer, they are asking traders to commit suicide by virtually suspending their business," says Mackay.

Mondli Makhanya reports

Beer battle comes to a head

The showdown between shebeen owners and SA Breweries commences this weekend.

Mondli Makanya reports
PROCLAMATION
by the
State President

of the Republic of South Africa

No. R. 134, 1992

COMMISSION OF INQUIRY INTO LOTTERIES, SPORTS POOLS, FUND-RAISING ACTIVITIES AND CERTAIN MATTERS RELATING TO GAMBLING


Given under my Hand and Seal of the Republic of South Africa at Cape Town this Twenty-third day of November, One thousand Nine hundred and Ninety-two.

F. W. DE KLERK,
State President.

By Order of the State President-in-Cabinet:

H. J. COETSEE,
Minister of the Cabinet.

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PROKLAMASIE
van die
Staatspresident

van die Republiek van Suid-Afrika

No. R. 134, 1992

KOMMISSIE VAN ONDERSOEK NA LOTERYE, SPORTPOELE, FONDSENKOMINGSAKSIES EN SEKERE AANGELEENTHEDE BETREFFENDE DOBBELARY


Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Kaapstad, op hede die Drie-entwintigste dag van November Eenduisend Nege-honderd Twee-en-negentig.

F. W. DE KLERK,
Staatspresident.

Op las van die Staatspresident-in-Kabinet:

H. J. COETSEE,
Minister van die Kabinet.
GOVERNMENT NOTICE

DEPARTMENT OF JUSTICE
No. R. 3259 28 November 1992

COMMISSION OF INQUIRY INTO LOTTERIES, SPORTS POOLS, FUND-RAISING ACTIVITIES AND CERTAIN MATTERS RELATING TO GAMBLING

It is hereby notified for general information that the State President has been pleased to—

(a) Amend and extend the terms of reference published under Government Notice No. R. 2709 of 23 September 1992 in relation to the Commission of Inquiry into Certain Lotteries, Sports Pools and Fund-Raising Activities, which was appointed on 21 September 1992, by the substitution for those terms of reference of the following:

"To inquire into and report on—

1.1 the desirability, in view of the prevailing financial, social and ethical values, of legalising lotteries, sports pools and other forms of betting games that are currently not authorised by law or otherwise, and, if the legalisation of such lotteries, sports pools and other forms of betting games is found to be desirable, the question whether the proceeds or a part thereof should be used for welfare, health, education and other social purposes;

1.2 the desirability or not of legalising scratch-card systems used in contravention of any act in fund-raising campaigns for raising funds for welfare, health, education and other social purposes;

1.3 the manner in which, the criteria according to which and the persons or organisations by which such fund-raising campaigns, lotteries, sports pools, other types of betting games and scratch-card systems should be controlled and/or run;

1.4 the question whether a part of the proceeds of such lotteries, sports pools, other forms of betting games and scratch-card systems should, through taxation or otherwise, be used for financing any specific social State expenditure;

1.5 the manner in which such tax or levy is to be implemented;

2.1 the desirability of legalising in certain areas and/or regions, gambling games that are currently prohibited by law on the basis of the following criteria:

(a) the social and ethical values in the country in general and, in particular, those that may be relevant in any such region or area;"
(b) the impact on the economy of the country in general and the significance of such an exception for the socio-economic development of such region and/or area and/or region and/or area adjacent to such region and/or area; and

(c) the relevant and known constitutional development actually occurring and that may occur;

2.2 the manner in which, the criteria according to which and the persons or organisations by which such exceptions are to be determined and/or controlled and/or operated, what regulatory powers are indicated and the levels at which such powers may be exercised;

2.3.1 the question whether a part of the proceeds of such exceptions should, through taxation or otherwise, be used for financing any specific social State expenditure;

2.3.2 the manner in which such tax or levy is to be implemented;

3. the statutory adjustments to be made in order to implement any recommendations made in respect of the above; and

4. any other matter in connection with these terms of reference on which the Commission wishes to report.

(b) die impak op die ekonomie van die land in die algemeen en die betekenis van so ’n uitsondering vir die sosio-ekonomiese ontwikkeling al dan nie van so ’n streek en/of gebied en/of ’n streek en/of gebied naasliggend aan so ’n streek en/of gebied; en
die wyse waarop, die maatstawse waarvolgens en die persone of instansies deur wie sodanige uitsonderings bepaal en/of beheer en/of bedryf moet word, welke regulerende bevoegdhede aangewes is en op welke vlakke sodanige bevoegdhede uitgeoefen kan word;

die vraag of ’n gedeelte van die opbrengs van sodanige uitsonderings by wyse van belasting of andersins aangewend moet word vir die finansiering van enige spesifieke maatskaplike Staatsuitgawes;

die wyse waarop sodanige belasting of heffing moet geskied;

3. watter statutêre aanpassings gemaak moet word om gevolg te gee aan enige aanbevelings gedoen ten opsigte van bostaande; en

4. enige ander aangeleentheid in verband met hierdie opdrag waaraan die Kommissie wens verslag te doen.

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**PHYTOPHYLACTICA**

This publication deals with plant pathology, mycology, microbiology, entomology, nematology, and other zoological plant pests. Four parts of the journal are published annually.

Contributions of scientific merit on agricultural research are invited for publication in this journal. Directions for the preparation of such contributions are obtainable from the Director, Agricultural Information, Private Bag X144, Pretoria, to whom all communications in connection with the journal should be addressed.

The journal is obtainable from the above-mentioned address at R12,50 (VAT included) per copy or R50 per annum, post free (Other countries R15 per copy or R60 per annum).

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**PHYTOPHYLACTICA**

Hierdie publikasie bevat artikels oor plantpathologie, mikologie, mikrobiologie, entomologie, nematologie en ander dierkundige plantplasie. Vier dele van die tydskrif word per jaar gepubliseer.

Verdienstelike landboukundige bydraes van oorspronklike wetenskaplike navorsing word vir plasing in hierdie tydskrif verwelkom. Voorskrifte vir die opstel van sulke bydraes is verkrygbaar van die Direkteur, Landbou-Inligting, Privaatsak X144, Pretoria, aan wie ook alle navrae in verband met die tydskrif gerig moet word.

Die tydskrif is verkrygbaar van bogenoemde adres teen R12,50 (BTW ingesluit) per eksemplaar of R50 per jaar, posvry (Buitelanders R15 per eksemplaar of R60 per jaar).
Shebeen dilemma

Police say their hands are tied by law

Shebeen doorbells ring at all hours and neighbours complain about the disturbance caused by street fights and other antisocial behaviour, but police are tied by the law.

TYRONE SEALER
Weekend Argus Reporter

THE convenience offered by thousands of home-based, unlicensed liquor traders across the Cape Flats is vastly overshadowed by the social problems these outlets create.

And means shebeens' neighbours will continue to be intimidated by noisy drinking sessions, street fights, customers' cars blocking their driveways, urination against garden walls, sex in public and the constant stream of petty thieves and burglars who trade stolen goods for sundowners.

"On the one hand it is a service, but on the other one has to consider the problems shebeens bring to their communities," says Captain Alwyn van Schaik, who heads the Wynberg district narcotics bureau from December 1.

Speaking to Weekend Argus this week, Captain Van Schaik reacted to community claims that police were not tough enough in acting against home-based bootleggers. He said the Liquor Act of 1989 had considerably restricted police powers.

"If we take the act of Captain Van Schaikwy's complaint from the Surrey Estate Nightwatch Patrol in Athlone, based on a November weekend during which a shebeen in Ruimte Road was monitored.

The report noted 44 cars had stopped at the shebeen between 11pm and midnight on the Friday and 36 during the same time on the Saturday.

The report said police arrived and did nothing to disturb people who had bought liquor at the shebeen.

"A few of the customers returning from the shebeen said they couldn't purchase their liquor, as the police were there."

But, according to Captain Van Schaik, the customers had no reason to fear.

"Under the old Liquor Act of 1987, it was an offence for people to buy liquor from a shebeen, but that fell away when the new Act was introduced. In the past we could harass buyers and use their purchases as evidence against the dealers."

Now it is an offence for the shebeen owner to sell to you and while maximum penalties for first offences were R10,000 or five years in jail and while these could be doubled if a similar offence was committed within five years of the first conviction, shebeens still found a way around the law.

"Many shebeens have teams of butlers working for them, so this week you catch one butler, and next week another, and this means you never get a second conviction against an individual."

"At the same time the owner of the business argues he or she did not know about the transactions and claims the butler was acting on his own when he made the sale. This makes it difficult to act against the kingpin."

Although the Liquor Board stipulated that wholesalers had to keep a record of buyers, who bought 50 litres and more, shebeens were crafty enough to take along teams of helpers to wholesalers.

"This way they can collectively buy in quantity of liquor without having individual buyers exceed the 50-litre limit."

While police had to contend with these legal loopholes, they were also confronted by the complaints arising from the backyard liquor industry.

"In many cases, shebeens turn to gangs for protection of the business and the customers, and this immediately attracts unsavoury elements, leaving the community vulnerable."

"This would be diminished if people could buy liquor 24 hours a day from businesses that have business zoning from local authorities and where normal trading restrictions would apply."

Captain Van Schaik said police seldom received complaints about shebeens in African townships, as other liquor outlets were virtually non-existent, and "shebeens were a refined social institution."

The Liquor Board also exercised control over town shebeens as the Board issued permits to taverners.

"Nothing stops the Board issuing licences to dealers in other areas, but dealers in other townships simply will not apply for permits as these will entail applications for rezonings and an opportunity for the community to object."
CHEERS TO SAB BEERS!

By MOSES JOHANNES

BEER drinkers have been asked to make the ultimate sacrifice from tomorrow - boycott South African Breweries products.

The call, which many have described as a "tall order", was made at a noisy meeting of the National Taverners' Association (NTA) and the SA Taverners' Association at Uncle Tom's Hall in Soweto this week.

The shebeeners' demands are in turn regarded as a tall order by SAB. They include:

- Discount for bulk purchases "as in white circles";
- Contributions towards victims of political violence in shebeens and taverns;
- Representation in directorship of the brewerries; and
- Remuneration for "free advertising" on billboards and posters in shebeens.

From tomorrow, the NTA and Sata will lead pickets at SAB depots around the country. The two organisations will also urge their supporters and members to boycott SAB products. They will, however, continue selling other brands of liquor.

NTA public relations officer Saint Madlala said: "We need to hammer some sense into the stubborn brains of the SAB's hierarchy. It is high time we showed the SAB that a black person will take the extreme course in order for our genuine grievances to be given thought and addressed."

Sata secretary-general David Moshapelo said: "The SAB is making a grave mistake in concluding that the black liquor industry is easily manipulated because of the existence of different national organisations. We may be running different national organisations in the black liquor industry, but we are jointly committed as far as our common interests are concerned. We will fight the SAB to the bitter end."

Moshapelo added the decision would be reviewed, pending SAB's reaction.

In a joint statement, NTA and Sata said political, trade union and civic organisations had been consulted and had "pledged their unqualified support".

Reacting to SAB's comment that the boycott would lead to violence, Madlala said only the "third force" would implement such violence.

Madlala said his members had been "urged to be as disciplined as they can and to guard against the anticipated dirty tactics that may come from those who are against the boycott".

An SAB spokesman said: "We deplore, and are extremely concerned about any talk of a boycott in these sensitive times, particularly when the root cause of the alleged boycott lies in a call to us to give preferential treatment to members of NTA."

This would be "discriminatory against other sections of the liquor trade".

He said the NTA had not discussed the matter with the breweries.
City must smile, smile as tourists roll in

Captour’s advice and information service has been expanded to teach Capetonians about the social and economic importance of welcoming visitors to the Mother City.

TYRONE SEALE
Weekend Argus Reporter

This is the season to break into song every time you see a tourist go the wrong way up Long Street, ask directions to the Golden Acre; ask you to translate an Afrikaans billboard or hold up the supermarket queue with traveller’s cheques.

Patience is a virtue. And the magic figure is EIGHT. Seven helpless tourists do not make a summer.

For every eight visitors to the city, one job is created locally — and that, says Captour public relations officer Ms Lauren de Wet, is worth all the patience and friendliness in the Tavern of the Seas.

With S poornet reporting occupancy of 90 percent and 60 percent on the Trans-Karoo and Trans-Natal trains to Cape Town in the past few days, Capetonians can expect traffic jams and shop queues to be longer — like our enviable summer nights.

All this means that the people of Cape Town will have to work harder on their smiles and open the sluices of hospitality to the tens of thousands of seasonal tourists.

“The Cape is now the No 1 destination in South Africa. Great hospitality and quality service will keep us in this position,” said Ms De Wet this week.

She said Captour, the province’s leading promotional agency, already had begun the welcoming process.

Next Friday, the Welcome to Cape Town campaign will be launched at the D F Malan Airport domestic arrivals hall where Mayor Mr Frank van der Velde, Captour management and ministers will entice visitors with flowers, estate wines and samosas.

Three days later, Captour, on behalf of the Western Cape, will spell out the words “Welcome to CT” on Camps Bay beach.

Eleven groups representing a spectrum of the Cape’s tourist industry will stand in a staked-out formation over 100 m and hold umbrellas which will be opened on cue to spell out the welcome.

This event will be followed by a sky display reading “Welcome to Cape Town” with hang gliders coming in over Camps Bay shortly afterwards.

Ms De Wet said Captour would run programmes to educate Capetonians about the role of tourism in the region and in which black South Africans would be encouraged to join the tourism joy-ride.

Earlier this year, Captour chief executive officer Mr Gordon Oliver said it was imperative, in the light of pending political changes, “that Captour now begins to make effective moves to bring the black business community on board with a view to their being part of the decision-making and marketing strategies”.

Tourism was not, “a purely white, exclusive, businessman’s activity”. 
Cape is fairest in terms of price

An aggressive marketing campaign designed to prove that Cape hotels are truly affordable over the December holiday season has been mounted by Protea Hotels.

Labeled "The best holiday in the Cape for a drop in the ocean," Protea is offering five nights' accommodation at six of its Cape hotels for an incredible R799.

Affordable

Valid from now until January 31, the offer is for two adults and two children under 10 years old sharing with their parents — at a mere R159 a room a night.

Marketing services manager Alan Duke says Protea is positioning itself in the marketplace as the group with "affordable, full service hotels" — hence the idea to launch the Five Nights for R799 package.

"Our research tells us that many people wait until late before deciding where to go for their annual break, that they still believe hotels are unaffordable, and that they are under the mistaken impression that accommodation is non-existent in the Cape over December."

We are aiming particularly at the late decision-makers by showing them our hotels are affordable and that there is accommodation aplenty, particularly over the first two weeks of December and again after the first week in January," says Duke.

Hotels participating are the five-star Lord Charles Hotel at Somerset West, the four-star Ritz-Protea Hotel in Sea Point and the four-star Capetonian Hotel on the Cape Town foreshore, the three-star Don Protea Hotel in Sea Point, the three-star Van Riebeeck Hotel at Gordons Bay and the three-star Cumberland Hotel at Worcester. A limited number of rooms are available a night at each hotel.

Outstanding

The Lord Charles, overlooking the Strand and Gordons Bay, is on the doorstep to the winelands and fine beaches. It is one of the finest five-star hotels in South Africa.

Towering over the cosmopolitan Sea Point is the Ritz-Protea Hotel with its mostly sea-facing rooms and an outstanding revolving restaurant offering spectacular 360 degree views.

The Capetonian Hotel with its superb seafood restaurant is a stone's throw from the Nico Malan Cape Town's theatreland, the central business district and the new Victoria and Alfred Harbour development with its many shops, bars, restaurants and cinemas.

Within closer proximity to all the waterfront attractions is the Don Protea Hotel, while the Van Riebeeck Hotel is equally well positioned for lovers of the outdoors.

The Cumberland Hotel, situated in what is known as the Capital of the Breeds River, offers numerous attractions including South Africa's largest brandy distillery, the Kleinplasie Cultural Museum and the Karoo National Botanic Gardens.

[Signature]
Cape Town’s Victoria and Alfred Waterfront has leapt into the international tourist league.

The revitalisation of Cape Town’s historic harbour forms part of a worldwide trend, what makes this waterfront so special is the unique contrast and blend of quayside entertainment and activities.

The Victorian buildings have retained their original harbour character. Patrons not only have a chance to relax at a tavern or restaurant on the water’s edge but they can view the activities of the tugs and fishing boats.

The Waterfront has become the favoured place for Capetonians and visitors to relax, socialise, dine, shop, enjoy a drink or an evening of theatre, listen to jazz or take to the water in a variety of boats.

With the introduction of the Victoria Wharf, the Waterfront has been established as the Cape’s premier shopping destination.

In traditional Cape style, the Waterfront has re-introduced a fresh produce market, where seasonal Cape fruit and vegetables can be bought from farmers.

The SA Maritime Museum is housed in the old workshop 17, appropriately situated next to the historic Robinson Dry Dock.

In the quayside, Victoria and Alfred Hotel guests are delighted to wake up to the atmosphere of the harbour and Waterfront.

A bus service is operational between the Waterfront, central Cape Town and Sea Point.

For further information contact the Waterfront Information Centre at (021) 418-2389.
Beer boycott set to begin today

By Mzimasi Ngudle

The boycott of South African Breweries products goes into full swing in Soweto today, National Taverners Association president Mr Peggy Senna said yesterday.

Despite the call for a postponement from the South African Taverners Association (Sata), Senna said the boycott would kick off in Soweto today and then spread to other areas, depending on the reaction from the SAB.

The boycott will affect all brands of beer. The company has a near-monopoly on clear beer production. Imports from Zimbabwe are expected to replace SAB products.

Sata said that it would support “a boycott of such magnitude only if proper consultation was made.”

“The National Taverners Association, with respect, has not consulted with the Sata executive nor its president. What is more, the executive of the Sata has not met with its affiliates,” SATA president Mr Sam Tuntuibele said.

Tuntuibele was reacting to a call for the boycott taken at a meeting of the NTA and SATA at Uncle Tom’s Hall in Soweto last week.

He said the decision was not binding on the other Sata regions.

Sata national secretary general Mr David Mojiapelo reportedly said “the SAB is making a grave mistake in concluding that the black liquor industry is easily manipulated because of the existence of different organisations”.

In white circles

The shebeeners are demanding discount for bulk purchases “as in white circles”, contributions towards victims of political violence in shebeens and taverns, representation in SAB directorship and remuneration for “free advertising” on billboards and posters in shebeens.

An SAB spokesman reportedly said shebeeners were asking for preferential treatment that would be discriminatory against other sections of the liquor trade.

“We deplore and are extremely concerned about any talk of a boycott in these sensitive times,” he said.

Shebeeners said the main reason for the boycott was the loss of profit they had to sustain because of low prices at which they sell beer.

Shebeen patrons interviewed yesterday supported the decision to boycott SAB beer.

next Talkback topic

The Sowetan/Radio Metro Talkback Show throws open the lines on Monday. This is your chance to phone in and express your views on any subject.

Dial the hotline (011) 714-8063

PIC: JOE MOLEFE

These Soweto shebeen patrons were yesterday probably having their last swig of a commodity that has driven a deep wedge between shebeeners and beer conglomerate SAB. Shebeeners in the area have decided to boycott SAB products.
Analysts optimistic about Lost City

THIS week Sun International Bophuthatswana (SunBop) launches its most ambitious project to date, the R500m Lost City at Sun City.

Market analysts said the question on most people's minds was whether the new project would work, and whether the massive investment would drain Sun Bop's future profitability.

Most analysts said the project represented a costly risk, but believed it would work and that the formula was right.

Some said there was a certain amount of nervousness over whether Sun Bop had overcapitalised, but said recouping the investment was always intended to be a long-term affair.

There was some confusion over how much the group would make in the opening weeks, with a full hotel, the Miss World contest, the Million Dollar Golf Challenge and the Jean-Michel Jarre concerts.

However, an analyst said the spin-off effects, including local and international publicity of the resort and television rights, would be substantial.

But the group would still have to fill the new hotel — at around R600 a night.

Sun Bop had intended to build the Lost City during the recession and open it as the economy turned. Analysts said the fact it had come on stream at the wrong time was not a cause for concern.

It would take some time before the Lost City generated a decent return.

An analyst said Sun Bop's turnover had risen strongly in the second half of its last financial year, largely through the opening of the Carousel Entertainment World and despite the recession and the increase in unregulated casinos.
Taverners, SAB may meet on beer boycott

THE SAB and the National Taverners’ Association (NTA) may meet on Thursday to try to resolve the taverners’ boycott of the brewer’s products, SAB said yesterday. SAB and the SA Taverners’ Association (Sata) decided last week to start the boycott yesterday after disagreements over discounts, sponsorships and payments for advertisements at taverners’ premises.

SAB said in a statement yesterday that the parties would “tentatively” meet on Thursday.

It said during a picket by a small group of NTA members outside SAB’s Baragwanath depot yesterday, a request was received for a meeting with SAB management. “At this meeting, which was attended by members of the NTA executive, it was agreed that both parties should meet to try to resolve their differences,” said SAB.

An SAB spokesman said the company would meet the NTA, provided there were no preconditions for such a meeting.

“We wish to reiterate our concern over the question of intimidation and the possible violence that could flow from a boycott,” he added.

He said shots had allegedly been fired into the air yesterday when a beer delivery truck owned by an independent contractor had been looted during a delivery to a non-NTA-affiliated bottleshop in Soweto.

“Many of the Baragwanath (depot) drivers, who are independent contractors, were allegedly warned at the weekend that if they delivered beer they would be attacked and their trucks burned,” he said.

NTA spokesmen could not be reached for comment.
Talks proposed to avert Lost City showdown

SHARON SOROUR, Labour Reporter

SUN International has offered to meet union leaders from Cosatu and its affiliate Saccawu in a bid to avert a showdown at tonight's opening of the R800 million Lost City's entertainment complex.

Cosatu and Saccawu have called for a boycott of Sun International hotels and the Miss World pageant unless the company re-employs thousands of workers retrenched by the group.

They also threatened to disrupt the opening of the Lost City complex if the company did not change its position on the retrenchments and did not recognise the union before today.

Union general secretary Mr Paul Kgnare called on workers to support a picket protest march to Sun City from Rustenburg on Saturday.

However, Sun International human resources director Mr Rob Rimmer said the company responded to Saccawu's demand yesterday by proposing that a meeting be convened between the general secretaries of Cosatu and Saccawu and a Sun International delegation led by chief executive Mr Ken Rosevear.

"Mr Rimmer emphasised that such a meeting should not in any way be seen as tacit agreement to Saccawu's demand for the establishment of a centralised bargaining forum."

Saccawu had not yet responded to the company's proposal, Mr Rimmer said.

Mr Kgnare said yesterday Sun International had moved to institute an interdict against industrial action in Klipsk and Transkei.

Sun International had obtained an interdict restricting the union from embarking on a legal strike at the Wild Coast Sun in Transkei on the grounds that the homeland's labour laws did not oblige employers to "negotiate" but to "consult."

"This court order is not sufficient. It runs counter to the law. It has no right to embark on a legal action. What is surprising is that the court granted the interdict without the union being notified or being given a chance to respond," he said.
Mourning for 7 000

An act of mourning for the more than 7 000 people who have died in political violence in Natal since 1987 will proceed a mass peace prayer rally in Durban later this month.

The service at Westridge Park tennis stadium on December 13 will be conducted in English, Zulu and Afrikaans by church leaders of several denominations. Political leaders, various consular corps and international monitors have been invited to attend.

Taverners gauge impact

Taverners are meeting today to assess progress in their four-day boycott of South African Breweries beer. A joint meeting of the National Taverners Association and the SA Taverners Association will be held at the NTA offices in Soweto to gauge the impact of their confrontation with the liquor giant.

The two organisations would also prepare for tomorrow’s meeting with SAB in an attempt to resolve the dispute. They staged pickets in front of SAB’s plant near Bongwanash Hospital during the past two days.

Epileptics unemployed

The vast majority of people with epilepsy in townships and squatter camps on the West Rand, including Soweto, are unemployed, according to a study by the South African National Epilepsy League (SANEL). 

There are about 50,000 people with epilepsy in Greater Soweto, Kagiso, Munsieville, Bekkersdal, Ekhutou, Lekoa, Mohlokoeng, Soweto, Sharpeville, Bophelong, Orange Farm, Walter’s Farm and Alexandra, SANEL said yesterday. “The majority of the 50,000 people are unemployed - indications are that the number of unemployed people with epilepsy in this area can be as high as 39,000.”
Kerzner's recipe for success

MAODEN COLE

IT WAS more than coincidence that the concept of the R850m Lost City and Palace Hotel project originated in a small Durban beachfront hotel, quaintly named The Palace.

That was 35 years ago, and it was Sol Kerzner's first hotel. But already he had the nagging ambition to create the total hotel resort.

The small Gillespie Street hotel — Palace in name only — was acquired in 1988. It was Kerzner's first step into the hotel industry, but the venture became the foundation for his hotel empire, built on the simple but effective principle of providing entertainment for guests.

Kerzner, a young chartered accountant at the time, ran the hotel on a part-time basis after taking over the lease for R18 000. There was an immediate transformation, and the establishment which offered daily, weekly and monthly rates became a holiday resort hotel overnight.

"Out went the weekly and monthly tariffs, and I offered only a daily rate of 12/6 (R1.25), with three meals thrown in. And for a room with a bath, the charge was 15/6 (R1.50)."

But Kerzner felt the hotel lacked "action" something holidaymakers demanded.

"So I converted the diningroom, at the end of the passage on the ground floor, into a nightclub — the Baq Room." Much of the conversion was done by Kerzner himself, who helped redecorate the room and paint the venetian blinds for special effects.

There were talent contests, and patrons could dance to music provided by a resident band. The Baq Room quickly became a popular haunt with visiting seamen, university students and Transvaal holidaymakers. The hotel prospered and turnover hit R50 000 a year.

"Entertainment is an essential feature of a resort or tourist hotel, and with the opening of the Baq Room, The Palace qualified as a resort hotel."

The total hotel resort was only two steps away.

Kerzner's next and more ambitious step was to take over the Astor Hotel in Field Street in 1982. Again the diningroom gave way to entertainment. This time it was called the Talk of the Town, which quickly became a popular city night spot.

"I pinched means from leading hotels, decided which offered the best fare, and then the chef," said Kerzner.

International celebrities, who now figure prominently on the guest or entertainment lists of the Sun International hotel chain, knocked on Kerzner's door soon afterwards. There was the night Stanley Baker came to dinner. It was shortly after Talk of the Town had opened, and Baker was in SA filming Zulu. Kerzner's way of running the establishment impressed him, and he later booked into the hotel with the entire cast, including Michael Caine.

Kerzner believed Talk of the Town was a success because it set a new standard and introduced an element of excitement. He was then a committed hotelier, and two years later, after he had given up a junior partnership in a leading firm of Durban accountants, he set out to realize his ambition to build "a great hotel". He chose an undeveloped site on the beachfront at Umhlanga Rocks.

"I wanted to build the best hotel in SA, and my desire to do so was based partly on vision and partly on gut feeling." The result was the Beverly Hills, SA's first five-star hotel. The day of the total hotel resort had arrived.

Beverly Hills was on the beach, had its own swimming pool and nightclub — the Cococabana — and offered haute cuisine. It created a stir among holidaymakers and was an immediate success.

"The hotel met most the holidaymakers' requirements on the spot, and the Cococabana was sensational. It was not necessary for guests to go elsewhere for their entertainment.

"What the Beverly Hills did was to herald a new standard in resort hotels, something that was missing in the industry and which people have become accustomed to."

Kerzner's foundation for his hotel empire was firmly laid. The Elangeni followed in 1988 and a year later he formed Southern Sun in partnership with SA Breweries.

By 1983 the company was operating 30 luxury hotels, including five-star establishments such as The Landmark, The Johannesburg Sun followed. Then, splitting with SAB, he founded Sun International.

In between these developments, Sun City was opened in 1979. Other casino hotels followed, progressively providing more elaborate entertainment.

Now he has produced the ultimate form of entertainment that only a dream merchant could devise — The Lost City and Palace Hotel complex. It is in a different world from the old Palace Hotel where it all started, yet in many ways it is the culmination of Kerzner's original idea — to provide the total hotel resort.
Brewer flattens beer boycott threat

THE boycott of SAB products by the National Taverners' Association (NTA) and SA Taverners' Association (Sata) was dealt a blow yesterday with hoped-for alternative supplier National Breweries of Zimbabwe denying it had any dealings with the taverners.

The two associations launched an indefinite boycott on Monday, saying the Zimbabwean brewer would fill the void left by SAB beers with its Zambezi Premium Lager, which the NTA had been importing since March.

But yesterday National Breweries of Zimbabwe marketing director George Katz denied he had had any contact with the NTA. Speaking from Harare, he said even if his company were supplying the NTA, it would not be able to satisfy the market SAB commanded in SA.

"I keep hearing these stories about the NTA importing beer from us, but I have never met the NTA. They have never been in touch with us."

He said he had seen news articles about the NTA importing beer from Zimbabwe, but he did not know their source.

His company's exports were minimal, but "odd lots" were sold to agents. However, his company would have known if its product was being supplied to SA at any significant level.

The NTA could not be reached for comment yesterday.

SAB public affairs director Adriaan Botha said yesterday he was looking forward to a constructive meeting with the NTA and Sata tomorrow.

On Monday, there were reports of locking and intimidation to enforce the boycott. But Botha said by yesterday, when SAB delivery trucks had not delivered in Soweto, there had been no more than "some reports of intimidation."

Comment: Page 8
Wealthy buying up
Knysna’s Leisure Isle

ANDREW KRUMA

Once marketed as the working man’s holiday destination, Knysna’s Leisure Isle has done a turnaround and is fast becoming the preserve of the wealthy. Property prices on the island have rocketed from the low R30 000s for 670m² and upwards about 10 years ago, into the millions.

The latest development on the island in Knysna Lagoon is no exception. It is known as Island Cove, and joint developers S T Evans Projects and Summerson are asking between R1,035m and R1,2m for each of the 24 units under development.

S T Evans MD Stan Evans said this was “well-priced” compared with the cost of real estate on the Heads and for other Knysna waterfront properties. Some properties on the Heads were going for R5,5m and upwards, even though some had “pondokkies” on them, he said.

“People who have lived here for years are selling up and moving to less imposing but cheaper accommodation in the town itself.”

The 24-unit Island Cove development occupies the 17,500m² site of the former Leisure Isle Hotel, and when completed would front onto a small-boat harbour presently under construction, and the Leisure Isle Country Club.

The first phase of four units was now selling. Evans said two sales had already been concluded, while another four prospective buyers had reserved stands.

Buyers could acquire single- or double-storey, four-bedroomed units either on a whole ownership basis or via a home syndication, he said. The cost of a syndication was R165 000 for six weeks a year.

This allowed for up to eight owners in each syndicate, who received a fully furnished home as part of the deal. All owners would become members of the body corporate.

The project is being financed by the NBS on a phased basis and De Hutzemark are the sales agents.
SAB boycott takes to the township streets

HUNDREDS of people joined anti-SAB processions through Soweto streets yesterday as boycotting organisations drummed up community support against the brewer, National Taverners' Association (NTA) spokesman Saint Madlala said yesterday.

The NTA and the SA Taverners' Association (Sata), which began a boycott of SAB goods on Monday, staged pickets at the SAB's Baragwanath and Cham- dor (Krugersdorp) depots yesterday and then led processions in Soweto, Madlala said.

The SAB and the organisations are meeting to resolve the dispute, which was triggered by disagreements between the SAB and NTA over discounts, sponsorships and payment for advertisements on taverners' premises.

Madlala said people came out in their hundreds to join the procession of booting cars in Soweto's streets. 'We are conscientising the people, drumming up support for our boycott, and the people are joining in. They are angry with SAB,' he said.

Madlala said the processions were peaceful — if noisy — and there were no reports of intimidation.

National Breweries of Zimbabwe marketing director George Katz said on Tuesday his company — which the organisations had said would supply beer in the absence of SAB products — had no dealings with the taverners.

Madlala said his organisation was getting supplies through another source.

SAB public affairs director Adrian Botha confirmed that the parties would meet this morning.

Sapa reports that SAB said the boycott had spread yesterday from Soweto to Bloemfontein and Welkom.
SA tourism under fire

SA "TOUR" operators in London mounted a quick damage control exercise yesterday as the murders of Britons Elizabeth Over and Julie Godwin featured among the day's top news items.

Weary Satoir manager Russell Barlow-Jones said after grillings from every major London newspaper, television and radio station: "This is the last thing we really need now."
Resorts still bar blacks

By Shehnaaz Moosa

Contrary to popular belief, apartheid is not dead — it's alive and kicking in Pretoria's lush private resorts.

Black foreigners, looking for holiday accommodation this Christmas, may be a bit confused when encountering the phrase "We're not open". Locals know, however, that the all-too-familiar utterance does not mean that resort owners themselves have taken a break.

A snap survey of Pretoria's five private resorts — Hendre's Pride, Barefoot Inn Hotel and Pleasure Resort, Hengenaars Friend, Konsensus and Little Eden — show that only two of them, Konsensus and Little Eden, appear to be keeping in line with the new South Africa.

Konsensus's receptionist said: "Ok, so, my dear. That's done away with. We're open to all races."

Pretoria Municipality's Wonderboom and Van Riebeck resorts, as well as the Overvaal resort, are open to all races.

Satour spokesman Spencer Thomas said only establishments that are open to all races may appear in Satour's publications and have access to Satour's local and international marketing events.

Satour would also advise international tour operators not to take tourists to the racist establishments, he added.

A spokesman for the Pretoria-based Foundation of African Business and Consumer Organisations, Mike Nkati, said racist practices will be overtaken by political events in the country. "The owners of the resorts are advised to read the signals that the community will judge them for what they are," said Nkati.
Timeshare schemes and Resort Condominiums International (RCI) members Cabanas del Mar and Cabanas del Sol at Winkelspruit, on the Natal South Coast, have been placed in provisional liquidation. The order was brought by bondholder Metboard on October 20 after capital and interest repayments fell into arrears.

The resorts were developed by Cabanas Marketing which has three subsidiary shareblock companies. Finance for the third shareblock company in the group, Cabanas Hazview in the eastern Transvaal, was not raised through Metboard and is, therefore, unaffected by the liquidation order.

The provisional liquidators of the resorts have informed all shareholders of Cabanas del Mar and del Sol that they are now in the process of investigating the failure of the companies in liquidation. A Metboard spokesman says: “We gave the developers five months to go back to their timeshare holders and raise a special levy to redeem the arrears and the bond. This payment would have been a mere one-off sum of R700 per timeshare week on Cabanas del Mar. Del Sol would have been double that. But when the developers informed us in May that timeshare owners did not accept their proposal, we began proceedings.”

Greissel says RCI reported the absence of audited financial statements for fiscal 1991 and other financial problems to industry watchdog the Timeshare Institute of SA (Tisa) three months ago. Tisa subsequently gave the developers seven days to furnish statements — which they failed to do. Tisa then suspended Cabanas Marketing’s Tisa membership and contacted the Harmful Business Practices Unit.

RCI is also continuing its own investigations of the resorts and their failure.

Greissel believes a rescue is possible: “This is not a train smash. The large number of timeshare owners makes it possible for them to make a compromise offer to Metboard and other secured creditors. Metboard is owed R5m by the two resorts and there is an outstanding bill of R100 000 for lights and water. Discussions with Metboard and the liquidators indicate they strongly favour such a settlement. Liquidation was the best and probably only route to follow to force open the books.”

The liquidators have decided to keep the resorts going by charging a nominal daily rental of R60 a unit to timeshare owners in Cabanas del Mar and R75 to those in Cabanas del Sol — R245 and R261 respectively to outsiders — so that owners’ end-of-year holidays are not jeopardised. The money will be used for running expenses. If the compromise offer envisaged by RCI (as facilitator) or any party is unsuccessful, the property will be auctioned in February.

**DURBAN’S POINT PROJECT**

**Progress by committee**

Durban’s ambitious Point project — seen by many as Durban’s answer to Cape Town’s Victoria & Alfred Waterfront redevelopment — could soon be back on track after being bogged down for months in a bitter political wrangle.

The project, aimed at revitalising Durban’s declining but historic Point area, has been spearheaded by Portnet, the city’s biggest property owner, and Durban City Council. They have involved would-be developers in workshops to plan a development strategy. However, the process ground to a halt earlier this year when organisations such as the ANC protested that the community at large had not been consulted over the development. They threatened to block it unless this problem was addressed.

Though the initial response from established interests was that they would “not be dictated to by the ANC,” a forum was established to consult disenfranchised sections of the community including the ANC, Inkatha Freedom Party and civic organisations.

The civic bodies now meet in a committee with Propnet, Portnet’s property development arm, and the council to discuss the project. Propnet has appointed a “facilitator” as a go-between for the organisations.

One of the biggest dividends of the establishment of the committee is that it has alleviated fears and suspicions on both sides. Parties with vested interests have, for example, had fears that the ANC wanted the Point designated a low-cost housing development area. The ANC says it never advocated this. On the other side, there were fears that public assets would be sold to the private sector.

As a result of the discussions, it seems development land will probably be made available on leasehold.

ANC Southern Natal development spokesman Michael Sutcliffe stresses there is general acceptance that State land cannot be alienated while the negotiation process is in progress.

As an indication of how much progress has been made, Sutcliffe says: “We are in a position now where we are starting to look seriously at the idea of a development charter and an organisation which will run with the Point development. There are still organisational issues to be ironed out, but we hope agreement can be achieved by late January so that development can begin.”

He says the committee is considering pilot projects in the area: “Various proposals have been made and could be decided on and announced by late January.”

He adds, however, that planning has not yet reached the stage where it would be possible to discuss the type of development that will take place. The ANC feels that provided the right process is established, there will be no big differences in outlook.
enormous banana slices, shots which are especially alarming for someone who draws the ball as frequently as Bobby Locke.

At first, I put this down to the torque (or twisting) in the composite shaft and resolved merely to close the face a little at address. But the slice still appears, always when it is least welcome, with what — when I'm using my favourite 3-wood — feels like a perfectly good swing.

Then, in a pro-am, my partner remarked that the "shaft is too soft for you, the head is coming through too late."

That's it: doubt and mistrust has been sown. I am reminded of the parson who raised himself to his full height, hurled his putter into a nearby lake, exclaiming: "Don't ever presume on my good nature again!" Pat Eddle's days are numbered.

Don Reid

MUSIC

Enduring honour

Samro — the SA Music Rights Organisation — celebrated its 30th birthday on Sunday at a glittering gala concert at the Civic.

The National Symphony Orchestra, Ladysmith Black Mambazo and the internationally famous SA pianist Anthony Nel were some of the performers at this grand anniversary occasion, which honoured Hubert du Plessis and the late "Strike" Vilikazi with special awards. The winner of the Samro Birthday Composers' Competition, for a song with lyrics by Stephen Gray, was Eric Smith, the noted composer of jingles and assorted TV anthems such as Come on into the NRS and When We Drink Castle.

For Gideon Roos, the founder and now executive president of Samro, the gala concert depicted an expression of triumph for SA music. Samro represents not only the success of making real a great ideal, but also the conquest of adversity.

This is not the forum to expand on the important foundations Gideon Roos laid in the early days of broadcasting. Suffice to say that during the Fifties he played a pivotal and honourable role. His departure from the SABC heralded the emasculation of the corporation as subsequent directors-general carefully danced to the tune of other, now discredited, principles.

The beginnings were humble. A small office in Jeppe Street, Johannesbourg, was the first headquarters, if that's not too august a name. From the outset Roos was determined to establish a body that would look after the rights of composers regardless of sex, race, colour or creed. He knew about the exploitation of artists.

Stories in the music business are legendary of how composers — then as now — are tricked so easily out of the rights of their compositions. That the pack of local music producers have hitherto only slightly tarnished these days is due in no small measure to the efforts of Samro.

In 1962 there were about 50 composers on the books; now the organisation has more than 2 500. One look at the annual report is enough to convince you that Samro is one of the investment success stories of the past few decades. Despite the tough times in recent years, the money the organisation collects on behalf of its members and for the associated overseas members has continued to grow at a steady rate.

Benefits

How else could Samro provide the generous pensions and the other benefits to its members? And the benefits are not only for composers. With an imaginative programme of sponsorship Samro helps artists and performers, sponsors music prizes, holds music competitions, and provides music scholarships here and to overseas institutions.

Support of the art of music in all guises is the basic principle on which Gideon Roos founded Samro. Through music — the universal language — all spheres of our lives are enriched.

Not much of worth emerged from the Verwoerd era, but the birth of Samro was one of the exceptions.

Michael Lentfer

THEATRE — JHB

Not to be missed

Double Take featuring Soil Philander, at the Upstairs Theatre, Rosebank.

Soil Philander has made a name for himself by creating one Rosie September — a feisty coloured matron whose life and loves offer a penetrating comment on the "new" SA.

Now, if you're concerned that the word coloured should have been put in inverted commas, Ms September exists unashamedly. As she puts it: "Just because Allan Boesig's joined the ANC doesn't mean we've all become blacks!"

Philander obviously enjoys himself hugely in creating this character, and the nuances of voice, gesture and costume are just right. Rosie September hails from Elsie's River near Cape Town and, though now living in Jo'burg's Berea with white (liberal) husband and kids, she retains the raciness, irreverent viewpoint of her origins. Philander tells the roundabout story of her life with verve and humour.

Guy Wildaugh

CINEMA

What is Goofy?

Beauty and the Beast produced by Walt Disney Pictures.

Without being too cynical — or for that matter, mystical — about it, Disney's animated romances are really much more than the product of a studio. They reflect attitudes in the wider society, while attempting to stay loyal to the classic narratives and moral world of the old fairy stories.

Disney would never give us, say, Snow White and the Seven Ninja Turtles; but with musical sophistication and an alertness to modern trends, change has come — and been rewarded at the box office and elsewhere. Here, the heroine, Belle, as she is called, explores the frontiers of feminist self-reliance, though never succumbing to the strong, silent and stereotypical one finds in the Alien movies or Thelma & Louise.

Belle, in other words, sees through appearances. She is fairly consistently wowed by a handsome, male chauvinist backwoods type called Gaston; but rejects him because of his assumption that she would willingly be his love slave. Instead, of course, the rough beast in the enchanted castle wins her heart. And though he does in the end turn into a handsome prince, that's a bonus.

Another break with tradition is that Belle is hardly beautiful in the conventional sense — instead, she has an austere purity and sense of fun which will endear her to the young audiences for whom she exists.

The castle, down to the cupboards and saucers, has been imbued with life: candlesticks, tea-pots and wardrobes move and speak, each distinctively. Angela Lansbury's vocal performance as Mrs Potts has been much praised and even while under a spell, the vast castle ought to be blindingly secret and the promise of exuberant transformation. Quite deliberately, the real threat comes from the outside society.

The main feature is preceded by a restored Disney cartoon — an indication that the studio has become aware of its ancestral treasure-house. These old films show how original and, in some ways, weird Disney really was. Not just animals, but objects, flowers and landscapes are anthropomorphised; they talk, argue and chatter incessantly. Mice are as large as human beings.

Seeing Goofy again reminded me of that ancient conundrum: what exactly is he? Mickey Mouse already has a dog called Pluto — so Goofy is something even stranger. Disney invented an entire mad universe in which, oddly, we feel perfectly at home.

Peter Williamson
No finding on lawyer’s death

Explosive device killed Bhoki Mlangeni:

The Supreme Court was yesterday unable to make a finding as to who was responsible for the death of ANC lawyer Bhoki Mlangeni.

Mr Justice R O’Donovan told available witnesses that police had not been able to secure the help of the National Parole Board in identifying the persons responsible for the death.

"The witnesses who were available were not able to provide any information," the judge said.

However, the court might have come to a different conclusion had the investigating team acted with greater promptness.

Mr Justice O’Donovan said that the investigating team had not acted with due diligence and that the delay had not facilitated the collection of evidence.

By Mzimisi Mlangeni

THE five-day boycott of South African Breweries by taverners in Soweto and other areas is over.

At a meeting yesterday with SAB management lasting four hours at SAB headquarters in Sandton, Johannesburg, taverners decided to halt the action.

The two major associations whose members were involved in the boycott, the National Taverners Association and the South African Taverners Association, said the action was suspended pending a report-back to their grassroots members.

Both SAB and the taverners said they had reached a "common ground" on problems facing the liquor industry, but could not give details.

A full announcement will be made in due course, probably next week, after the NTA and Saks had reported back to their members.

"Some of the things are very sensitive, so releasing them to the media before informing our membership will be counter-productive," said the NTA’s national chairman, Mr David Mokone.

A seven-member task force consisting of four representatives from the taverners and three from SAB was charged with the responsibility of exploring short to medium-term, as well as long-term, solutions to the problems in the industry.

"We are delighted that the boycott is off. We think it is in the interests of the associations, SAB and the community at large, particularly at this time of the year," said SAB public affairs head, Mr Adrian Botha.

The boycott had started in Soweto and spread to other areas, especially in the Free State.
Boozers in a froth over 'beercott'

The week-long boycott of South African Breweries products by the 25 000-strong National Taverners Association sent veteran shebeen-crawler OBED MUSI off to see how thirsty patrons are taking it

The glint in Bra Boykie’s eyes showed the inner conflict between profit and principle flowing through his heart. The Mofolo taverner is one of hundreds hit by the National Taverners Association’s (NTA) decision to boycott their old trading partner, South African Breweries (SAB), and import beer from Zimbabwe instead.

Talking in typical township lingo, Bra Boykie made it clear that although the boycott spread, not everyone is being hit hard in the pocket. With “Kressie” (Christmas) four weeks away, thirsty patrons loaded with their annual bonuses are being turned away because the “wells are dry”, as he put it.

“Ons moet wie se die SAB ngamla want ons verloor chin (We’ll have to negotiate with the SAB walloons because we are losing money),” said a rueful Boykie as he referred to one of the shebeens around the corner.

There’s a twist of irony. Since the Liquor Act was amended, shebeens (that Irish word meaning an illicit drinking house) have done a respectable mantle by being dubbed “taverns” — not to mention posher premises, separate loos and an annual permit for R100.

I followed the regulars only to find that the shebeen owner, who has recently applied for “tavern” status, had already joined the beer boycott. She stocks the Zambezi Brew, which one patron contemptuously dismisses: “Ek sê, Mama, ons soek real coek, nie die Mugabe kak (I say, Mama, we want real beer, not this stuff) — from Mugabe.”

As I did my rounds I found some NTA members were paying lip-service to the strike while surreptitiously hoarding stocks of popular SAB brands like Lion, Castle and Black Label.

Over in Diepkloof I met many of my old cronies from legendary Kofifi (Sophiatown) huddled in an angry group at a shebeen run by a young woman. She was almost in tears as they tore into her for not having “die real shandies” (the real goods).

Spinky, whom we had nicknamed the Shakespeare of the shebeens for his penchant for quoting the Bard each time he took a swig, was leading the attack on the young shebeen queen, saying in old Kofifi lingo: “Daal Gwasha tran; waar is die coek? (Those crocodile tears, where’s the real booze?)” She meekly replied in Setswana: “Botsa bo — Saint lebo Lucky le Peggy.”

She was referring to Lucky Michaels, Saint Madlala and Peggy “Del Air” Sena, executive officials of the NTA, and suggesting they ask them where the “real booze” was.

On a more serious note, I discovered that some taverners make as much as R30 000 a month in clear profits from beer sales and the festive season is their most lucrative.

I heard an SAB “ngamla”, whose name eluded me, adroitly fielding piercing questions on Radio 702 during the week but lamely admitting that they stood to lose a huge slice of income if the strike spread... as indeed it has, nation-wide.

At the time of writing the SAB and the NTA were locked in crucial talks to find a way out of this frothy impasse. The strike had reportedly spread to all the Free State townships near Bloemfontein and Welkom.

Moving further afield into Dobsonville, I came across another bunch of shebeen habitués who were sipping hard luck, a significant if unusual substitute for their usual stuff.

One of them wanted to know what the heck was happening. In fractured English he told me what he thought of this “beercott”. Latching into the location Ilanga franca he said: “Die timing is bad, Jack. Ons het die kluza maar hulle het nie die coek nie. Waar moet ons gaan?”

Let’s translate that into manageable English: “Timing” means just that — and more — in the townships. It means bad judgment, an ill-timed remark, a form of disrespect or a plain faux pas. The group felt the NTA bigwigs had ill-timed the strike since they have the money and the taverns don’t have the goods.

So it looks like it may be a black Christmas all round and not for political groups only.
New twist in beer boycott

The supposed suppliers of an alternative to South African Breweries (SAB) beer for township boycotters don’t know they are meant to be helping the National Taverners Association take on the beer monopoly. National Breweries of Zimbabwe, brewers of Zambezi lager, denied this week it had had any dealings with the taverners.

While SAB moved to defuse the row with the taverners, whom it has said are looking for special discounts, looting of SAB’s truck and intimidation of those supplying beer was reported.
Mykonos buyers did ‘phantom’ deals

CAPE TOWN — Malpractices in the operation of the Club Mykonos share block scheme meant some purchasers bought non-existent shares, which gave them rights to non-existent land, from non-existent sellers, the Nel commission of inquiry into the collapse of the Masterbond group was told yesterday.

Buyers, also, were not told about existing bonds over the properties.

Some of the sales contracts were deficient in not correctly identifying the land which was bought. In some cases the land did not exist, and in one case a bond over the property amounting to R56m was not disclosed, attorney and shareblock adviser Milred Carr told the commission.

Carr said the effect was that the owners concerned did not own anything.

Also, she said, bonds valued at R17m had been registered over land leased to the Club Mykonos shareblock company, thereby eroding the shareblock owners’ title to the land and making it improbable that they would be able to secure their rights.

There had been deficiencies in the articles of association of the shareblock company in that it did not comply in all respects with the Share Blocks Control Act. This, also, had the effect of undermining the rights of shareblock owners.

Carr said that by October 22 1990, Club Mykonos Langebaan (CML) owned 22,662ha of land which had registered bonds over the whole or portions of the land for a total capital amount of R321m.

When the land was originally acquired by CML, it had measured 1 047,667ha and had been bonded for R5m.

The commission has adjourned its hearings until further notice.

The question whether the Masterbond curators were entitled to call up bonds held over Fancourt Holdings — which owns lodges, land and a golf course outside George — was in dispute in the Cape Town Supreme Court yesterday.

The Masterbond curators have applied for the provisional liquidation of Fancourt Holdings, claiming it has total debts of R117m, R97m of which is to Masterbond investors.

On Wednesday Fancourt Properties, which owns the Fancourt Hotel, was provisionally wound up.

Fancourt chairman Andre Pieterse said that a moratorium agreement reached in January prevented the curators calling up the bonds in the event of an act of insolvency by Fancourt.

The hearing continues today.
SAB, taverners agree to suspend boycott

THE boycott of SA Breweries' products in Soweto shebeens was suspended yesterday after the brewer and taverners agreed to set up a joint committee to look into the issues in dispute.

The National Taverners' Association (NTA) and the SA Taverners' Association (Sata) began the boycott on Monday after disagreements with SAB over discounts for shebeens, sponsorships and payment for advertisements on taverners' premises.

After a four-and-a-half-hour meeting yesterday, the parties said the boycott would be suspended and the shebeen organisations would report back to their members.

NTA PRO Saim Madlala said the organisations were happy that common ground had been found with SAB.

"We will report to members and wait on them to call off the boycott, since they were the ones who called for it in the first place," said Madlala.

Both the organisations and SAB refused to give details of the agreement.

The taverners said details would be available only after they had reported back to members.

SAB public affairs manager Adran Botha said in a statement that "progress was made in setting a course to resolve a number of issues."

"Agreement was also reached on the creation of a joint forum designed to discuss broader aspects of the liquor industry."

To ensure that the progress made was continued, SAB had committed itself to regular bimonthly meetings with NTA and Sata, Botha said.
Carlton Hotel offers a variety

PRIVATE ROOMS Catering for groups of up to 600 for Christmas celebrations: 288

By Abbey Makoe

The management of the Carlton Hotel has promised to put up decorations that have a “special ring” over the festive season.

Private and end-of-year parties have already been organised.

Lunch/dinner menus will be provided in booklets, obtainable from the five-star hotel’s foyer in downtown Johannesburg.

In order to make a Christmas party a success, the hotel has put aside private rooms for mutual groups to engage in festivities.

From R55 a person, guests can choose their own private room “from 14 people in an intimate dining room to 600 guests in a lavish ballroom”.

The price, of course, includes a three-course meal, coffee, mince pies and mince pies, for those whose appetite is sated.

To make sure your party is turned into a memorable occasion, says the hotel, would-be guests can contact the banqueting sales department on (011) 331-8911 and let the professional make arrangements.

There will also be a Grand Carlton Party, aimed at meeting the needs of the employees of small businesses corporations who want their staff to enjoy themselves at the hotel.

Hang on, it does not end there. It’s pardy, pardy, pardy. Yet another one, which will reach its climax with a dinner on Christmas eve. And guess what the menu is like. “Warm confit of duck presented on a crisp salad with a honey and lavender dressing.”

Not impressed? Okay, there is an alternative. “Lamb fillet and kidney, accompanied by a tartlet filled with sautéed baby marrow and a pommery mustard sauce.”

To accommodate as much of a broad spectrum of interests, a variety of menus is available. Still on the Christmas eve dinner, there will be “crayfish bisque finished with cream and brandy.”

Or, “essence of Impala with a hint of cardamom, garnished with herb pancake”.

For refreshments? “A refreshing sorbet or peach and bitter lemon.” As with every festive arrangement, the hotel has gone further to welcome especially those who like meat.

Imagine: “A breast of Turkey with a chestnut and sage mousse, baked in a puff pastry and served with a duo of red and white port sauces.”

The price is R181 a person. For reservations, call Ms Josi Ladosa at (011) 331-8911 and ask for extension 440 or 441 during office hours. After hours call at (011) 331-0541.
All along the Waterfront

On Cape Town's Waterfront, suburbia seems to have concentrated all its assets in one place. Add a bed or two, and you'd never have to leave. TONY KARON limits himself to a day trip

The Bo-kaap Bo-Kaap Booklet in The Wharf — the latest addition to Cape Town's Victoria and Alfred Waterfront — does not have Kaps- cuski's books on their shelves. And the Waterfront's concentration of suburbia's favourite things in one place, which probably conveys the sense of a culture uncertain of itself in time and place. Launched two years ago, the development has been a massive boost for tourism and successfully re-connected the city with the harbour.

The Bo-Kaap — the Square tramps report a falling off of business and Sea Point restaurants close by the dozen, the Waterfront is growing in size. In most recent addition is The Wharf — a giant shopping mall whose 110 stores include branches of most of Cape Town's top department stores, and everything from computer software shops to a Pick 'n Pay.

The Wharf also houses a plethora of fine restaurants and bars which push the total in the Waterfront to 34. Many of them present live music (mostly jazz), which together with three different live entertainment venues — Metro cinema make up the bulk of Waterfront nightlife. The entertainment complex has parking for 3,000 vehicles, with a further 2,000 bays planned. Even then, it is sometimes difficult to find parking.

The Waterfront's pleasant environment — pretty little boats bebbing in the harbour, seals jolling about on platforms, the cry of gulls, sea air and the like — has attracted the public to its precincts. When asked to assess the Waterfront, a young shopper in a tartan-polka shirt clutching a CNA packet waxes enthusiastic: "I have never in my life seen so many people. It reminds me of when I went to San Francisco. Very cosmopolitan."

In its first year of operation, the Waterfront drew seven million visitors. This, says the V&A Waterfront, is a result of their development into the same league as San Francisco's Pier Five (which attracts 10.5 million visitors a year) and Euromast in Rotterdam (which has 9.1 million). Such comparisons, unfortunately, hold for character as well as scale.

According to an audio-visual presentation aired every half-hour in the Waterfront's information centre, the development was "the Sea Point clock" to era when the harbour was the centre of Cape Town's city life (which may account for some of its identity, like the "squeaky shoes" doors, like the security guards' Door Waltz vintage white helmets). This, they say, is in keeping with the global trend, citing dockside re-developments in San Francisco, Boston, Baltimore, Vancouver and Sydney. Again, a telling association. Because each of these developments has probably more in common with the others than with anything else in their native cities.

Waterfront developments of this type are a little like Club Meds. Whether in Majorca, Mauritius or Mexico, it's all the same holiday — all that really changes is the content of the curio shops. They can make you feel like a tourist in your home town. The only other institution capable of that feat is the travelling carnival, which visits once a year. Despite the permanence of its fixtures, the Waterfront exudes the transient feel of a carnival, as if all your favourite restaurants and shops had suddenly relocated to Nasrec for a permanent Rand Easter Show. Of course, at a carnival, you expect to find upside-down plates of food scattered from each other only by bits of bsson. But when 54 restaurants, pubs and fast-food diners are erected, almost over-sight, within burping distance of each other, something else is created: A mall.

And yet this is exactly what attracts the punters. Ask shoppers and staff down at the Waterfront why the development has been such a success, and after telling you it's "different", they'll emphasise that the appeal lies in the concentration of the public's favourite venues in one place.

"It's different," a Sea Point pinner tells me in a cryoball but, "All the shops are together in one complex, so you can visit all of them in one night." A young Salt River man in Raiders cap comments: "Everything you want is in one place, and you can enjoy yourself as well." A waiter at the Spur seems slightly defensive: "It's different. Something that South Africa has never seen before. Its just different," he

No sailors here...
The Waterfront Mail

Photo: GUY TELLIM

emphasises, "It's a festival. Very festive."

Back at the Spur, a young waiter emphasizes convenience: "You can do your shopping at Pick n Pay, then buy a dress at Gran... on have a meal at any restaurant and then you can go and watch a movie. And there are about twenty different places here."

Her sentiment is echoed by the proprietor of a small craft shop: "Everything is here. You just need a bed, and you'll never have to leave."

Convenience aside, these comments suggest a subconscioius longing for familiarity. Uncertainty of itself amid escalating social disintegration and hostility, suburban culture seeks to maintain its autonomy within a definable perimeter. For the tourists, the Waterfront is Cape Town cradled, perfumed and packaged. It invites them to discover the city on the same terms as a paint-by-numbers picture postcard.

There are no beggars or street kids on the Waterfront. No obvious prostitutes, no banknotes and no street traders. Even its craft market is limited to "a score of carefully-selected craftsmen and women".

The only sailors you're likely to find at the Waterfront are from the Cape Town Yacht Club. Those who come off the Taiwanese tuna boats and Russian ice-breakers head down to the bottom end of the city, where seagulls survive (barely).

At the other end of town, Greenmarket Square overflowes in colourful chaos, sprawling its way down to the St George's street mall. City traders challenge Council traffic regulations amid the seedy charivari of Cape Town's cultures encountering each other on the street. Eventu-lly, St George's Mall will be connected to the Waterfront by a canal.

But they will remain distinct expe- riences. The Waterfront seems a little like Kaps cuski's wooden Luanda. One morning it may be gone.
City tourism set to rocket

Staff Reporter

CAPE TOWN is set for a tourist bonanza this Christmas — an influx of 20% more November visitors than last year has been reported and city hotels and businessmen expect a bumper season.

According to Captour, Cape Town is now the official No1 tourist destination in South Africa.

Hotel managers say they are expecting a record season — and most hotels are already 90% full.

And mayor Mr Frank van der Velde echoed the optimism yesterday, saying "there are positive indications that we are going to have a bumper season".

Captour's official tourist welcoming campaign starts at D F Malan Airport today when nine mayors from the greater Cape Town area, including Mr Van der Velde, will welcome visitors from the incoming flights from Johannesburg.

Ms Lauren de Wet of Captour told the Cape Times Captour expects a 35% increase in tourism this year.

She said that with Transvaal schools closing today, a big influx of visitors should arrive this weekend.

Bay Hotel manager Mr Roy Davies said "this looks to be a good season — despite the normal lull from the end of November till mid-December, when we fill up".

The manager of the Ritz Protea Hotel, Mr Shawn Ritchie, said he was 100% full for November and hopes to be fully booked again by mid-December.

Mr Ian Williams, manager of the Van Riebeeck Hotel in Gordon Bay, said last night he is "looking to a good season" as his hotel is fully booked from next week to New Year.

Muizenberg’s Green Hotel manager, Mr David Spitz, said he is fully booked from December 18 and expects more bookings this week.

Tourists interviewed at the Waterfront and the lower cable station on Table Mountain yesterday.
UK press warns about visiting SA

LONDON — The murder of two British women in South Africa has prompted a wave of publicity potentially damaging to the country’s tourist industry.

Several British newspapers yesterday warned visitors to South Africa to stick to populated parts of the country, rather than wander by themselves in remote areas. Some even implied that Britons should not visit the country at all.

The Daily Mirror reported:

“Simmering violence lurks around every corner in sun-soaked South Africa.

“It is a paradise lost where Miami-style street crime is aggravated by racial attacks and inter-tribal warfare.”

It told readers that British Airways stewardesses have armed escorts when they leave their hotel rooms.

The Daily Express added:

“South Africa is rapidly becoming the murder capital of the world, with the killing rate six times higher than the United States.” — Star Bureau.
OK for Cape Town

More foreign tourists are coming to SA despite the continuing violence and inability of political leaders to solve their problems. SA Tourism Board (Sautour) statistics show that in July — the month after Boipaa...
tong — nearly 46,000 tourists came to SA, a 22.5% increase on the figures for July 1991. In January-July there were 201,600 visitors, 16.1% up on the same period last year. Most visitors came from Europe, the Americas, Australasia, Asia, the Middle East and the Indian Ocean islands. The total excludes visitors from Africa because the inclusion of Botswana, Lesotho and Swaziland only from October 1991 distorts comparisons.

Operators feel there may be monthly fluctuations but the general trend is up. There were cancellations of overseas tours in Durban (Business & Technology November 20) but there will be a marked improvement in the number of foreigners visiting Cape Town in the mid-December to mid-January high season.

This is a change in the established pattern. Until last year they preferred to spend Christmas in their own countries and go to the Cape after the season when most inland visitors had gone home and prices had dropped. It is, however, easier now for Europeans to get to Cape Town than it was a year ago with UTA, Lufthansa and KLM operating direct flights from their home bases. Satour chairman Pieter van Hoven says only 34% of foreign visitors stay in hotels. Most stay with friends and relatives. Captour CE Gordon Oliver says, however, the hotel sector will do better than last year. His organisation promotes tourism in the western Cape. “For some, December is still quiet, but near-ly all say January and February are looking good,” Oliver adds.

Protea Hotels chairman Otto Stehlík expects occupancies to drop from end-November to mid-December. “This is normal but then comes the Christmas period. We are not 100%-full yet but advance bookings are bringing our occupancies to well over 80%.”

The Protea group should show better profits than it did last Christmas, when it managed good occupancies, but only because it offered large discounts. It gave away some discounts this year but, says Stehlík, “all those we were pre pared to give away over the Christmas season have gone. Bookings until the end of April look exceptionally good.”

Southern Sun MD Ron Stringfellow also feels this year should be better than last but adds: “It will be a short season.”

Two- and three-star hotels are being seen as options by people who used to frequent five-star establishments, says George Marniewicz, of Friendship Hotels, which markets 44 hotels and game lodges, including the Town House, the Metropole and the Cape Swiss in Cape Town.

“We filled them in mid-November and can take bookings only for Christmas if we get cancellations,” he says. But, unlike Protea hotels, those three will be filled almost entirely by South Africans.

Captour is expecting an increase in SA holidaymakers and has set up an operation to help them find accommodation. “Many decide to go on holiday at the last minute and arrive without bookings,” says Oliver. “The accommodation booking service operates from our Tourist Information Centre in Adderley Street, Cape Town, seven days a week, until 9 pm.

“We should find beds for all. We have access to hotels, bed-and-breakfast establishments and apartments. The hotels in the Peninsula have 5087 beds and the other forms of accommodation have 3820 beds.”

Confirmation that the Mother City is in for a fine Christmas comes from Budget Rent-A-Car MD Tony Langley, who says advance bookings for the period are up 15% on last year and slightly above those of 1989, “our previous high in Cape Town. That improvement can be attributed largely to the three extra flights coming in every week from Europe.”

Demand for seats over the Christmas season has led to all three airlines which fly between Johannesburg and Cape Town, SA Airways, Flightstar and Comair, putting on additional flights. SA’s Zefra Roux says that, despite a reduction in the number of flights on public holidays (December 16, 25 and 26 and January 1), there will be 26 extra flights between Johannesburg and coastal cities between today and January 4.

Flightstar MD Jan Blake says his airline will also operate additional flights and cut back on the public holidays. Comair, which operates only one aircraft on one route — Cape Town-Johannesburg — will operate six additional flights over Christmas. “Our flights are being well supported over that period,” says Comair MD Pieter van Hoven, who is also Satour’s chairman.

During December and January, SpoorNet is to run an additional 289 mainline passenger trains to cope with holiday traffic. Of these 39 will be to Cape Town — 27 from Johannesburg, five from D’Aar and seven from Port Elizabeth.

Cape Town ... looking good this Christmas

AWARD TIME

Financial Mail’s Arnold van Huyssteen and Miryana Deeb are joint winners of the 1992 Sanlam Financial Reporter of the Year award in the category Companies & Industries. Overall winner is Business Day’s Simon Wilson, who won the general news reporting section.

Van Huyssteen’s winning entry covered agricultural issues, food prices, tariff protection, industrial policy and the Lesotho Highlands Water Project. Deeb wrote on health care, Armcor, the paper industry, international air fares, the Draft Designs Bill and the dairy industry.

The award, in its 18th year, was started in 1975 to commend excellence in financial reporting.

Previous years’ Financial Mail winners include Editor Nigel Bruce and former editor Graham Hatton.

Previous FM finalists include Brendan Ryan, Gerald Pronkendis, Don Caldwell, Nigel Vardy and John Pitt.

Deeb was also a finalist at last week’s Shoprite/Checkers Award for Consumer Journalism. She received a certificate of merit for her extensive coverage of the crisis in the health-care industry.

Van Huyssteen, Bruce and Deeb

FINANCIAL MAIL • DECEMBER • 4 • 1992 • 55
Unrest drives away visitors

Staff Reporter

British tourists are cancelling or postponing visits to South Africa because of the increasing violence.

The slaying of two British women near Sodwana Bay made headlines in the United Kingdom this week.

Dr Ernie Heath, chief director of the SA Tourism Board (Satour), said fewer foreign visitors to the country could be expected because of the unstable political climate. The murders of Ms Elizabeth Over, 30, and Ms Julie Godwin, 30, had resulted in a barrage of bad publicity in Britain that could damage the tourist industry in South Africa.

Dr Heath said Satour's offices in London had reported cancellations and postponements of British tourists because of the violence.

The murders of the two British women, the King William's Town golf club massacre and the Queenstown explosion could adversely affect the economy, he said.

Mr Gordon Oliver, chief executive of Captour, said the violence was a source of great concern.

Negative publicity made people fearful to come to South Africa. Although bombs were exploding in London it was unlikely that visitors would cancel their trips to that city, Mr Oliver said.
Huge welcome for city tourists

By WILLEM STEENKAMP

TOURISTS to the city were given a warm welcome as nine Western Cape mayors greeted an incoming flight at D F Malan Airport.

Captop’s “Welcome to Cape Town” campaign got into full swing yesterday as new visitors were each given pin-cushion proteas and welcomed to the city. A stall sponsored by the Wellington Wine Route gave each a glass of wine and a group of minstrels entertained them.

Franschhoek mayor Mr Frank Arendse, the country’s first coloured mayor, said yesterday that since his election earlier this year, there had been “a lot of international interest” in the Bo-Kaap town.

“They see Franschhoek as a peaceful town, where there is no violence.”

Mr Arendse said he expected a good season for the town, especially in January and February.

SAA passengers are grounded in London

Own Correspondent

LONDON. — About 100 Johannesburg-bound passengers were still stranded at a hotel here because the South African Airways jet due to fly them out of Heathrow Airport damaged a wing on landing.

Mr Nigel Bennet of SAA said about 160 other passengers were re-routed through Europe to Johannesburg on other carriers.

Tourism is our biggest source of income,” he said.

“There is no doubt that Cape Town is the number one destination in South Africa,” said Satour manager Mr Colin van Zyl. “It is definitely running ahead of Durban.”

He added that the Waterfront was the most popular attraction in the country and had drawn five million visitors — a large proportion of them Capetonians — in the first 10 months of this year.

Mr Van Zyl said that as early as two years ago, Satour’s offices abroad had noticed a “clear tendency” towards Cape Town as the preferred destination in South Africa for foreign tourists.

The number of foreign visitors would also “definitely” increase as the number of direct international flights to Cape Town increased, he said.
SunBop gambles on a Lost City jackpot

By CHERYLNE IRVET

SUN International's (Bophuthatswana) shareholders are no strangers to high-risk hotel development.

The success of speculative projects is one of the main reasons why the company is again being recognized as one of the JSE's top performers.

This year SunBop is fifth in the Romance Times Top 100 with a five-year average return to shareholders of 68%.

It appears that this year's recognition comes as the Sun International development machine is in top gear for the opening of the R100-million Lost City development.

It is likely that the festivities and media hype that go with the opening will overshadow the daring of SunBop's recent project.

The gates to the Lost City are opening amid the project's rush to meet its deadline. The total cost of the project is expected to exceed R225-million. This compares with a cost of R185-million for a City Lodge development and about R300-million for a room for a three- or four-star hotel.

SunBop's chairman, Mr. Kaczynski, has converted the competition, which does not highlight the additional attractions to the Lost City. Even so, SunBop's chairman believes that SunBop's ability to position itself in the tourism market is the cornerstone of the company's success.

Numerous, more than 300,000 visitors are expected to visit the Lost City within a year of its opening - regardless of the house-  land's future status.

Mr. Kaczynski's ability to gamble on big projects, and make them work, has become his hallmark. But he insists that SunBop's philosophy is to offer attractions that will lure visitors.

SOL KERZNER and KEN ROSEVEAR

Banking on great things from a fabulous resort in the bush

The allowances for the Lost City will effectively shield SunBop from tax payments for several years and this factor should favorably affect shareholders' returns.

Nevertheless, Mr. Rosevear says the group must continue to provide for deferred tax at a rate of 66% of taxable income.

SunBop's financial history shows that its tax rate has moved from nil in 1988 to a maximum of 36% in 1990.

Last year the rate was 20% against Bophuthatswana's statutory corporate tax rate of 66%.

Mr. Rosevear attributes SunBop's fundamentally sound position to its "strategic expansion into a growing market place. The Lost City will add to that mix by revitalizing Sun City as a top tourist resort both locally and internationally."

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School opens its doors to holidaymakers

SUMMER school has taken on a new meaning with the opening of a hostel at De Grendel school in Milnerton for holidaymakers wanting affordable accommodation while pupils are away.

As Cape Town hotels hike their prices for the tourist invasion this month, De Grendel is offering a cut rate deal for cash-strapped families.

De Grendel, like many other Model C schools, is having to come up with innovative ideas to raise money to meet running costs.

The school is fortunate to be situated along the Milnerton coastline so tourists can stroll to the beach.

It will be the first time the school has opened one of its hostels for guests and staff are understandably nervous as they feel their way into the hotel business.

"We feel it's better to start small and expand later on," said Mr P Boshoff, department head.

To stay in a four-bed room will cost just R25 a person a night.

It is a five-minute walk to the Milnerton lagoon and beach from the hostel which is near a golf course, shops and restaurants.

But tourists need not fear a curfew. They can come in as late as they like as each guest will have a key to the hostel and their room.

And there will be no bells for meal times. Breakfast and supper are optional extras at R6 and R10.

Linen is provided and changed once a week and there is a launderette.

The common room will be transformed into a television lounge.

"Like all Model C schools we are having a hard time financially and this is a way of trying to make money for the school and hostels," said Mr Boshoff.

Acting headmaster Mr S J R le Roux said there had been some response and a few people have paid deposits.

If the Huis Leeukop hotel — usually a girls' hostel, is a success — they hope to use both their hostels next year for the March and September holidays.

"I hope it is a success because as a school we need the money," said Mr le Roux, adding that in future they might be able to accommodate caravans on the school grounds.

The staff are sparing no effort to make their guests' stay as comfortable and homely as possible.

SALAD DAYS: Huis Leeukop matron, Mrs E Schoeman, says goodbye to pupils Antoinette Pienaar and Joey Kruger who are leaving the hostel which will provide bargain accommodation for tourists. Picture: TERRY SHEAN
Growth fund rejects Kersaf investments

SUN International's holding company Kersaf is one of the companies to be boycotted for investment by the union-sponsored and Sefoe-administered Community Growth Fund, because the fund believes Kersaf is not sufficiently socially responsible.

This means Sun International's subsidiaries SunGisk and Sun Bop will also not qualify for investment from the fund.

The fund will announce next year the list of JSE-listed companies it has decided to invest in — as well as those it will not invest in.

The fund's board said three criteria — racial discrimination, centralised bargaining and hiding behind Bophuthatswana's labour legislation — were key factors in eliminating a number of contenders.

The fund already has guarantees of about R50m and has begun investing the money.

An SA Commercial, Catering and Allied Workers' Union (Saccawu) spokesman said it was "unthinkable" for Kersaf and Sun International to qualify for union investments while the company continued to use Bophuthatswana legislation to "legalise" the union. He said Saccawu was well organised in eight Sun Bop units, but it was not recognised.

"Even exposing the fact that we have members is dangerous for them as they can be victimised and jailed," he said.

The recent spate of unilateral retrenchments at Sun International hotels, and the litigation brought by the company against Saccawu in Transkei and Ciskei, amounted to union-bashing, he said.

Saccawu and its allies yesterday met in Rustenburg to plan demonstrations at the Miss World competition on Saturday. ANC western Transvaal secretary general George Mathause said the contest's organisers had refused permission for the beauty queens to meet the ANC. He said planned demonstrations against Miss World would go ahead this weekend.
Buyers follow up Fancourt liquidation

CAPE TOWN — Interested parties, including an international group, are investigating the acquisition of the Fancourt hotel and resort complex outside George following the provisional liquidation order granted for Fancourt Holdings in the Cape Town Supreme Court yesterday.

Fancourt Holdings, which owns the golf course, land, private lodges and other facilities at the resort, had debts of R117m.

Fancourt Properties, which owns the hotel, was provisionally wound up last week.

The curators' consultant, Donald Slade, confirmed there were potential buyers but said no negotiations had started.

The applications were brought by the curators of Masterbond on the basis of combined debts of the two companies totalling R121.5m. Of this, R97m was owed to Masterbond investors.

In addition to its suretyship obligations to Fancourt Holdings for R27m, Fancourt Properties owed R45m to Masterbond investors in its own right, while Fancourt Holdings owed R15.1m to Group Five and R5m to concurrent creditors, curator Willem Wilken said in an affidavit.

The return date is February 8.

Fancourt chairman André Pieterse said yesterday he would oppose the liquidation of the resort and would apply for leave to appeal if a final order was granted.
Holiday industry faces grim time

By Shirley Woodgate

The hotel, caravan park and holiday flat industries face the bleakest Christmas season in 10 years, with bookings well down throughout the country, says Fedhasa president Theo Behrens.

There was room at virtually all holiday spots in all four provinces as more people would celebrate at home because of the economic crunch or to avoid trouble spots, the Federated Hospitality Association of South Africa chief said.

In the wake of the Bisho massacre and the recent attacks in King William's Town and Queenstown, hotels in the eastern Cape had been particularly badly affected.

Behrens said that if coastal hotels in Natal and the western Cape reached the 80 percent mark and those in the northern and eastern Transvaal hit 50 percent this year, "they will be lucky".

However, the downturn came as no surprise as indications of what could be expected in December/January had surfaced as early as August.

The leisure industry had tried to overcome problems which started six months ago when the charter flight industry, offering cut-price packages, failed to get off the ground.

While these packages were not being advertised during the peak season, Behrens was certain that no hotel would refuse to discuss a deal.

There was even a downturn in caravan park bookings in the western Cape, probably due to the increased petrol price.

He said Johannesburg hotels were running empty but this was because the city normally became an exit point rather than a destination during holidays.

East London was reeling not only from lack of bookings followed by late cancellations, but the possibility that Natal traffic heading for the southern Cape would bypass Transkei, preferring the Free State route.

Holiday occupancy in the Free State was down by 10 percent on last year.

But not all hoteliers agreed with Fedhasa. Protea Hotels managing director Arthur Gillis said his chain was due for a bumper season on the Garden Route and in Cape Town.
Shopping centres in tune with demand

MAJOR retailers are confident they are not over-exposing themselves by continuing to invest in shopping centres, particularly in the north of Johannesburg. They say market research shows there is still a demand for such facilities.

Edgars group property development manager Mike Lewin said any decision was based on whether the business generated by the new store was sufficient to justify its establishment.

"We will not embark on a new store if it is merely going to take shoppers away from existing stores. Every store requires a substantial financial commitment to fit out the store, as well as to stock and staff it," he said.

OK Bazaars MD-elect Mervyn Serebro said a considerable amount of market research was completed before a decision was made to invest in new space. The Fourways Mall had good growth potential and the major chains were committed to the centre.

"We do not believe our new store at Fourways will have any effect on the Hyperama in Sandton City. That store is not large enough and is under some parking pressure," he said.

Northgate was also not a threat as it was situated some distance from both Sandton City and Fourways Mall, he said.

"It would be very short-sighted for any of the majors to take new space that could possibly affect their present stores.

"Our expansion hinges on several factors. These include the market need, economic climate and the general climate within SA. We have confidence in the future of the country and our business will grow in necessary," he said.

The fact that three major shopping centres were located in relatively close proximity - Sandton City, Fourways Mall and Northgate - did not make the majors feel uncomfortable, he said.

The reason for this was that people wanted to travel shorter distances and spend less time shopping. This allowed the industry to sustain three centres so close to one another, he said.

Interleisure MD Mike Egan said each centre and its location was thoroughly considered before any cinemas were built. However, he did not feel there had been over-development in the area north of Johannesburg.

"Increasing numbers of people are living in the corridor between Johannesburg and Pretoria - particularly young people, which is our target market," he said.

Movie attendances in the suburbs were increasing at the expense of the CBD, but a drop in audiences was not expected at Sandton City when Fourways Mall opened.

"Constructing any new shopping centres north of Rosebank in the next few years would be foolhardy, but it will probably happen five years from now," Eagan said.

Fourways Mall, which opens in March, is 95% pre-let. The 19 000m² second phase of Northgate is 75% pre-let, with all major tenants in place including Ackermans, Dion, Clicks, Boardmans and Ster Kinekor.

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Long list of objections extends hotel hearing

PETER GALLI

THE controversy surrounding the proposed Grace Hotel adjacent to The Mall shopping centre in Rosebank continued as the Town Planning Tribunal began to hear both the council's application and the numerous objections last week.

However, the matter was not resolved as the list of objectors was so long the proceedings could not be finalised in the day allocated. The matter has been postponed to next year.

The Johannesburg City Council has applied to remove erf 46. If it succeeds, the council will be able to sell the site, a 2 146m² narrow strip of land near the corner of Tyrwhitt and Cradock avenues, to the owners of The Mall for the construction of a 10-storey hotel.

Rosmarin & Associates director John Rosmarin, representing the council as applicant, said it had been decided to reduce the height of the proposed hotel from 44m above ground level to 34.5m, and to drop the floor area to 11 000m² from 14 000m².

The proposed hotel did not contravene any height restrictions or create a precedent for the area, while traffic and parking in the area would hardly be affected, he said.

Irma Hugo of City Planning supported the call for rezoning, saying there was a need for a five-star hotel in the Rosebank area. The proposed development complemented The Mall shopping centre.

However, more than 1 000 objections were lodged by residents and other concerned parties.

Opposition has been co-ordinated by the Rosebank Action Group (RAG), which says the development will contravene the council's own bulk guidelines, affecting traffic, parking and service requirements.

"This move will also pave the way for other similar developments, which will turn Rosebank into another Braamfontein or Hillbrow. We have also launched an inquiry into land dealings and rezonings," RAG chairman Julian Lap said.

He said the group recently met officials to discuss issues including the sale of prime land to developers at less than R70/m² when the municipal valuation was more than R555/m²; the apparent circumvention of parking requirements; and how an area supposedly subject to a height restriction of three to four storeys was now subject to developments of 10 storeys and more.
'Bleak season' for hotel industry

PRETORIA — Socio-political turmoil and the recession were clouding prospects in the hotel industry, Fedhassa president Theo Behrens said yesterday.

Behrens said the outlook for the industry over the Christmas and New Year period and well into 1993 was grim. There was some hope, however, that last-minute bookings would raise seasonal expectations of less than 80% occupancy in coastal hotels in Natal and the western Cape.

Hotel bookings had been declining since 1990, especially over the holiday periods, Behrens said.

Foreign tourism had also been hard hit by violence and political uncertainty. 'There appears to be no light at the end of the tunnel,' he added.

Behrens said recent violence in Queenstown and King William's Town and the murder of two foreign women tourists on an SA beach had received wide media exposure abroad — with obvious consequences.

Families who opted for coastal holidays were cutting the duration of their stays, he said.

Fedhassa's western Cape spokesman Wim de Haast said advance bookings indicated the Christmas season would, at best, be no better than last year "which was bad".

The industry's distress was compounded by the steep fall off in business traffic.

Meanwhile, South director Spencer Thomas said there was a growing trend among holidaymakers to travel to inland resorts.

Prospects for the season in Durban were far from promising. However, the position was more favourable in the western Cape.

AHF's executive director Joe Poolman said some hotel proprietors would struggle to break even as surveys showed that occupancy rates were considerably down on last year.

Some resorts which were usually fully booked for the whole of December were fully booked only for the second half of the month.

However, AHF figures showed there was a slight increase in the number of foreigners and South Africans using local air transport.
Increase in tourism hit by violence

GAVIN DU VENAGE

There was a marked increase in tourism in the first half of this year until political incidents such as the Bhopal massacre brought the trend to an abrupt halt, statistics in the latest Satour Quarterly Review show.

A 'healthy' growth of 14% for the period January to June led Satour to forecast that this would be the country's best tourism year ever.

An 'average' growth for the year could have been as high as 18%, with factors such as more scheduled flights, the lifting of sanctions and improved international relations helping the situation, Satour executive director Spencer Thomas said.

Satour remained confident that this trend would re-emerge once a political settlement had been reached.

Satour's European offices reported that during the first half of the year they received a large increase in inquiries.

Satour also benefited from boosted media coverage, including an hour-long programme on wildlife conservation in this country shown in France, 20-page surveys in Swiss tourism publications, and access to a wide variety of fairs and exhibitions that were previously closed to Satour.

The UK remains SA's most important market (23%), followed by Germany (15%), the US (9%), France (4.5%) Switzerland, Taiwan and Italy (3.5%).
R20 m hotel may change the face of Muizenberg

BY CLAUDIA CAVANAGH

Work on a R20 m hotel destined to change the face of Muizenberg will begin early next year.

The development followed from proposal calls on three sites in Muizenberg held by the Cape Town City Council as part of a multi-million rand upgrading project for the area.

The 150-room hotel will be built on the old Beach Court Mansions site on Surfers’ Corner.

Development co-ordinator for Cape Town City Council, Dr Philip Theron, said negotiations were underway with the proposed developers of Site One which was Sandown-on-Sea.

Pessimism

'This is earmarked for a tavern development,' he said.

Negotiations — not yet to be made public — are taking place for the development of the Muizenberg Pavilion.

Mr Theron said: 'I can't talk about that because it's still in committee. However, I can say that it's very exciting.

and that a phenomenal amount of development is taking place in the area. The face of Muizenberg will change dramatically over the next few years.'

We have been fighting pessimism and depression among developers. They are scared at the moment as the risk profile is high anywhere in South Africa, never mind Muizenberg.'

Dr Theron said he felt particularly optimistic about the future of the False Bay coast.

Station

The fact that somebody is prepared to sink R20 m into a development is enough.

'Over the past 18 months we've seen the development of Shoprite on the old Marine Hotel site and the upgrading of Muizenberg Station, which has worked out very well.'

Recent improvements, including a new wall, rebuilding the toilets on the site of the former pavilion and change rooms and locker rooms were opened by the chairman of Exco, Mr Lou Kreiner.
Annabel Gordon laments the lack of a user-friendly service culture in South African businesses.

‘Don’t call us, Mr Paying Client – we’re at lunch’

It is so sad — when the Messiah does come one of these days, he is going to have to spend a lot of time with South African commerce and industry. Everyone who still has a job will be in meetings or out of town, no one will ever call us.

It is not surprising we have a recession. No one is getting anything done because the unemployed are fruitlessly trying to get jobs from unemploying people who never get back to them while the rest are overworked and firefighting crises on a daily basis. So no one actually runs a business intelligently.

But they have time to complain: one thing is for sure, business is lousy. Sure business is bad — if there is no service, there is no trade. If no one is permitted to talk to the bosses, the bosses can’t expect to be in touch with, or know, when there is a deal in the market place. His secretary knows even less, that is why she is the secretary and not the boss.

Try telephoning for service in any of the service industries — it will take several persistent calls and eventually, no one will keep his appointment. Hasn’t it happened to you?

Tourism, we are told repeatedly, will help kick-start the economy. So I stood up to be counted and formulated an incentive for tourists to visit this country, which would serve airlines or tour operators brilliantly. Not only is it good public relations, but it is self-liquidating and profitable.

But not one top man in the tourism industry can be reached — all are shielded by harassed secretaries screening their calls. Certain secretaries can wreck any proposal — you can hear the message, “some dumb dame on the phone says she has some screwball idea... etc.”

Receptionists too, have this invidious habit of taking a message, but it dies right there. Callers foolishly believe there will be a return call, it is after all only polite. But politeness has long since departed the SA business scene.

Top travel executives apparently are never in to callers and never return calls. They are forever at conventions, or elsewhere, or in a meeting, or at lunch or even abroad. Yet there is total panic to fill airline seats because the competition is so great there are more airline seats than bums to fill them (pardon the expression, but it is airline jargon).

Let us take an example of how tourism malfunctions in South Africa: imagine there are 500 of God’s own angels who have had a terrible time trying to control the violence in SA and now want to fly to Germany.

They call several travel agents, no one responds. They call me in desperation. I recommend they talk to one of the top ladies in travel — from experience, that, although as busy as the men, ladies have better manners. Sure enough, she calls back within the hour. Bravo! But she is en route to a convention so suggests they phone the airlines direct.

Angels always go to the top. But the managing director of the airline with a direct flight is in a meeting. When he comes out of it, he goes into another. Then he is out for lunch. He came back late and left early.

“But who is it, what is it about?” bleats the inquisitor, unfairly burdened with the discourtesy of screening calls. She carries on concentrating on her typing, phone dangling on her shoulder. Quick thinking needed here — pass it to PR. The PR passes it to the Tourist Office. Tourist Office passes it back to PR. Much later, the tea lady passes it as an amazing snippet to the MD. The MD habitually never returns calls. There is a recession on, you know.

He has to vie with 30 other airline lines to fill seats, no time to take calls. It is a crisis, he is having heavy meetings to discuss how best to attract business.

The angels are finding the whole business scene tiresome. A simple request for 500 seats, first class, cash, during a recession, is proving to be unexpectedly devilish. They fax the airline’s head office in its home country and a perceptive executive, seeing great business, immediately faxes back: deal with our local office!

In a state of deep depression the angels ask: “How are we to get past the iniquitous secretaries? Not one South African understands that a client’s time is more precious than that of their MD.”

“Phone up and say your managing director wishes to speak to their managing director,” I suggest.

They tried. “But who wants him, what is it about?” came the offensive chant. “He is so busy he can’t talk to just anyone, you know.”

Not the secretary. She tells him to get someone else to call. He tells her he is busy. They keep on the line for half an hour. She tells him she has an important message to him. He shouts at her, “I’ll get back to you later.”

No time later. They keep trying. The line is cut off. They can’t get through.

The MD never returns calls. It is a crisis, no one is good enough to answer the phone. They have to phone two or three of the top ladies in travel. They all have better manners. Sure enough, she calls back within the hour. Bravo! But she is en route to a convention so suggests they phone the airlines direct.

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Warning to
UK tourists
from consul

By Bronwyn Wilkinson
and Own Correspondent

The British consul in Durban, Jamie Waterton, warned British tourists yesterday to avoid remote areas and isolated beaches after the rape on Tuesday of a British woman on a beach at Umgababa on the Natal South Coast.

The rape, which follows last week’s savage murder of two British women, is expected to prompt some UK newspapers to discourage again the public from visiting South Africa.

After the murders, Fleet Street newspapers, which carried the horror attack across their front pages, urged their readers to cancel any planned holidays to the Republic.

Britain has not yet officially warned citizens to avoid touring the country.

Police said the rape victim, in her forties, was reading on a rock on the beach at Umgababa, which was recently declared an unrest area, at about 8.30 am when two youths — one with a knife, the other with a screwdriver — dragged her under a bush and raped her.
Expected surge of tourists to hit city 'at weekend'
Hotels hit by tourist hysteria after attacks

By CLAIRE KEETON: East London

The attacks on soft targets in King William’s Town and Queenstown over the past two weeks could not have come at a worse time for hotels and holiday resorts in the Border area and Transkei.

Fears about safety in the region were first sparked by the death of two motorists in an ambush near the Cape/Transkei border late last month, and were significantly heightened by the Christmas party shooting at the King William’s Town golf club and Spur bomb blast, in which five people died.

In a snap survey of 15 established hotels and resorts in the region, all complained there had been cancellations after the attacks. However, none was prepared to put a figure to possible losses.

They said guests from Natal and Transkei were afraid to travel through the north-eastern Cape and Transkei. Some motorists driving from Natal to the Wild Coast and Border drive in convoy and at least one hotel has made arrangements for its guests to travel together.

Transkei and South African police have increased security measures, which has reassured some travellers.

Several owners blamed media hysteria for cancellations and non-arrivals, claiming that alarmist reports had been inaccurate and harmed the tourist trade.

The regional chairman of the Federation of Hospitality of South Africa (Fedhass), Jeff Warren-Smith, said: “We could ride out the first attack but the second one highlighted the region.”

Smaller hotels like Rhodes Hotel in the north-eastern Cape and the Dolphin Hotel in East London seem to have suffered the heaviest losses following the attacks.

The owner of Rhodes Hotel, Steyn Berg, said large groups from Durban and Richard’s Bay have cancelled reservations this week. Dolphin Hotel owner Glen Johnson said they were “doing well” until the attacks when “we had our feet whipped out from under us”. He said they had expected an occupancy rate of around 60 percent and would now be pleased with 40 percent.

The owner of the Bonza Bay hotel, John Church, said their bookings were “a lot worse” than last year, because of the violence and the economy.

Three hotels on the Transkei Wild Coast, the Wild Coast Sun, Treasury’s and Mazepa Bay, said their figures were down this year: Several East Lon-

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Nacessa out to create jobs

By Joshua Raboroko

THE newly formed Nacessa Catering Services aims to create job opportunities for millions of unemployed blacks in South Africa.

It is one of the important enterprises that will economically empower blacks to become entrepreneurs and help them get out of the dependency syndrome.

It will cater for your needs, from burial societies and club meetings, to funerals, weddings, birthday and office parties in the townships and cities.

It will supply utensils, crockery, tents and chairs, according to Mrs Molefe Setshe, general manager of the company.

"It is important that members be freed from cooking so that societies and clubs can concentrate on the business that brought them together," she added.

For your bookings contact her at Nacessa Catering Services, PO Box 260479, Excom 2023 or telephone (011) 331-8326 Fax (011) 331-9567.

Setshe said since Nacessa was formed two years ago, considerable strides have been made towards black participation in formal businesses.

This is the fourth venture by the association in its quest for black advancement.

The association has formed the Tunguru Club (a burial society for professional people), Letsema Investment Club (a coffin manufacturing company in KwaNdebele), the 4 000 Burial Scheme, and an insurance company.

She was confident that the association would achieve what former president of Nacoco Mr Sam Motsepepreached, "the gospel of self-reliance".

"Through consistent training of burial societies, women's and meloilsano clubs, we are beginning to achieve economic empowerment by the formation of the catering services," Seshedi said.

"We are hoping that this company will one day be a success. Maybe that will restore peace and stability in our country.

"We believe competition is healthy. It makes you not to relax. You must fight to keep your market share. This is what Nacessa Catering Services will strive for by rendering good services to our clients," she added.

The service aims to entertain members at meetings.
A fund to help finance new business ventures would be set up for black entrepreneurs as soon as political stability had come to South Africa, an international conference on franchising heard yesterday.

The two-day conference in Johannesburg was jointly organised by the International Franchise Association and a US aid project, Black Integrated Commercial Support Network (BICSN).

Leyland Hazelwood, chief executive of BICSN, told delegates: "It is clear that one on the biggest obstacles to black entrepreneurs in particular is that of finance.

**Equity fund**

"BICSN is committed to setting up an equity capital fund of significant size to assist entrepreneurs, and we have investors waiting to put money into it."

"The fund will be put in place as soon as political stability comes to the country. It could be of major assistance to franchisees."

The conference was also told that the Agency for International Development was investigating setting up a loan guarantee fund with banks in South Africa to help make venture capital available for black entrepreneurs.

Chairman of the South African Franchising Association, Eric Parker welcomed the BICSN equity capital fund and the loan guarantee fund as a potentially major boost for franchising.
Miracle behind

Lost City is fast becoming an SA construction sector legend. After marvelling at the vision and grandeur, the usual reaction is to ask in wonder: Who built this place?"

Well, Stocks Group companies built it. In the region of R230 million worth of contract, including the 350-room Palace Hotel, the Valley of the Waves and Day Visitor's Centre, the underground parking area and finally the golf clubhouse.

And they did it in about 22 months.

The firm's association with Sun International visionary Sol Kerzner on resort hotels goes back to 1977 and the Mmabatho Sun, the first in a fast-tracked wave of successes.

In mid-1978 the focus moved to what is today Sun City — then bare veld with no running water, no communications, no facilities. It was finished by November 1979. Then came the Cabanas, the Cascades hotel and finally the Big One, the magnificent Palace, its gardens, pools, terraces, restaurants and the Valley of the Waves.

Stocks executives Johan Brink and Mark Vinyo had a day-to-day responsibility for the work for more than two years, right from the pre-planning stage. They were assisted with day and night contributions by John McKee and Kelvin Therion who had been involved in the construction of every hotel in the valley since 1979.

About 5000 workers were on site at peak. For its part, Stocks followed its traditional policy of ensuring that local job opportunities were maximised. The company has employed local labour on its Pilansberg projects since 1978. In 1979, in conjunction with the Bophuthatswana government, it set up a training school in Mmabatho.

This school has fed trained workers to Sun City, the Cascades and now Lost City.

The centre-piece of the project is the Palace, with its 25 hectares of instant jungle. It was handed over in great shape at the end of October. Final challenges were right outside the Palace's front door. The entrance feature was decided at a very late stage — a strikingly beautiful fountain with six outsized sculpted sable heads mounted on cast bronze pedestals.

No problem, said Johan Brink. This mini R1 million contract took eight weeks from concept to completion.
Workers legend

Stocks has worked for so long with the client and outside consultants on constantly evolving concepts that flexibility is now inbred.

The underground car-park, for example, was a relatively late addition to Stocks' contract. The basement cuts into solid rock. There's room for 300 vehicles—yet Stocks crews finished the job in just over six months.

About 37,000 cubic metres of concrete was poured into the Palace alone, and 28,000 cubic metres had been poured by June of last year, just five months after Stocks Construction Bophuthatswana went to work.

Stocks Bophuthatswana managing director Ken Walters considers it one of the most testing projects undertaken on the continent.

And spare a thought for another team of Stocks professionals—Garth Whittaker and his Stocks Electrical team.

Most people, dazzled by the exuberant visual effects at the Jean-Michel Jarre opening believed it was the first performance with lights at Lost City. It wasn't.

It was the second. The first, "show" was the display of expertise put on by Whittaker and team plus a "cast" of designers and consultants.

Ralf Dörrester, deputy chairman of the Stocks Group, said: "Coordination was a major challenge. Together with the professional team led by Schnaidt Israelite & Partners, we had to become involved in the programming of suppliers and local contractors, and the monitoring the quality of output at local factories.

When you work with Sol Kerzner you work with a perfectionist. He has the vision. You have to make it happen. You have to perform.

"We derive great satisfaction from that. But as you walked around the site on the final days of the job, you sensed the sadness. The teams felt elated during the work; now they feel saddened because one of the best teams ever put together to tackle a contract will be splitting up. There will never again be a job quite like this one."

For further information, please telephone (011) 806-4200.
A high-level conference on franchising opportunities and developments in South Africa has been organised by the International Franchise Association to take place in the Carlton Hotel, Johannesburg on December 8-9.

The conference, being produced in conjunction with the Black Integrated Commercial Support Network, a project funded by US agency for Development Aid, and is sponsored by Nedbank, Webber Wentzel and Deloitte & Touche.

It will feature a forum of leading franchise experts and franchisors from the US to address latest developments in the industry.

For more information phone Olivia van Meile Kamp at (011) 789-5141.
SHAKE-UP AT FEDHASA

The Federated Hospitality Association of SA (Fedhasa) and Peter Hearfield, its executive director for the past two years, have parted company. Sources say Fedhasa president Theo Behrens, of Cape Town, and his deputy, Henry Schoenwinkel, of Southern Sun and Holiday Inn, decided to cut costs by operating through the association’s five paid regional directors and eliminating the post of executive director at the end of November.

Hearfield confirms “the parting of the ways,” but declined to elaborate. Behrens and Schoenwinkel were not available for comment.

The move hasn’t pleased many in the industry, but they are maintaining a discreet silence because they claim that they are still negotiating with Behrens and Schoenwinkel. But Protea Hotels MD Arthur Collie says, “It’s imperative that Fedhasa should have a full-time executive director.”

Dissension within the association is nothing new. It is known, for example, that Western Province Cellars, previously one of its strongest members, will leave at the end of February and join a new liquor-store organisation. It is expected that other liquor stores will follow.

Hearfield, who was the number two man at Southern Sun before joining Fedhasa, becomes CE on January 1 of a new organisation being set up to provide a one-stop service to holidaymakers.

He declines to name it, but says: “It is very sophisticated and the ultimate in hi-tech. The CSIR is our technical partner.”

“We will use laser technology to show potential holiday-makers pictures of destinations, and if they like what they see, we’ll be able to book their accommodations for them there and then through our computers. We are trying to get all the publicity organisations and the SA Tourism Board to join us.”
Here they come!

THOUSANDS of tourists are streaming into Cape Town and it is expected that the '90% full' City will be jam-packed and "cooking" next week when as many as 5000 up-country cars will arrive daily.

Ms Lauren de Wet, public relations manager for Capetour, said the tourist influx was building up with vehicles streaming in to the Peninsula at a rate of up to 3000 a day this week.

The toll manager at the Huguenot Tunnel said the influx would grow to about 5000 vehicles a day.

A survey showed that several of the major hotel chains had bookings for up to 90% of their capacity and guest houses were also "picking up nicely".

More than 1000 tourists had visited the Capetour information centre on some days this week - up about 25% on last year's visits.

Mr Duncan Cloete, estates manager of the Waterfront, expects the really busy period to start from Friday next week.

As the Peninsula prepares for a bumper season, an unexpected bonus has come in the form of abnormally high sea temperatures in False Bay and along the usually-cold West Coast and Atlantic seaboard this week.

Atlantic sea temperatures normally, 12°C to 14°C, have shot up to more than 20°C.

But bathers lapping up the warmer conditions have been warned to be on the lookout for bluebottles, a sign of warmer water.

At least seven beachgoers reported being stung at Fish Hoek yesterday.

WP Surf Lifesaving Association spokesman Mr Eddie Cassar warned yesterday that bluebottles were hazardous in the water as well as on the beach. He asked parents to stop children "popping" the creatures.

Ms Chantal Greenwood, a

From page 1

meteorologist at D.F. Malan Airport, said yesterday that the latest data he had collected confirmed that there is a definite increase in sea temperatures between Dassen Island on the West Coast and Gordon's Bay.

Ms Greenwood explained that the prevalence of north-westerly winds, which she described as "very unusual" for this time of year, had warmed the sea.

Although south-easterly winds on Thursday and yesterday may cool sea temperatures slightly, a predicted north-wester for tomorrow may push sea temperatures up again on Monday.

Temperatures of 19°C at Hout Bay (average: 13.1°C)

17.5°C at Kommetjie (12°C/19.6°C at Rooenberg (13.2°C)

In False Bay, Kalk Bay had measured 21°C (average: 18-19°C), Gansbaai 21.5°C (18-19°C) and Gordon's Bay 22°C (17.7°C).

Muizenberg has remained constant at 18°C.

Another hot day (28°C maximum) is forecast for today. A fresh to strong south-easterly wind will become a light to moderate south-easterly to north-easterly tomorrow.

Cooler weather is expected tomorrow with a maximum temperature of 23°C, becoming cooler, with a possibility of rain in the evening.
Liquor Board strangling the Cape's wine industry

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By LEW ELIAS
A LIQUOR outlet on Cape Town's bustling waterfront has slammed the Liquor Licensing Board for refusing to let it trade on Saturday and Sunday afternoons.

And other bottle store owners called this week for an urgent overhaul of liquor legislation to level the playing fields so that they could trade "responsibly" at weekends.

Vaughan Johnson's Wine Shop - a R1.8 million wine centre with a large tasting and educational facility - is "like nothing else in the world", says its owner.

Mr Johnson said nine million people visited the waterfront this year and over 12 million are expected in 1993.

"Groot Constantia, which sees 400 000 tourists a year, is allowed to trade seven days a week. Mariners Wharf in Hout Bay can sell wines and liquors on Saturday afternoons and wine is being sold into the night seven days a week at DF Malan airport," he said.

Support
"We have had unbelievable support from the public, the administrator of the Cape, Mr Kobus Meiring, the KWP and its 5 000 members.

"Captor chief executive Mr Gordon Oliver wrote a strong letter of support to the Liquor Board as did the Cape Town Chamber of Commerce" - to no avail.

The Liquor Board was inconsistent in issuing licences, he said. If South Africa wanted to appeal to tourists, the authorities should act as if it was a first-world country.

"The archaic liquor laws are strangling the wine industry."

Mr Ian Rubin, a bottle store owner and chairman of Peninsula's liquor committee, speaking in his private capacity, also called for changes in the Liquor Act to allow all traders to open on Sundays if they wished to do so.

"Each trader should cater for his own market and be mature enough to know what he can and cannot do in the definition of his business," he said.

Independent liquor trader Mr Butch Wykert of Sun Valley's Liquorville agreed that the law should change "to level the playing field."

Traders should be able to decide whether it is in their individual interest to remain open on Sunday, he said.
Room at the inn for all

MORE than 95 percent of holiday resorts in the Eastern Cape are multi-racial, according to a random survey conducted this week.

While some resorts said most of their visitors were now black, others claimed they had opened their doors to other races “even before” they were allowed to.

A spokeswoman for a Port Alfred holiday resort, Rene van Zyl, said among this year’s guests were black families from Botswana, Eswatini, and Durban.

East London’s Crawford’s owner, Lynne Crawford, said her resort had “always” been open to other races. — Amd
SLOW SEASONAL SALES PUT SQUEEZE ON STORES AS HARD-HIT CONSUMERS SEEK VALUE FOR CASH

Stores bank on tourists to lift sales

BY FRED ROFFEY

WESTERN CAPE businesses are pinning their hopes on the large numbers of tourists, who are expected to pour into Cape Town from this weekend, to trigger a Christmas sales spree.

Christmas sales have failed to take off. They have been held back by recession-hit consumers' concern about spiralling debts, the threat of retrenchments and rising prices.

Another reason for poor sales is that many Transvaal and other visitors are setting out for the Cape a week later than usual to cut costs.

Many, who in previous years have used much of their annual bonuses to pay for their holidays, have opted instead to use them to meet alarming increases in living expenses.

Although turnouts at the beginning of December were slow, by this weekend stores were feeling the beginning of a Christmas rush as Transvaal-registered cars began arriving in the city.

Also, national and international flights have begun emptying passengers at D F Malan Airport.

By the end of this week the tourist influx had grown to about 3 000 cars a day — and this figure is expected to swell to 5 000 a day from next week.

Hotel bookings are running as high as 90 percent and many hotels expect to put up house-full signs before Christmas.

Stores such as Clicks, CNA, OK Bazaars and Shoprite/Checkers say sales have picked up since early December, but spending on luxury items has been limited as consumers are looking for value for money.

A spurt in spending is expected just before Christmas, but although stores are planning promotions and extended shopping hours, few expect bumper sales.

Stalls in the Grand Parade are to remain open on Wednesday, the Day of the Vow, but the Reemarket in Greenmarket Square will be closed.

Exctiment

Many traders at the two markets expected sales to be the same as last Christmas which, they said, were not particularly good.

At the Victoria and Alfred Waterfront, the new Victoria Wharf complex has had good sales since its opening in October.

"We expect a good Christmas because the complex offers excitement for all the family," said Margot Morrison of the V & A marketing department.

The Tyger Valley shopping centre in Bellville also reports good sales.

"It's a money-conscious Christmas, although sales have picked up and we expect this to continue," said Alan Baxter, general manager of Pick 'n Pay Food supermarkets.

"Food sales are on a par with last year, but people are being careful with non-food items.

"There's going to be Christmas rush, but shoppers are leaving it late.

"Over the past three years Transvaalers would arrive in Cape Town soon after the schools closed. However, this year they are staying at home a week or more to cut expenses."

The Cape Town Chamber of Commerce says retailers expect a modest increase in sales.

"Consumers will be more cautious about the prices they pay and will be cutting down on major items like furniture and appliances," said a spokesman for the chamber.

Sales of about R19 million have been forecast for November/December — a 10.5 percent increase over the R17.2-billion national sales last season.

"However, on the basis of an inflation rate of 13.5 percent, overall retail sales will be 2.5 percent less this year in real terms," said a spokesman for the South African Chamber of Business.

It is expected that sales in sports goods, beverages, alcohol and durable goods will be especially hard-hit.

It will be a sobering thought in boardrooms, as the port is passed around after Christmas lunch, that 10 companies are being liquidated each working day and nearly 1 000 consumers a month are being summonsed for debt.
Everyone wants to drop anchor at the Waterfront

CAPE TOWN’S spectacular Waterfront development is not only attracting increasing numbers of tourists from Europe and America but also poaching holidaymakers from other holiday destinations in South Africa.

"Last month alone, more than one million tourists visited the Waterfront and we estimate the figure for December will be one and a half million," says Maureen Thomson, marketing manager at the Victoria and Alfred Waterfront Development Company.

"More than six million tourists went to the Waterfront last year, and the development — with its multitude of smart restaurants, bars and shops in a working harbour setting — is fast becoming one of Cape Town’s main attractions.

"The Waterfront has become Cape Town’s anchor tenant," says Mr Thomson, "and the development has become one of the highlights of the Cape." 

The tour operator, who says the tourist flow into Cape Town has been much greater this year than last, and there is evidence that Cape Town is taking tourists from other holiday centres in South Africa.

"Cape Town has many more beaches than Durban and has been quieter politically. South African Airways flights from Durban and other coastal cities are known to block during December, with only a limited amount of business class seats still available on certain flights," says Janie van Vuuren, SAA’s public relations officer for the Western Cape.

"Flights from Johannesburg to Cape Town are also heavily booked — so much so that five additional SAA flights are scheduled to Cape Town during the holiday season," she added.

But perhaps the greatest pressure for flights is coming from overseas tourists.

Direct

"Most flights from London and Frankfurt are fully booked during December, despite the fact that SAA is now sharing the Europe to Cape Town route with a number of foreign carriers," says Ms van Vuuren.

"This proves foreign tourists are flocking to Cape Town in ever greater numbers and choosing SAA as their airline of choice." This weekend, SAA started its first direct flight from Cape Town to Miami.

"This is great news for Capetonians who want a direct flight to the US, and a great source of new tourists for Cape Town."
SOL’S MONOPOLY MONEY

The opening of the Lost City highlights the advantages of operating in the homelands. Comment by CHERILYN IRETON

The allowances are by no means unique — France put together a similar package for its $4-billion EuroDisney theme park near Paris.

But the concept of encouraging rich extravagance in a homeland unable to support itself is not unique. South Africa’s stretched taxpayers who will ultimately fund Bophuthatswana.

At the moment, some 90% of the workforce in the Lost City, which is committed to tourism, are foreigners, and Rosevear is confident this ratio will pick up as confidence grows and the security situation improves.

In all, the Lost City has provided 800 and 1,600 new jobs and a further 3,000 while construction was under way. This works out at a cost of about R38,000 a job. Had President Lucas Mangope given a cheque of R300 million to the Small Business Development Corporation, it would be able to create more than 15,000 jobs for his people.

The anomaly with Bophuthatswana’s concessions is not that they exist — they are clearly beneficial to hotel development — but that they are granted exclusively to Sun International. Other hoteliers claim they can’t penetrate the homeland because the government will not grant them permission.

No hotelier within South Africa’s borders would risk building anything as daring or spectacular as the Lost City without similar guarantees from government.

In France, even with the complex support package, EuroDisney is not doing well. Apart from the accelerated capital expenditure write-offs it received from the day one of operation, it was able to buy the land on which EuroDisney is built at 1973 prices. There has also been state and local authority help with the infrastructure — access roads and rail links.

Yet in the year to September the park lost 115 million, and critics have now tagged it Europe’s cultural Chernobyl.

Deprived

Mr. Kerchner’s company has consistently looked after its investors and was this year rated 30th in the Best Business Times Top 100 Survey. Although there may be some short-term digestion problems, his track record suggests that shareholders won’t suffer.

However, it is politics that will ultimately determine the Lost City’s fate. Sun City succeeded because it offered gambling and other forms of entertainment to deprived South Africans. Once Bophuthatswana is reincorporated, Mr. Kerchner clearly hopes that the resort will have sufficient critical mass to survive without exclusive gaming or tax rights. Only time will tell.

Taxpayers can breathe a sigh of relief — this should turn out to be the resort’s last big spending binge.
Plan to help Mykonos investors

By TERRY BETTY

Fedlife took caution of both the Mykonos debenture certificates and the policies and got a personal surety from the investors as security for the loans.

Some of the investors have repaid the full amount to Fedlife, some are continuing to pay their premiums on the endowment policies, but Mr. Galbraith says many cannot afford the premiums as they were meant to be paid out of the income from the investment in Mykonos.

Mr. Goldman says Fedlife is looking at various options to assist policyholders and that it has held back on levying interest on the loans for the time being.

"Each policyholder’s situation is different and must be taken fully into account. As developments evolve, we will work closely with the investors to work out the best way to deal with the circumstances of each client in accordance with the merit of the particular case."

Fedlife sent a letter to investors reminding them that, despite the problems with Mykonos, they should continue to pay their premiums.

Mr. Galbraith says Fedlife should assist the investors by locking to Club Mykonos rather than the investors for the recovery of its money.

"This is possible, as Fedlife has taken possession of all debenture certificates.

A scheme of arrangement was accepted overwhelmingly by Mykonos creditors last month. Two-thirds of their investment will be repaid over the next five to eight years and one-third will be converted into shares in the company that will be formed to manage the newly structured Masterbond Group.

Mr. Goldman says such an achievement would be very satisfactory, and Fedlife will assess the extent to which the scheme will help investors to recoup their investments.
BUSINESS Caution must be exercised before the signing of any contracts

SA behind in franchising

By Mzemku Malunga

It will take about 30 years for franchise businesses in South Africa to gain momentum, says William Cherkasky, president of the International Franchise Association (IFA). Cherkasky says that, though franchising has been internationally tested as the most successful form of business venture, it will take about 30 years for franchise businesses in South Africa to gain momentum.

According to Cherkasky, there was a time in the US when the US business community regarded franchising as a scam and opportunities which accompanied such ventures, with proper guidance, were overlooked.

"But when IFA was formed in 1960, it cleaned up the image of the business and approached the government for statutory powers which all franchisees have to abide by," he said.

The recent conference on franchising was just the beginning. Cherkasky said that the conference aimed to bring the franchisees of the US to the South African business community. The conference was held in November 1993.
St Lucia project gets the nod from environmentalists

Plans for a luxury holiday resort on the banks of the St Lucia estuary in northern Natal have received approval from one of the organisations which has headed the fight to save the area from mining.

Advertised in a glossy pull-out in a Sunday newspaper, the developers say the resort will be built "in the heart of the (St Lucia) wetlands".

Speaking from Durban yesterday, Campaign for St Lucia chairman Dr Nolly Zolomis said he believed the site was inside St Lucia village and would not affect the conservation area.

The town's management board has for some time been working closely with the Natal Parks Board.

The world-renowned St Lucia wetlands hit the headlines in 1989 when a proposed mining operation in the area raised a storm of protest.

The operation is now hanging on the outcome of an environmental impact assessment.

Commenting on the planned new resort, Zolomis said people had to have access to the area, and it was best to confined building activities to within the precincts of St Lucia village.

"Properly controlled ecotourism should be encouraged," he said. "Conservation is for people." — Sapa.
Bid to halt holiday rip-offs

Staff Reporter

A plan by Satour next year to grade all holiday accommodation could halt problems experienced by visitors who find their rented accommodation is not what they expected.

A Captour spokesman yesterday told of a Harare family who were infuriated by the cost of their “luxurious” Kalk Bay holiday home they are renting for £250 a day.

The family, who do not wish to be named, complained that the open-plan chalet had only one bedroom with extra beds in the kitchen and lounge, and no stove.

Captour chief executive Mr. Gordon Oliver said they were very concerned that people were not always getting value for money and Satour would grade all accommodation next year.

Meanwhile, UCT is letting out accommodation at two of its southern suburbs residences at extremely affordable prices.

The proceeds will help cut future accommodation fee increases.
Durban hotels act to ensure visitors' safety

The Argus Correspondent

DURBAN. — Hotels along the Durban beachfront have taken steps to ensure the safety of holidaymakers over the Christmas season.

This was the message from hotel managers who said that, in spite of the bad economic situation, visitors were flocking in from all parts of the country and abroad.

There is still room at most hotels along the beachfront. Only a handful are close to full.

Mr Clive Bolton, general manager of the Marine Parade Holiday Inn, said visitors were arriving in large numbers compared to the same time last year.

"This may be due to the fact that we have more foreign visitors this year," he said.

Mr Bolton said there were still rooms available for holidaymakers. He also emphasised that visitors' safety was guaranteed.

Mr Derek Carroll, general manager of the Palace Hotel, said the safety of the visitors was ensured.

"We have increased our in-house security to handle problems that may arise during this period," he said.

He said they were co-operating with police to ensure safety along the beachfront.

The general manager of the Hotel Edward, Mr Gerhard Patzer, said occupancy was 70 percent and the hotel would probably be full before Christmas.

"We have enough security to keep our visitors safe," he said.

Already vast numbers of people are visiting the beachfront during the day and most of them have welcomed the presence of police.

Mr Robin Craig of Pretoria said the police presence would make the holidaymakers safer and happier.
Good time is ensured for all at the Carlton.
Restaurants doing brisk holiday trade

By Charlotte James

Johannesburg's restaurants are doing a roaring trade this holiday season and have received more and larger bookings for Christmas parties than last year, according to Catering, Restaurant and Tearoom Association executive director Frank Swarbreck.

He attributed the boom to the fact that fewer Transvaalers were going on holiday because they had less money, or because the violence in the eastern Cape and Durban was keeping them at home.

Celebrate

"People are not going away so they have some spare cash to celebrate with, and they go to the restaurants," he said.

"We think Durban's misfortune will turn out to be our fortune.

"The owner of the Moosehead restaurant in Rosebank, George Barbis, said he had 500 more customers in November this year than in last November, and already 200 more this December than in last December.

"We are making big money and we hope it stays like that," he said.

"Dee Cleaver, who manages Question Mark in Melville, said business was far better than it was last year.

"Our customers are begging us to stay open over Christmas, but we are all exhausted," she said.

Manager of Falcon Crest restaurant in Sunninghill, Christopher Trimble, said business was excellent.

"We are booked to capacity for both Christmas and New Year," he said.

Costa Paizes, who owns Benignis in Bedfordview, said the whole Transvaal restaurant business was busier because if people went away on holiday it was for a shorter time.

"We have had higher peaks and bigger rushes than last year, although the season started later than it did in 1991," he said.

National chairman of the South African Restaurant Guild, Robert Mauvis, said business in Durban was quieter than it was last year but they were expecting it to improve.

"I said Cape Town was doing very well, with the Victoria and Alfred Waterfront Development leading the rest of the city with a surge of business."
Approval for R22m Cape hotel

CAPE TOWN – Clinic Holdings owner and chairman Barney Hurwitz has received the green light from the Cape Town City Council to develop a R22m, three-star hotel on the Muizenberg beachfront. The planned hotel forms part of a R500m project to revitalise Muizenberg over the next few years.

Hurwitz, who owns the Ritz Hotel in Cape Town and several others in Joannesburg, offered R500 000 to the council for the land on which the hotel will be built. Plans to develop a R50m restaurant and tavern complex in Muizenberg were also approved by the council. The council’s Sandown-in-Sea site would be sold for R6m to a consortium led by consulting civil engineers Zietsman, Lloyd & Hemstead for this purpose.

Council development co-ordinator Philip Theron said a mix of taverns providing a variety of international cuisine was envisaged. He said Zietsman had also been given the go-ahead to explore the viability of an R6m warehouse with shops, cinemas and parking on the Muizenberg beachfront.

He said the council’s strategy in Muizenberg was to encourage its socio-economic upliftment by promoting the private sector development of strategically held council land. This would hopefully act as a catalyst for further business development of the coastal town.

The plan was to make Muizenberg the tourist centre of the False Bay coast, adding a further attraction for visitors to the Cape Peninsula.

Much development had already taken place with the restoration of the station complex and the multimillion-rand upgrading of public facilities, Theron added.
The heat is on — head north

By TOM ROBBINS: Durban

URBAN'S tourist days aren't over. While Cape Town may have packed Durban's traditional visitors — while Transvaikers — Durban has found a larger market that is more reflective of the real South Africa.

Over the festive season thousands of people will pack into buses — many from as far afield as Pietersburg. They often spending 30 hours travelling, only to catch that elusive combination of humidity, sand and sea for a mere eight hours. Much of what Durban's beachfront has to offer is plastic kitsch, which is what most people seem to like. But for the discerning visitor there are many rewarding possibilities in and around Durban.

If you don't like overcrowded beaches and faddish architecture head off for a drive on the beautiful north coast. Combine your day trip with a meal at the legendary Sea Belle restaurant in La Mercy. The vast Indian restaurant offers Durban's best prawn curry.

To get there, make sure the big blue ocean is always on your right and take the La Mercy turn off after about 20 minutes. Travel on the beach side of the north coast road for about three kilometres and the Sea Belle will be on your left. If you go on the weekend, arrive early — it is popular and the service is slow. Telephone: (032) 915551.

Veer inland to rural kwazulu and discover Lilani Hot Springs — it must be one of the most unusual resorts around. The dilapidated hotel was a hippie health spa in the 1920s and 1930s. Today, only the shell of the hotel and the garden remain. For R10 a night per person you can camp in the hotel and spend your days lounging around in the sulphur baths. Watch your possessions as there is a "security problem".

To get to there take the Pietermaritzburg road to Greytown. From there, take the Kraanskop road, following the Lilani signposts and turn off at Ahearnes. If it has rained heavily, a 4x4 vehicle is advisable for the breathtaking drive into the steep valley.

On your way home you would do well to spend some time in Pietermaritzburg. The city centre is undergoing a Victorian revival. Step out of your car and stroll around the narrow alleyways, stopping off for an espresso at one of the street cafés.

Don't forget the Thatham Art Gallery in the beautiful old supreme court building. You will find it opposite the red-brick city hall on the corner of Church and Commercial streets. An exhibition, billed "Art meets Science", will be running until January 3. For something more timeless, the spectacular Lorini Ferguson Room upstairs is a good example of "Grand Victorian".

On the road home — and on a more spiritual note — visit Chatsworth and see the impressive Hare Krishna Temple. For more worldly pleasures go downstairs and sample the mouth watering Indian food at Govinda's Restaurant — vegetarian only, of course. Telephone: (031) 433360.

Once you're back in Durban, home in on the kinetic energy of top Zimbabwean band, Southern FreeWay. You'll find them at the Le Plaza Hotel in Albert Park today and tomorrow. Telephone: (031) 3012591. If you miss them there they'll be at Natal's most famous jazz spot, Pinetown's Rainbow Restaurant, on December 28. Telephone (031) 729161 and see what other jazz is planned for the holiday season.

Then stumble into the Victoria Bar. "The Vie" is situated on the sleazy end of Point Road and is a popular hang out for 1990s flower kids, yuppies and stevedores. Despite being one of Durban's nicest buildings, and newly painted, this is probably one of the most rundown hotels in South Africa. And that is exactly the way the patrons like it. Don't be put off by the fishy harbour smells — the pub has some of Durban's best value for money Portuguese seafood on sale. Or, even better, ask Carlos in the downstairs bar for the speciality — chicken peri-peri. Telephone (031) 374645.

While on the alcohol theme, visit Durban North's Crawfords Brewery. One of nine new independent breweries in the country, Crawfords is challenging the South African "larger" mentality approach to beer. The ale has a dark, nectar-like texture. Brewer Andy Mitchell gives a fascinating insight into the brewing process and giantize South African beer industry. And he'll give you a couple of plates in the pub afterwards. Telephone: (031) 841641.

To round off your day, go on a soothing day drive through the green Natal Midlands. This recently developed area offers country hotels, restaurants and upmarket health hydros.

Not the smartest, but one of the quaintest is the old Notites pub in the Nottingham Hotel which also offers a good pub lunch. Use the hotel as a convenient base from which to view the arts and craft on the Midlands Meander. Telephone (033) 36151.

Lastly, don't forget the dreaded Natal Fever: the later in January you leave your trip, the hotter and more humid it becomes. Remember how hot it gets in the colonies ...
The machine that ate the media

Did Sol Kerzner 'sell' the Lost City to the media or did they just 'buy' the publicity blitz? MARK GEVISER investigates

On December 1 The World Will Change* read the advertising banners, and the media responded with page after page and sound-bit after sound-bit adulating the Lost City and its creator. "Who's a Clever Boy?" asked the Sunday Times, and the SABC gave the answer in a half-hour of hagiography called Sol Kerzner: A Man and His Vision.

What methods did the Sun International publicity machine use to convince the media that the opening of the Lost City was, in fact, the event of the decade? Kerzner simply ran a brilliant media campaign, or did he in fact subvert — and even in some cases "buy" — the media?

Whether or not the Lost City project is the largest of its kind in the world, as claimed, there is no doubt that the publicity campaign was the most extensive South Africa has seen: Sol Kerzner is quite right when he says "the international media reaction has been on a scale never before accorded to any other resort in the world, including Disney."

Sun International will not divulge budgets, but sources in the industry put the total marketing and promotions budget at around R20-million. From the end of September until the crowning of Miss World on December 12, 25 permanent public relations staff played host to some 1 450 working media representatives, 450 of whom were foreign. And unless media people specifically asked to settle accounts themselves, they were fed and bedded at the full expense of their hosts.

Since the earth-shaking ceremony in October 1989, Kerzner's media people have been selling the Valley of the Ancients, by constructing a coherent and intricately conceived "legend," in the Lost City as if it really were a rediscovered Xandu and not the fantastic creation of Kerzner and his architect's mind.

The campaign has been two-pronged: on the one hand to woo the media with soft-sellfreight such as complimentary accommodation and meals, and with a deluge of press releases, glossy brochures and construction-site tours; and on the other hand to use mass media to promote The Lost City, either by paying for splashy ads or by convincing them of the newsworthiness of the Lost City's opening.

Sun International made high-budget mass-media coverage easier for the TV networks by co-producing (in other words, co-financing) the productions of the Miss World Pageant on MTel and the Jean-Michel Jarre concert on TV1.

Less obvious, however, has been its involvement in the two documentaries screened on TV1 in the past couple of weeks: A Lost City Discovered and Sol Kerzner: A Man and His Vision, both bought by the SABC from Paul Zwick Productions — which also does most of Sun International's corporate video work and which announced itself in a full-page ad in the latest AIV Spectator magazine, as "the official Lost City TV crew."

Even though there is no sign in the group PR executive Melanie Millin-Moore, "Paul Zwick has been coming up to Sun City and shooting footage for me every week for the past three years. We've kept it all, and so we've got an amazing archive. I knew at the end of the day that I would want an hour-long documentary, so I went to SABC and proposed to them that they commission it from Zwick — the obvious choice since he was sitting on all the footage anyway."

But Millin-Moore insists that Sol Kerzner: A Man and His Vision was the SABC's own idea, and that the arrangements were between SABC and Zwick alone. And while rumour abounds that Kerzner vetoed the documentaries before they were sent off to Auckland Park, Millin-Moore dismisses this out of hand. "Kerzner, being such a private man, was actually quite unhappy with some of the exposure in the documentary," she says.

"Of course," she adds, "Zwick was in an ideal position to do the work. But there's absolutely no way that Sun International paid for the documentaries to be aired on TV1. That would be unethical and we would never do it."

In response to Weekly Mail questions, SABC acting chief executive Phil Theron notes that "Sun International did not pay for the production of Good Morning South Africa broadcasts from Lost City, but carefully limits its answers to the question specifically about the documentaries."

Cat on the prowl for a camera

"Where are the photographers?" asked Catty Sassoon. There were many cameramen in the Miss World post-coronation party, but none were paying any attention to her.

"They don't recognize me because of my new hairdo!" She implored me to introduce her to everyone. "Just say, 'Hello, how are you, by the way, this is Catty Sassoon, Vidal's daughter and star of stage and screen.'"

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THE DEVELOPMENT RESOURCES CENTRE

is a one-year old research development agency that provides information-related services to community-based organizations and NGOs seeking to become more effective. The Centre's main focus is on developing and improving its information dissemination programs and projects. The Centre has achieved its objectives and is now looking to expand its operations. The Centre is currently inviting applications for the following positions:

HEAD OF ADMINISTRATION
An experienced administrator is required to manage and direct all aspects of the Centre's operations and activities. The successful applicant will have five years of administrative experience and a strong background in managing and administering administrative systems. The Centre is offering a competitive salary and a good working environment.

SENIOR LIBRARIAN
The successful applicant is expected to manage and direct all aspects of the Centre's library and documentation centre. The Centre offers a competitive salary and a good working environment.

NETWORKER/PUBLICATIONS OFFICER
The successful applicant will be responsible for developing and implementing a network of NGOs interested in supporting the work of the Centre. The Centre offers a competitive salary and a good working environment.

INFORMATION SERVICES OFFICER
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OFFICE MANAGER
An experienced manager is required to manage and direct all aspects of the Centre's operations. The Centre offers a competitive salary and a good working environment.

SECRETARY/ADMINISTRATIVE ASSISTANT
A secretary/administrative assistant is required to manage and direct all aspects of the Centre's operations. The Centre offers a competitive salary and a good working environment.
The heat is on — head north

By TOM ROBBINS: Durban

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What you see is (almost) what you get

Investment decisions hinge on several external factors

How much room is there at the inn for investors? City Lodge Hotels and Karos Hotels — the only vehicles offering exclusive exposure to the hotel sector — offer very different options in terms of valuation and strategy.

Karos’s share price is at a massive discount to NAV and replacement cost. The price has suffered from a deliberately ambitious capex programme which coincided with high interest rates and bad market conditions. Conversely, City Lodge’s high rating puts a premium on its sound financial management and strategy of budget hotels that thrive in recession.

Karos focuses on the three- and four-star bracket; it aims for “quality overseas tourist,” says chairman Selwin Hurwitz. City Lodge operates quality economy hotels mainly for businessmen.

Despite the sector’s enemies of high interest rates, political violence and persistent recession, City Lodge managed 33.5% earnings growth, dazzling occupancy rates around 80% and no net debt, during the year to July 31 1992. The comparison with Karos is stark. Its recent interim shows a small profit, reversing a R3.9m loss in 1992, and occupancy rates just topping the sector average of about 50%.

Since Karos was listed in mid-1989 it has persisted with a major refurbishment and upgrading programme which has cost about R150m. Industry observers expressed reservations. It now has 14 luxury hotels with more than 2 000 rooms, mainly in cities and holiday resorts.

The jewel in the Karos crown, though it may be flawed, is its 32.5% stake in the five-star Polana Hotel in Maputo, its only operation outside SA. In theory, the investment should be successful; many South Africans recall holidays in what was Lourenco Marques, now Maputo, with an affection that strengthens as the years unfold. Hurwitz expects the Polana to contribute R1m management fees and an annual US$650 000 to the bottom line. Of course, this will depend on the stability of the Mozambican Peace Accord; the FM will be forgiven cynicism about any project dependent on the goodwill of Frelimo and Renamo.

The cost of the refurbishment programme has been high in terms of investor confidence. Despite R150m capex, adjusted shareholders’ funds of R97m have increased by only 3% since the listing; the share price has lost about 50% of its value, and the dividend was cut in 1992. None of this is the stuff which inspires investor confidence.

Karos has sold five hotels for R42m to Karos Property Investment Fund on sale-and-leaseback. The fund is owned by a consortium of which Karos is a member.

Potentially, it has seven more to sell to the fund for about R100m in today’s money but has not yet negotiated to do so. Karos has an option to buy back any hotels from the fund, for the original sale price, in 2007. By contrast, City Lodge owns all its hotels, which have a replacement value of R192m.

City Lodge MD Hans Enderle uses the Americanism “limited services hotels” to describe the no-frills formula of the business in existence since 1985. The eight hotels, and three due to be finished next year, comprise 1 600 rooms, are in metropolitan areas and were designed from scratch.

There are indeed no frills. No restaurants, room service or porters; and carry your own bags. Among the few amenities are breakfast and a bar. Room charges form 87% of total turnover and food and beverages 13% at City Lodge compared to 60% and 40% at Karos. The resultant lower staff levels and fixed costs have benefited City Lodge’s profitability at operating level and bottom line.

Labour accounts for only a sixth of turnover at City Lodge compared with a quarter at Karos, says Hurwitz. Operating margins tell the same story: City Lodge 50% before tax and interest charges compared to an average 15% over the past five years for Karos.

On the face of it, City Lodge Hotels would seem to offer quality earnings through efficient cost management, a niche market, high occupancy rates and low net gearing. Such success begs two questions: is it sustainable and has it already been discounted in the share price?

City Lodge is facing significant direct competition from Holiday Inns, which has converted some hotels into the new Garden Court brand. Southern Sun Hotel Holdings, a wholly owned subsidiary of SA Breweries, has the exclusive franchise on Holiday Inns. City Lodge’s 1 600 rooms compares with an existing 1 360 Garden Court rooms plus a conversion of another 660 (an attempt to salvage something from the ill-fated Johannesburg Sun) to open in January in downtown Johannesburg.
Enderle estimates present market saturation to be 5,000 rooms while Holiday Inn Garden Court operations director Heldo Pereira puts it between 7,000-10,000. But then, since Garden Court is the newcomer, its management would be expected to argue along those lines.

Karos does not face the same competition because of its broader market focus (see chart). The growth sector, says Hurwitz, is foreign tourism, which could account for 30% of room occupancy, up from the current 10%, if violence abates. But Karos's domestic occupancy rates would benefit from an improvement in interest rates and sentiment. The same may not be true for City Lodge, which has thrived in recession. As expense accounts expand, City Lodge may experience a falling-off of occupancy rates as people trade up.

Karos's sizeable capex programme leaves it well placed to compete effectively for the next tourist upswing. But it is unlikely that the much-hailed tourist invasion will benefit City Lodge, since only 20% of its clients fall into this bracket and most of those are locals. City Lodge hotels are not designed for tourists; they have minimal services and no facilities for children.

Three exogenous events will contribute significantly to Karos's profitability. The first is a reduction in interest rates to reduce the debt servicing; indeed, every 1% reduction in interest rates brings a R500,000 saving at the bottom line. The second will be a positive change in foreign tourists' sentiment about SA. Hurwitz highlights the sensitivity to political violence by revealing that some hotels had 25% cancellations after the Boipatong and Bisho massacres. Recent murders of and attacks on foreign visitors will not help.

The third and most significant contingency is the ability to preserve gambling operations.

Karos estimates that if it can get full gambling licences for six hotels then, for every rand it makes on rooms, food and beverages, it could make another on gambling. It has had seven gambling operations open since May but these could be closed by end-January by an amendment to the Gambling Act.

The combined effect of these events will benefit the bottom line considerably but not necessarily improve fundamental performance. Karos is entering a consolidation phase in which Hurwitz aims to lower the debt:

<table>
<thead>
<tr>
<th>Year</th>
<th>City Lodge</th>
<th>Karos</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>Operating margin (%)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Labour costs/turnover (%)</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Employee: room</td>
<td>1:3</td>
</tr>
<tr>
<td></td>
<td>Occupancy rates (%)</td>
<td>80</td>
</tr>
</tbody>
</table>

† This is an average taken over the last 5 years.

Enderle says the replacement cost of City Lodge's hotels is R120,000 a room (including fixtures and fittings) or a total of R192m. This puts its R126.6m market value at a 34% discount to the cost of rebuilding. Valuing Karos on the same basis puts the R30m market valuation at a massive 95% discount to a total replacement cost of R600m (R200m per room). In other words, a canny investor could buy the Karos establishment for a rock-bottom 5% of the cost of building it from scratch.

The share price will have to extend discounted the fact that Karos is heavily geared; total net debt is R70m. The discount to asset value must make Karos a prime takeover target for anyone with faith in the hotel business.

Characteristically, for many SA groups, Karos and City Lodge have core family shareholdings. Five family shareholders in Karos hold about 40% and another 25% is held by Momentum Life Assurers. There has not been much activity in the remaining shareholdings. City Lodge has two major shareholders, Mines Pension Funds and the Enderle family with 42.8% and 26.2% respectively.

City Lodge was issued on a relatively high historical p/e of 14.7 and a prospective 11.7. But does this factor in the probable success of "limited services hotels" in a buoyant market, or how City Lodge will fare against increasing competition from Holiday Inn's Garden Court hotels?

Karos's share price has halved since the listing in 1989 and underperformed the Beverages & Hotels index. It is unlikely the positive options which have been sketched for Karos will be factored into the price until Karos can regain investor confidence from dividend or NAV growth, and quality organic growth.

Cost of expansion

City Lodge has forecast 25% earnings growth for 1993 and a near-doubling of the number of rooms to 3,000 by 1998. The cost of expansion is estimated to be about R170m in 1993 money. In this, R40m of the cost is for new fittings and equipment will be financed internally. The remaining R130m for land and buildings will be externally financed. Part will come from Mines Pension Funds, apparently at favourable rates, between 10%-11%, which is good for City Lodge but may not be for the pension holders. Karos is looking forward to putting its finances into as good shape as its hotels. It has much to prove to investors.

As Karos consolidates its fortunes it will depend to some extent on events beyond its control: gambling legislation, political stability and an end to recession. But the share looks undervalued in relation to replacement cost and NAV. A takeover bid or positive change in sentiment to the economic and political situation must trigger a rerating. City Lodge has the benefit of being investor-friendly in terms of quality earnings and tangible rewards, but its high rating suggests much of this is already discounted by the price.

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*Source: Randall*

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**LEADING ARTICLES**

Who stays where?

**Turnover by customer, 1992**

<table>
<thead>
<tr>
<th>City Lodge</th>
<th>Karos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic tourists</td>
<td>60%</td>
</tr>
<tr>
<td>Foreign tourists</td>
<td>40%</td>
</tr>
</tbody>
</table>

City Lodge: 87%

Karo: 60%

Trimming the pastry

**Contribution to turnover 1992**

<table>
<thead>
<tr>
<th>City Lodge</th>
<th>Karos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room charges</td>
<td>Food &amp; beverage</td>
</tr>
<tr>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>60%</td>
<td>40%</td>
</tr>
</tbody>
</table>

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**FINANCIAL MAIL • DECEMBER 18 • 1992 • 19**
Coloured mayor is welcome, but no politics

By Rahana Rossouw 19/2/92

South Africa's first "coloured" mayor and the owner of a hotel in the Boland town of Franschhoek have been reconciled after the mayor claimed he was refused entry to the hotel because of his race.

Mayor M. Frank Arendse and his wife, Nonita, were invited to the La Cote Inn at the town for drinks last Wednesday, but were denied admittance because the owner, Mr. Maske, said he was not a member of the "white club." Arendse said he was supposed to have a meeting with the owner, together with community, tourism and wine board officials.

However, owner Mr. Ludwig Maske telephoned the Franschhoek mayor and told him the meeting was off.

Arendse accused Maske of practicing what only racism by reserving admission to his hotel.

"In a joint statement this week, both parties agreed the incident was a misunderstanding," Maske said. The hotel has two areas where clients could drink — one open to all, regardless of race and another reserved for members.

"This membership has never in the past and will never in the future be restricted on the grounds of colour," he said.

"There would be no reason whatsoever should the mayor of Franschhoek or any other person (either white, black or coloured) wish to become a member of this club if they meet the criteria." The only condition is that members may not discuss politics or religion in the hotel.

The statement said that the mayor wants to establish good relationships with the business community and encourage tourism.
A R200 million conference centre could give Durban the edge in attracting overseas conventions.

PATRICK FARRELL
Weekend Argus Reporter

DURBAN has unveiled plans for a R200-million conference centre near its beachfront.

The centre, the largest in the country, will be built and run by the City Council and is expected to be completed in October 1996. It will be the biggest single-investment undertaken by the council.

Durban’s director of urban development, Mr Alec Gilbert, said construction would start next September with the parking garage. The rest of the complex, which will seat 1,800 delegates, will follow slowly to keep pace with a “precisely targeted” marketing campaign to attract overseas conventions.

“The marketing will take about five years, so it is pointless finishing the centre before the delegates arrive.”

The centre will have translation and media facilities.

“A banqueting hall for 1,800 people and a 3,000 square metre exhibition room will also be built and the entire centre will be designed so it can be capable of seating 5,000 people,” he said.

The beachfront site will be near the CBD at the old prison grounds in Walnut Road.

“Tourism is an integral part of conference centres and our beautiful beaches are sure to attract delegates.

“We believe that delegates spend about four times as much as the average tourist so this revenue will be an important spinoff of the centre.”

More five-star hotels would hopefully be built on the beachfront to cater for the centre and about 2,500 jobs in “related industries” would be created, said Mr Gilbert.

Research has indicated that the centre would make enough money in the first three to five years to outstrip operating costs.

“We believe that if we can attract only four international conferences a year and fill in with local conferences, we will break even.”

Mr Gilbert said the centre could also be used for exhibitions, promotions and even rock concerts.

“He said they had done their homework well to prevent the centre from turning into a white elephant.

“We know it is important to start lobbying for international conferences now, based on a five-year marketing strategy.”

“We have chosen our niche market and other cities should choose theirs.”
Cool, busy Cape Town braces for tourism record

STEWART ALCOCK Weekend Argus Reporter

AFTER a quiet start to the holiday season, indications are that Cape Town is set for a record number of tourists. But they’ll have to brace themselves for some inclement weather this weekend. A weather office spokesman predicted cloudy and cool conditions with a fresh southwesterly wind. Top temperatures were unlikely to be higher than 23 deg C today and 22 tomorrow.

A spokesperson from the traffic department said all the main roads into the city were busy and the traffic flow had picked up considerably in the past few days.

Captour's Mr. Gordon Oliver said he expected the number of tourists in Cape Town to be slightly up on last year. "December has been slow so far, but this weekend will be the turning point, with January probably even better, as more foreign tourists come to Cape Town after Christmas and up-country tourists make last-minute decisions to visit."
Business as usual for Fancourt resort

CAPE TOWN — The Fancourt Hotel and Country Club resort outside George would be kept as a going concern and continue business as usual, the joint provisional liquidators and Masterbond curators said at the weekend.

Cape Town Trustee’s Ralph Millman has been appointed provisional liquidator of Fancourt Properties, which owns the hotel.

RFM Alten & Feat’s Tjaard du Plessis, together with Sonnenberg, Hoffman & Gelombik’s Charles Smith and Margot Swiss Trustees, Sarel Coetzer have been appointed the joint provisional liquidators of Fancourt Holdings, which owns the land, golf course, lodges and other facilities.

Fancourt Properties and Fancourt Holdings were recently provisionally wound up in the Cape Town Supreme Court with combined debts of R121.5m, R97m of which is owed to Masterbond investors.

The curators and provisional liquidators said that the resort, under the management of the Orient Express hotel group, was to be maintained as a going concern.

Former Fancourt MD Billy Freer would remain in charge of the operation.

Fancourt

21/12/72

He said management was aggressively marketing various golf packages to make the resort more accessible to SA golf enthusiasts.

Meanwhile, the investors with unallocated investments totalling R155m were informed last week that they would receive a first, interim payment of 37.5% of the capital they invested following the recovery of certain assets.

"In some cases the amount payable is minimal. However, it is clear from correspondence received that there are a large number of investors who are experiencing extreme hardship since the collapse of the Masterbond Group.

"We therefore decided to make this first payment to all unallocated investors even where the amount is very small," Masterbond administrative officer Horton Griffis said.
Satour pleads for joint action as way of violence scars

Tourism, adversely affected by the violence,

The complex situation with an increase of 50,000 people from different countries and the need for additional accommodation and services, poses a challenge to the authorities. The government is working on measures to ensure safety and security. The tourism industry is being supported by local and national authorities.}

The government is also taking steps to improve the safety of tourists. The police are being reinforced and more security measures are being put in place. The tourism industry is being supported by local and national authorities.}

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Satour calls on police to act

JOHANNESBURG

The recent violence in Natal and the Cape had had a negative impact on tourism, and moved the SA Tourism Board to appeal to political leaders and police to act. Satour executive director, Mr Spencer Thomas said yesterday that the Transkei Tourism co-ordinator said they wrote to the leaders of all political parties asking them to try to decrease violence.
GUVERNMENT's decision to pay millions of rands in full pension packages to 16 senior SADF officers put on early retirement by President F W de Klerk last week has been condemned by DP finance spokesman Ken Andrew.

Andrew said the decision not to dismiss the officers to the impression that "other than having to change their jobs, it is as if they have done nothing wrong."

"People who are guilty of serious improper behaviour, whether that behaviour is illegal or not, should be dismissed," he said.

An SADF spokesman said no figures could be given on how much the two generals, four brigadiers and 10 other officers would be paid, but confirmed that they would receive their full packages.

According to sources, an SADF major general earns slightly more than R19 000 a year, and would continue to receive roughly the same monthly income after retirement in addition to a gratuity payment of up to R300 000.

A brigadier on early retirement would receive close to his annual salary of R102 000 and a gratuity of about R300 000.

RAY HARTLEY

Andrew said government should have rather suspended the officers and held a review, affording them an opportunity to present their case, before clearing or dismissing them.

DP defence spokesman Gen Bob Rodgers has suggested that the 16 officers placed on early retirement were being removed because they opposed government's reform direction, while the seven who were put on compulsory leave were suspected of criminal offences.

Andrew said it was as a result of incompetence, cover-ups and an unwillingness to face the truth that government had dragged its feet on purging the SADF.

"Given the evidence that one has seen in the Webster inquest and the evidence to the Goldstone commission, I am astonished that more senior members of the SADF seem to be keeping their hands clean," he said.

Unikonto we Sizwe chief of staff Siphiwe Nyanda has supported the decision to pay full retirement benefits to the officers, saying the ANC would do the same when it removed officers from the SADF when it was in government.

Sapa reports Constitutional Development Minister Roelf Meyer said in Washington yesterday the action against the SADF members would raise De Klerk's credibility internationally and strengthen government's position in negotiations. Government was in a stronger position because it could press "a few other ongoing activities" of the ANC and the former political prisoners.

"There is no doubt that other organisations have rogue elements in their ranks they will have to attend to. This is something that everybody is aware of in SA and it puts us in a position where we can press for that," he said.

Meanwhile Sapa-Reuters reports the US has welcomed the action against the SADF members.

"We... welcome the steps taken by President de Klerk to discipline members of the military implicated in illegal activities," Senate Democratic spokesman Richard Lugar said in Washington on Monday.

"We hope that his positive actions will send a clear signal to all South Africans that illegal activities by security forces will not be tolerated," Boucher said.

Guards linked to missing gold

MICHAEL HARTNACK

HARARE — Police had arrested two security staff employed by Air Zimbabwe over the disappearance of R1.2m of gold amalgam from a British Airways flight from London to Harare on December 7, The Herald reported yesterday.

The gold, worth R1.7m, was being transported from processing in the US. For political reasons, President Robert Mugabe's government had stopped Zimbabwean gold mines sending amalgam to SA refiners. Until the robbery it had been thought the Reserve Bank of Zimbabwe favoured processors in Western Australia.

Police are investigating why the gold was routed to London via Tel Aviv's Lod airport, The Herald reported.

"A complication lies in this fact," said an official.

Zimbabwe's Reserve Bank has refused to comment on the fate of the shipment.

By the time the gold was reported missing, three hours after the BA flight from Heathrow had landed, the Boeing 747 had left for Losaka.

A BA spokesman said the airline had taken stringent precautions to ensure safe delivery of the gold in Harare.

Johannesburg nightspots hit as fearful patrons stay away

RAY HARTLEY

The perception that Johannesburg's CBD was the epicentre of a crime wave was scattering away night-time pleasure seekers who preferred to entertain themselves in their suburbs, SA Restaurant Guild chairman Robert Mauvis said yesterday.

Mauvis said reports of tourists being mugged and general security fears had created the climate which had led to "the worst year ever" for CBD restaurants and hotels.

The film industry was also suffering the effects of a decline in the number of people visiting the city centre at night, according to an industry source.

A total of 156 tourists had been mugged outside two major Johannesburg hotels during four consecutive months of 1992, the source said.

Police spokesman W O Andy Pieks said between 17 and 21 people were mugged during an average day in the CBD, but violence was seldom used during these muggings and the city centre remained relatively safe at night.

Pieks said the number of muggings needed to be seen in the context of the large numbers of people shopping in the CBD during the day.

The perception that it was unsafe to go to restaurants or cinemas in the CBD at night was "completely incorrect," he said.

In fact, crime decreased in the CBD over the festive season as fewer people were on the streets and there were fewer patrons to call the number of policemen on duty.

He said the public would be well advised to maintain basic security consciousness and to avoid people who seemed to be following them or gathering in groups with no apparent purpose.

Hillbrow and Joubert Park remained problem areas, and would receive special attention from police during the festive season. The recent relocation of police sleeping quarters to the Downtown Inn building would lead to a naturally greater police presence in the area, he added.

Pieks said new satellite police stations were already in operation in the Smal Street Mall, Bank City and at Johannesburg station.

Mauvis said hotel and restaurant business had declined 20% during 1992, but the industry could look forward to a busy 1993.

Police should place "bobbies on the beat" at night on satellite basis in major cities in the US, Australia and Britain to improve security in urban centres, he said.

The Durban beachfront and CBD had radically reduced muggings by employing such a strategy and the lowest number of muggings was recorded there since 1987, he said.
More tourists visit SA

JOHANNESBURG — South African hotels sold 11% more beds to foreign tourists in October this year than at the same time last year, according to figures released by the Central Statistical Service yesterday.

The largest group of tourists to stay in hotels in October was from the United Kingdom (21.2%).

Meanwhile, hotels and holiday resorts along Natal's north and south coasts are almost fully-booked — but there is likely to be plenty room at the hotels of Durban this holiday season which expect a 6% occupancy rate.

Ms Elise Ghading, a spokesperson for SAA in Durban said indications were that international flights would be lower than the past two years.

However, both the German airline LTU and British Airways have reported no cancellations.

— BAPU
Apla 'is not hiding round every corner.'

Own Correspondent

The Transkei Tourism Board moved to allay holidaymakers' fears about security in the Transkei yesterday after a wave of cancellations at holiday resorts along the Wild Coast.

"The soldiers and policemen are on the roads to make visitors feel safe — it's not because we have Apla people hiding around every corner," said tourism board spokesman Gladys Ramncwana.

"Although many people cancelled their trips, visitors are still arriving looking for accommodation — and they have all had lovely trips."

"The Wild Coast remains a very popular destination and we would not encourage people to come here if we thought their lives might be in danger."

People who wish to contact the Transkei Tourism Board for further information can telephone (0471) 23344 (business hours) or 23766 (after hours).
They do like to be beside the sea

The rich are like you and me — though they can holiday on a grander scale.

When you live in paradise — as many do with apartments or bungalows overlooking one of the Clifton beaches — your best holiday option when Transvaalers descend on the Cape is to go overseas. Some make a habit of it, like Pick 'n Pay chairman Raymond Ackerman and family — who are off again to ski in Switzerland.

Others occasionally find hanging off a bare rock face on local mountain climbing expeditions enjoyable, like professor of psychiatry Lynn Gillis, author of a number of medical textbooks, including The Person in the Patient.

For Lynn and wife Shirley, who have spent the past 30 years living above Moses Beach, Clifton is not the same. While their breathtaking views of the sea remain uninterrupted, they are on the beachside of Victoria Road, nearby rock blasting has disturbed the peace.

Having also discovered paradise, developers have constructed one apartment block after another. New neighbours, at the likes of The Beaches, include coal magnate Graham Beck, who has bought a flat.

The only consolation for residents is that flats, which cost next to nothing 15 years ago, are now worth anywhere from R1.5m to R5m on this stretch of SA's Riviera.

Most business and political leaders would agree that what makes for a top holiday is a cocoon of familiar love — some relatives being better holiday companions than others, of course — excellent cuisine, sea views, intellectual company and quiet surroundings. Tastes vary widely but who can fail to love Clifton?

Another fortunate Clifton homebuyer — many years ago — is leader of the DP and former director of Anglo American Zoch de Beer. He originally had a flat in an older building behind and across the road from what was formerly the Clifton Hotel. It has since made way for the stylish The Clifton apartment complex above Second Beach and De Beer has since sold his other flat and bought one in this building. Here he lives with his wife, Mona, when parliament is in session and over the Christmas period. This year De Beer is planning on getting stuck into the biography of SA physicist Sir Sally Zuckerman.

ANC constitutional legal adviser and member of the ANC national executive committee, and professor of law at the universities of the Western Cape and Cape Town, Albie Sachs, now lives in Clifton, where he grew up and managed to return after his exile.

When asked where he's going this year he said: “I'll be visiting my own home, which will be a treat. The constitutional process is exacting and exhausting and we're travelling all the time. My pleasure will be not to write any books, or even read them. Part of the treat will be to eat real, tasty SA fruit. In England, it looks beautiful but has no flavour.”

For Pepkor chairman Christo Wiese, time off will be two to three weeks with family — “who tend to be neglected during the year” — at his holiday house in Yzerfontein on the Cape west coast, not far from Langebaan.

Though Wiese now lives in a Clifton bungalow, his future and more permanent home will be in the Lanzaret homestead next to the famous hotel in Stellenbosch, both of which he bought recently and is now refurbishing.

Seated chairman Aaron Searill and family will spend 10 days of the holiday at home in Claremont, and thereafter about eight days at their Plattenberg Bay holiday apartment. A keen flyer, Searill's looking forward to reading magazines pertaining to this hobby, as well as a couple of novels. Exercise will be tennis, swimming and walking on the beach.

Arthur Andersen tax partner Pierre du Toit — a former Capetonian who considers himself a migrant labourer up in the Transvaal — will do his usual thing this holiday and take a house in Bakoven "as an existant rental." Du Toit's idea of a holiday is "to get as far away from any capitalist pig, law book or set of figures as is humanly possible."

Sunsets on the beach, the tang of salt in...
will be developed next year. Other holiday homes visited by the FM are those of former Budget Rent-a-Car co-owner and Motorviva owner, the now retired Paul Marsis; former Kenitek Africa chairman and owner Ronnie First; and Liberty Holdings MD Farrell Sher. First has had a house in Plettenberg Bay for 14 years and believes it’s the best resort outside of the city atmosphere of Cape Town. It’s also a great sporting resort. Plett’s beaches are usually terrific. Freak storms in October, however, have almost washed them totally away. Until they’re restored, people like Marais will take to their boats on the river; First will play more tennis; while most will probably end up lounging by their swim-

Bobby Hutchinson, wife of lawyer, estate agent and property developer Pick of Plett’s Tim Hutchinson, has lived in Plettenberg Bay for 16 years. When the FM visited them, both Bobby and Tim were on a stringent diet, the result of a rather hectic seven-night-a-week entertainment schedule. Guests include not only clients but, on occasion, President F W de Klerk.

Bobby notes a definite improvement in holiday home architecture over the years “because more aesthetic ‘people are now building here.”

Johannesburg-based architect Menno Meinzen, for example, has been responsible for a number of these houses — among them that of Boumat executive director David Gevisser and wife Hedda, whose house is perched on a cliff opposite Beacon Island — as well as The Plettenberg.

The local handicraft industry, for which the Cape is famous, has received a tremendous boost from building and interior design activity in the area and, more important, provided an opportunity for export. Under the guidance of an artist such as Hutchinson, products are being refined and properly marketed.

Sales through her shop of veritable d’igit or plain metalwork, customised hand-painted dinner services and bathroom accessories, embroidery, hand-carved fireplaces and mirror frames as well as cabinet-making, all manufactured in Plettenberg Bay, have

NEED FOR ARTICLES

Belvidere Estate — where Ken and Katie play

get busier, Coulson’s already casting his eye around Kynsna for business opportunities.

Back in eGoli, where mine dumps make a poor substitute for mountain ranges, some people actually make a holiday of it. Ampros MD Gerald Leissner and wife Shirley spend a few days between Christmas and New Year annually in the Carlton Court. From there, Leissner travels to Glenhazel synagogue every day. He reads for pure entertainment, he says, and is particularly fond of Stephen King and Robin Cook thrillers.

Of course, there’s also the Vail and that’s where Professor Andy Andrews, director of the Graduate Institute of Management & Technology, plans to spend some time this year in his house. He’s also a Stephen King fan.

ANC national spokesman Carl Niehaus likes to spend Christmas in Krugersdorp with his family — yes, his parents are still speaking to him.

If he can manage to include an almost annual trip to Holland to be with very close friends, he’ll do that too. Niehaus wants to read a biography of Gorbachev and reread Russian classics by Dostoevsky, and maybe even Tolstoy’s Anna Karenina again.

ANC leader Nelson Mandela will most likely spend his holiday in his new home-away-from-home in the Transkei, his birthplace. Construction of the house should now be completed.

Reading about the rich and famous isn’t mere wish fulfillment for we less fortunate souls: in most cases they have worked hard for their money and do not just spend it on indulgences. One small example: a very rich and very famous businessman, who wishes to remain unnamed, has donated R500 000 for a clinic at Plettenberg Bay.

Annual awards for theJournal of the Society of Architects and Engineers.

Another well-like new housing estate in Kynsna is that of Board of Executives’ Belvidere Estate on the Kynsna Lagoon, in which Sunday Times editor Ken Owen and wife, Kate, completed their own house two years ago. One of the main attractions of the holiday is just “to play in the water with the family, swim, water-ski, read and see a whole lot of people. My wife loves the house and we invariably have a lot of visitors.”

To Kynsna Heads, former chairman of Blue Circle Trevor Coulson and wife Dorothy have now retired — if you can call it that. Coulson still sits on the board of Gypsum Industries, is chairman of Armitage Shanks and has various other private business interests. While the view from Coulson’s house is splendid, he’s not the kind to sit around admiring it all day. Fishing to

Trevor and Dorothy Coulson . . . phew!

Gary Player’s estate . . . rooms with views

rockets countrywide.

Hutchinson & Smith, an affiliate of Bobby Hutchinson Interiors, mills, prints and weaves its own fabrics in the Cape — awards for which have been received in Germany. The fabric is also sold in Mauritius, Switzerland and the UK. Even special holiday ranges are produced.

Average upper market homes in Plett vary between R1,5m to R2,8m, with interiors ranging from R150 000 to R200 000, including furniture, though the advent of new housing estates and innovative packages offer opportunities for many to spend far less. Stands will sell as low as R55 000 in Goose Valley and a six-week syndicated share in a Cape Cod-style holiday home in Kynsna’s new Island Cove resort on Leisure Island costs R165 000. Your neighbours on Leisure Island would be Everard and Patsy Read. Everard, founder of Johannesburg’s Everard Read Gallery, is now semi-retired and spends some of his time “botanising” — not “boating,” he laughs. “That only happens after sundown.”

"Annual awards for the Journal of the Society of Architects and Engineers."

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Gary Player’s estate ... rooms with views

annual trip to Holland to be with very close friends, he’ll do that too. Niehaus wants to read a biography of Gorbachev and reread Russian classics by Dostoevsky, and maybe even Tolstoy’s Anna Karenina again.

ANC leader Nelson Mandela will most likely spend his holiday in his new home-away-from-home in the Transkei, his birthplace. Construction of the house should now be completed.

Reading about the rich and famous isn’t mere wish fulfillment for we less fortunate souls: in most cases they have worked hard for their money and do not just spend it on indulgences. One small example: a very rich and very famous businessman, who wishes to remain unnamed, has donated R500 000 for a clinic at Plettenberg Bay.
Julian hits a rocky road...

DE BEERS' chairman Julian Ogilvie Thompson sent waves through the Johannesburg Stock Exchange with the shock August announcement that the company would probably be obliged to cut its dividend for the current financial year.

The announcement came only weeks after both De Beers and Anglo American Corporation gave presentations to investors locally and abroad. There was little hint at these events that the diamond market was in disarray from oversupply and under-demand.

De Beers' share price tumbled from R67 to R44 before rallying to around R50. The worst effect on South Africans was not felt so much by the diamond industry itself but by investors.

Being the JSE's leading share in terms of trade and trend-setting, De Beers' collapse brought the whole market tumbling down. From early June, when the JSE overall index peaked it tumbled by almost a quarter by mid-October.

While in the longer run, the stock market has proved to be the best hedge against inflation and has given the best returns to investors, there are inevitably periods when cash in the bank would have given a better return. Hardest hit were investors who had saved through JSE-linked insurance policies which matured when the market was closest to the bottom. Had their investments matured a few months earlier, their returns would have been much better.

But Sol's folly pays off

SOL KERZNER's media machine saw to it that South Africans got a dose of glitz and glamour in 1992 in between the violence and turmoil.

Mr Kerzner was reinstated as Sun International boss in September — in time to steer a four-month media blitz that peaked with the early December opening of the R330-million Lost City development.

Initially tagged Sol's Folly, the Lost City drew the world's rich and famous for three weeks of festivities that included Jean-Michel Jarre's laser and light show, the Million Dollar golf tournament and the Miss World pageant.

Hordes of international and local journalists and cameramen were flown in for the 21-day party.

During development, the project provided about 5 000 jobs for contractors and on opening, 1 000 permanent work opportunities.

Courting
A WATERFRONT development at Mossel Bay harbour on the lines of Cape Town's is being planned to give a boost to tourism and the Garden Route.

Parts of Mossel Bay, owned by Transnet, have been identified for re-development as part of the drive by Propnet, the property arm of Transnet, to exploit dormant tourist and commercial potential.

A committee under the chairmanship of Mr Arrie Burggraaf, assistant chief engineer development Portnet has recommended that about 20 hectares of the harbour and surrounding areas of Mossel Bay be earmarked for “sensitive redevelopment” which would link into the broader development of the town.

Transnet consultants have recommended that the design components should be unified within a theme.

The committee’s earlier report outlined plans for the Victoria and Alfred Waterfront in Cape Town and the waterfronts of Port Elizabeth and East London.

The committee’s report, which has already been approved by both Portnet and Propnet’s management has been given the nod by Mossel Bay’s civic and business leaders.

The recommendations were based on a detailed study by consultants, Chris Mulder and Associates, who investigated the environmental impact of all development that might be undertaken, said Mr Johan Malherbe, Propnet’s project manager.

“The vision behind the development recommendations is that Mossel Bay could become a gateway to one of South Africa’s most priceless tourist resources, the Garden Route. It could well become the starting point for the Golden Thread development, the steam conservation line linking stations from Mossel Bay to Knysna and Oudtshoorn.”

“Mossel Bay itself could become a tourist centre in its own right with a unique mix of commercial and recreational activities within a working harbour area.”

The Burggraaf Report has taken into account the needs of the fishing industry and the Mossgas’ projects in its recommendations and has the support of the South East Coast Inshore Fishing Association, said Mr Malherbe.

Mr Rian Humann, vice chairman of SECIFA (South East Coast Inshore Fishing Association), said he and his members are positive about the recommendations made in the Burggraaf report and believe that Mossel Bay could benefit from such a project.

Quay 4 would be excluded from the development as it is used by Mossgas, Soekor as well as Portnet, whose commercial requirements were expected to be increasing in future.
Christmas liquor sales improve

LIQUOR retailers had far better sales this Christmas than in 1991, off marginally improved volumes, industry sources said yesterday.

Solly Kramer's discount liquor director Gys Beukes said: "We are doing better now than last Christmas with sales up by about 15% for the December period."

Benny Goldberg's liquor supermarket owner Rob Rutter said sales had risen by a greater than expected 12%.

But Rutter added since liquor inflation was around 11%, this meant that volumes had risen only by about 1% over the period.

Makro director Joe Owens said that the group's liquor operations had far exceeded its budget, while volumes had improved, but he declined to quantify the improvements.

Rutter said whisky had proved the best selling item over the festive season, while brandy had shown "quite a revival."

This was probably due to increased advertising by brand manufacturers, he said. "However, sales of white spirits dropped dramatically, falling about 20%."

Beukes said his organisation had experienced similar trends in sales over the period. Both agreed that beer sales over Christmas had increased by around 5%.

However, in real terms the retail market for beer had contracted slightly.

Meanwhile, compared with December last year, wine sales remained static.

Beukes said Solly Kramer's had budgeted for a 15% increase in sales revenues over the Christmas/New Year period, and he expected to make the target.

Rutter was not as positive. He forecast a 10% increase in sales over the next half year, which, given inflation meant a 2% real decline in turnover.
Hotels defy early bleak predictions

ROBERT WICKS

MOST major hotel groups yesterday reported good occupancy rates and a spate of last minute bookings reversing earlier predictions by industry sources that the holiday period would be a bleak one for the hotel industry.

Before the holiday season began, industry sources were predicting a grim time for the hotel sector.

Violence and the recession were cited by Federated Hotel Association of SA (Fedhasa) president Theo Behrens as the main reasons for depressed bookings.

Southern Sun group operations director Chris de Kock said bookings were generally better than last year.

"In particular the Durban area had done very well and figures were boosted by a great deal of impulse booking," he said.

He said many holidaymakers had booked later than usual although this trend was evident last year as well.

De Kock said he did not think the violence in the country had affected bookings in the Cape and Natal adversely, but it was difficult to comment on areas such as East London.

"There was by no means a noticeable degree of cancellations and we are hoping the trend will continue into the new year," he said.

Indications of a downturn emerged as early as August following failed attempts by the charter flight industry in offering cut-price packages.

Hotel bookings have been declining since 1998 and the industry's problems have been compounded by a steep fall-off in business traffic.

A Sun International spokesman said the group's key resorts had been in as much demand and as full as they had ever been.

"We are very pleased with the performance of the Swaziland and Wild Coast resorts and the four hotels in the Sun City stable have all reported very favourable occupancy rates over the holiday period."

She said many of the group's other resorts had experienced a slower rate of bookings over the same period.

"There was a last-minute struggle to fill some of the smaller resorts and we can attribute this to a host of factors which influenced holiday-makers this year," she said.

Protea Hotels Transvaal regional director William Ford said he was happy with the results the group had achieved in the resort areas.

He said hotels along the Natal coast and in the Cape Town area were between 90% and 100% full.

"Although there has been a slow build-up we are very satisfied with occupancy rates which seemed to pick up nicely from the middle of December," he said.

Ford said bookings on the Garden Route and at smaller hotels, particularly in the inland areas, had experienced a 10% to 35% decline, but added that this was not significantly different from previous years.

"We have seen a decline in conduit travel and some late cancellations which have had an obvious effect but given the 'overall' circumstances within the industry we are happy with the results."
SA opts for fun and sun

BECHEES, restaurants, shebeens and holiday resorts were brimming with festive cheer this weekend as South Africans closed the door on a year of doom, gloom, violence and crime and celebrated Christmas.

In Cape Town — which played host to 1.6-million visitors this month — political and economic woes were forgotten as holidaymakers took advantage of perfect Cape weather and flocked to the beaches.

Popular beaches in Cape Town are rarely visible beneath the well-kept boardwalks packed along the sandy white stretches.

People looking for more adventurous pursuits have also been catered for; a massive crane dominates the popular Clumps Bay beach as potential and experienced bungee jumpers line up for a brief headlong rush to the sands.

In Durban, the efforts of the eight-month-old Beachfront Taskforce paid dividends this weekend. Crowds were well controlled, no drownings were reported and beaches were spotless.

Thousands of people spent Christmas Day — traditionally quieter than New Year’s Day — on the beaches.

The 110 lifesavers on duty made eight minor rescues, and the day’s biggest excitement was the sighting of a harmless whale shark.

In Johannesburg, restaurants reported full houses for Christmas lunch. Both the Sandton Holiday Inn and the Sandton Sun said bookings were “exceptional” while the Johannesburg Sun hosted a special Christmas lunch for 300.

All the restaurants at the five-star Carlton Hotel were fully booked.

More than 12 000 people visited Sun City over the weekend, said Sun International spokesman Jerry Izaville.

“It has been spectacular.”

In the country’s townships, relatively quiet after a year of violence and death, people turned out in huge numbers to enjoy themselves. Shebeen owners dropped their prices as a goodwill gesture and reported a large and joyful, patronage.

To prove, he promised an internal inquiry into the activities of Dicks.

Within hours, another subscriber complained that he had paid half of the money owing on his account to Dicks, who had corded and an audiolapce of the whole transaction.

Suspended

Dicks, who lives in Germiston, was immediately suspended.

However, the man who

scribes who had paid Dicks money still owed Telkom R16 567.

Unless they could produce official receipts for payment of their accounts, they would not only have to pay the amounts in full but Sunday Times that there was never more than R350 000 in the suspense account.

It is also believed that Dicks was working alone.

Dicks was unavailable for comment.