FOREIGN FIRMS S.A

~~gen~~ Other

MISCELLANEOUS

1975 - 1988

SA-Japan trade increases

26/1/88 B/day

DIANNA GAMES

THE total value of trade between Japan and SA in 1987 increased from 1986 by 2% on a yen base and 19% on a US dollar base, according to a preliminary estimate released by the Japanese consulate yesterday.

The figures come amid reports from Reuters that Japan's position as SA's top trading partner is causing Foreign Ministry officials in Tokyo embarrassment and prompting accusations that Japan is filling the trade vacuum left by disinvesting US firms. This was denied by the Japanese.

Consulate spokesman Shikeaki Koga said the total figure was US$4,27bn, or Yen 619,6bn. The 1986 figure for its two-way trade was $3,59bn, according to Reuters.

Koga said a breakdown of the figures had been released in Tokyo, but there had been a delay in releasing them to the SA representatives.

This prevents a comparison with US-SA trade figures in the ongoing speculation about whether Japan has overtaken US as SA's major trade partner.

In November last year, figures published in the US estimated Japan's two-way trade with SA at about $3,1bn for 1987, against US two-way trade estimated at $2,5bn.

These figures were criticised by SA's Deputy Finance Minister Kent Durr for not taking into account the exchange rate.

The latest US-SA trade figures available — those for the period January to June 1987 — show a massive drop in US imports from SA. In 1986, the total of these imports for that period was $1,191bn dropping to $654,9m in 1987.

SA trade with Japan increases

B/DAY 11/2/88

73

DIANNA GAMES

EXPORT figures for trade between Japan and SA rose from 1986 to 1987, figures released by the Japanese consul general show.

And while imports have risen in US-dollar terms, they have decreased slightly in yen terms.

Exports from Japan to SA rose from US$1,36bn in 1986 to $1,86bn in 1987.

Imports from SA to Japan went from $2,23bn in 1986 to $2,41bn in 1987.

A spokesman for the consulate office said a product breakdown of this trade would not be available until the end of the month, while 1987 figures for exports and imports between SA and the US were not yet available.

US statistics for the first half of 1987 show exports from SA to the US dropped dramatically (from $1,191bn in 1986 to $654,9m in 1987) while those from the US to SA rose slightly.

Japan has been accused of taking the market gap left by disinvesting companies and those affected by the Comprehensive Anti-Apartheid Act.

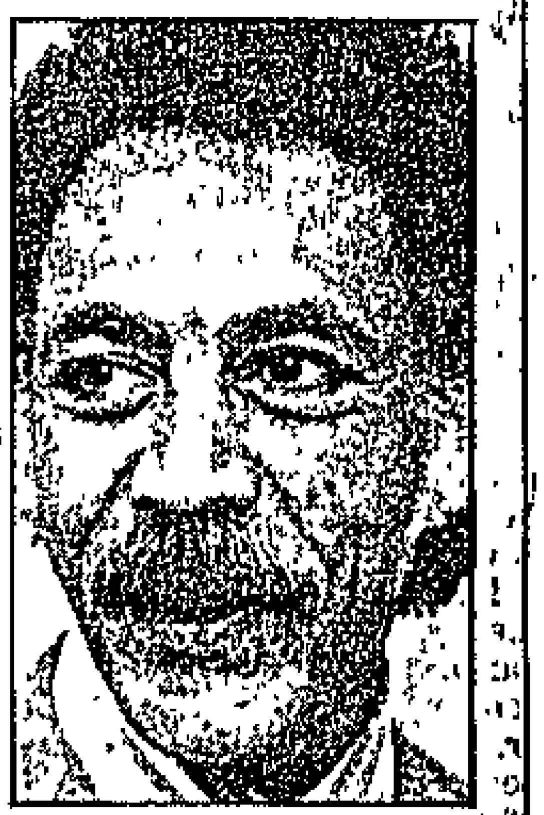
It introduced economic sanctions against SA in 1986, which include a ban on the export of computers to SA agencies enforcing apartheid and a ban on imports of SA iron and steel. But half of Japan's exports to Africa reportedly go to SA.

(73) B/day 2/2/88

☐ KOORNHOF ... goal

US ganging up on Japan for its growing trade with SA

SIMON BARBER in Washington



☐ DELLUMS ... idiocy

QUITE HONESTLY, it is impossible to predict what extra torments the US Congress will inflict on SA this year, but I think we can safely say that Ambassador Piet Koornhof's current goal of avoiding any new legislation by the super Tuesday primary elections on March 8 will be met. Another triumph!

Alas, seeing that Congress will not be much in session before then, this is something of a straw man.

The Dellums total-except-if-it-hurts-us isolation Bill is high on the usual suspects' agenda, as is a poisonous little numero designed to kick oil companies.

Secondary boycotts are also climbing the hit parade, with Japan, SA's new number one trading partner, as the principal focus.

To understand what joy Japan's latest trade figures are giving the sanctioneers, you only have to recall the scene of nine Congressman assaulting a small Toshiba radio with sledgehammers on the steps of the Capitol last year.

The radio may have bought it, but thanks to Japan's US$58bn trade surplus with the US, the yellow peril theme is going to play and play.

And the truth is, the sanctioneers have run out of fun things to do directly to SA.

In the first nine months of 1987, the value of US imports from SA totalled US$974m.

Of that, US$530m was for platinum and platinum group metals (up from US$496m for the same period in 1986), and US$99m was for ferro-alloys.

In other words, nearly 70% of what remains to be embargoed is of a "strategic" or "critical" nature, and exempted even by Dellums. So if Congress wants to expand its bullying of SA, and does not want to enrich the Soviet Union at the expense of its own industrial and defence base, it is going to have to find other targets.

Section 402 of the Comprehensive Anti-Apartheid Act (CAAA) adumbrates the approach:

"The President is authorised to limit the importation into the US of any product or service of a foreign country to the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any sanction or prohibition against any national of US imposed by or under this Act."

The congressional black caucus and Congressman Howard Wolpe's cretinous House Africa sub-committee are discussing this in stage whispers, hoping to scare any American ally who declines to follow America's "moral leadership".

Fortunately, low-velocity meringue is not a particularly frightening weapon. Section 402 is low-velocity meringue.

To give it a little boost, Wolpe commissioned the General Accounting Office to do a study of SA's international trade.

It is due out shortly, and however disappointing its conclusions, the worthy member for Kalamazoo is up to the task of making the thing sensational.

Sophistry is needed to prove that Japan, or most anyone else for that matter, has taken advantage of the Act. Advantage presumably means increased market share in, rather than volume of exports from, SA.

The fact that the Japanese purchased US$1,6bn worth of coal from SA last year — if indeed the figure cited by Senator Paul Simon is a fact — would not seem to constitute an advantage.

A disadvantage for West Virginia's impoverished miners, you might tendentiously argue, but not a definite, Act-related plus for the mighty Ministry for International Trade and Investment.

As it happens, everything that Japan sells to SA — car assemblies, cameras, VCRs, industrial equipment, computers — American companies remain at liberty to sell also, except, in certain instances, when government is the customer.

In those instances Japan has much the same restrictions, and, unlike the US, it bans direct investment outright.

American exports to SA were up more than 6% last year over 1986 and, thanks the CAAA's various embargoes, trade between the two countries is now in almost perfect equilibrium, with SA showing a very modest surplus of some US$110m at the end of November — less than a tenth of what it was the year before.

Perhaps Congress should penalise *itself* for taking advantage.

In only one of the Commerce Department's 10 major export categories has there been a significant drop in sales.

Exports of mineral fuels and lubricants plummeted to US$9,5m between January and December last year from US$24m over the same period in 1986.

This can be attributed to the Act's petroleum products ban and was more than made up for by increased sales of machinery and transport equipment (US$397m to US$424m) and chemicals (US$170m to US$186m).

The point remains that if American companies are losing market share in SA, it cannot be ascribed to any particular provision in the CAAA.

Japan may have benefited from the atmosphere created by the law, but the word "atmosphere" does not appear in Section 402.

Nor is there any mention of the rising value of the yen, perhaps the most important factor in Japan's new number one status.

Also unmentioned are the growing array of state and local ordinances penalising business ties to SA.

Kyoto does not threaten to boycott Toyota because there are Toyotas on SA's streets. It leaves that kind of loopiness to the pharisees of Los Angeles and San Francisco.

Obviously, if the sanctioneers want to have a crack at Japan they will need to come up with language more convincing, not to say mandatory, than Section 402.

I sincerely wish them luck in getting something exquisitely vicious on to the statute books.

I do so because it is my fondest hope that Messrs Wolpe, Dellums and the gang will finally manage to pull off an Act of such awe-inspiring idiocy that the entire country will have to suffer.

Giving the protectionists extra ammunition to thug up on Japan would be an excellent step in this direction.

Let's have some truly stiff quotas on Japanese cars, I say, and prohibitive tariffs on Japanese steel and electronics and a total embargo on the Japanese microchips that have made the US boom in personal computers possible.

Let's make enemies of the world's biggest creditor nation and most successful industrial power. Really punish them for daring to take advantage in SA.

Here is one prediction of the outcome, courtesy of George Packard, Dean of the School of Advanced International Studies at John Hopkins University:

"This would lead to retaliation, recrimination and a search for different partnerships. Each side would seek to gain technological advantage in a zero sum game. Industrial espionage would run rampant.

'Japan would turn to markets and raw materials from the Chinese and Soviets. Japan would find it necessary to protect a widening economic sphere in Asia and the Pacific, placing it in direct confrontation with the US and upsetting the balance of power."

A more reasonable approach would be to encourage the Japanese to invest some of their surpluses in black business development, education and helping workers leverage ownership stakes in their employer's companies — in short, just the sorts of things that the Dellums brigade despises.

But that would be constructive, wouldn't it? And therefore hopeless.

73 B/Day 4/2/88

TRADE WITH TAIWAN UP 66%

MANDY JEAN WOODS

BILATERAL trade between the Republic of China (ROC) and SA increased by 66% to $911m last year, an ROC embassy spokesman said yesterday.

Economic counsellor C C Kan said he hoped the bilateral trade with SA would improve by a further 50% in 1988.

Kan said SA registered a $80m trade surplus with the Republic of China in 1987.

In contrast to the sharp increase in trade between the two countries, Kan said the ROC's overall trade growth last year was only 37%.

The three main SA exports to Taiwan were basic minerals, energy materials and agricultural products. SA's three main imports from Taiwan were electronic products, textiles and plastic products.

Kan said the enormous trade growth over the past year was due to improved relations between the two countries.

Kan estimated the potential value of trade between the two countries could be as high as $8bn a year.

STAR 24/2/88

Sugar markets affected by cutback

Japan feels effects of SA sanctions

73

TOKYO — Japan's attempts to extricate itself from what it sees as an embarrassing position as South Africa's top trade partner are already affecting trade elsewhere, notably in the world sugar markets.

Tokyo trade houses said yesterday that sugar supplies in Asia would be tight this year, as Japan tries to cut sugar imports from South Africa and take more aother suppliers.

They said the government had asked them to exercise restraint in trade with South Africa, although it had not yet officially requested a cutback.

"We think that total South African sugar imports will decrease in calendar 1988 because every company is trying not to increase trading volumes with them due to political sensitivities," said a trader at one major house, who declined to be identified.

As the United States, West Germany and Britain cut back business ties with South Africa in protest against apartheid, Japan last year found itself South Africa's top trade partner with a total $4,27 billion in bilateral trade against $3,58 billion in 1986.

The sugar market has thus become the first major commodity market to be seriously affected by Japan's changing policy toward South Africa trade.

It buys substantial amounts of coal, grains and gold from South Africa.

Japan is South Africa's biggest sugar customer. It took more than 400 000 tons in 1987, and 331 866 tons the year before. In 1986, South Korea bought 194 000 tons of South African sugar and Canada took 128 000.

Japan's other main suppliers are Thailand and Australia. Traders agreed that about 350 000 tons a year from South Africa would not cause too many political problems.

But, another trader said, "another 50 000 tons or so of Japanese purchases from Asian producers will accelerate the supply shortage in the Asian sugar market."

A severe shortage has already pushed Asian sugar prices to unseasonably high levels.

"The problem is that we depend on only four nations to import sugar," an official at a sugar-refining company said.

However, the fourth supplier, Cuba, has proved a most unreliable source, the traders said.

Brazil could be a big supplier but shipping costs would make its sugar expensive for Japan, they said. — Sapa-Reuter.

73

Heat on Japan over SA trade ties

ALAN DUNN

WASHINGTON — Black US congressmen are trying to turn the heat on Japan's Prime Minister, Mr Noboru Takeshita, to end his country's surging trade with South Africa.

"Economic isolation can only hasten the demise of apartheid," Congressman Mervyn Dymally, chairman of the Congressional Black Caucus representing America's 23 black Congressmen, wrote to Mr Takeshita.

The letter was delivered to the Japanese Embassy here this week in response to reports recently in US newspapers that Japan had last year become South Africa's leading trading partner. The reports said the Tokyo government was "very much worried and embarrassed" by that position.

Japanese Foreign Minister Sosuke Uno was scheduled to meet business leaders in Tokyo to request greater restraint of the corporations in their trade with South Africa.

Mr Dymally pointedly noted the interest of black America in the apartheid issue. US blacks, he said, represented a consumer entity with purchasing power "greater than the gross national product of the ninth largest nation in the world".

The caucus stopped short, however, of actually threatening Mr Takeshita with a black American consumer boycott of Japanese products if he did not comply.

Mr Dymally said the caucus felt all nations doing business with the South African Government were prolonging oppression of South Africa's black millions.

"Your leadership and that of other heads of state is crucial to erasing the blight of apartheid from the face of the earth," the letter told Mr Takeshita.

The US law imposing economic sanctions against South Africa, the Comprehensive Anti-Apartheid Act of 1986, had established "what we view as a floor below which nations of conscience must not fall, despite the clear and present pressures of private enterprise," he said.

Section 402 of the Act authorises the US President to limit imports or services from any country which benefits or takes advantage of American sanctions against South Africa.

When reports of R8,54 billion in trade between Japan and South Africa emerged last year, caucus members and the House of Representatives Foreign Affairs Committee immediately examined Section 402 with a view to possible action against Japan.

Iscor denies deal for Japanese plant

(43) BDay 8/3/88

MICK COLLINS

ISCOR yesterday denied it had had secret negotiations with Japan for the purchase of a hi-tech, multi-million rand electrolytic galvanising (EG) steel plant.

But Iscor public relations manager Piet du Plessis, reacting to a report in Business Day, confirmed to Sapa the steel giant is to establish a plant at its Vanderbijlpark works.

In a tersely worded statement to Business Day, Du Plessis said: "There is no question of a secret transaction soon to be signed."

By the end of March Iscor would issue an open inquiry for the construction of a R60m EG plant to produce materials for use, among others, in the motor industry, which imports this material.

"There are companies in a number of countries which have the necessary technology and at this stage it is not known which concerns would be interested in tendering for the contract."

However, motor industry sources yesterday again reaffirmed that Japanese technology would be bought.

"If Iscor was not involved directly, then someone — government — definitely was," said one highly placed motor industry source.

He also confirmed that opposition from locally based German vehicle manufacturers was one of the reasons for Iscor's reticence in announcing the deal.

Japan restricts trade information

Fujitsu denies reports of SA withdrawal

(73)

B/day 8/3/88

DIANNA GAMES

FUJITSU, Japan's largest domestic computer manufacturer with a fairly large SA market, is not withdrawing from SA.

A spokesman for Fujitsu distributors, M & PD Micro and Peripheral Distributors, denied weekend reports that Fujitsu was to withdraw its computer printers from SA, saying the company was obviously mentioned in error.

He said an official denial was being prepared in Fujitsu's Tokyo headquarters.

Fujitsu was included with Pioneer and NEC (Nippon Electronic Corporation), both of which distribute through local companies, as being among the Japanese companies that are to withdraw their products from SA.

An official clampdown on information regarding details of Japan's trade with SA has been implemented through government agencies in SA to discourage trade.

The Japanese consul general in SA, Shigeaki Koga, yesterday said his office had implemented this restriction so as not to help or support any trade activities with SA.

The Japanese External Trade Organisation (Jeto) has also introduced an information clampdown.

A spokesman for the Kanematsu Gosho Corporation, one of nine Japanese trading houses with offices in SA, said it had not been officially told of any government request to limit trade.

He said it seemed unlikely the Japanese government would make a decision on any trade restrictions with SA this year, until it could assess if Japan remained SA's largest trading partner.

Many Japanese-linked organisations were yesterday reluctant to comment on Japan's increased profile on trade issues as it was "too sensitive".

Japan has imposed limited sanctions on SA over the last few years.

Last year it became SA's largest trading partner and two-way trade rose 19% from 1986, while in yen terms it rose 2,2%. Japanese officials say much of the increase is due to the rise in the Japanese yen.

Hitachi limits exports to firm selling to SA

73

STAR 10/3/88.

TOKYO — Hitachi has agreed to limit exports of computer parts supplied to the West German firm Comparex for assembly and sale to South Africa, a Hitachi spokesman said yesterday.

Hitachi took the step to show possible US critics that it does not intend to take advantage of the withdrawal of American computer firms from South Africa by boosting its own market share there, the spokesman said.

Hitachi supplies central processing units, magnetic disk devices and other computer components to Comparex, a joint venture of West Germany's Siemens and BASF.

Comparex assembles the parts and sells the computers under its own brand name in South Africa.

Comparex agreed to a Hitachi request to observe a Japanese government ban on the sale of computers to the SAP, SADF and other bodies involved in implementing Pretoria's policy of apartheid, the spokesman said.

The two parties also agreed that the value of parts supplied by Hitachi in the business year ending March 31, as well as next financial year, will not exceed the value shipped during the previous financial year.

Industry sources estimated 1986/87 shipments were worth about $39 million (about R88 million). The value of shipments in the current year was likely to be about half the previous year, the spokesman said.

The foreign ministry is embarrassed over Japan's status as South Africa's largest trading partner and fears possible US charges that Japanese firms are filling a vacuum left by American companies, which withdrew in protest against apartheid.

Toyota has also said it will act "prudently" over its exports to South Africa and Nissan is considering export limits.

Last week the electronics firms — NEC and Pioneer — also said they would restrict exports to South Africa, and official pressure is expected to be brought to bear on other Japanese manufacturers. — Reuter.

Hitachi cuts parts for SA computers

TOKYO — Japanese computer-maker Hitachi has agreed with the West German firm Comparex to limit exports of computer parts supplied to Comparex for assembly and sale to SA, an Hitachi spokesman said yesterday.

Hitachi took the step to show possible US critics it did not intend to take advantage of American computer-makers' withdrawal from SA by boosting its own market share there, the spokesman said.

With its action, Hitachi has joined a small but growing list of Japanese companies which have said they will limit exports to SA following pressure from the foreign ministry.

Hitachi supplies central processing units, magnetic disk devices and other computer components to Comparex, a joint venture of West Germany's Siemens and BASF. Comparex assembles the parts and sells the computers under its own brand name in SA.

Comparex agreed to a Hitachi request to observe a Japanese government ban on the sale of computers to the SADF and other bodies involved in implementing the policy of apartheid, the spokesman said.

The two sides also agreed the value of parts supplied by Hitachi in this business year, ending on March 31, and next year would not exceed the value shipped last year.

Industry sources estimated 1986/87 shipments were worth about 5bn yen. The value of shipments in the current year was likely to be about half the previous year, the spokesman said.

The Foreign Ministry is embarrassed by Japan's status as SA's largest trading partner. — Sapa-Reuter.

80 73 B/day 10/3/88

D/D 11/3/88

Spring: firm has no EL link

MR SPRING

Daily Dispatch Reporter

EAST LONDON — The Taiwanese firm which was paid R28 000 by the Border Metropolitan Development Corporation (Bomedco) for organising seminars for the corporation in Taiwan last year has no connection with a company of the same name in East London.

This was said by the chairman of Bomedco and local director of Alkhan Management Services here, Mr Errol Spring. He said Alkhan Industrial Consultants (AIC) — which has a branch in Taiwan — was not part of the same company here.

The Taiwanese branch of AIC, was responsible for organising the two Bomedco seminars which were held in Taiwan last year.

The executive director of Bomedco, Mr Ted Walsh, told the Daily Dispatch earlier that R28 000 had been paid to "a Taiwanese firm" for organising the seminars which were attended by 150 industrialists in Taipei and Taichung.

Mr Spring said Bomedco was not a "clandestine" operation and its books were open for inspection to everyone.

He said that as far as he was aware a Mr Charles Wong, a chartered accountant by profession, had been Alkhan's representative in Taiwan who had been responsible for the seminar package deal.

He said an arrangement existed with Alkhan that if they brought industries into East London, they would be paid a certain fee.

He confirmed R28 000 had been paid to AIC in Taiwan for the seminars.

Mr Spring said that AIC and the East London office, known as Alkhan Management Services, were "two separate companies".

He said AIC was responsible for the recruiting of industrialists while Alkhan Managment Services provided professional advice and service on financial and management issues.

Mr Spring said the local company provided a management and accounting service to companies which could not afford these as internal services. He said assistance was also provided as far as decentralisation benefit claims were concerned.

Mr Spring said that while he was the local director, he was not an executive director and did not actually work for Alkhan.

Japan in a quandary over limiting its exports to SA

TOKYO — Japan will monitor its booming and embarrassing trade links with South Africa, but officials differ about ways to keep them from growing further.

"We have agreed to watch the trend carefully for a while," an official at the Ministry of International Trade and Industry (MITI) told Reuters yesterday. "And we will continue to talk with the Foreign Ministry."

But the MITI official denied local press reports that his ministry had been asked by the Foreign Ministry to create guidelines or specific targets for reducing Japanese companies' trade with South Africa.

The Foreign Ministry is embarrassed over Japan's status as the largest trading partner of Pretoria, internationally condemned for its apartheid policies.

Tokyo's diplomats are worried about potential US charges that Japanese companies are filling the vacuum left by American firms withdrawing from South Africa in protest against apartheid, political analysts said.

The ministry has been urging business groups to show restraint, and Foreign Minister Sosuke Uno will renew that plea today in talks with the Japan Committee for Economic Development, a government source said.

But the diplomats lack the authority to control companies. Such a mandate lies with MITI, the source said.

MITI, however, has maintained that existing Japanese government sanctions, including a ban on direct investment in South Africa and on bank loans and weapons sales, are enough.

But earlier this month business leaders hit the ball back into the government court when Eishiro Saito, chairman of the influential Japan Federation of Economic Organisations, asked the government to come up with concrete criteria for limiting exports.

"If the government makes regulations, we will cooperate and abide by the regulations," Saito told reporters. — Reuter.

● Sapa reports that South African representatives of several coal producers are presently pricing long-term contracts in Japan which could be worth millions of rands to the Republic.

A spokesman for the Transvaal Coal Owners' Association said in Johannesburg it was too early to comment but that a statement could be forthcoming when the representatives returned from Japan next week.

He said criticism of Japan as South Africa's leading trading partner could upset the negotiations, and cautioned the media to be careful in any reports on the contracts.

73 B/day 18/3/88.

Japan 'will not limit SA coal imports'

WILLY STERN

TOKYO — Japanese government trade officials told Business Day today that Tokyo had no plans to limit coal imports from SA.

Earlier this week, a Japanese Ministry of International Trade and Industry (Miti) spokesman said the government had no plans to issue guidelines naming companies that must cut trade with Pretoria as advocated by the Japanese Foreign Ministry.

Instead, the government has agreed "to monitor Japan's trade with SA in an attempt to reduce, in dollar terms, 1988 trade to below the 1987 level", he said.

Miti Middle East Africa office director Yoshiaki Umemura said his office would continue to monitor SA coal imports, which dropped slightly in 1987.

In late 1986, the Japanese government halted imports of SA iron and steel products but stopped short of cutting off coal and other crucial raw materials bound for this resource-poor country.

However, Miti sent a letter to Japanese importers of SA coal in September 1986 asking that they look for alternative supplies. This situation remained unchanged, Umemura said.

Meanwhile, Rand Mines coal division deputy chairman Allen Cook said the SA coal executives, now in Tokyo and who return to SA on Saturday, could not comment on the ongoing negotiations.

Business Day understands that Japan's decision not to set a target figure for reductions in the total trade with SA was designed more for easing foreign criticism than for reducing trade levels.

● See Page 4

DIO 22/3/88 (73)

SA to suspend preferential duty on Turkish imports

Daily Dispatch Correspondent

JOHANNESBURG — The government has given formal notification of the suspension of its preferential trade agreement with Turkey.

A Department of Trade and Industry (DTI) spokesman said yesterday notice of the suspension had already been published in last Friday's Government Gazette.

The agreement, which was originally announced on January 1 this year, gave importers a preferential 3 per cent customs tariff rebate on Turkish imports. The customs tariff rebate meant all goods from Turkey would carry a maximum duty of only 3 per cent against a previous average of 30 per cent. The move raised a storm of protest, especially from the local textile industry.

The Government Gazette notice, signed by the Deputy Finance Minister, Mr Kent Durr, said the provision for a rebate of duty on imports produced or manufactured in Turkey had been withdrawn with effect from April 29.

The chief executive of the Textile Federation, Mr Stanley Shlagman said: "We are very pleased with government's announcement. We are only sorry we were not consulted in the first instance."

Trade sources said yesterday the original intention of the Turkish agreement had been to redress the trade imbalance between the two countries which saw SA export goods to the value of about R400 million last year in comparison with only R10 million in imports from that country.

However, international criticism has been that South Africa would use Turkey's free ports in a bid to beat sanctions and that the preferential trade agreement had been made on a quid pro quo basis with Turkish exporters being assured of a ready market in South Africa.

SA trade with Taipei surges

MICK COLLINS

SA trade with Taiwan had increased "astronomically" with imports from Taipei growing by 93% last year, the SA Foreign Trade Organisation (Safto) said yesterday.

It said recent trade statistics indicated two-way trade had inceased by 54% in 1986 and 66% in 1987.

Calling on manufacturers to use the facilities at the Taipei World Trade Centre, Safto said: "Already 232 SA manufacturers are using the centre as a major vehicle to promote their products in Taiwan and the Asia Pacific basin."

And in a speech released to Sapa in Cape Town yesterday, Economic Affairs Minister Danie Steyn said SA's representation at the new World Centre was an important marketing experiment as well as a strengthening of ties and friendship with Taiwan.

TECHNOLOGY TRANSFER

GBS ties up with Taiwan

GBS has entered what is described as "a technology partnership" with Mitac, a leading Taiwanese hi-tech group which employs 1 100 people and has a projected turnover this year of $320m. Among the fruits of the arrangement will be technology transfer for local manufacture of powerful mid-range, multi-user computer systems.

According to GBS Sales MD Jack Dunwoody, local manufacture could begin next year.

GBS subsidiary Micronics, which was bought from the Murray & Roberts group last November, is already distributing about 400 locally assembled PCs a month sourced from Mitac, which is estimated to hold about 8% of the current South African market.

Dunwoody

Another important development for GBS is that Mitac has concluded a series of licensing agreements with IBM to produce clones of the US computer giant's powerful new generation Personal System/2 (PS/2) model 30. This should give GBS the edge in this market in SA, as IBM's own machines will be significantly more expensive. Although other clone manufacturers are known to have duplicated IBM's PS/2 technology, these are unlikely to reach the market in large numbers, as IBM is restricting licensing arrangements and has warned that it will litigate against anyone infringing its patents and copyright.

In terms of its agreement, Mitac will pay IBM an 8% royalty on each machine it sells. Group founder and president C S Ho tells the *FM* that negotiations are continuing with a view to licensing IBM's revolutionary "micro-channel" architecture, which is used in more powerful models of the PS/2 and which offers tremendous gains in speed and processing power.

Mitac was started in 1974 as the representative of Intel, developer of the microprocessor (computer on a chip). Its first year of operation was spent exclusively in training Taiwanese engineers in the use of the new silicon chip technology and it thus claims to have brought the computer industry to Taiwan. Since then, it has branched out into most of the information industry, with subsidiaries involved in the design and installation of large mainframe systems, computer-aided design and manufacturing (CAD/CAM) systems, electronics-related chemical engineering, telecommunications and publishing, as well as being one of the world's major suppliers of PCs.

The group is now in the process of setting up its own plant to manufacture application-specific semiconductors, which are chips designed to perform specific functions. This will give Mitac greater flexibility in developing solutions, while reducing its dependence on other suppliers.

Mitac products are now distributed in 60 countries and, to ensure the group benefits from leading-edge technologies, Ho has set up research and development facilities in the US and in Japan. In addition, the group has branches in Hong Kong and West Germany and is setting up in the UK.

The next major area the company will be tackling is a mid-range multi-processor system with a processing speed of about 25m instructions per second. Mitac plans to bring this product to the market within two years.

"We are aiming to achieve new levels of cost/performance," says Ho. "This year we will spend between $4m and $5m in development. This is equivalent to spending $15m in the US, because development in Taiwan costs only about one-third of what it does in the US." He believes there is great opportunity for his group and GBS to bring new technology and products to the local market and for Mitac to help GBS develop its own machines.

"The computer industry is no longer technology-driven," he says. "It is now market-driven. We needed a partner who knew this market and could provide service to the customer, so we will be working together to set up a manufacturing facility in SA."

Hammerschmidt

Mitac sales manager Daniel Chou says the group has been impressed by the high quality of South African engineers, but warns that the local market alone is too small to justify large-scale development.

"You need to move into exporting and we believe our technological partnership with GBS will help it to export," he says.

Taking a global view, GBS chairman Martin Hammerschmidt says he expects Taiwan to be the first country in the world to challenge the US in the area of minicomputers (machines filling the gap between powerful PCs and mainframes).

"Taiwan is starting to become dominant in this area as Japan has become dominant in such areas as cars and radios," he says. "It is now a force to be reckoned with worldwide. The US has not yet woken up to the range of machines available from Taiwan and what this means," Hammerschmidt says.

Ho and Chou met Minister of Economic Affairs and Technology Danie Steyn. Chou tells the *FM*: "We stressed to the minister the need to upgrade education. Taiwan has few natural resources and we had to develop our only asset — our brains." ■

DESIGN TOOLS

Too hi-tech?

SA is being urged to develop its electronics industry, but there are fundamental disagreements about the strategy the industry should adopt.

For instance, Skok Systems, a leading supplier of computer-aided design and manufacturing systems, maintains that development efforts will be wasted if technology to automate electronic design is not made a central part of the development strategy.

According to Skok sales manager John Reidy, economic factors and lack of information at senior management level on the critical role of electronic design automation (EDA) systems is holding back the move to this technology.

"Even though our electronics industry is slightly larger than that of Australia, South African companies spend less on EDA," he says.

But, while they admit that SA is lagging behind in this area, other industry spokesmen say the country doesn't need such sophisticated technology anyway.

Skok is marketing a system called Cadstar from UK-based Racal-Redac which, Reidy says, combines all the skills and disciplines necessary to do engineering, design and manufacturing of electronics components. The main thing that is holding back adoption of this technology is SA's "technological conservatism," he says. This is in marked contrast with the ready acceptance of EDA by managers in most Pacific Rim countries, for instance.

According to Racal-Redac international distribution sales manager, Kevin Hicks, Korea has 100-150 EDA systems, Taiwan 70, Singapore 100, India several hundred and Australia 50-70. SA has only three.

Europe, too, is using EDA extensively, says Hicks, for two reasons: the need to keep costs down and the fact that it is impossible to handle the complexity of the latest technology without using EDA.

Abuse of development aid alleged

Taiwanese firm makes a profit without sales

By Claire Robertson
Pretoria Bureau

A Taiwanese firm producing Christmas baubles in Umtata, Transkei, rewrote the book on business in 1984 by showing a profit after one year of operation — without having sold a single product.

The firm received R120 000 a year from the Transkei Development Corporation in "training incentives" — intended to supplement workers' wages.

This classic case of the abuse of so-called development aid in the "independent" homelands is provided in a paper delivered by Richard Haines, a senior lecturer in Unisa's department of development administration and politics.

Decentralisation policy

Recently released figures show that the South African Department of Foreign Affairs alone poured more than R1,8 billion into development aid for the TBVC countries last year.

Just who benefits from this aid comes under scrutiny in Mr Haines's paper.

The main component of homeland development strategy is the industrial decentralisation policy, in essence the practice of paying industrialists to set up factories in areas they would otherwise avoid.

In a survey of 12 industrialists in Ciskei, 10 admitted that they would not have chosen the region without financial incentives. More than half the firms also admitted to being dependent on concessions for survival — even though some had been established for more than three years.

"There is considerable abuse of the incentive package," says Mr Haines, but the area of greatest abuse is that of wages.

There have been reports of firms in the TBVC countries employing more than 100 gardeners — and paying them far less than the subsidy of a monthly R110 per worker — and of certain firms claiming the full subsidy for workers who do not exist, or for part-time workers, said Mr Haines.

Not only is the funding of training incentives abused, but the system ultimately retards the growth of a skilled labour pool in the independent homelands.

"To put it crudely, there is generally far more profit to be made from employing or training numbers of unskilled or semi-skilled labourers rather than developing skilled workers and managers," said Mr Haines.

"It is ironic that some of the beneficiaries of the homeland system are not even residents of South Africa. The homelands have provided rich pickings for foreign business concerns with questionable credentials and often off-shore listing.

"They have proved adept at playing on the resentment of the homeland ruling elites towards the South African Government, and in exploiting the propaganda that the TBVC states are really independent states," said Mr Haines. He singled out the Gur Corporation, listed in Panama and particularly active in Ciskei and Bophuthastwana.

"Among the projects it has been involved in was a hospital in the Ciskei which was condemned even before the building was commissioned.

"As part of the bait to secure the relevant tender from the Department of Health in Ciskei, the company built a house and bottle store for the secretary and Minister of Health respectively," said Mr Haines.

Public sector

"A feature of all the TBVC bantustans has been the substantial growth of the public sector," he said. One of the main reasons for this is that an expanded public sector provides an attractive source of income "for reassignment for political reasons".

Development corporations have been used for providing housing for family and friends of politicians.

"Bottle stores and petrol stations are favoured items.

day crash. In London the FTSE 100 closed 16 points up at 1 761,1.

mentum.

The March Reserve Bank quarterly bulletin says demand for bank credit

A M J J A S O N D J F M

Source: SA RESERVE BANK Graphic. JOHN McCANN

SA, Taiwan seek trade worth $2bn a year

MICK COLLINS

AN elaborate bilateral trade drive is under way to boost SA's trade with Taiwan to $2bn a year by 1990.

The SA Foreign Trade Organisation (Safto) said coming off a base of $600m in 1986 and a estimated base of $1,2bn for 1987/88, the target could well be within reach.

Safto export-management services GM Warren Smith said yesterday that Safto's counterpart in Taipei, the China External Trade Development Council (Cetra), had made the forecast.

He said in view of sanctions, trade statistics locally were being closely guarded and figures, forecast or otherwise, were not being released.

"But Cetra chairman P K Chiang has gone on record as saying Taiwan wants to increase two-way trade and that the $2bn mark can be achieved.

"All I can tell you is that trading activity has increased tremendously in the last two years. Due to government (SA) restrictions, no statistics can be

To Page 2

73 Bday 8/4/88.

Taiwan, SA seek trade boost to $2bn a year

From Page 1

released but the tempo is quickening."

However, published statistics show that SA imports from Taiwan grew by 93% last year and two-way trade increased by 54% in 1986 and 66% in 1987.

Smith was speaking on his return from the opening of the SA Export Mart at the World Trade Centre in Taipei.

The exhibition, which will run until the end of December, was opened by SA's Economic Affairs Minister Danie Steyn last week.

Smith said: "South African business has taken more than 230 stands at the exhibition. This is a sample showcase for SA goods in the Asia/Pacific marketplace. One of the advantages of exhibiting in Taiwan is that about 50% of the buyers are foreign. That is, they are not Taiwanese. SA business is capitalising on our good relationship with Taiwan."

During its first year in operation (1986), the World Trade Centre attracted 1,7-million visitors, among them a combined total of 300 000 buyers.

Commenting on past criticism of Taiwan's trading policies, Smith said the upsurge in trade with SA was as a direct result of the "liberalising" of China's trading structures. Also, import duties had been brought down considerably.

The country's trade surplus in 1987 hit a record $19,03bn — a jump of 21% on the previous year. Taiwan's 1987 exports and imports also rose to record levels. Exports were listed at $53,53bn, up 34,5% and imports were up 42,8% to $34,5bn.

"Taiwan has perhaps the largest foreign-exchange reserves in the world. The country and the people are a lot wealthier than they were a few years back. The money has got to be spent and this is where SA exporters can cash in."

Among the exhibitors at the World Trade Centre are Armscor, SAA, the Industrial Development Corporation, Sentrachem and a range of products representing a cross-section of SA industry.

More Japanese aid for Africa

B/day. 73 8/4/88

TOKYO — Japan is stepping up aid to black African countries which have suffered from SA's military incursions and its policy of regional destabilisation, Foreign Ministry officials said yesterday.

The move follows adverse publicity about Japan's position as SA's largest trading partner and the apparent reluctance of many Japanese companies to cut trade as a protest against apartheid.

"Although our contribution will still remain a fraction of what the US and European countries are giving, this is meant as a political gesture against apartheid," a ministry official said.

Peter Mmusi, Botswana Vice-President and chairman of the ministerial council of the nine-nation Southern African Development Co-ordination Conference, is scheduled to meet Foreign Minister Sosuke Uno and other leaders here next week for talks on how Japan's aid should be spent.

Last month, Japan announced that it would extend loans worth $26m to Botswana and Mozambique to repair transport facilities damaged by SA troops and guerrilla groups.

Japan last year surpassed the US and emerged as SA's biggest trading partner and is under increasing pressure from Washington and Western Europe to stem the tide.

Tokyo banned direct investment and bank loans to SA in 1965, but a flood of cars and electronic appliances and the appreciation of the yen against the dollar have boosted Japan's export figures to SA.

Two-way trade amounted to $4,3bn in 1987, up 19% in dollar terms and 2% in yen terms over the previous year, the Foreign Ministry said. — Sapa-Reuter.

FTC looks at SA as an export base

Star 17/5/88

(73)

Taiwanese company Flying Triumph Corporation (FTC), manufacturers of high-quality computer components, is represented at the fair by its managing director Mr Peter Chui.

He is in South Africa as the guest of Computype of Randburg to examine the market with a view to using this country as a base from which to export to Europe.

Computype signed a sole distributorship agreement for FTC computers and components in March.

Computype imports FTC components for the assembly of the Springbok range of computers. The range consists of a PC/AT, a PC/XT and portable XTs and ATs.

Mauritius Chamber hoping to carry on trading with SA

(73) (200)

Star 8/6/88

PORT LOUIS — The Mauritius Chamber of Commerce and Industry wants to carry on trading with South Africa.

Secretary-general Mr Jean-Claude Montocchio said in a statement that there were specific reasons why trade with South Africa should not be stopped.

He added that it was "ridiculous" to think of economic sanctions on South Africa as a means of ending apartheid.

Foreign investment had, in the past, led Pretoria to take certain measures and make certain concessions towards blacks to improve social conditions.

He said it was interesting to see the way some people were defending the interests of non-whites in South Africa, but never mentioning the human rights violations and even genocide taking place in other parts of Africa. — Sapa.

Clamp looms on new car figures

B/day 13/6/88. 73

HELOISE HENNING

THE Japanese motor manufacturing industry's desire to comply with its government's trade restrictions on SA was one of the reasons why local car sales statistics had become a sensitive and strategic issue, industry scources said.

Japanese car manufacturers hold about 40% of that country's export bill and sources said it was the industry being most watched after the release of trade figures showing Japan as SA's largest trading partner.

The sources said a Naamsa subcommittee was already investigating the industry's disclosure of sales figures and would refer its recommendations to the executive committee. The committee would make a decision on future disclosures later this month.

"Car sales are an important economic indicator in SA since the motor industy's business cycles indicate the state of the economy.

"Banks rely on the information to target their financing market and sales drives at market leaders. Bank economists and financiers now fear this information might not be available," one source said.

A banker said it was possible Naamsa would even call on government not to release Central Statistical Service details of new registrations which appeared monthly.

Scottish firm to help SA

ST 28/7/87 (73)

The Star Bureau

EDINBURGH — The South African Government is expected to sign a R60 million contract in the next few days with the RGC oil rig yard at Methil in Fife on Scotland's eastern seaboard.

RGC will be involved in work on the Mossel Bay offshore gas field.

Local members of parliament say they are hopeful the project will help safeguard the future of the men working at the yard.

However, the British Anti-Apartheid Movement condemned the move yesterday, saying it represents "serious collusion with South Africa's efforts to break the international oil embargo".

"That British firms can be in line to carry out this work for South Africa demonstrates the British government's contempt for its international sanctions commitments."

It said several other British companies, including Trafalgar House, Davy Corporation, NEI and BOC, were playing a leading role in the development of Mossel Bay.

The Scottish Trades Union Congress general secretary, Mr Campbell Christie, commenting on the RGC contract, said in the absence of mandatory sanctions, British firms would seek profits from apartheid.

But he conceded that, faced with an empty order book and 20 percent male unemployment, he could understand the decision of the workers.

SA and Taiwan: the Yin and the Yang

B.Day 8/9/88 Business Day Reporter (73)

THE island of Taiwan is today a trading giant, exporting goods throughout the world. As a result, Taiwanese standards of living are soaring and SA, meanwhile, is slipping towards national bankcruptcy.

What did Taiwan do right that SA has done wrong? The answer has nothing to do with sanctions or even politics. It lies in a series of economic policies Taiwan instituted in the '50s — policies the exact opposite of those applied in SA.

The first of a two-part series on Taiwan's success story starts on Page 6 today. The second, which will appear tomorrow, will examine interest-rate policies that promoted Taiwan's long-term growth.

Seven countries did more business with SA

(73) B/day 20/9/88

Punish Japan for SA trade, says Ramphal

CANBERRA — Japan should be punished for boosting trade with SA while other countries boycott Pretoria because of apartheid, Commonwealth secretary-general Shridath Ramphal said yesterday, Sapa-Reuter reports.

"Japan, I think, needs to bear the full weight of international opinion because Japanese have been trading with SA for a long time, have intensified their trade," Ramphal said.

He spoke after opening a Commonwealth Parliamentary Association meeting, where politicians from 38 former British colonies attacked apartheid.

A study by officials from Australia, Canada and India identified seven countries which had increased trade with SA.

Japan headed the list, with a rise of $748m in 1987 in the value of its imports from SA compared with the average from 1983 to 1985, the study said.

Japan's Finance Ministry said recently that exports to SA jumped more than 45% in the first six months of 1988, to $1,14bn. Bilateral trade, including imports as well as exports, rose 13% to $2,15bn.

The study named the other countries as Taiwan, West Germany, Switzerland, Italy, Spain and Turkey.

□ IAN HOBBS reports that the left-wing Daily Mirror of London has accused India of serious hypocrisy in its attacks on SA.

Condemning racialism and repression in India, the Mirror said: "Far from being at daggers drawn, it is a wonder that India and SA haven't signed a treaty of friendship."

The Labour-backing newspaper said: "India's protests against the apartheid regime in SA would count for more if it were to stop behaving like it.

"Despite the fact that it is illegal, the notorious caste system still operates in India and the government there hasn't been able to end it.

"Caste discrimination is no different from colour discrimination."

it said investigative journalism may soon be impossiblein India -'just as it is in South Africa.'

ends

(13)

BUSINESS

Chopstick economics and the homelands

As the Taiwanese businessman explains, there are plenty of reasons for investing in South Africa's homelands: no unions, cheap labour, tax concessions and subsidies galore. SIMON NGOMANE reports from East London

THE world's largest chopsticks factory is not in the East but in Transkei, next to the Langeni pine forests. The two million chopsticks the factory produces each day are shipped to the Far East.

The Bophuthatswana National Development Corporation has a colour catalogue written in Mandarin and it offers to take potential investors from the East on reconnaissance tours.

These are some of the signs of the influx to South Africa's "homelands" of Taiwanese investors who are taking advantage of incentives for decentralised industries.

There are at least 120 Taiwanese factories in "homelands" like Transkei, Bophuthatswana, Venda, Ciskei QwaQwa, kwaZulu, kaNgwane and kwaNdebele, the Taiwanese trade mission representative, George Shih, told the *Weekly Mail*.

He said Taiwanese investments in these areas were "business deals" arising from that country's good relationship with Pretoria. But he said the influx was also due to their difficulties in coping with the strength of Taiwan's currency. And they derive great benefits from their deals with the "homelands".

The Taiwanese dollar has appreciated by about 40 percent, Shih said. As a result many businesses are relocating their plants to other countries.

The strength of the Taiwanese dollar — and the rand's weakness — mean these entrepreneurs can produce goods in South Africa for export to Taiwan more cheaply than they can manufacture them there.

The availability of cheap labour in the "homelands", with wages at a maximum of R80 to R120 a month, is one attraction. Another is the largely trade union-free environment. Unions are unwelcome in Ciskei, Bophuthatswana and Transkei. Others are not unionised because of their geographic distance from South Africa's industrial centres.

Decentralisation incentives include large sums of money available to investors as relocation expenses, factory rent at 20 percent for 10 years and a wage subsidy that can be as big as 95 percent for seven years, depending on the geographic position of the area chosen. The further you go into the "homeland", away from the business centres, the more subsidy you get.

Ciskei operates as a "tax haven", levying no company tax and little personal income tax. The aim of its tax system, introduced over two years ago, was to attract quality, profit-oriented, self-funding industries.

The first R8 000 in personal income is tax free in Ciskei and there is no estate duty, capital tax or donations tax.

The government's income comes from general sales tax and witholding tax on dividends and earnings leaving the country. Businesssmen have a choice of the concession method or "tax haven" system.

Thaba'Nchu in Bophuthatswana is popular with Taiwanese and other investors — so popular the locals have renamed it "Bophuthachina". It is far from the main centres, so the benefits are great. That means a 95 percent subsidy courtesy of the Bophuthatswana Development Corporation which will pay a wage package of up to R100 a worker for seven years.

The incentives offered to investors have brought all sorts of factories from the East to the "homelands". And rice fields have been established in Venda, Lebowa and Gazankulu.

For the Taiwanese, another attraction is the ease with which they can start a business without competition.

Shih says their business in the "homeland" is a success although he complains of problems Taiwanese business people have encountered. "The first problem is language. Most blacks cannot speak English and so communication is difficult," he says.

"We also have problems with people stealing from factories and a shortage of labour. Blacks come to work this week and just stop coming without notice. So production is not very high like in other places where we have invested in like the Philippines, Brazil and Mexico," he said.

Shih denied investors underpaid workers as salaries were set by how much each company produced.

(73) BDay 7/10/88.

'Japan fills SA trade gap'

AS EUROPE and the US have reduced trade with SA through sanctions and disinvestment, Japan has rushed to fill the gap.

An article in the magazine World Link, published in Switzerland, claims trade between Japan and SA leaped by 20% in 1987.

It says the figures have embarrassed some Japanese, resulting in the Foreign Ministry criticising Japanese industry in April.

It also says there have been disagreements within the Ministry of International Trade and Industry (MITI), which has generally supported the expansion of Japan-SA commercial relations.

The crux of the issue, according to the article, is best expressed by a senior official of Keidanren, Japan's most powerful business organisation, who says that in Japan "the moral consciousness on this issue is not that keen".

Hoping to raise that consciousness and avoid international isolation, the article says the Foreign Ministry has been trying to "re-orientate" Japanese thinking, but without a great deal of success.

The Japanese have restricted the sale of Krugerrands and the government has issued a general directive to companies to curtail SA imports.

However, the article says it is clear the Japanese government is not vigorously discouraging such activity. Neither does it actively track Japanese investment in SA, which is "considerable".

"In their myopic and, to the popular mind, uncharacteristic concentration on short-term profits, the Japanese could well find in the future that their lack of political and ethnic sensitivity had led them to invest in a losing proposition," the article says — Sapa.

Japanese ban SA uranium

73

BDay 2/11/88

TOKYO — Four regional Japanese power companies with nuclear energy plants had decided to suspend enriched uranium imports from SA and Namibia by refusing to renew contracts with certain overseas suppliers, company spokesmen said yesterday.

The companies are: Tohoku Electric Power, Kansai Electric Power, Chubu Electric Power and Kyushu Electric Power. A Chugoku Electric Power spokesman said the matter was still under study.

Most of the companies said they would boost their imports of enriched uranium from Canada and Australia to offset the elimination of SA and Namibian uranium processed as fuel for Japanese nuclear power generators. They said their decisions mirrored a harder government stance towards SA in which Japanese corporations were being encouraged to "exercise discretion" in dealings with that country.

A Ministry of International Trade and Industry (Miti) official said the companies were acting in accordance with government guidance on uranium imports from SA issued two years ago as their contracts came up for renewal. The government had not directly addressed the issue of imports of Namibian uranium shipped to refining companies in third countries and then exported to Japan. The official said: "We have asked them to respect the UN's position on Namibia. But we can't tell them not to renew."

The move will affect two uranium suppliers: the British-based Rio Tinto-Zinc (RTZ) and SA's national company, Nafcoal

A government source said indications were that the four would opt not to renew their contracts with RTZ and Nafcoal over a rough period running from 1988 to 1995.

Regrettable

The power companies refused to disclose how much enriched uranium they imported separately from the two companies. A local news report said, however, SA comprised an 11% share of the total 203 419 tons of uranium imported into Japan at the end of 1987. Canada led with 31%; Australia accounted for 11%, while Britain weighed in with 24%.

□ EDYTH BULBRING reports that a major mining house spokesman saw the Japanese move as "regrettable but not unexpected". The spokesman said it was known that the Japanese had been under pressure for some time to cut back on their enriched uranium imports from SA.

A spokesman for Nufcor, which markets all of SA's uranium, was not available for comment yesterday. — AP-DJ.

(x3) B/day 10/11/88

'SA and the Soviets will form CSO for platinum'

LONDON — Lonrho CE Tiny Rowland believes there will eventually be a joint Russian-SA marketing agreement for platinum, one of the world's most sought-after metals.

The Guardian newspaper reported yesterday he had also discussed the threatened Australian bid for Lonrho with Harry Oppenheimer, head of the Anglo American mining combine.

Alan Bond has built up a stake in Lonrho of over 20%.

The Guardian said that last week Rowland dined privately at Claridges with Oppenheimer, who was in Britain to discuss the bid by Anglo-controlled Minorco for Consolidated Gold Fields (ConsGold).

Stalled

The Guardian said: "Independent sources believe that Mr Oppenheimer and Mr Rowland discussed the possibility of Lonrho taking over the 30% stake in ConsGold currently held by Minorco, whose £2,9bn ConsGold bid has been stalled by a monopolies investigation.

Oppenheimer, who arrived in London last week and will be in Luxembourg for Minorco's annual meeting today, is believed to be interested in sounding out potential buyers for the stake if the Monopolies Commission decides the bid should not be allowed, said the paper.

"A deal with Lonrho could open the way for Rowland to form a defensive alliance with ConsGold, helping to deter Bond.

"And Minorco, controlled by the twin pillars of the Oppenheimer mining empire, Anglo American and De Beers, would be able to liquidate its ConsGold investment and concentrate on investing in companies where it can secure management control."

● OPPENHEIMER

● ROWLAND

The Guardian said that as a platinum producer, Lonrho had an interest in convincing the Russians that there should be some kind of marketing organisation for selling platinum modelled along the lines of Oppenheimer's Central Selling Organisation (CSO) which controls the supply and price of diamonds.

"In the past, the Soviet Union and SA have been reported to have had unofficial contacts in Moscow to co-ordinate the sales of platinum and other strategic metals, and the eventual formation of at least an unofficial cartel based in London or Frankfurt is widely regarded as likely.

"Like diamonds, most the world's supply of platinum comes from SA, with Russia the other big supplier. Lonrho itself owns Western Platinum in SA, which is one of the world's richest deposits.

"The Oppenheimer family has previously struck a major commodity marketing deal with the Russians.

"In 1957, Sir Philip Oppenheimer negotiated an agreement under which the Russian sales of rough diamonds to the West were carried out through the Central Selling Organisation.

"That agreement lapsed for 'political considerations' in the early 1960s after the Sharpeville massacre."

Speculation

The Guardian said that in a separate development, Johnson Matthey, which markets 40% of all the new platinum in the world, has become the latest British company to be caught up in a swirl of Minorco-linked speculation.

The company is 38% owned by Charter Consolidated, which is in turn 36% owned by Minorco.

Sir Michael Edwardes, CE of Minorco, was named on Monday night as the new non-executive chairman of Charter.

The newspaper said he would be joined on the Charter board by Minorco's finance director Anthony Lea.

"As the Minorco team come in, three appointees from Minorco's parents, De Beers and Anglo American, are quitting. They are the Anglo chairman Gavin Relly, Harry Oppenheimer's son Nicky, and Anthony Oppenheimer." — Sapa.

'New era' for SA/Taiwan trade

3/10/87 (73) SM

ROBERT RICCI

Taiwan hopes to achieve total trade of $2 billion with South Africa by 1990, a top Taiwanese Government official said yesterday.

"South Africa and Taiwan are approaching a new trade era," said Mr P K Chiang, Secretary-General of the Taiwan External Trade Council.

Mr Chiang said Taiwan would not be bound by Western anti-apartheid measures against Pretoria and was not worried that trading with South Africa might damage its economic links in black Africa or elsewhere.

"We're not at all concerned — Britain, the US, West Germany and Japan still have a lot of foreign trade with South Africa, so why not us," Mr Chiang said.

Total trade between Taiwan and South Africa soared 54 percent last year to $549 million and is projected to exceed $800 million in 1987, Mr Chiang said.

The Secretary-General, in Johannesburg for a Taiwan-South Africa trade conference, said major South African trading partners such as Washington and Tokyo were "only paying lip service" to their intentions to reduce economic ties with Pretoria.

The Reagan Administration said on Thursday that US economic sanctions had not ended Pretoria's apartheid racial segregation policies and indicated it would not seek additional sanctions in a report to be submitted shortly to Congress.

Sanctions and South Africa's pariah status in most of the world were not mentioned at the Johannesburg conference where Economic Affairs and Technology Minister Danie Steyn predicted a continuing surge in South African-Taiwanese trade.

He disclosed that South Africa had reached agreement on four joint ventures with Taiwan, including establishment in both countries of a "fledgling jewellery industry which will hopefully become a force in the market".

Taiwanese exports to South Africa are mainly electrical machinery, textiles, rubber and plastic products and computers. It imports primarily basic metals and agricultural products.

In 1986, Taiwanese exports to South Africa increased 50 percent to $223,3 million while imports rose 57 percent to $549 million.

Chiang said about 85 Taiwanese companies with total investment of $425 million operate in South Africa.

The two countries established full diplomatic relations in April 1976. — Sapa-Reuter.

SA-Austrian trade strong

STAR 3/11/87

SANCTIONS have not affected trade between SA and Austria to any major extent, says Heinrich Baminger head of the Africa desk at Vienna's Austrian Federal Economic Chamber.

Baminger is leading an trade mission of 18 companies which is in SA to discuss import/export opportunities between the two countries.

SA imports industrial sector capital goods from Austria and exports fruit, vegetables and minerals.

Trading between the two has decreased over the past few years but Baminger ascribes this to low SA economic growth, the low value of the rand and the revalued Austrian schilling. He says sanctions have had a limited effect on trade as they have only affected a small number of products such as Krugerrands. — Sapa.

Trade flourishes as South Africa and Chile grow closer

73

Star 3/11/87

Mary Helen Spooner reports from Santiago

Last month, Chile's Foreign Ministry bestowed a decoration on the departing South African Ambassador, Mr Michael Muller.

The decoration, the Bernardo O'Higgins Order of Merit, named after the country's independence hero, is an honour General Augusto Pinochet's 14-year-old military regime has rarely granted foreign ambassadors. It reflected growing closeness between two governments with similar ideological outlooks and problems of international isolation.

South Africa, while not one of the country's major trading partners, has steadily increased its commercial relations with Chile.

According to Central Bank figures, trade between the two countries reached $41,6 million during the first six months of this year, a 60 percent increase over the same period last year.

Early last month Mr Barend du Plessis, the South African Finance Minister, paid a three-day "unofficial" visit to Santiago and predicted that bilateral trade and South African investments in Chile would continue to grow.

The Anglo American Corporation is the largest South African company operating in Chile and is a majority shareholder in Mantos Blancos, the largest privately owned copper mine in the country. Anglo American is also completing a feasibility study of a gold project and is considering an open pit silver mine in northern Chile.

Another South African mining company, Consolidated Gold Fields, is operating in Chile and has sought to develop a gold deposit called La Coipa Other South African investors include Sandock Austral, Fedfood and and Kaap-Kunene.

Chile is one also one of Pretoria's biggest arms purchasers in Latin America and senior Chilean and South African military officers have made numerous reciprocal visits in recent years. The Pinochet regime has posted at least two military officers implicated in alleged human rights abuses to its embassy in Pretoria.

Army Colonel Pedro Espinoza, a one-time agent of Chile's former secret police intelligence unit, the Dina, returned from his posting to South Africa earlier this year. The US unsuccessfully sought his extradition in connection with a car bomb assassination in Washington.

AMNESTY LAW INVOKED

Another official, former Air Force squadron commander Roberto Fuentes, returned from South Africa two years ago to testify at a court investigation into the disappearance of 14 Chilean leftists. When the Chilean authorities invoked a an amnesty law absolving military officials of any wrongdoing in such cases, he returned to South Africa for a military training course.

While Chile's military and economic ties with South Africa improve, the Pinochet regime's relations with black African countries remain at a low level.

The situation has provoked some criticism, for Chile is a member of the inter-governmental Council of Copper Exporting Countries (Cipec), along with Peru, Zaire and Zambia.

Chile, which depends on copper for nearly 40 percent of its export earnings, is facing proposed restrictions on its copper sales to the United States, its largest copper market.

Although Cipec's president, Mr Ileo Itambala of Zaire, recently visited Santiago and promised the organisation's help in fighting such restrictions, Chile's improving ties with South Africa do not help the country's standing with its fellow copper producers in Africa. — *Financial Times, London.*

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570 Star 3/11/87

water provided by the council here".

I continued to walk through the village. I passed people still building in the few spaces that are still open. One picture I will not forget is that of a pregnant woman and her husband digging the foundation for a new shack — hopefully a home for the coming baby.

Again my mind swung back through the decades to Shantytown and the Moroka Squatter Camp.

I remember that after a lot of agitation, the Johannesburg City Council and some businesses in the city started a massive housing project that wiped out the two places. That project led to most of the new townships in deep Soweto: Molapo, Mapetla, Moletsane, Zola, Emdeni, Tladi and so on.

Why did the imagination that led to the wiping out of Shantytown dry up?

New middle class

As the housing crisis worsens some of us remember the utterances by Big Business that followed. Remember that Big Business advocated the creation of a black middle class, who owned their homes.

The argument was that people who had something to defend would not riot.

And shortly thereafter the local authorities stopped providing cheap housing.

That middle class has been created, but it has its own resentments against apartheid society. It is not about to be a buffer against the anger from below.

Truth is: the people need homes and this country is rich enough to provide them.

day, November 20 1987

B/day 20/11/87.

(73)

Taiwan-SA trade is set to double in 1988

TAIPEI — Taiwan-SA trade might double next year as Pretoria woos cash-rich businessmen to SA, says an SA diplomat.

SA embassy trade counsellor Albertus Pienaar said two-way trade in 1987 would reach almost $1bn and could rise to between $1,5bn and $2bn next year.

Sanctions imposed by the US, Japan and other countries because of apartheid were making SA find new trading partners, he said.

"We have to develop new markets, in the Western or Eastern blocs," said Pienaar.

He said sanctions had cost Pretoria a few cancelled orders for coal, steel and textiles but he did not elaborate.

Pienaar said the two countries were ideal partners since SA was rich in mineral and agricultural resources and Taiwan had vast supplies of cash to invest overseas.

Taiwan's foreign exchange reserves of about $71bn are the second-largest in the world.

"We want a slice of investment from Taiwan, where there is tremendous liquidity in the private sector."

Pretoria was interested in electronics and machine tools and offered investors a five-year visa, large government subsidies for wages, low-rent factories and houses. It was now considering giving investors permanent residence.

Pienaar said SA had to create jobs because about 3-million people, mostly blacks, were unemployed.

There were now 85 Taiwanese-owned factories, including textile and footwear firms, in SA and the number was expected to top 100 by the end of the year, he said without giving the value of the investments.

"1988 will be a breakaway year for us in terms of trade and investment from Taiwan," Pienaar said.

Many Taiwanese businessmen said the investment incentives were attractive and some were considering moving part of their operations to SA.

"It is a timely effort for SA to woo our businessmen because many of them do not know how to invest abroad," a Taipei Computer Association spokesman said. — Reuter.

The second condition for equilibrium is that ...

Post Business

73

Mauritian line will expand SA service

THE Mauritian Asian Shipping Company (Masco) is to expand its South African service by making additional tonnage available, meeting demands for containerised cargo and including other Indian Ocean island destinations among its ports of call.

The wholly-owned Mauritian shipping line has been providing a monthly service between Durban, Mauritius and Reunion for the past two years.

The service provided by the 4 000 dwt Jamal Shah is now to be augmented by the addition of the 7 000 dwt Jeelan Shah.

Coinciding with this announcement, Masco general manager, Mr Ikbal Joonas, announced: "The agency for the line in South Africa is to be transferred from J F M Sturrock to Mitchell Cotts Maritime with effect from October 1."

Responding to the announcement, Mitchell Cotts Maritime's managing director, Mr Graham Palmer, said: "Masco came into the South African market without fanfare and have steadily developed their support base with a reputation as a reliable independent. They are now carrying full loads and this is seen as the opportune time to develop the service further".

"The chartering of additional tonnage to meet the steady expansion was likely," added Mr Joonas.

The new vessel, the Jeelan Shah, carries containers and break-bulk cargo and will be the backbone of the South Africa/Islands service.

Together with the Jamal Shah's regular calls to the Comores, Seychelles and Madagascar, a three week frequency is now offered South African shippers.

Mr Del Berry has been appointed Mitchell Cotts Maritime's line manager for Masco and will be based at their Durban office.

Pay dispute

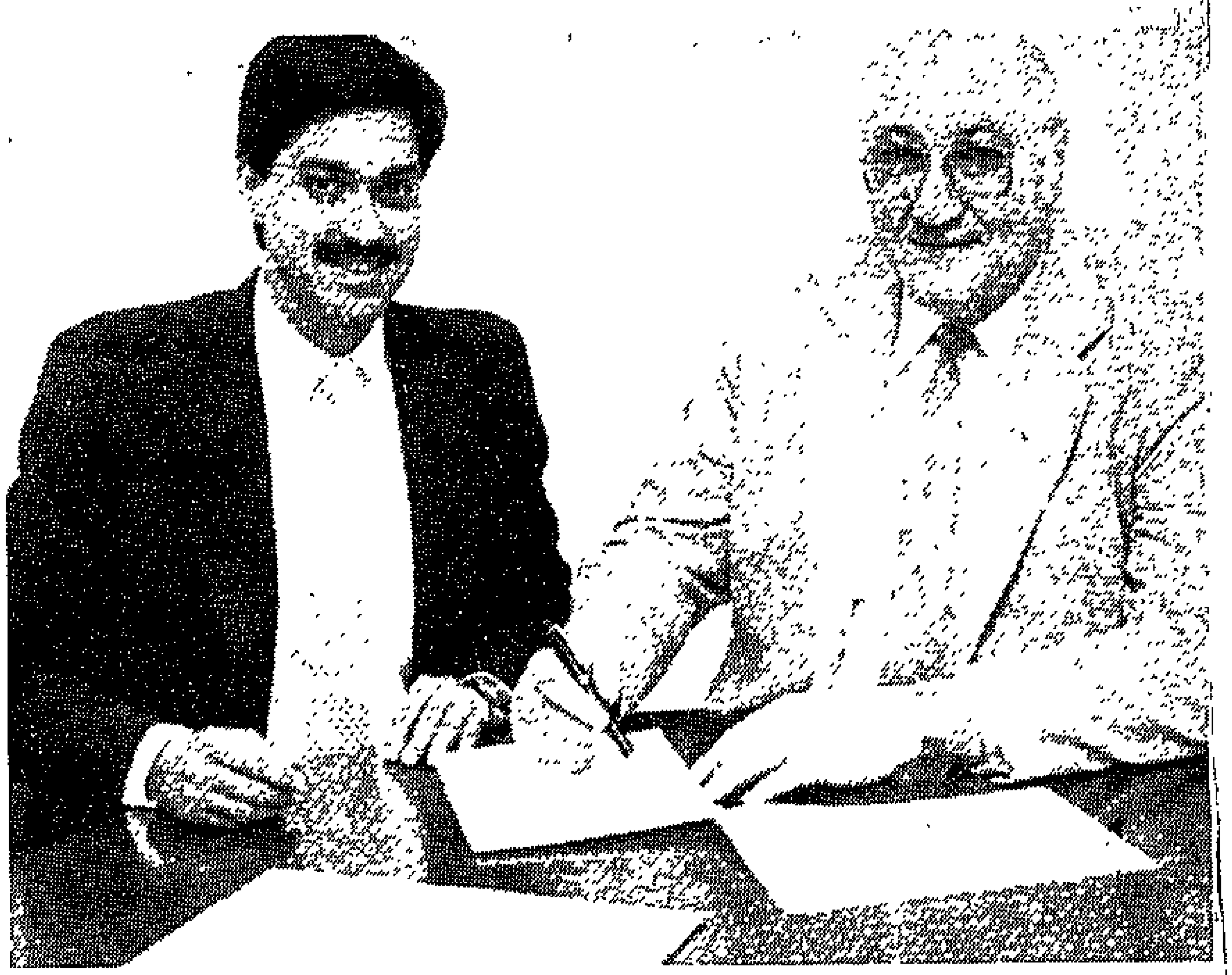
THE principals of Sanko Lines, whose bulker Bunko Maru was auctioned in Port Elizabeth this week for nearly R7 350 000, are at loggerheads with seamens' unions over a plan to reduce seafarers' wages by 40% from next month in a further effort to get the Sanko and Zuito Kaiun shipping group back into the black.

Sanko when it went bankrupt in August last year proved to be the biggest bankruptcy in maritime history, but there are some others tottering on the brink of bankruptcy which could compete for the distinction.

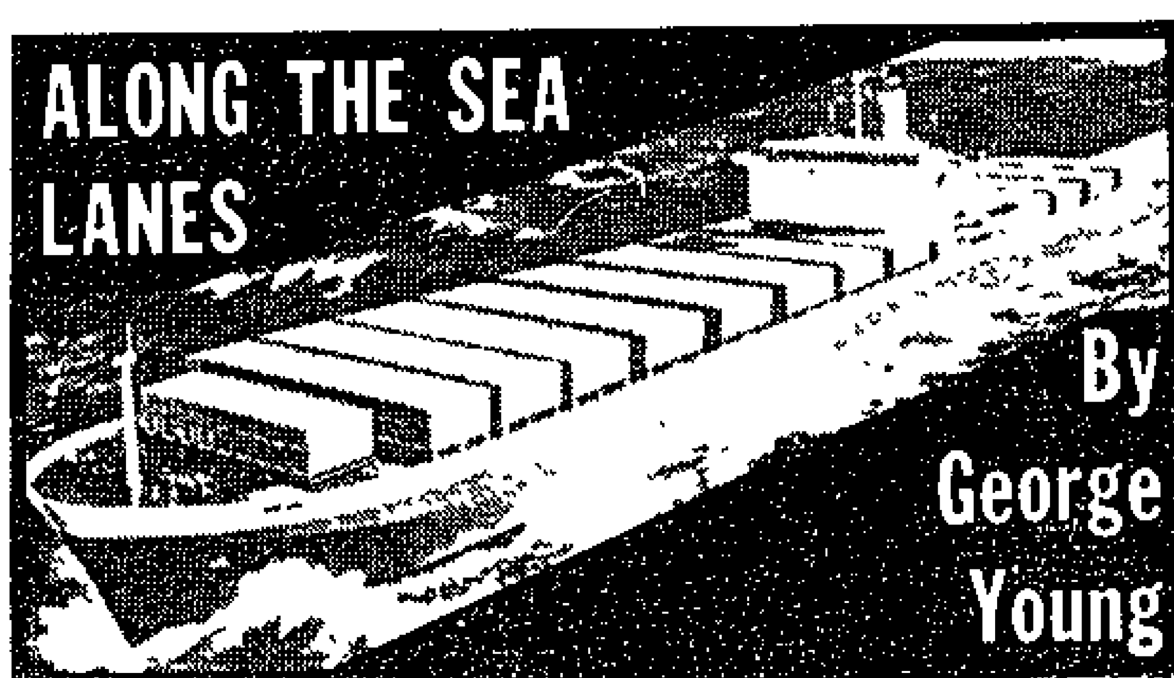
The shipping group which last year employed 1 880 seafarers and later reduced this to 1 000, is hoping now to shrink the figure to 500.

There are 13 ships in the Sanko fleet, some of which are under arrest for debt.

The unions allege that there is no purpose in working at sea for the proposed low wages, although it conceded that another big concern, Japan Line, has reduced its staffs and other lines have cut their crew bonuses. Africa.



Signing the agency agreement between the Mauritian Asian Shipping Company and Mitchell Cotts Maritime in Johannesburg were Mr IKBAL JOONAS, general manager of Masco (left) and Mr GRAHAM PALMER, managing director, Mitchell Cotts Maritime.



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justment process when: $\frac{MU_A}{P_A} = \frac{MU_B}{P_B}$.

73

Belgian company joins R230m carpet industry

PETER WALLINGTON

A BELGIAN textile company entered the R230m carpet industry this month at a time when South Africa's major manufacturer, Romatex, has forecast a gloomy year for the industry.

Although carpet production has increased in the last two years, the value of carpet sales has dropped as the consumer, feeling the effects of the recession, has tended to buy cheaper, lower quality carpets.

Industry sources say that carpets are consumer-durable products and so when money gets tight, the industry suffers more than others.

The fall-off in building has also meant less demand for carpets, they claim.

Nevertheless the Belgian company Beaulieu, which opened its Maritzburg-based Natal Nylon Industries at the end of 1983, is confident of getting 10% of the carpet market.

A spokesman for Natal Nylon Industries said the company had faced difficult times in Europe and had survived, and saw no reason why it should not survive in South Africa.

The multi-million rand nylon fibre plant became operational last year, and the tufting plant was recently completed. He said that when Romatex opened its nylon fibre plant the market became over-traded and this encouraged the move move into the carpet field.

The spokesman said he was confident of a gap in the "middle-class" carpet field, which Natal Nylon Industries could fill.

Romatex has the lion's share of the market.

According to Romatex PRO Mr Seton Thompson, its share is "significantly in excess of 50% — but nowhere near 100%".

Industry sources say it is between 70% and 80%, but say there is room for independent companies.

The leading independent companies, apart from Natal Industries, are Utex, Dunlop, SA Carpet Mills and Nouwens.

Mr Stephen Utemaak, MD of Utex, said while last year had been "alright", this year would see a "day-by-day" fight for business.

We cannot sit and say the year is in the bag, but I think there is enough work for us to make a profit."

Romatex's dominance of the market is evident in the business transactions of Utex.

Romatex supplies raw materials to independents, including Utex, and Utex also sells carpets to Romatex — as well as competing with them!

Utex is in the middle and higher carpet categories, and has moved into making carpets for clients specific needs.

Meanwhile Romatex, whose brand names include Regina, Van Dyk, Constantia, Crossley, Floortile and National Carpets, opened its fibre plant after Beaulieu had approached the company with a view to participating in the venture or guaranteeing to buy the plant offtake.

Romatex turned down the overtures, fearing the source of supply could cease or be substantially reduced, should Bealieu eventually decide to build its own tufting plant — which the company has now done.

Industry sources noted at the time of the Beaulieu announcement that the two planned plants would have a capacity well in excess of current market requirements.

In volume terms, market's needs are estimated at about 7 500 tons a year of continous nylon fibre, while it was believed the production capacity of the two plants would almost double that.

Romatex's Pinetown plant has reached the planned production level and the company says it has no problem in the market place.

... acquired 78,5% of ... Dr van der Merwe said ...

Sebe calls for investment

73 7/11/84 D. Dispatch

BISHO — President Lennox Sebe has called on Israelis to invest in Ciskei.

Speaking to prospective investors he called on them to get involved and take on projects. He said his government would help identify projects for investors to adopt.

In a speech released here, President Sebe who is at present visiting Israel, said Ciskei believed it was on the brink of success in finding a peaceful solution to the problems of the whole of Southern Africa.

Ciskeians believed they could achieve justice and equality without political and economic chaos.

He said he represented 2,5 million people who had no desire to emulate the examples of other countries in Africa because it was unnecessary for them to do so.

President Sebe said most black leaders in South Africa were committed to develop democratically within a free enterprise system. Yet for the ordinary black man this system was being questioned .

The ordinary black man had the ideologies of Western democracy thrust upon him for years, but in material terms the only result he had seen was a widening economic gap between the "haves" and "have nots".

The "have nots" in South Africa were blacks and for this reason, black South Africans were telling the Western world that there was a need to prove in some tangible way that they would be better off under a Western democratic constitution than under communism.

"It is for this reason that talk of disinvestment in the Western world and action taken to achieve disinvestment is so damaging," he said.

"At a time when we need full investment from the Western world, particularly in the development areas, nothing is forthcoming and there is doubt whether South Africa can stand alone and meet the challenges of creating employment and narrowing the wage gap in the time that is still available for this to be done."

Support for the liberation movements by most European countries was a commitment to change by violence, he said.

Ciskei was proud of its independence even if the United Nations refused to recognise it because it was the result of negotiations and not violent revolution.

The European Economic Community was turning its attention to Southern Africa but to Ciskei's surprise it was co-operating first of all with totalitarian Angola.

"We are wondering why, if the Europeans are prepared to collaborate with states where freedom is stifled by Soviet-Cuban armies of occupation, they continue to ignore an independent and democratic Ciskei." — DDR.

Ciskei's R30m from Israelis

JERUSALEM — Israeli private investment in Ciskei was about R30 million — less than one per cent of foreign investment in the country.

About 35 Israeli families lived there, Ciskei's government spokesman, Mr Wessel van Wyk, said here.

President Sebe, on his fourth visit to Israel, was seeking more Israeli investments, he said.

Israeli border police jeeps escorted his five-car motorcade on a tour of Ariel's industrial park and residential area, where he listened to schoolchildren play folk music on plastic flutes.

Despite the government's aloofness toward the visit, three parliamentarians, including a former finance minister, Mr Yoram Aridor, from the right-wing Likud bloc attended the twinning ceremony in a classroom at Ariel's elementary school. — SAPA-RNS

FEBRUARY 12, 1984

Sunday Tribune 12/2/84

73

Taiwan-backed industry will provide work for 2 000 Transkeians

Finance Reporter

THE biggest industry to establish itself in Transkei for the past five years will start operations in Butterworth in April.

Taiwan's clothing giant, Lien Fu, and the Transkei Development Corporation (TDC) are investing R7,8 million in the new manufacturer, Bally (Pty) Ltd, at Butterworth's Ibeka Industrial Estate.

Sonny Tarr, managing director of TDC, said this week that up to 2 000 Transkeians would be employed in the factory at a surprisingly low cost-per-job opportunity of about R4 500.

The major shareholder will be Robert Lee, who owns Lien Fu of Taipei and other companies. Lien Fu is the biggest single clothing exporter to the US, achieving annual sales of $50 million.

The Transkein company will manufacture solely for the same market and is expected to achieve sales of $15 million a year when the factory reaches full production.

Mr Tarr said the R4 million factory would be constructed in stages, the first of which was nearing completion. He said the first contact with Mr Lee was made during one of the visits to Taiwan by Pieter Bosch, development manager for TDC.

Mr Tarr said: "We are naturally very please with Bally's arrival in Transkei. We are expecting more of this size of investment this year. Certainly the new incentives make Transkei virtually irresistable to foreign investors.

"The incentives offered in Transkei are such that TDC was able to deal within the top 100 companies of Taiwan."

Bally will enjoy the services of American designers and a large marketing organisation in the US already serving Mr Lee's other companies which produce garments under designer labels.

VERSAI

SA 'is losing out to the homelands'

7/7/84 E. Post

407

377A

73

By SHARON LI GREEN

FOREIGN investment was being diverted to the homelands at the expense of South Africa, Mr Hsi-Kun Yang, the Republic of China's Ambassador to South Africa, said in Port Elizabeth today.

Two things militated against investment in South Africa, he said. They were:

- Incentives offered in the homelands.
- Visa regulations which allowed for an indefinite stay in the homelands (and an immediate resident's permit) compared with a one-year visa in South Africa, renewable for up to five years.

Although South African visa regulations had recently been eased, they still acted as a deterrent to large scale investment in the Republic, the ambassador told Weekend Post in an interview.

Mr Yang explained that the one-year visa could now be extended an additional four years in South Africa — instead of having to be renewed annually — following a recent announcement by the Minister of Interior, Mr F W de Klerk.

But he stressed that businessmen needed stronger guarantees of residence than this to be attracted from areas of easier access like Transkei, Ciskei, Bophuthatswana and Venda.

Mr Du Ling, political counsellor at the Taiwanese Embassy in Pretoria, said there were about 50 factories established by businessmen from Taiwan in the homelands and 15 000 jobs had been created there.

"The homelands provide great incentive for industrialists. For instance, in the Ciskei, Transkei, Kwazulu and Venda the governments there subsidise each labourer's salary by a up to R110. They also provide factory flats and homes for staff.

"It is the policy of the South African Government to encourage foreign investment in the homelands, but this is undoubtedly being done at the expense of the South African taxpayer."

Both men spoke to Weekend Post while attending the fourth Amity Conference of South African Chinese Associations in Port Elizabeth.

About 80 delegates from Mauritius, Reunion, Rwanda, Malawi, Transkei, Ciskei, Swaziland and all Chinese associations in South Africa attended, as well as Taiwan's Minister of Overseas Affairs, Mr Tseng Kwong Soon.

Their observations were made following a decision by the Port Elizabeth City Council to send a delegation to Taiwan and Hong Kong to try to attract foreign investment in the form of new industries, subsidiaries or joint ventures, and to investigate the export processing zone concept.

The delegation will consist of the Mayor, Mr Ivan Krige, the Town Clerk, Mr P K Botha, and the Development Officer, Mr André Crouse.

(An export processing zone is one in which imported goods are processed and exported without tax being levied.)

The council has decided that the city has great potential for growth and the Department of Industries, Commerce and Tourism has indicated that new technology and new industrial ventures could be attracted from the Far East.

103 73 189

Israeli factory to open in Ciskei

D. Asjitted 20/7/84

BISHO — The first Israeli factory to go into operation in Ciskei, Ciskatex, will be officially opened by President Lennox Sebe next Thursday.

The factory, which manufactures cotton underwear for both local and overseas markets, will employ some 150 Ciskeians at its premises in Dimbaza, Ciskei's major growth point.

The industry has been established as a result of the efforts of the Ciskei trade mission in Israel and the Ciskei People's Development Bank. It represents a financial investment of R1,6 million.

The managing director of the People's Bank, Mr F. S. Meisenholl, will release that organisation's 1983/84 annual report at a press conference to be held at Bisho on the same day. — DDR.

Cement exporter buys SA stake

29/9/84

(73)

D. Dispatch

DURBAN — One of Europe's biggest cement exporters, which began supplying cement to South Africa recently, has taken a stake in the Durban-based South African importer.

The local company, Cement Enterprises SA, a wholly-owned subsidiary of the Norwegian bulk shippers, Gearbulk, received its first shipment of low-priced imported cement from the Spanish suppliers two months ago.

This precipitated a price war with local cement suppliers in Natal which has resulted in the cement price to bulk purchasers dropping by 15 per cent.

To ensure continuity of supply of the imported product, Gearbulk has finalised a deal whereby the suppliers, Compania Valenciana de Cementos Portland, have taken a 50 per cent stake in the local enterprise, which is seen as a further strengthening of its position in the Natal market.

The second shipment of 35 000 tons of imported cement is due to be offloaded at Durban harbour next week, a spokesman for Cement Enterprises said yesterday. — SAPA

Malcolm Barnes, technical director and Guy Sutton, managing director ... local shareholders in the new Stromberg company.

Finnish multinational bids for slice of the SA cake

73 S. Times 30/9/84

By Don Robertson

THE Finnish-based multinational group, Stromberg Industrial, has broken into the South African power electronics industry to challenge the likes of Siemens, GEC and Asea.

The local operation, established last month, represents part of an international expansion drive by the group aimed at increasing its export contribution.

Although starting off on a small scale locally, the eventual expenditure in setting up the South African arm will be considerable.

Guy Sutton, managing director of the local company, believes that Stromberg has particular product strengths, which, coupled with its high level of technical expertise, "will enable it to meet customer requirements which are not being adequately serviced by existing multinationals".

Stromberg, part of the R1 300-million, Kymmene-Stromberg group, boosted export sales to 30% of total turnover in the past year, but believes it has potential for further growth in the years ahead.

Mr Sutton points out that multinational companies in the Common Market boast export sales of between 45% and 70% of turnover, especially those in the electrical equipment manufacturing industries.

Stromberg has defined its target export markets as being the Western, developed and stable countries with reasonably mature economies. South Africa has been identified as a potential export market meeting these requirements and, in addition, as showing unusually high growth potential in the electrical sector.

Market

The group currently operates subsidiaries in Sweden, Norway, Britain, America and Singapore. It also has sales offices and representatives in most other industrialised countries. It already has equipment installed in South Africa, mainly in the paper and process industries.

The market in which Stromberg hopes to participate is worth about R200-million, or about 6% to 8% of the total electrical plant and equipment market and includes control devices, switchgears, electrical motors, fuse switches, traction drives and electronic relays.

The company's initial move into the market will be based on the importation of high and low technology products.

Describing his company's entry to the market through the importation of products, Mr Sutton says that items, such as variable speed drives and microprocessor protection relays, are undergoing continuous development to enhance performance characteristics and reduce costs. Local manufacturers often become locked into technologies until long after they have passed their life-cycle, because they need sufficient sales to justify investments in manufacturing.

The low voltage market, says Mr Sutton, is fragmentated due to overtrading by too many suppliers. Many of these products are made locally by companies which have sunk considerable sums into manufacturing, while overseas production is based on automation and large volumes. While domestic companies deserve support, this is only possible if the difference between local prices and world prices does not become too large.

Stromberg's policy locally will not be to obtain short term growth at all costs, but rather to build a medium to long term expansion pattern from a firmer base. For this reason, it will aim for about 1% of the market each year for the first five years.

73

S Times 12/6/83

Apartheid snag for Taiwan businessmen

By IVOR WILKINS
Political Correspondent

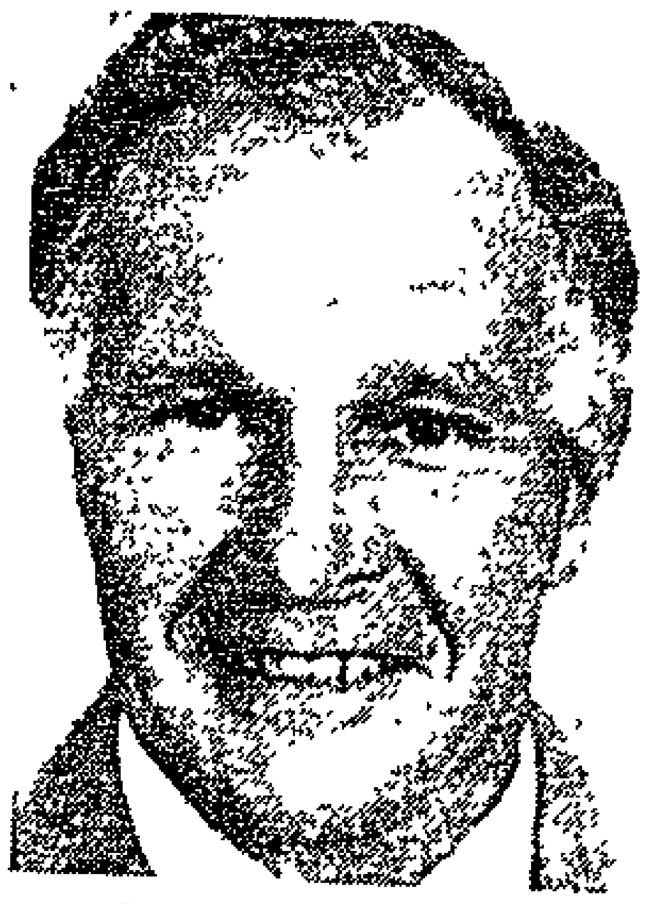
TAIWANESE businessmen, attracted to South Africa by efforts to encourage foreign investment, are running into apartheid tangles over housing and schooling for their children.

Particularly in the Border area, where several Taiwanese have been attracted to do business in Transkei and Ciskei, there have been frustrating and embarrassing delays over permission to live in white group areas.

The incidents could cause diplomatic tensions between South Africa and the Republic of China — with whom close ties have been nurtured in recent years.

Informed sources say this has been a source of concern for the Decentralisation Board, which has conducted its own inquiries about the snarl-ups.

The MP for King William's Town, Mr Pat Rogers of the New Republic Party, said in an interview this week he had dealt with several cases of this sort.



MR PAT ROGERS
Dealt with several cases

Since 1981, when he came to Parliament, he had been involved in several efforts to overcome group areas problems for Taiwanese.

"In 1981, in answer to a parliamentary question, I was told that residence permits for Taiwanese business people and investors excluded them from the provisions of the Race Classification Act," Mr Rogers said.

"One would have presumed this would also mean the Group Areas Act would not apply to them."

But, three years on, the problems continue.

Mr Rogers said that during this session of Parliament alone he had had to intercede in three cases, one of which was still not satisfactorily concluded.

"This whole issue is causing delays, frustrations and acute embarrassment to business and is damaging the image of the area," Mr Rogers said.

Entangled

It may also end up confounding the Government's efforts to attract investment to the area as part of the economic deconcentration plan intended to give life to the homeland regions.

"The whole question should be decentralised, so that people on the spot can deal with issues like this quickly and efficiently," said Mr Rogers.

He added that the greatest problems seemed to arise when Taiwanese investors wanted to use Industrial Development Council funds to obtain houses in "white" towns like King William's Town and Queenstown.

It appeared that the IDC then applied to the Department of Community Development for Group Areas Act exemptions, and the two bodies became entangled in bureaucratic contradictions and delays.

The Minister of Community Development, Mr Pen Kotze, told the Sunday Times one application which his department had dealt with had been granted to enable a textile company in Dimbaza to arrange accommodation for Taiwanese employees.

"Future applications will also be favourably dealt with when we receive them," he said.

Efforts to obtain comment from the IDC were unsuccessful.

Chinese factory moves to Transkei

103 3 73

A CHINESE industrialist will move his entire factory from the Republic of China to Butterworth in Transkei after a visit to Taiwan last year by Mr A Sigcu, chairman of the Transkei Development Corporation, Mr E Page, TDC executive and Mr R Fowlds, chairman of the Transkei Chamber of Industries.

Another Chinese industrialist, Mr Andrew Ou, who established Transkei Knitting four years ago in Butterworth, will be a shareholder in the venture, which will employ 60 people.

Transkei was visited this week by a high-ranking Chinese trade mission to follow up investment interest in Transkei.

Far East stakes claim

Universal Manufacturers, Transkei, part of Taiwan's increasing industrial influence in Southern Africa.

Industrial Week 27/7/82

73

By Lynn Carlisle

A TAIWANESE company which has started production in Ciskei is eyeing the Southern African market for its goods which can be produced and sold at about 40 % lower than that of its competitors in the sub-continent.

The MD of King Knitting, Paul Ou, whose factory of 150 workers producers 500 tracksuits and 500 windbreakers daily is all set to knock a hole in the South African clothing market once it satisfies Ciskeian demand, and marketing agencies in all the major centres in SA are about to be appointed.

Remarkable

"What makes this achievement all the more remarkable is that King Knitting has to import a 30 % cotton and 65 % polyester material, known as TC, at 75 % import duty and 10 % surcharge

"Yet its prices are nearly half of those for similar articles manufactured throughout Southern Africa," a spokesman for the Ciskeian National Development Corporation (CNDC) tells Industrial Week

King Knitting, the second of three Taiwanese companies in Ciskei, established with the aid of the CNDC.

Cash grant

Kayo Shoes Manufacturers which was granted R2-million now produces 2 000 shoes a day and Lion Padlocks is soon to start manufacturing padlocks, rivets and hinges at its R800 000 plant.

Rbm 30/9/82

Sri Lanka to expand trade with SA

23

COLOMBO. — The Sri Lankan Government has defended its plan to expand trade links with South Africa on the grounds that a developing country's economy must come before political thinking.

The single Communist Party member in Sri Lanka's Parliament, Mr Sarath Muttetuegama, recently became critical of trade between the two countries.

He claimed the open economy started in 1977 by the present government of President Junius Jayewardene had opened Sri Lanka's doors to trade with apartheid.

The defenders of trade with SA, and "anybody else", have been the Minister of Trade and Shipping Mr Lalith Athulathmudali, and the Foreign Affairs Minister Mr Shahul Hameed.

They have questioned the sudden concern of the Communist Party with the SA trade link.

Mr Athulathmudali said: "If the Communist Party of Sri Lanka in league with its masters in Moscow is hatching some kind of plot where SA trade links are concerned, they are in for a surprise. We plan to increase these trade links, including a possible shipping tie up".

Sri Lanka's policy about apartheid was an entirely different matter and had nothing to do with trade, said Mr Shahul Hameed.

Meanwhile, Sri Lankan dock workers claimed they had set an unloading record when they recently offloaded 20 700 tons of South Africa coal in 20 days. — Sapa.

Magefesa to open in SA

73

Star 8/10/82

Own Correspondent

DURBAN — Spanish steel-products giant Magefesa — biggest producer of stainless steel products in Europe — has chosen to establish its first foreign factory in Southern Africa.

The move has been prompted by fierce competition and rapid growth in the South African appliances market, a battle which has stiffened since discount giants Game and Dion came to grips on the Rand.

Magefesa's sales director, Mr Jose Belausteguigoitia, said in Durban a new R10 million factory employing more than 200 people would be opened in Ciskei next year.

The factory, established in partnership with the South African IPM group — which serves as Magefesa's marketing agents — will produce Magefesa cutlery and appliance products which have a high labour-cost content.

Mr Bleausteguigoitia said Magefesa, with its 11 huge Spanish factories, exported to more than 90 countries on five continents.

Its move into the South African market in 1979 had been rewarded by "very rapid" growth. Exports had grown from 100 000 dollars in that year to 2.2 million dollars last year.

High South African protective tariffs, shipping and labour problems and the geographic location of the country had led to the investment decision.

At present South Africa is Magafesa's ninth-biggest customer. The group produces 40 000 pieces of enamel-ware and 120 000 items in stainless steel a day.

Mr Belausteguigoitia, with the group's chairman, Mr Victor Pico, was in Durban to inspect a new R750 000 exhibition kitchen.

RDM 13/1/81

R311m Taiwan venture for SA

73

TAIPEI. — Taiwan Metal Mining Corporation plans to invest $415-million (R311-million) in joint ventures with South African mining companies to establish plants for refining copper and zinc in South Africa.

According to an initial plan for the joint ventures, the company will construct a plant for copper and one for zinc refining at a cost of $35-million (R26-million) and $380-million (R285-million) respectively in South Africa.

TOLUX FM 8/5/81 (73)

No attractions

Activities: *Luxembourg-based investment trust.*
Capital structure: *1,8m ordinaries of no par value. Market capitalisation (JSE): R7,2m.*
Financial: *Year to December 31 1980. Borrowings: nil. Net cash: $967 000. Current ratio: 1,6.*
Share market: *Price: 400c (1980-1981: high, 410c; low, 320c; trading volume last quarter, 1 000 shares). Yields: 6,6% on earnings; 3,9% on dividend. Cover: 1,7. PE ratio: 15,1.*

	†'77	'78	'79	'80
Div income ($'000)	258	11	177	443
Earnings (c)*	20,3	(1,5)	17,4	26,5
Dividends (c)*	14,6	—	14,1	15,7
Net asset value (c)*	330	183	218	322

† 15 months annualised.
* SA currency — converted at year-end rates.

From the point of view of an outside shareholder, the existence of this company is largely meaningless. Operating as an investment trust, its only asset of any consequence is a holding of 22m Hesperus shares (32,8%). Hesperus, another investment trust, has as its major asset 15,1m Unisec shares (36%), and that company, in turn, has a large — although by no means dominant — proportion of its assets tied up in a share investment portfolio, including a major stake in Hesperus.

With profit retentions all the way up the line, Tolux dividends relative to the source of income are minimal, and those interested in this group of companies should rather invest closer to the operating level.

An interesting structural change within Tolux last year was the revitalisation of Panamanian-registered Tagsut Inc, previously a dormant company. In 1979 it was a wholly-owned Tolux subsidiary but, with the restructure, Tolux's interest has dropped to 50%.

The report notes, however, that the entire net revenue of Tagsut for 1980 will be declared as a dividend payable to Tolux in terms of the dividend policy and articles of incorporation of Tagsut. The 50% shareholding and the fact that Tolux is entitled to all income is remarkably similar to the structure of Billhawk, Newstock and Bergstock, associate companies within the Unisec group.

The report does not indicate the nature of operations of Tagsut; nor does it explain what happened to the 101 100 Unisec shares which Tolux previously held as a direct investment.

The major shareholdings in Tolux itself have remained unchanged over the past year, with Detente, Kredietbank SA Luxembourgeoise and Papex Exporters still collectively holding 64,4% of the equity. The report does, however, concede for the first time that these interests "can include custodian holdings."

Shareholders will be asked at next Tuesday's agm to approve an enlargement of the board from four to five members, and to appoint a Mr J Bodoni as an additional director. The report does not, however, give any information on the proposed new director or what his contribution to the company is likely to be.

After a 43% improvement in Unisec dividends last year, the directors seem on safe ground in forecasting that Tolux should be in a position to consider an increased payout for 1981.

This, however, is already fully discounted in the present JSE price of 400c, which offers a prospective yield of only 5,6% even if the increase fully reflects the extent of the rise in Unisec's distribution.

Brian Thompson

Business property

Israeli firm appoints City firm as agent

73 PC 7/4/80

TO cope with increased trade and investment with Israel, SRE Real Estates has established a tie-up with an Israeli undertaking, according to Mr Sam Turecki, co-managing director of SRE.

The Israeli company is Corex, a property management and investment company in Tel-Aviv. The agreement means that SRE will look at the South African end of the potential investment money for industrial property in Israel, while Corex will channel Israeli money marked for South Africa through SRE.

Mr Isaac Bloch, managing director of Corex, was in Cape Town this month when the two companies formally agreed on their joint undertaking. He said that the latest plan of the Israeli government to orientate the economy towards export would give an added impetus to South Africa's interest in Israel.

Israel gets favoured treatment from the United States and the European Common Market and the country is viewed as an important springboard for South African business into these markets, in compliance with exchange control regulations.

Mr Bloch, previously from South Africa, and one of the founders of Corex in 1973, said the company was established with the belief that investments in a foreign economy needed reliable on-the-spot management. The company first studies the requirements of the investor and then asssists in selecting the project. It also promotes projects it considers viable and seeks investors.

Real estate investment provided the most suitable field for the majority of foreign investors in Israel. Industrial investments have a high risk factor and are most suited to investors who have not only capital but technical and marketing know-how.

FOREIGN CAPITAL FM 30/5/80

Jolly Swagmen

73

Australian investors and manufacturers are fast waking up to the investment attractions of SA, and sums of money running into millions could soon be flowing into the country.

This trend has been stimulated by recent Australian conferences on off-shore investment and international tax planning held in Sydney and Melbourne. Among the panelists were international tax partners of member firms of Horwath & Horwath International, an accounting firm which specialises in international tax planning. The conference was attended by Charles Schnaid, of Johannesburg, shortly to join the Los Angeles office of the American member firm of Horwath & Horwath International, Laventhol & Horwath. He will be advising potential US investors on investment in SA.

Schnaid notes that certain features of the SA and Australian tax systems interact to encourage Australian investment in SA. For example, trading income which has already borne tax in SA (whether income tax, non-resident tax on interest or withholding tax on royalties) is exempt from further Australian tax.

Increased confidence in SA's political stability and awareness of the general advantages of SA as a base for manufacturing complete the picture. These include the well-established infrastructure and the existence of a substantial, technically experienced working force, with labour costs lower than in Australia. So, Australian industrialists are beginning to regard SA as a base for production for world markets, not just for local use. This trend has already been started by companies like BMW selecting SA as a base for export manufacture.

Several Australian industrial concerns, some of which already market, assemble or manufacture locally, are hoping to expand or initiate SA manufacturing operations. Also, the tax angle encourages Australian manufacturers to arrange to receive royalty income from international operations in SA and pay tax on it at SA rates.

Concurrently, a group of Australian professional men has decided to place a large sum in SA for portfolio investment. While an operation of this sort (which is conducted via the financial rand) contributes nothing to SA's foreign reserves, nor to its stockpile of industrial know-how, it is clearly most significant as a measure of confidence.

Obviously, the availability of the financial rand for direct as well as portfolio investment is playing the role, anticipated by De Kock, in motivating foreign investment. The current, strong free-enterprise line of government, as well as favourable tax considerations, are playing an important role in establishing an attractive business environment. If government persists in these policies, there must be a further pay-off in the form of further large scale foreign investment.

NZ insurance firm to remain in SA

STAR 16/6/80

73

Own Correspondent

WELLINGTON (New Zealand) — The chairman of the New Zealand Insurance Company, after a personal study of conditions in South Africa, says the firm will stay in South Africa.

The NZI chairman, Mr F R A Hellaby, contends that withdrawal from South Africa at present would not have the political significance it might have in the past.

Mr Hellaby has stated his views in a letter sent to the company's shareholders following his visit to South Africa

According to Mr Hellaby, he considered various options open to NZ, including withdrawal, a sale, or a merger.

Apart from company connections, he says he was able, independently to meet a cross-section of interests, including a black secretary of the 20 000-strong Garment Workers' Union.

"Arising out of these meetings it was evident that, among the business community, there was every confidence in the immediate future of South Africa.

The NZI chairman points out the company now has a number of non-white staff in responsible positions, some, he says, supervising white employees, and comments that many apartheid policies are being "exposed" and placed under pressure by overseas business interests.

Now Ford is also scraping

3/8/80 SUN TRIB.

By WALTER PFAEFFLE in New York

THE US auto industry is in its worst shape ever.

Two years ago, few people imagined that the Ford motor company would be facing problems similar to those of the Chrysler Corporation which just negotiated a R2 650 000 million rescue package with the American Government and private lenders.

This week Ford reported a record loss of nearly R400 000 million for the second quarter, despite a series of cost-cutting measures. The loss is believed to be the second biggest quarterly loss sustained by an American company. It was exceeded only by the Bethlehem steel corporation's R430 000 million loss in 1977's third quarter.

What is more, Ford's enormous deficit surpasses Chrysler's 1979 third quarter loss.

Ford chairman Philip Caldwell's only consolation seems to be that his firm isn't likely to hold the loss record long. Chrysler had already indicated to US government officials that its second quarter loss should total R490 000 million, an estimate some viewed as conservative.

How badly the US car makers are doing was apparent last week when General Motors, the nation's biggest car maker, reported a net loss of R332 000 million, the widest quarterly deficit in its history. And third ranked American Motors also reported its worst-ever loss, of R75 million for the fiscal third quarter ended June 30.

While Chrysler was already suffering financially, Ford's problems were more image-related following a series of law suits over fuel-tank explosions in the Pinto and investigations of defects of transmissions in millions of cars and trucks.

Now Ford's financial image also needs a tune-up, just like Chrysler's.

"Blood is flowing in Detroit and it won't stop in the next model year," one industry analyst said. He is predicting that Ford will report similar, if not greater losses, in each of the last two quarters, and that the company's balance sheets won't be able to handle it.

Nevertheless, some company executives believe receovery of industry volume, successful introduction of the 1981 models and continued efforts to reduce costs are factors that eventually could help results.

The major manufacturers are expected to spend R68 000 million by 1985 to develop and produce cars that will average at least 27,5 miles a gallon — twice the 1975 average.

If successful, investment of these unparalleled amounts of money will help the American industry to regain its prominence — or, if found wanting, will hasten its decline.

It is also certain however, analysts believe, that U.S. manufacturers will never fully regain their former market position, due to changes in the product and sales inroads by foreign manufacturers.

Led by the Japanese, foreign makers have flooded the American market with highly fuel-efficient products, which, in addition, are widely perceived by American consumers as being of higher quality design and construction than American made cars.

The biggest problem Detroit faces now is obtaining the huge amounts of capital required to retool to build new produtcs.

But even if the industry succeeds, it remains to be seen whether the new American products can be competitive with foreign products with regard to price and quality.

Plan for SA boycott circulated at UN

27/1/78 Star

73

NEW YORK — Third world members of the UN Security Council have circulated proposals for economic sanctions against South Africa — already subject to an arms embargo.

A tentative resolution, formulated as a working paper, was being considered by the full African group as the 15-nation council entered the second day of debate on South Africa.

Meanwhile, its president, the Nigerian External Affairs Commissioner, Brigadier Joseph Garba, called a Press conference during which he was expected to disclose whether Nigeria would press for a council discussion next week on Rhodesia.

MALTA TALKS

If so, it could coincide with crucial talks in Malta between British and American representatives and black leaders of the "Patriotic Front."

In his speech to the council yesterday, Brigadier Garba denounced Mr Ian Smith's plans for an "internal" Rhodesia settlement, accused the West of blocking debate, and asserted that the Anglo-American initiative had lost steam.

The resolution being canvassed on the South Africa question would impose curbs on further foreign investment in the Republic.

Last November the council adopted a resolution imposing a mandatory arms embargo on arms sales to South Africa, the first time sanctions were applied against a UN member state.

According to the working paper circulated yesterday, the council would call on all states, including such nonmembers as Switzerland and South Korea, to refrain from granting any loans to or investing in South Africa. — Sapa-Reuter.

(73) 2/6/78

Basteni reports that, as far as the Brussels government is concerned, it's "business as usual" with SA. But significantly it gives no financial help to the Belgian-SA Chamber of Commerce.

SA-BELGIUM TRADE (73)

Investors queue up

FM 2/6/78

Two hundred Belgian firms interested in investing in SA or forming joint ventures with local businessmen? Sounds incredible, but Henri Fauchet, vice-chairman of the Belgian-SA Chamber of Commerce who has recently returned from Brussels, insists it's true.

The eager Belgians are mostly small and medium-sized firms. Potential investors include manufacturers of nails, brushes, textiles, plastics and polyurethane upholstery. Those keen on partnership projects take in producers of machine tools, mass housing and machinery for the plastics industry, as well as elevator designers and textile finishers.

Perhaps the surge in interest is not so surprising. Though only about 20 Belgian firms have direct investments in SA, trade has boomed in recent years and there have been a few new investments lately.

Ten years ago, imports from Belgium totalled R24m. Exports ran to R60m. By last year, the figures had leapt to R100,6m and R199,2m respectively. Belgium was one of the few countries whose sales to SA were higher last year than in 1976 — by R15m.

SA's exports to Belgium consist mainly of copper, diamonds, coal, fruit and pilchards, while trade in the opposite direction covers, in the words of André Basteni, Belgian commercial attaché in Johannesburg, "a thousand and one different articles."

Triomf's phosphoric acid plant at Richards Bay was the first major project in SA in which a Belgian firm was awarded a sizeable contract. It meant about R15m to the construction conglomerate, Coppée-Rust.

Another Belgian firm, Hamon Sobelco, is a big supplier of cooling towers to Escom, while Mechim, which makes filters, has actively tendered (unsuccessfully so far) for mining industry contracts.

The UCO group recently took a share in Union Cotton Mills in Port Elizabeth, while other Belgian companies have interests in textile factories at Uitenhage and Nigel. Hanssens Transmission, makers of special gearboxes, opened in Wynberg last year.

Finland kry kontrak

13) RAPPORT 3/9/78

'n KONTRAK van R800 000 is aan Finland se nasionale mynmaatskappy, Outokumpu, toegeken vir die verskaffing van gesofistikeerde elektroniese toerusting aan die Black Mountain Mineral Develop Company in Suid-Afrika.

Die kontrak is deur Outokumpu se plaaslike agent in Johannesburg, International Nutek, verkry.

Die stelsel wat verskaf word, sal die eerste in sy soort in Suid-Afrika wees, en sal in Januarie 1980 in gebruik geneem word. Deur die stelsel te gebruik, sal Black Mountain sy opbrengs met 5 persent verhoog.

Most firms unaffected by ethics code

73

Sun. Trib. **Finance Reporter** 25/9/77

THE ADOPTION this week of a code of ethics by the European Economic Community for European companies operating in South Africa is not expected to cause any important disruption to factories here.

For some time foreign pressure on overseas-based companies has brought labour policies of an almost total non-discriminatory nature to their local operations.

A number of leading companies already subscribe to and practise most of the practical aspects which overseas political pressure seeks to institute.

The stated objectives of overseas political business pressures are varied but can best be summarised by the so-called Sullivan manifesto — the voluntary manifesto subscribed to by a number of US companies doing business in South Africa — and by this week's European Common Market Governments' code.

The Sullivan manifesto basically calls for equal pay for equal work, integrated toilet and dining facilities, equal pension and other fringe benefits, equal opportunity for promotion, equal training facilities and acceptance of labour negotiating organisations.

The EEC code seeks acceptance of trades unions, removal of influx control, equal pay for equal work, elimination of job reservation and assistance in obtaining housing, transport, pensions, education and insurance.

"We believe negotiations with black unions without including Indians, coloureds and whites will lead to a denial of equal opportunities to all," says Metal Box South Africa's managing director Nigel Gilson.

Lion Match managing director Bob Harker says: "We already have the rate for the job in practice."

Romatex is another company paying the rate for the job and it has many black supervisors "who earn the same as their white colleagues, merit and job content being equal," says industrial relations executive Harold Bruce.

5.2.4 Communities of the river terraces

5.2.4 (i) Eragrostis chloromelas – Eragrostis capensis co-dominant grassland community

This community is represented by plot 174, and this habitat, being a former river flood plain, indicates a moist site, but in fact the drainage from the terrace to to the river is good and the soil is seldom waterlogged and is dry for a large part of the year. The Eragrostis chloromelas, Eragrostis capensis dominated community on the terraces is usually on Dundee form soil and provides grazing for cattle. Where grazing is heavy, which is in the largest portion of the area, all grass… …nniana is present as it can surv… …e Eragrostis chloromelas, Elionuru… …s group is the one to which th…

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5.2.4 … …ana – Eragrostis plana co-domi…

This cor… …d 161.

T… …elas and Eragrostis capensis… …court soil forms more than the…

O… …nd Eragrostis plana are dominant… …e biotic influence is severe.

Est… …ee type and have a high clay…

Sp… …llata occur commonly in protec… …uch as Trichoneura grandigl… …ntly where grazing

Rapport 6/11/77

(73)

Deur CHRIS VERMAAK

BELGIESE maatskappye en sakemanne in Suid-Afrika stuur op 'n botsing met hul regering af omdat die meeste van hulle weier om inligtinge oor Belgiese belange in Suid-Afrika te verskaf. Besonderhede word aangevra in 'n spesiale omsendbrief van die Belgiese ambassade.

Sakemanne sê dat dié inligtinge klaarblyklik ingespan gaan word om op die een of ander wyse druk op Suid-Afrika uit te oefen. Een beskryf dit as 'n poging om 'n „radiografiese studie" van Belgiese belange in Suid-Afrika te maak.

Die sakemanne sê hulle sal die ambassade daarop wys dat dit nie verpligtend is om die vraelys te voltooi nie. Hulle wil ook eers weet wat daaragter sit.

Die vraelyste wat namens die Belgiese departement van buitelandse sake deur die ambassade uitgestuur is, dek 'n wye veld. Daarin word onder meer gevra of maatskappye heeltemal of gedeeltelik aan Belgiese kapitaal verbonde is. Daar word ook klem gelê op personeel en binne- en buitelandse aandeelhouers.

Die indringende vraelys val saam met die protesskrif van die nege Euromarklande wat verlede week deur die Belgiese ambassadeur in Suid-Afrika, mnr. André Domus, aan die Regering oorhandig is.

Daarin word beswaar gemaak teen die Regering se veiligheidsoptrede op 19 Oktober teen 'n aantal organisasies, persone en The World.

Mnr. Domus is met 'n skerp bewoorde Suid-Afrikaanse antwoord in sy sak Brussel toe. Hy sal na verwagting vandeesweek met 'n antwoord van die nege lidlande van die Euromark terugkeer.

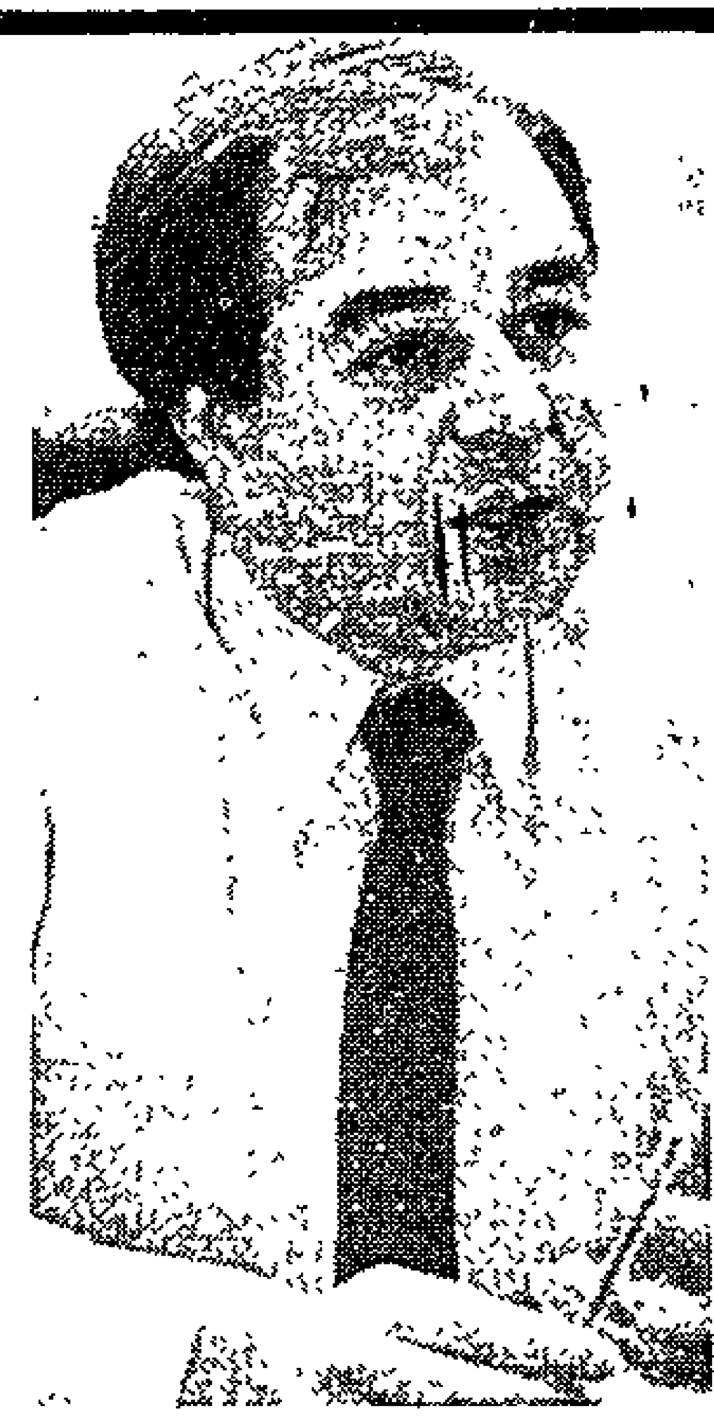
Die gesamentlike optrede het gevolg op individuele besware by die Regering deur sommige van die lande.

Verdere optrede deur die Euromarklande word in die vooruitsig gestel.

Die Belgiese konsulgeneraal in Johannesburg, mnr. R. T. Tiberghein, wat binnekort ná 'n dienstydperk van vyf jaar na België terugkeer, het aan RAPPORT gesê dat hy nie veel kommentaar op die vraelyste kan lewer nie, omdat dit deur die kantoor van die ambassade uitgestuur is. Hy vermoed dat die navrae verband hou met die gedragskode wat die Euromark vir Wes-Europese sakeondernemings in Suid-Afrika opgestel het.

Suid-Afrika het die kode reeds as skynheilig bestempel.

Sakemanne in Nederland en Wes-Duitsland wat belange in Suid-Afrika het, het ook daarteen beswaar gemaak.



MNR. PAUL ULENS

MNR. R. T. TIBERGHEIN

Mnr. Tiberghein het daarop gewys dat die Eurmark se optrede kom in 'n tyd waarin daar in Suid-Afrika besondere pogings aangewend word om die handelsbetrekkinge tussen Suid-Afrika en België te versterk en uit te bou.

Ooreenkomstig

Plaaslike Belgiese inisiatief het vanjaar gelei tot die stigting van die Belgies-Suid-Afrikaanse Kamer van Koophandel. Dit het einde Junie in Johannesburg tot stand gekom, en 'n Kaastadse tak is in Augustus gestig.

By die stigtingsvergaderings is daar veral klem gelê op die onskendbaarheid van private ooreenkomste tussen Belgiese en Suid-Afrikaanse sakemanne ondanks skielike besluite wat op die handel afgedwing mag word deur onder meer regeringsveranderings.

Op die vraelyste word die volgende besonderhede gevra: maatskappy, regskundige vorm, adres, sakesyfer (zakencijfer), personeel, akte van oprigting, raad van beheer, jaarverslag en diverse. Inligtinge word ook aangevra oor kapitaal en Belgiese en ander aandeelhouers.

Mnr. Paul Ulens, sakeman en lid van die Belgies-Suid-Afrikaanse Kamer van Koophandel, sê die inhoud van die vraelyste dui daarop dat die Euromarklande 'n eenvormige beleid ten opsigte van Suid-Afrika wil formuleer.

„Die nege lidlande het vroeër nie uit een mond gepraat nie. Met dié soort inligting wat aangevra word, kan die moedermaatskappy in België druk uitoefen op filiale in Suid-Afrika. Dit geld veral die gelyke behandeling en besoldiging van wit en swart werkers."

Nie tevrede

Mnr. Ulens, wat in Junie vanjaar na Suid-Afrika verhuis het, sê dat dit vir België en die ander Euromarklande nie ter sake is dat twee derdes van die lande met wie hulle handel dryf, nie die toets van die sogenaamde gedragskode sal kan deurstaan nie.

„Plaaslike Belgiese sakemanne is nie daarmee tevrede nie en dek sal nie verbaas wees as die meeste van hulle weier om die vraelyste in te vul nie. Daar staan nie dat dit verpligtend is nie.

„Elkeen het tog 'n aanspraak op privaatheid en die Belgiese regering behoort dit in ag te neem. Ek sou beslis weier om so 'n vraelys in te vul sonder om te weet wat daaragter sit. Ek meen dus dat Belgiese sakemanne redes gaan aanvra.

„Die departement van buitelandse sake vra hie. inligting aan wat normaalweg aan die departement van belasting of finansies verstrek word."

Hy sê dit verbaas hom da. 'n land soos België wat sel. so 'n „primitiewe vorm van raadpleging" het, eise ten opsigte van Suid-Afrika stel.

Uitgevaar

Oor dubbele standaarde sê hy: „België handhaaf diplomatieke en handelsbetrekkinge met lande soos Oos-Duitsland en Rusland waar dit vir mense nie moontlik is om van een punt na 'n ander sonder identiteitsdokumente (passe) te beweeg nie. Tog is daar al by geleentheid teen die bewysboekstelsel in Suid-Afrika uitgevaar. In België mag jy die meeste kroeë nie met 'n swarte binnegaan nie. By baie is daar kennisgewings wat Noord-Afrikane verbied."

Hy sê min van die Belge wat hulle hier gevestig het sal weer na hul geboorteland teruggaan.

„Die Belg wat al vyf jaar hier is, kan met moeite eie taal praat en sy bedoling is nie om Belg te bly nie. Die optrede van die Belgiese regering het daartoe gelei dat hulle nou by hul byeenkomste ook die Suid-Afrikaanse vlag hys.

FM 30/11/79

EMPLOYMENT CODES

Credibility problems

Employment codes in SA have flourished since Leon Sullivan of the US spelt out his six principles in early 1977. Foreign companies and governments have latched on to such codes to escape disinvestment pressures. But, argue many critics of the codes, their proliferation and the growing number of subscribers doesn't mean very much, since monitoring is either non-existent or ineffective.

The main codes are the Sullivan code (for American firms), the EEC code, the Canadian code, and the local Saccola code. The latter was initiated by the Urban Foundation and Saccola, which claims to represent about 90% of South African firms. Neither the Canadian code nor the Saccola code have any monitoring device. The Canadian government merely recommended to Canadian firms that their subsidiaries in SA adopt its code and report to shareholders.

The monitoring of the EEC and Sullivan codes is based on company reports, often in the form of answers to questionnaires. Since March 1977 the number of signatories to Sullivan has leapt from 12 to 135, and the third progress report is out (see box). The report says seven "task groups" (made up of representatives from signatory companies) have developed "guidelines, objectives and timetables for action programmes." This, it argues, illustrates their commitment to the principles. Nonetheless, relying on company reports is by no means a satisfactory basis on which to monitor. And as long as this is the case, the report's credibility will remain suspect.

The EEC code was adopted two years ago. But its monitoring is only just getting off the ground. Britain and Italy are the only two countries now receiving the second round of reports from companies with SA subsidiaries. However, up to now, Britain is the only country that has published a report.

German, Dutch, and French subsidiaries submitted reports to their governments for the first time this year. In a month or two, the German government will publish its report. Just over 50% of the Dutch companies have submitted reports which were put before the lower house of parliament a month ago. By September, about half of the French subsidiaries had sent in their reports. The Italian, French, and Dutch reports are unlikely to be published.

These reports to foreign governments will do little to pacify overseas pressure groups. According to one critic, as long as the results of the companies are kept from the public eye, and highly subjective employer reports are relied upon, the assessments will lack credibility.

The *FM* learns that the EEC could call on trade unions to comment on the company reports. According to Fosatu's Alec Erwin, this is only possible where there is strong union organisation, which SA lacks. Thus, unions could only play a limited role in monitoring. Fosatu has in fact prepared reports on those companies where its unions are well organised, and these will be released soon.

Tucsa says that it is keeping an eye on firms which have subscribed to the codes and will publicise its findings. But it admits that lack of resources will make their unions a not very effective monitoring device.

Inkatha claims that it is also monitoring the codes. According to Gibson Thula, Inkatha publicity officer: "Lists of subscribers to the codes have been made available to workers and a few companies have been visited, but we don't have the staff to do this properly." So far, Inkatha has not made any statement on its findings. Thula argues that "we are still finding our way."

Vic Razis, of UCT, is interested in setting up a university-based body which will monitor all the codes. It would serve as an information service, as well as investigate employment practices. Obviously, having a third party to investigate would be better than relying on employers and trade unions. But the codes' effectiveness ultimately depends on the employers, for it is up to them whether a third party can have access to premises, and talk freely with employees.

Financial Mail November 30 1979

PUBLIC OF SOU
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17. Proclamations.—(1) The State President may by proclamation in the Gazette from time to time amend or add to the provisions of the Schedules to this Act.

(2) Any such proclamation may prescribe different provisions in respect of different types of companies.

(3) The provisions of any such proclamation amending or adding to—

(*a*) Table A or B contained in Schedule 1 shall not apply in relation to any company in respect of which the provisions of the Table in question applied immediately before the date on which the proclamation took effect;

continued on page 505

When a person has been sick for a long time, and the doctors and the amaggira have been unable to help, he might be advised by a person who had the same sickness and who was helped by the Zionists to come to us.

A person coming to our church does not tell us what kind of sickness (ugula) (s)he has. The spirit will tell us what kind of sickness (s)he has. After the spirit has told us what is wrong, we can heal the person.

I asked him as to the reasons for people joining the church:

AUSTRIAN FIRMS (73)

In our September 22 issue we published a table of countries whose companies have substantial investments in SA. We inadvertently omitted Austria.

There are some 26 fair-sized Austrian firms doing business in SA. Among the sectors they cover are textiles, special steels, track-laying machinery and plastics. Says Dr Lothar Puxkandl, Austria's trade delegate for southern Africa: "We know that other Austrian companies are looking into the possibility of establishing themselves in SA."

FM 6|10|78

because they see that the church
thers come only for pleasure. What
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bout specific treatment techniques.
sed a medicine (iziwasho),
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que used depended on the person's
problem and on what he is told by the spirit.

His concept of sickness is obviously different to the usual Western concept and included, for instance, a person who is unable to secure employment after a long period. Such a person would be given a medicine to cause vomiting and another medicine to hang around his neck. The "patient" will also be given a coloured cord to wear around his head.

The sacrifice of an animal is undertaken in response to the ancestral shades "because most of the peoples ancestors want them to do something". The coloured cords appear to play numerous roles in healing, they may represent different kinds of spirits, they may be tied round specific parts of the body, e.g. wrists, ankels, waist or head and serve a protective function in warding off "enemies". Dreams of plants or herbs by "patients" are interpreted as indicating that the "patient" requires the specific plant or herb dreamt about.

I explained that I had a special interest in the treatment of mental illness and asked him about his views with regard to the treatment of such persons. He replied:

The cord for healing such people is a cord which we have to respect. It is a thick cord which I hang over my shoulders when praying for the "patient". The "patient" has izilwane (animals) which start fighting. There are two kinds of izilwane. The one kind hide themselves. The other kind do talk. When they start talking, the person becomes wild and starts fighting. I then take that cord and wrap it round the "patient".

In the Zion Church, we have special kinds of sticks and if the spirits tell us to put them across his shoulders, then we do what we are told to do, then the evil will come out.

Sometimes, we mix a medicine (isiwasho) and a short red cord and give it to the patient to drink. That cord is going to look around inside and see what it comes across which is evil.

Efficacy of Treatment:

As yet, there has been no systematic research on the

78A

Coal exports tipped to earn R100m

R.D.M 5/1/76

By VIVIAN de CHALAIN

COAL exports are expected to earn "an absolute minimum of R100-million" for South Africa during 1976, says Mr Alan Tew, chairman of the Transvaal Coal Owners Association.

He estimates that 10-million tonnes of coal will have been exported through Richards Bay by the end of the year, and that this figure could climb to about one-million tonnes a month in 1977.

The Assistant General Manager Operating of the South African Railways and Harbours, Mr Hennie Loots, announced yesterday that the first 28 trucks of coal arrived by rail at Richards Bay at the weekend.

This was low grade coal which would serve as a sub base, providing natural stability and drainage for the high grade export coal which would be stock-piled from the middle of January, he said.

Mr Tew said the Transvaal Coal Owners' Association had initial contracts with Japan, France, Germany and the United States for 2 750 000 tonnes of coal. The Natal Associated Collieries had contracted with Germany to supply about 650 000 tonnes during 1976 as well as other minor contracts.

"The Anthracite Producers' Association has very important contracts with France and the Low Countries also," said Mr Tew and pointed out that South African anthracite is made solely from Natal coal.

To cope with these huge exports, the SAR had extended their rail links with Richards Bay at a cost of about R700-million.

Coal in the Witbank area was being loaded by the "balloon track" system, said a spokesman.

TRAVEL

Trains were driven very slowly into a circular siding and while the trucks passed beneath the coal shutes they were filled.

The spokesman said the "block loaded trains" travelled via new and improved lines through Ermelo, to Vryheid and then along a new rail link to Richards Bay.

He said the Transvaal Coal Owners' Association's handling appliance on the loading quay at Richards Bay was almost complete and more such appliances were expected to be built for other exporters.

10
73

They'd like to give Kei aid, but apartheid...

28/11/76 Sun Times

By ARTHUR ROSE

MANY countries would like to open contacts with and give aid to newly-independent Transkei, but are hanging back for fear of being seen to support apartheid.

This was the message from most speakers at the South African Institute of International Affairs' conference in Umtata on the international implications of independence.

They said its birth out of separate development was the greatest obstacle to recognition.

The American researcher, Dr Lorna Hahn, said many Africans and Arabs privately supported Transkei's independence but in public they took a different attitude.

It was now up to Transkei to prove that it was truly independent and at the start of a struggle for freedom.

Dr Hahn said if African countries were sincere in their desire to see fellow Africans treated with dignity and respect, they should stop treating Transkeians as inferior beings.

Instead of doing nothing, they should try to beat Pretoria at its own game by working Transkei into the African system.

"It is time we all stopped regarding independent Transkei as an affront," Dr Hahn said, "but view it as an opportunity."

A British political scientist, Mr Christopher Hill, said recognition was unlikely as long as Transkei was thought of as an end product of separate development.

But Transkei's own actions, he said, in detaining its political opponents and two world-acclaimed actors had not helped its image abroad.

Many speakers stressed that Transkei was not promoting its own cause by its actions at home.

Professor John Dugard of Johannesburg, said the United Nations saw South Africa's discriminatory laws and repressive security laws as contrary to the universal declaration of human rights. Transkei had kept not only racist laws like the Mixed Marriages Act and the Immorality Act, but also repressive laws like the Terrorism Act and the Internal Security Act.

The director of the Institute of Black Studies in Johannesburg, Mr Nimrod Mkele, said that apartheid was "designed to keep the Black man as cheap labour for the White man, while ensuring that effective political power and the bulk of our wealth (roughly 88 per cent) is held firmly in the White man's own capable hands . . .

"The reserves, which are now called homelands, were designed for the express purpose of providing cheap migrant labour for South Africa's mines, industries and farms."

As a result, Mr Mkele said, their development was handicapped by the absence of able-bodied men. They were economically dependent on South Africa and could only endanger themselves by taking militant postures like withholding labour.

D.D. 28/11/75

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Renaults in Transkei?

EAST LONDON — An industry which could cost up to R40 million could result from an agreement announced by the Transkei industrialist, Mr R. E. Blom.

Mr Blom told a gathering here that he was negotiating with Renault, Argentina, for the manufacture of utility vehicles in Butterworth as an addition to his motorcycle factory.

"This is a dream which has nearly come true. I had noticed that all utility vehicles were imported and a letter I received today from the Argentinian Consul makes the manufacture of utility vehicles in the Transkei a distinct possibility," Mr Blom said. — DDR.

Cape Times 5/11/75

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Church plea for equality

CHRISTCHURCH, New Zealand. — The New Zealand Presbyterian Church is to ask two insurance companies to provide equal opportunities for their non-White employees in South Africa.

The church general assembly yesterday decided to send proxies with this brief to the annual meetings next year of the South British and New Zealand insurance companies in which it holds investments.

The request will relate to Indian, Coloured and African races. — Sapa-Rtr

Reserves jump to 18-month high

RDM 2/10/75

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Mining Editor

THE RESERVE Bank's gold and other foreign reserves for the week ended September 26 jumped by R147-million to R916 012 199 — their highest level since March 1974.

The rise reflects the drawing down of South Africa's gold tranche with the International Monetary Fund. This tranche, which was probably taken in currencies and SDRs, was worth around R92-million.

The balance of the remaining increase reflects the revaluation of the Bank's holdings of foreign exchange and SDRs following the devaluation.

The surprising feature is the modest R1 291 110 rise in gold holdings to R530 563 143. This retention level of around 1,35 of gold represents only about 8,8 per cent of current output.

This amazed London bullion dealers who — based on their actual market experience — expected retentions to be much higher. Several dealers thought South Africa must have effected a direct sale to some overseas monetary agency.

Reuter reports that South Africa recorded a R457-million deficit on current account of the balance of payments in the second quarter of 1975 compared with a deficit of R346-million in the first quarter and a deficit of R103-million in the second quarter of last year, the Reserve Bank said.

The Bank said in its quarterly bulletin that at annual rate the deficit increased to R1 901-million in the second quarter from R1 518-million in the first quarter.

This occurred in spite of a slight decline in merchandise imports and resulted from a sharp rise in service payments to foreigners, coupled with small decreases in the net gold output and merchandise exports.

Net gold output was R615-million in the quarter ended June compared with R638-million in the first quarter and R648-million in the second quarter of last year.

The Bank said annualised net gold output fell to R2 436-million in the second quarter due to a sharp drop in the gold price. This was only partially offset by an increase in the volume of gold production.

The Bank said service payments to foreigners amounted to R2 583-million annualised on second quarter figures.

Net short-term private capital inflow declined to R28-million in second quarter from R223-million in the first quarter.

Overall there was a net inflow of capital of R472-million in the quarter compared with an inflow of R355-million in the first quarter and an outflow of R99-million in the second quarter of last year.

There was a marked increase in the net inflow to the central Government due mainly to a sharp rise in official overseas loans to strengthen the balance of payments.

SA firm taken over

19/7/75 Cape Times Correspondent

DURBAN. — Jardine, Matheson and Co Ltd, of Hong Kong take over a controlling interest in the South African group Rennies Consolidated Holdings Ltd for R32m.

Jardine-Matheson will invest R17,5m in cash in the company.

Last night Mr Guy Radmore, chairman of John T Rennie and Sons and chairman of most of the Natal companies, said the overall share deal involved R32m and would have major benefits. "It will enable us to go international more quickly and, with this enormous injection of capital, it will accelerate our growth plans."

78

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Hong Kong bid for SA hotel group

ARGUS 3/7/75

Financial Staff

THE giant South African shipping and hotel group, Rennies Consolidated Holdings, with assets of R63-million and 11 000 employees, has received a takeover offer from Jardine, Matheson of Hong Kong, the largest trading group in the Orient outside Japan.

Jardines will gain 51 per cent control if the bid is accepted.

It plans to invest R30-million, buying part of the shareholding for R15-million and injecting another R15-million for new shares.

Details of the offer are still being discussed between the groups and their merchant bankers.

Trading of Rennies shares was suspended on the Johannesburg Stock Exchange today.

Jardines turnover reached R340-million last year and taxed profits were R30-million.

Rennies had a R77-million turnover and profits of R5,8-million after tax. It employs 1 750 people in Cape Town, including 1 500 in manufacturing.

The 143-year-old Jardines has many compli-dines has many comple-of Rennies. Shipping and hotels are two of the main operational areas of both groups while air transport, security services and property are also common to both.

Jardines activities which spread across the major trading nations of the Far East, Australasia and in-

sugar, oil, forestry products, rubber and palm oil.

A joint statement said the benefits to Jardines in its first direct venture into South Africa are clearly that it achieves an important investment in one of the world's better economic climates in partnership with a well established local group in compatible business areas.

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No Voest pull-out from steel plant

Sun Times (Bus Times) 11/5/75

By GORDON KLING

THERE IS no possibility that the Austrian steel group, Voest, will withdraw from Iscor's R1 000-million Saldanha steel complex.

Lothar Puxkandl, Austria's Trade Commissioner in South Africa, says Voest regards its 25,6 per cent stake in the steel semis project as an absolute minimum. Political doubts are out of the way and the main problems are purely commercial, he said.

Press reports this week speculated that the Austrian Chancellor, Bruno Kreisky, might veto the State-owned Voest's participation in the project under pressure from the Organisation of African Unity.

Mr Puxkandl said the project is considered a breakthrough in Austria's overseas investment programme and a door-opener for other Austrian firms.

panies already operate in South Africa and another 18 are taking a hard look. If Saldanha falls through the others would also be in jeopardy.

Voest requires the Saldanha plant to reach the production plan stage and it has to maintain a 25 per cent participation to command a say in policy, which it needs.

"The decision to climb down from the original 49 per cent participation was necessitated by huge cost increases — the reduced stake involves the same capital investment originally planned.

"In spite of higher transport costs, coke and coal prices and rising Black labour rates, the project is still commercially viable.

"It will be one of Austria's biggest undertakings anywhere in the world (only rivalled by a truck and tractor factory in Greece) and the 80 000- ... labour union has given its approval.

"Voest has the world patent on the oxygen blast furnace process to be used in the semis plant, and the project will fill the earnings gap which will develop in the mid-1980s, when this patent expires.

"Australia was considered as an alternative at one time but the vastly increased transport distances and the lower quality of the iron ore (Sishen ore has a high iron content, above 60 per cent) placed it out of the running.

"Pollution control costs ruled out Austria itself as the site of a new plant."

Mr Puxkandl says one factor holding up the project is finance. "Iscor isn't finding it easy to get finance for its 51 per cent share (this can no longer be found in South Africa alone), but an improvement in European economies in the second half of the year should permit the money to be raised there."

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RDM Supplement 29/4/75

They're men of steel

BOHLER Bros & Co Ltd lead the way in Austrian high-grade steelmaking. Theirs being the most varied manufacturing programme in the world.

And, since 1961, Bohler Bros have been operating under their own name — Bohler Steel Africa (Pty) Ltd — in South Africa out at Isando.

With a world-wide staff of about 18 500, Bohler Bros has its headquarters in Vienna. The company's smelting shops and processing plants are located at Kapfenberg and Deuchendorf (Styria) and near Waidhofen in the Ybbs Valley (Lower Austria), where Bohlerwerk, the Gerstlwerk and the Bruckbacherhütte form another group of processing plants.

Steel has been made at Kapfenberg for more than 500 years, and the present Bohler Company was founded in 1870. Since then, generations of skilled men have carried out intense research work for the benefit of high-grade steelmaking and the development of new and better speciality steels.

A considerable part (about 60 per cent) of their production is shipped to practically all the countries of the world.

Bohler branches and representatives in the important markets provide direct user contact and serve as a channel permitting the works to benefit from current practical experience and also allows for customers to be given special expert advice.

Bohler Bros' links with South Africa go back to 1932 when they were represented by an agency acting as a stockist and distributor for its special steel and steel products.

Now Bohler Steel Africa (Pty) Ltd is a direct arm of the parent company and is in the process of further expansion.

Since 1969 the company has been operating its own heat treatment plant in Isando. Last year it opened its own branch in Natal (it has agencies in Cape Town and Port Elizabeth) and recently began promoting the sales of drilling rigs, wagon drills and pneumatic hand tools.

After the recent merger of the Austrian steel industry, extensions in Isando are in progress to cater for even bigger and more diversified activities.

From the tremendous number of high-grade steels available from Bohler Steel Africa, are machine knives for all types of industries, precision forged turbine blades, tubes, stainless and heat resistant, in all commercial finishes and sizes, welding rods and electrodes, pneumatic tools for both metal and stone working, equipment for chemical engineering in any size or design, high pressure valves and fittings and steel wires and wire ropes.

'The Specialist' takes on a modern look

IT TAKES a big company to cater for all the needs of "the smallest room" in the house.

Such a company as F & M (Krugersdorp) (Pty) Ltd — cast iron sanitaryware and pipe manufacturers.

Today they are probably the only concern in South Africa doing porcelain enamelling on cast iron.

It began in 1946 as a one-man business manufacturing cast iron WC cisterns, high and low level, for the building industry.

In 1970 the business was taken over by Amalgamated Industrial Investment Corporation, whose production also centred around the building service industry.

One item they manufacture now is heavy duty cast iron pressure pipe fittings, used mainly in sewage disposal works, which are all made to customer specifications and generally hand-moulded.

Their F & M high-level cisterns and their "Glen" low level cisterns, besides being used extensively all over the Republic, are also exported to neighbouring African countries.

Their high-level cistern is installed in most African houses in South Africa. Their low-level cisterns are used extensively in public buildings.

And, at Meyerton, is another subsidiary of AIIC, Vaal Potteries, the largest ceramic sanitary manufacturers in South Africa.

Started in 1943, it manufactures basins, toilet bowls, wash tubs and other sanitary items.

At East London is another plant supplying Vitrose china sanitary ware.

And back at the grey iron foundry at Krugersdorp, 20 per cent of the output is still given to the production of components for outside companies to their specifications.

~~gen~~ other

FOREIGN FIRMS IN SA – MI~~SCELLANEOUS~~ OTHER

1989 – 1990

Suppliers' order books full until 1990s

Austrians on lookout for scarce SA metals

B Day 29/3/89

(73)

HELOISE HENNING

AUSTRIA wants to increase its imports of SA ferro-alloys and steel, but the suppliers' order books are full until the 1990s.

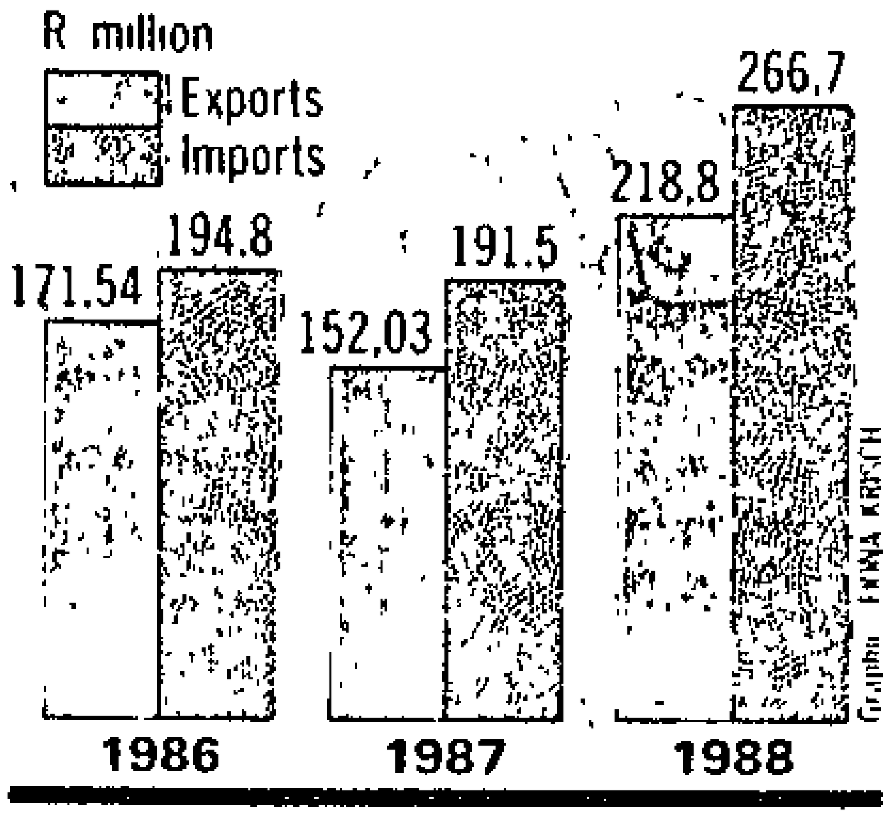
Austrian trade with SA showed a turnaround from 1986 and 1987 when its imports from SA increased by 35,3% to R267,3m in 1988. Its exports to SA rose by 43,9% to R218,8m, according to figures released by the Austrian trade delegation in Johannesburg.

This makes SA, after Egypt and Algeria, Austria's third largest trading partner in Africa, although trade with SA is only 0,3% of Austria's total.

The Austrian trade representative in SA, Heinz Rampitsch, told Business Day the country was keen to improve bilateral trade relations because SA's export prices were "unbeatable".

Austria would like to import more of SA's ferro-alloys, commercial steel,

Austrian imports to SA and exports from SA



stainless steel and ferrochrome. It would in turn export these to several Eastern Bloc countries, or would add value in manufacturing. But the order books of SA ferro-alloy and steel producers were filled until the 1990s, Rampitsch said.

Such imports would not be prevented by Austria's policy on sanctions. Its banned list includes Kruger-rands, some steel products and cultural and sporting relations with SA. Austria also prohibits trade in arms, technology and electronics with the SA Defence Force, SA Police or nuclear facilities.

There are 25 wholly-owned Austrian companies in SA, the largest of which is the engineering giant Voest-Alpine. A further 200 to 300 Austrian companies are involved in imports and exports.

The largest exports to SA involve technology and capital projects, such as the Corex plant at Iscor's Pretoria works, as well as machinery, paper, metal goods, chemicals and synthetic fibre. SA's exports to Austria are mainly minerals, fruit, chemical products and non-ferrous metals

The improvement in trade represented a reversal of the negative trends in 1986 and 1987. After the mild sanctions packets introduced by Austria in 1985 and 1986, trade with SA declined.

Taiwanese have created 40 000 jobs in SA

73

HELOISE HENNING

TAIWANESE industrialists have invested $300m (about R800m) in SA since 1979, creating 40 000 jobs at a sixth of the cost at which SA businesses are creating them.

FCI technology development committee chairman Ted Adlard told the Industry Ahead Conference in Randburg yesterday that Taiwanese industrialists had settled in decentralised areas, and 20% of the companies were exporting their manufactured goods. They were employing rural workers, with one skilled worker to every 14 unskilled employees.

This countered any argument by SA industrialists that the "Chinese miracle" was achieved through a homogeneous workforce.

Adlard said SA's businessmen took the line that it was impossible "to go and sit out in the bush and work with unskilled rural labourers".

Statistics showed that SA industrialists invested, on average, R189 000 to create one new job.

Being aware of possible political instability in SA, the Taiwanese required returns on their investments within five years. In fact, Adlard said, some of the companies were reporting profits within 18 months.

B/Day 20/4/89

Another 50 Taiwanese companies were expected to establish plants in decentralised areas by the end of the year. They were also looking for opportunities to develop joint ventures with SA manufacturers.

Adlard, who is also MD of mining equipment maker Salzgitter SA, said by the end of the year there would be four Taiwanese companies making television sets in SA.

Hard-selling the big move

73

DURING the next 18 months Alkhan Industrial Consultants, of Randburg, will help to relocate from Europe, Israel, Turkey and the Far East an estimated 20 to 30 factories with the potential of creating 6 000 new jobs.

Total foreign investment involved will be about R215m.

Alkhan was established in 1983 to help local and overseas industrialists with relocation to strategic industrial growth points in southern Africa.

Emphasis is on relocating industries from abroad or setting up new operations to create additional jobs and fresh investment.

During his recent overeas visit Alkhan MD Schalk Coetzee spent time with industrialists in Tel-Aviv, Antwerp, Istanbul, Hong Kong and Taipei, They indicated they intend relocating plants to southern Africa.

Among factories he inspected in Israel, with a view to relocation, were manufacturers of plastic containers, textiles, knitting wools, threads and blankets.

In Hong Kong and Taiwan factories producing a wide range of items, including kitchen utensils, pots and pans, denim clothing, electronic components, marble and granite products, ceramics and computers, were visited.

Feasibility studies are under way for many projects and several applications for relocation have been sent to authorities.

Last month Alkhan hosted an investment seminar in Hong Kong and several industrialists from the colony will visit SA soon.

Coetzee explains: "SA offers the foreign industrialist extremely favourable conditions in terms of relocation incentives as well as the availability of labour and raw materials."

Sowetan 24/9/87

tom-built to suit the needs Port Elizabeth. is a case in point.

Turkish connection

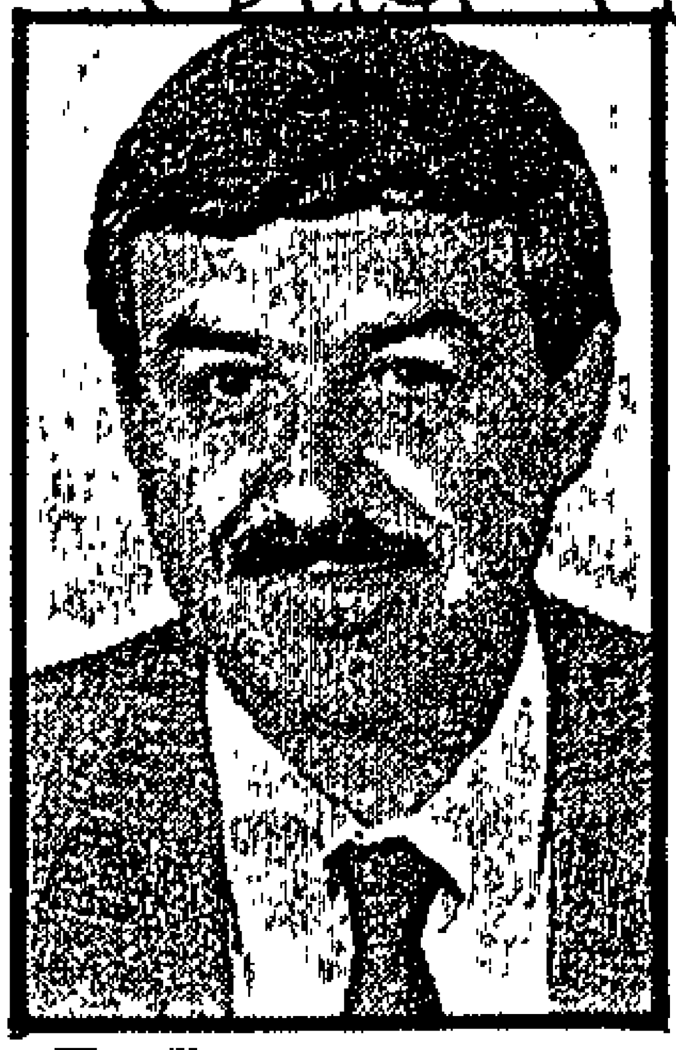
BDay 28/09/89 (.73)

FOLLOWING a recent visit of Alkhan Industrial Consultants MD Schalk Coetzee to Turkey in February, Alkhan has opened an associated office in Istanbul.

This will be managed on Alkhan's behalf by Huseyin Zeren, who recently visited SA.

He will be responsible for handling all enquiries in Turkey from industrialists interested in relocating their operations to southern Africa, and will also investigate trading opportunities between SA and Turkey.

Alkhan is also in the process of relocating six industrial operations from Turkey to SA. These include strategically important boric acid and borax plants, as well as the manufacture of vehicle parts, ceramic tiles and sanitaryware, and light fittings. Foreign investment will amount to approximately R81m, and about 1 500 new job opportunities will be created.



□ SCHALK COETZEE

Earlier this year Alkhan established a fully operational office in Taipei in view of the overwhelming response from Taiwanese industrialists. Coetzee estimates that his company will handle the relocation of approximately 20 Taiwanese industrial operations in 1989 and that the branch office in Taiwan will greatly facilitate the smooth and correct handling of all documentation.

Coetzee explains: "We believe that we are able to streamline the handling of enquiries and provide a more comprehensive and efficient service to foreign industrialists by providing offices in the various countries."

BDay 24/4/89 (73)

SITE BOOST IN NEWCASTLE

THE growth of Newcastle was recently boosted by the development of a new industrial site, Newcastle Park, by private investors.

Through a phased development, 100 000m² of manufacturing, warehousing and office space will soon become available, creating a unique opportunity in the town. The emphasis is placed on the most efficient usage of space and the minimising of maintenance costs, thus ensuring greater profitability for the industrialist.

Phase one of this development has been completed, with 4 000m² of space already occupied. One of the first tenants in Newcastle Park, utilising 2 000m², is Asiachem, relocated from Taiwan by Randburg industrial consultants Alkhan.

This operation is part of the Asiachem group in Taipei, and has been listed on the Taiwanese stock exchange for the past five years. Custom-made machinery and equipment worth in excess of R3m arrived from Taiwan early in December 1988, and the factory was in full production by the end of that month, with a labour complement of 35.

Asiachem manufactures high-quality industrial adhesive/packaging tape, which in the past was imported, and thus contributes significantly to SA's import replacement programme.

Key personnel arrived from Taiwan in November 1988, and have already purchased three new homes in Newcastle. According to the MD of the new plant, Jerry Sun, the industrial area is situated so close to town that most of his staff are able to commute to work on bicycles.

On his arrival from Taiwan, Sun was amazed at the availability of industrial as well as residentail land in Newcastle, and, in his own words, "was overwhelmed by the friendliness and hospitality extended to me by the local industrialists and residents".

Asiachem is a capital-intensive operation, and will within the next few months employ about 100 personnel on a three-shift basis. They intend to gear themselves to begin exporting their products in the not too distant future.

Relocation is a valuable factor

B/Day 24/4/89 73

While government's decentralisation policy is criticised by a large section of the business community, the fact is that it does exist. And from an individual company's point of view, there may well be certain financial advantanges to decentralising. This survey seeks to examine how the decentralised areas have worked and what those advantages are, without in any way endorsing that policy

WHILE government's decentralisation policy is increasingly critised as cost-ineffective expenditure of tax-payers funds on industrial relocation to outlying areas, the policy offers some positive spin-offs.

Contrary to the rest of the economy, where disinvestment, sanctions and economic pressures often determine SA's relationship with the rest of the world, the highly attractive incentives offered by the policy is a spur to increasing foreign investment.

Taiwanese industrialists, spurred on by increasing labour costs in their booming island economy and attracted by excellent marketing of SA's attractive incentives packages, have invested almost R800m ($300M) to date in SA's decentralised areas, creating close on 40 000 jobs.

To cap it all, Taiwanese firms create jobs at about one-sixth the cost of creating industrial jobs in SA, says Federated Chamber of Industries technology development committee chairman Ted Alard, while 20% of the companies export their manufactured produce, earning SA valuable foreign exchange.

"Over the past three or four months, we have been receiving a constant stream of about 25 monthly overseas applications for relocation to our decentralised areas. The investment climate for foreign investors has considerably improved since the beginning of the year," says Decentralisation Board chief director Pine Pienaar.

Even visitors from Japan are now looking at opportunities, and it seems possible that the tide has turned.

Another important factor is that a large number of hi-tech factories are now relocating to SA from the Far East and elsewhere.

"In fact, the decentralisation policy is currently SA's only effective instrument for foreign investors. Large investments of up to nine figures now form part of the applications being considered," adds Pienaar.

In the period April 1, 1988 to January, 31 1989, the Board approved 106 applications for relocation from overseas, involving total investments of R530M, and creating 20 500 employment opportunities.

Over the same period potential local investments of R1,3 billion were approved, involving 42 500 new job opportunities.

An example of the type of investments now being considered is a proposed R460M plant for the manufacture of TV tubes, which will make SA one of only seven countries in the world where these tubes will be manufactured. The new plant, which will employ almost 4 000 people, will be moved to SA from Taiwan says Alkhan Industrial Consultant MD Schalk Coetzee. About 20% of its production would go towards meeting local market demand. Elsewhere, four Taiwanese firms are also assembling TV sets in decentralised areas.

Alkhan is involved in relocating a number of foreign factorie, involving foreign investments of R215m, to SA. The relocations will take place over the next 18 months from the Near and Far East.

Should all these relocations be realised, 11 000 new jobs could be created in Lebowa, KwaZulu, Bophuthatswana, Bloemfontein, Botshabelo, Newcastle and East London.

Taking factories to the people

B/Day 24/4/89 73

☐ CHILD'S PLAY . . . a toy factory at Botshabelo, Bloemfontein

TAKING factories to the people — this is the aim of Alkhan Industrial Consultants of Randburg which has, over the past five years, established over 150 industrial operations in various growth points all over southern Africa.

Alkhan feels that the term "decentralisation" is a misnomer. Government's policy has been to actively encourage regional development at specifically nominated industrial growth points to counter unemployment and cater for natural population growth.

"We certainly support the concept of regional development. It has created job opportunities for thousands of rural workers who can remain in their own homes with their families, in areas where the cost of living is far lower than in the metropolitan centres. In many industrial development points new schools, hospitals, clinics, shopping centres and recreational facilities have been provided for the residential community," says Alkhan MD Schalk Coetzee.

SA's policy of regional development is not unique, he adds. The industrial areas of Chicago and the Ruhr in Germany are among the most densely populated factory sites in the world — and the respective governments offer attractive incentives to industrialists to relocate operations to other areas.

Countries like the Argentine, Brazil, mainland China, Costa Rica, Ireland and Portugal all offer industrial development incentives either on a cash basis similar to the incentives offered in SA, or on a "tax holiday" basis.

The success of a regional development point depends [illegible] all aspects of development are co-ordinated, says Coetzee. This includes the provision of new schools and colleges, hospitals and clinics, shopping centres and recreational facilities, as well as adequate housing with electricity, water and telephone services, and good roads.

Agricultural development, too, contributes enormously to the overall success of the regional development point. A solid industrial development programme provides skills training, thus uplifting the earning power and consequently the standard of living of the community. "Excellent examples of fully integrated regional development programmes can be seen in Ezakheni in KwaZulu, Dimbaza in the Ciskei, Newcastle in Natal and Botshabelo near Bloemfontein, to name but a few," he adds.

But a weakness in the industrial development programme is the vast number of designated growth points, which spreads the new investment too thinly and places a strain on government's financial reserves. Furthermore, the emphasis must be placed on attracting *new* investment from SA and foreign capital from overseas investors rather than tempting industrialists from the PWV and other established industrial areas to take advantage of the incentive benefits by merely relocating existing plants.

Coetzee continues: "SA's ability to attract foreign capital to the regional development points will depend on good incentive benefits, including export benefits, as well as good operating and living conditions with adequate infrastructure. Additional work opportunities and important skills training benefit the local people," he adds.

In addition to its incentive benefits, SA also offers excellent potential for investment from overseas because of its vast resources of labour and raw materials, and the viable infrastructures in many of the industrial development points. SA is ideally situated to become the major supplier to the southern part of Africa and, indeed, to the rest of Africa.

"The new White Paper on regional development should be implemented during the course of this year," continues Coetzee. "The present policy is very attractive and our consultants have achieved great success in marketing this both locally and abroad. We certainly hope that the new policy will be equally attractive to overseas and local industrialists and will continue the economic growth stimulus. We also look forward to seeing strong support being given to SA's ports to provide extra momentum to the export drive, and a very strong emphasis on export incentives."

Alkhan is already geared to the relocation of more than 60 new plants during the course of the next 12 months. A large number of applications for relocation have been submitted to the relevant authorities.

B/Day 24/4/89 (73)

SITE BOOST IN NEWCASTLE

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Charge of the riot brigade . . . Dutch police bo

SA trade with Soviet bloc near

Star 21/4/89

By Michael Chester

The Government has opened talks with China and Soviet satellite states in Eastern Europe to create trade links.

In a dramatic Government turnabout in its stance towards the communist bloc, it has assigned Dr Stef Naude, Director-General of the Department of Trade and Industry, to handle the negotiations.

The talks confirm sweeping measures in the search for new markets to expand overseas trade and counter sanctions.

South African exporters were stunned when news of the moves was disclosed at a Federated Chamber of Industries (FCI) conference in Johannesburg yesterday.

EFFECTIVELY

Mr Bert Pienaar, Director of Export Promotion, said the Department of Trade and Industries would spend R1 000 million a year on incentives to encourage the industrial sector to streamline operations and tackle overseas markets more effectively.

Dr Naude has already had talks with officials in Hungary and Poland and Soviet officials are also believed to be involved.

Mr Pienaar, who has been called in to use his 20 years' experience as an overseas trade envoy to head the new offensive, said exporters could expect normal trade relations with Hungary and Poland "very soon".

Precise details of the new trade proposals have not been divulged.

Taiwan venture for Samancor, Hiveld?

73

REINIE BOOYSEN

B/Day 18/5/87

SAMANCOR and Highveld Steel & Vanadium are negotiating with Chun Yuan Steel — a Taiwanese concern — on a possible joint stainless steel venture, says London-based Metal Bulletin.

The report says the parties are investigating the feasibility of a novel split production agreement whereby the initial stages of stainless steel production will be undertaken in SA, and the final finishing stages will take place in Taiwan.

The initial stages would entail the construction, in SA, of a melting shop and hot rolling mills, while a more capital intensive cold rolling mill would be built in Taiwan for the final finishing stages.

Chun Yuan — which holds a 28,5% stake in Taiwan's proposed new stainless steel company, Ussco (United Stainless Steel Company) — represented Ussco's three other shareholders (the chairman of Hua Eng Electric Wire and Cable, Wang Yu-Yun, Walsin Lihwa Electric Wire and Cable; and the China Development Corporation) in the discussions.

Metal Bulletin's sources say the melting shop, to be located in SA, is planned for 300 000 t a year capacity, with future expansion possibly doubling the output.

Some of the hot stainless band would be exported to Taiwan to provide feed for a 250 000 t/year cold rolling mill. But final capacities, and the production share each side might take, have yet to be decided.

"Before (split production) was just an idea. Now that it has been accepted both parties want some time to study it in detail," said Metal Bulletin's source. The report adds: "Both sides will take about six months to complete their studies before returning to Taipei around September to compare findings."

New foreign company for Cape

B Day 6/7/89

(73)

CAPE TOWN — A foreign company may set up operation in George soon at a cost of about R500m.

Town clerk Carel du Plessis said negotiations with the company, which intended manufacturing TV tubes, had reached an advanced stage, the only hitch being the 15% surcharge on machinery and capital goods. — Sapa.

September 14 1989

The Star

Finance

...re approach to accounting

a year's telephonic and personal support."

Running NewViews is like having a manual set of books on the screen. For instance, by placing the cursor on Balance Sheet and commanding the package to "expand", the balance sheet is brought to the screen.

Each report looks like its counterpart would, with a dated title on top, line-item descriptions down the left hand column and the line item amounts, sub-totals and totals in the appropriate columns to the right.

It is command driven, using the slash, control or alternate key, and has no menus. Books are edited using functions similar to a word processor and financial arithmetic is handled in the same way as spreadsheet calculations.

It provides instant integration and, since it operates in real time, all entries and/or changes made are reflected immediately throughout the structure. A rippling effect continues until all accounts on all reports incorporate the change.

With information current to the last keystroke, the accounting cycle is dramatically reduced by the elimination of batch processing and closing of books.

The user knows at once the effect of any transaction entered and if it is wrong, he can go back and change it.

Its crash-recovery feature ensures that data is saved continuously when there is a power or system failure.

CVH in Taiwan tie-up

CV Holdings, the holding company of Compucomp wholesale division and Computype retail division, has been appointed sole distributors for the southern African region for Autocomputers, a Taiwanese computer and accessory manufacturing company.

Autocomputers has branches in the US and Europe and supplies components for almost every type of computer from XTs to sophisticated 386 machines. Star 14/9/89 73

The components have been sold in South Africa over the past three months on a trial basis and have proved successful, says Mr Cyril Fletcher, a director, CV Holdings.

"The high standard of workmanship and 12-month guarantee on all items have been well received by the industry and we plan to have a major launch of the full range later this year."

PCS strikes Novell deal

Philips Computer Systems (PCS) has signed a value-added re-seller agreement with M&PD subsidiary, Lasernet, to market Novell products in South Africa.

Apart from using Novell to complement other Unix offerings in its extensive client base, Philips will also install Novell to manage its own data distribution needs.

Mr Rex Van Olst, general manager, PCS, says Novell is being sourced from Lasernet instead of from overseas because of the advantages and synergies which can be derived from a local partnership. Star 14/9/89

"Philips is one of Novell's biggest OEMs in Europe so we could have sourced from Holland. But we identified significant benefits from a partnership with an established local distributor.

"We will market Novell in conjunction with our hardware products to our corporate account base in the computer and telecommunications market.

BMW switches to ISM system

A 45 percent growth in the number of

BDay 30/11/89

Western Cape attracts foreign industrialists

73

LESLEY LAMBERT

CAPE TOWN — Growing interest from Hong Kong, Taiwanese and German industrialists and massive increases in Industrial Development Corporation (IDC) loans to Western Cape companies are expected to boost what is already regarded as one of SA's fastest growing regions.

Atlantis, the decentralised Western Cape industrial region which, up to now, has failed to live up to expectations, appears to be the beneficiary of much of the new interest.

Identity

RSC Atlantis project director Piet Burger reports between 60 and 70 "serious" inquiries from foreign and local companies for factory space in Atlantis. Hong Kong industrialists are understood to have shown particular interest in the Western Cape.

Burger will not disclose the identity of the interested parties, but says there will be a major announcement in January next year.

It is understood that one domestic company recently borrowed R8m from the IDC to establish a project in Atlantis, and that some foreign companies have moved in quietly while others are waiting for more factories to be built to accommodate them.

There has also been a healthy increase in the value of loans provided by the IDC to Western Cape companies, particularly those in the clothing, food and, to a lesser extent, technology sectors.

During its last financial year ending June 1989, the IDC boosted the value of loans to Western Cape companies from R11m in 1987 and R29m in 1988 to R100m out of a national total of R396m — the largest sum ever received by the area from the IDC.

Of this amount, loans valued at R30m were approved for 11 Atlantis projects, four new and seven expanding or relocating existing operations.

The same trend seems to be emerging during the current financial year, with most of the emphasis on Atlantis.

IDC Western Cape manager Bertus de Vos reports ~~that~~ during the five months to November, loans valued at R39m were granted to Western Cape companies.

Of this amount, R24m was approved for three new projects and the expansion of six existing factories in Atlantis.

Export

De Vos attributes growth in the Western Cape to two factors. Firstly, the IDC's low interest rate scheme for small businesses, which, he says, has been effective in stimulating activity in the Western Cape where concentration of small businesses is high.

Secondly, structural changes in the economy as a result of the lower rand which have benefited the clothing and footwear industries by making them more competitive on local and export markets after years of competing with imported goods.

In an attempt to satisfy the demand for more existing facilities in Atlantis, the IDC has built two new factories of between 1 000m² and 2 000m², one of which has already been allocated.

F/M 23/3/90 (73)

GROWING POPULARITY

The organisers of this year's Rand Show patted themselves on the back when they let all the available space by November. But they were sorely disappointed when they were later forced to turn down requests for space from four East Bloc countries.

The four — Czechoslovakia, Hungary, Rumania and Poland — view SA as a likely market. And they see the Rand Show, to be held at Nasrec from April 6-22, as the best place to exhibit the goods they want to sell.

Last year, the estimated 1 000 exhibitors, who took up 100 000 m^2 of exhibition space, turned over more than R1bn. A caravan manufacturer sold over 100 units for more than R2,5m. The show drew nearly 1m visitors; the organisers are not making a projection for this year.

The request from the four countries indicates that the Rand Show is beginning to regain the international acceptance it enjoyed more than a decade ago, when it had official West German, Austrian and British pavilions. Today, no designated international stands are in evidence at Nasrec, though international exhibitors do occasionally hire some general floor space. West Germany, Italy, Greece, Switzerland, Argentina, Bolivia, Taiwan, Peru and Madeira still exhibit on a smaller scale.

The Sydney showgrounds in Australia are being modernised, apparently using Nasrec as a model. In addition, some US and Australian breeders will send cattle to compete in this year's show.

Locally too, Nasrec is gaining increased acceptance. The SA Tourist Board has asked the show promoters, the Witwatersrand Agricultural Society, to alleviate the shortage of large conference facilities by building a conference centre to accommodate 1 500 delegates. If built, it will be the largest conference facility on the Rand.

SA-Zimbabwe trade still booms

HARARE — Although South Africa's domination of the Zimbabwean economy has decreased, it remains one of Zimbabwe's major trading partners. Star 25/4/90

South African imports from Zimbabwe rose in value from \$169 million in 1985 to \$255 million in 1988, the Ziana news agency reports. 73

Chairman of the Confederation of Zimbabwe Industries' trade development department MJ Singer said at a seminar here yesterday: "Zimbabwe and South Africa could be considered major trading partners.

"Zimbabwe imports more than it exports to South Africa."

Welcoming about 140 black South African businessmen to Zimbabwe, CZI president John Deary said Southern African states could not develop in isolation, especially in view of developments in economic groupings in Europe.

Although regional groupings in Africa had succeeded in bringing together different countries, their success economically was impeded by the self-interest of member countries.

"As a grouping of countries we are still too interested in developing our own economies and not the regional economy," he said. — Sapa.

Poland, SA sign trade agreements

Star 27/4/90 73

A Polish trade delegation to South Africa has signed agreements to buy iron ore, set up a joint food venture and strengthen other economic ties, officials of the two countries said yesterday.

Mr Andrzej Arendarski, president of the Polish Chamber of Commerce, concluded a deal with the Transvaal Chamber of Commerce to exchange offices and develop trade.

The Warsaw chamber's representative in South Africa, Mr Tadeusz Kaminski, told Sapa on Wednesday that Poland had signed an agreement to buy 200 000 tons of iron ore and had promised to import 600 000 tons during 1990.

Mr Kaminski said it was possible bilateral trade could soon reach a turnover of $200 million (about R500 million) a year.

In Parliament yesterday Foreign Minister Mr Pik Botha said a South African representative had arrived in Budapest to open a diplomatic mission in Hungary, the first such ties with an East European country. He added that Polish authorities had said they would welcome closer links with South Africa, where 7 000 Poles live.

Trade and Industry Minister Mr Kent Durr set up official trade representation in Poland last month.

Tables turning on exploitative foreign companies in Ciskei

73 (1990) Sc-IL 1015 – 16/5/90

From THUMIDA MAISTRY

EAST LONDON.— Rumours of a massive industrial pull-out in Ciskei because of strikes, and discussions on how to implement union rights, have highlighted how badly workers in the homeland have been exploited.

Wildcat strikes are reported to have sent investors scurrying. Managers are said to be angry because of "unreasonable demands" for 60 percent increases.

The flip side is a story of extreme exploitation in which cheap labour has made incredible profits for industrialists.

Most of the companies located in the in the homeland's main industrial areas of Dimbaza and Fort Jackson are Taiwanese-owned.

Their investment was recruited by the deposed Lennox Sebe with offers of cheap and abundant labour in what the territory's Development Bank called "Africa's tax haven".

In spite of positive discussions between industrialists and Cosatu on establishing labour laws, the foreign companies appear angry at their change in fortune.

South African Clothing and Textile Workers' Union (Sactwu) organiser, Mr Jabu Gwala, described conditions in the factories as "appalling".

"Our main problem has been with the Taiwanese who do not understand the language. It is impossible to communicate with them. When we take our papers to them, they say they have to send them to Taiwan for translation."

A manageress at a Chinese-owned factory reportedly said it was cheaper to employ four times the labour in Ciskei than "back home".

Gwala said that the Ciskei Department of Manpower's "Basic Conditions of Employment" were violated by most of the firms with whom he dealt.

At A Fomosa, a factory outside Queenstown, half an hour's pay is deducted if workers arrive even one minute late.

Workers are not entitled to any disciplinary or grievance procedure. Their complaints are met with immediate dismissal and disciplinary action has been reported to include physically violent treatment.

Gwala said the minimum wage at Kiwane Carpets was R60. Golden Knitting — which employs more than 500 people — allows its workers unpaid lunch breaks of 25 minutes.

One manager, a Mr Ting, said the Taiwanese owners had adopted a wait-and-see approach as they did not have a labour movement in their own country.

In the meantime, lawyers for Cosatu, industrialists and the government are drafting a law which will establish union rights in the homeland.

The pullout by foreign companies has been directly linked to the move — with signs that some may be leaving before they are kicked out for gross exploitation and cruelty. — *ELNEWS*

?A 29/5/90 (43)

Property men in bid to attract Hong Kong investors

Faced with the return of Hong Kong to China in 1997, many of the city's residents are eyeing the prospect of resettling in South Africa, says Mr Scott McRae, managing director, Camdon's Nationwide.

On the strength of this Camdon's, as well as some of South Africa's leading developents — Club Mykonos, Caribbean Estates, Santorini, Marina Martinique — will be represented at two international exhibitions in Hong Kong next month.

The exhibitions are being supported by the SA Government, which is keen to attract immigrants with expertise and investment. The SA Consul will host a seminar organised by Camdon's at a leading Hong Kong hotel.

Camdon's participation is the outcome of a visit to the Far East last year by Mr McRae, who assessed the prospects for marketing South African property.

"Among the well-informed South Africa is seen as an excellent property investment haven. By Hong Kong standards, of course, South African property is ridiculously inexpensive. In high-density Hong Kong, property sells at an absolute premium and it is said if you drop a handkerchief on a street, the area it covers is worth several thousands rands.

"Even more significant is the fact that potential investors are prepared to consider South Africa at a time in the country's political development when some groups are predicting doom and gloom."

He says even in Europe, the South African embassy in Vienna has been besieged by people from eastern Europe wanting to emigrate to this country.

Six fish-packers lose fingers after ordeal

Sowetan 18/6/90

73

LAWYERS are putting the screws on ruthless Taiwanese fishing industry bosses following 13 cases of frostbite among Cape Town labourers who packed fish on Taiwanese vessels during extended trips in the South Atlantic.

Yesterday a city law firm and the Legal Resources Centre announced they were planning legal action on behalf of six crewmen who have had and are having fingers amputated because of severe gangrene.

Claims for damages could run into several millions rand and legal costs alone will run into hundreds of thousands of rands if lawyers pursue action overseas.

On behalf of their clients, the legal representatives will also petition the Taiwanese consulate and the Department of Manpower for the protection of South African labour from foreign fishing concerns.

South African labour legislation does not apply to vessels once they leave South African territorial waters and this exposes workers to unchecked abuses, even by nationals of one of the country's greatest trading partners.

Approached for comment, a Taiwanese consul employee said yesterday afternoon: "I'm sorry. You'll have to talk to us on Monday. We are closed."

It was learned that that apart from six frostbite-related cases handled by the Legal Resources Centre and the city law firm, another four frostbite victims were referred to the Groote Schuur Hospital hands clinic yesterday.

The remaining three of the 13 cases involve one labourer whose frostbite developed while he was working on a vessel docked in Table Bay

Koreans in talks to set up projects in Midrand

BIDay 14/8/90

CHARLOTTE MATHEWS

A BOLT manufacturing pilot project involving a $1m investment has been set up in KwaNdebele by South Korean businessman Jeung Soo Lee.

And discussions are under way between South Korean businessmen and the Midrand Town Council for a further 100 import replacement projects to be set up in the area over the next three years, a news conference was told in Midrand last week.

Consultant to the South Korean delegation Kurt de Wet said it was impossible to put a figure on the amount of investment this could represent, as there were spin-offs as well. 73

"But it is potentially vast sums of money," he estimated.

Delegation leader Hyuk Bae Kwan said in an interview several projects were being considered, including housing and property development, manufacturing of electronic appliances and a vending machine assembly plant.

Heavy duties

Asked whether the new projects would all be situated in the Midrand area, he said each industrialist would be guided by his own idea of where he should go.

Kwan himself came to SA two years ago and began to export raw materials to South Korea.

"During that operation I felt definitely we should bring the production factory here to eliminate the heavy custom duties, surcharges, and so on," he said.

"Pricewise we cannot compete with the Taiwanese, but we can compete with the Germans and Italians. Importers here are accustomed to dealing with those countries so we decided to bring a factory here — and sell here — to capture that market."

Midrand mayor Alan Dawson said the Midrand Town Council could not offer specific incentives but could facilitate the introduction of South Koreans into the business environment.

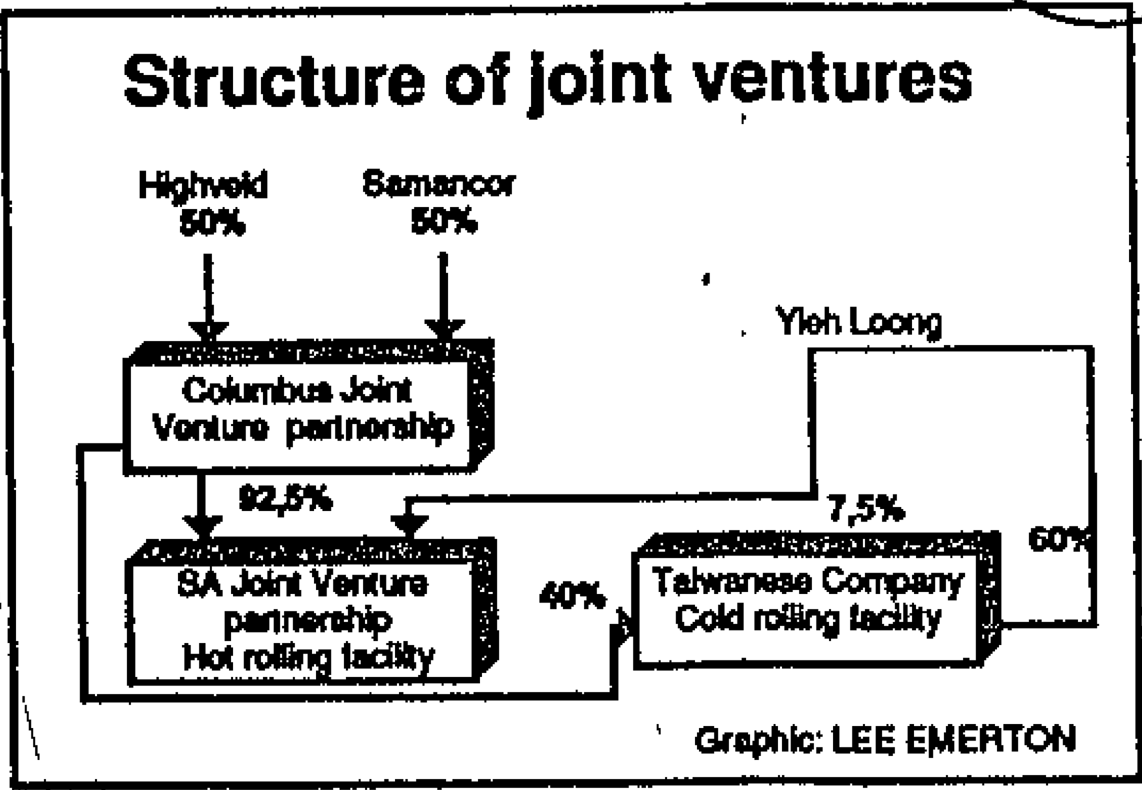
SA-Taiwan project on the road soon — claim

B Day 17/8/90

73

RIAAN SMIT

SAMANCOR, Highveld Steel & Vanadium (HS & V) and a Taiwanese partner are expected to announce soon the go-ahead for their R2bn stainless steel plant joint venture which, it is projected, will generate an annual R350m positive cash flow in inflated terms by 1995.



Graphic: LEE EMERTON

The deal involves two partnerships — the Columbus Joint Venture (CJV) with Samancor and HS & V as partners, and an SA Joint Venture (SAJV) with the two ferrochrome producers and the Yeih Loong Group of Taiwan as partners, a well-placed source said.

According to the source, the SA plant, to produce an initial 270 000 tons a year of annealed and pickled hot-rolled coil by 1995, would be commissioned in mid-1993.

This plant would supply about 220 000 tons a year to a Taiwanese-based cold-rolled plant to beneficiate the SA product. Construction of the Taiwanese plant was scheduled to start in 1991 and be completed in 1993. It would reach its design capacity of about 220 000 tons a year in 1996.

Samancor and HS & V, which each owned 50% of the CJV, would have a 92,5% stake in the SAJV, with the remaining 7,5% owned by the Yieh Loong Group, Business Day's source said. The SAJV was formed to establish the SA plant.

The source said the new company would be established in Taiwan to build the second plant. The CJV would hold 40% of the equity and the Yieh Loong group the other 60%. The capex in 1990 terms was expected to be R840m.

The plant in Taiwan would be financed 55% with loans and 45% through equity from the shareholders. The CJV 40% share would amount to about $60m in 1990 money.

Capex on the SA plant in 1990 terms was expected to be R2bn, of which about R500m would be spent on imported equipment. The partners would each fund its share of the cash requirements of the project.

It was understood Samancor and HS & V were currently putting the finishing touches to funding of the two ventures.

The R350m positive cash flow from the SA venture was projected to grow to over R1bn in inflated terms by 1998, while the Taiwanese venture would in the same year show a positive cash flow of over $100m.

Joint venture points to SA as a drawcard for clothing makers

By Des Parker Star 5/9/90

DURBAN — A potentially lucrative joint manufacturing venture between two local clothing groups and an American-owned, Hong Kong-based conglomerate is a pointer to the attractions of southern Africa as a production centre for garment-makers from the Far East selling to European Community countries.

Dennis Koumoudos, financial director of the Hondring group of Durban, one of the local participants, says clothing companies in the Far East are on the lookout for Third World countries where they can manufacture and export to Europe without being restricted by the quotas applied to producers in developed countries.

Wage levels rising uncomfortably fast in countries like Taiwan and Mauritius make South Africa — with its increasing reliance on mechanisation and its prospects of stability — an attractive alternative.

Mr Koumoudos says, however, quotas would probably be applied to South African manufacturers once sanctions were lifted because the country's clothing export potential would threaten European producers.

The joint venture involves Hondring, its subsidiary High Street Clothing Manufacturers, Pretoria-based Abhold and Lucky Country of Hong Kong.

Mr Koumoudos says Lucky Country has extensive production facilities in the Far East, 35 distribution branches worldwide and a turnover of R200 million a year.

This month, export orders worth about R20,8 million had been placed with the three local manufacturers by Lucky Country.

Directors of Lucky Country will spend three weeks with the South African companies next month finalising the joint venture.

"A possible merger and takeover is not excluded.

"The venture will entail technical input and know-how on the factory floor and in the market-place in order to cope with the expected increased operating activities of Abhold, Hondring and High Street."

FIM 7/9/90

EAST BLOC TRADE

73

SA ENTERS THE GLASNOST DOOR

Just a few years ago the Soviet Union was still SA's most sworn enemy. Now the trade and investment doors between the two are opening so wide that SA could soon have formal trade representation in Moscow.

SA Foundation CE Kurt von Schirnding describes the growing links as "a complete sea change" and as "most significant" for both countries.

But while the potential for future trade and investment links seems huge, remaining political sensitivities must be removed before formal relations can be established.

This development flows from last month's visit of a high-level trade delegation to the USSR. The delegation comprised Trade & Industry Minister Kent Durr and director-general Stef Naude, other top officials from this department and officials from the Department of Finance and the Reserve Bank, as well as an industry and a banking representative.

Just a few weeks ago SA cemented trade relations with Hungary with the abolition of surcharges on Hungarian imports (*Business* August 31). Now the trend of a *rapprochement* with eastern Europe continues. However, trading with these emerging economies is difficult — they are woefully short of hard currency and Western countries have found they have little to offer in barter deals.

But the SA delegation did find that the Russians have something to offer: SA officials discussed a wide range of investment and business relationships — joint ventures, direct investment and trade — that could be established. And technological and scientific exchanges also seem to be on the table.

The SA delegation was hosted by the Soviet Ecoprom consortium, which the Gorbachev government put in charge of more than 20 large industrial concerns. The delegation was introduced to 110 top representatives of the Soviet industrial, scientific, technological, trade, finance, banking, economic and political establishments.

"Ecoprom has been given the task of focusing production of the concerns under its jurisdiction in a market-related direction," Naude says. "With company, banking and tax laws now being modernised in the USSR, Ecoprom's task is to lead these concerns in the direction of eventual privatisation."

Basically, the charge seems to be to transform former military-industrial plants into a market-orientated industrial sector. And, with the USSR's grave need for foreign currency, the focus is on developing export markets and obtaining Western know-how.

The USSR already offers a wide variety of products and know-how, which ranges from machine tools, civilian aircraft, micro electronics, special metals and materials to radiation technology, laser equipment and thermal cables. And they are looking for foodstuffs, glassware, medicine and consumer goods from SA.

"The Soviets also encourage joint venture investment projects in the motor vehicle, cigarette, tractor, mining and medical equipment sectors; establishment of packaging and processing plants; as well as assistance with cleaning up chemical and nuclear waste," Naude says.

Other possibilities include the servicing of the Soviet fishing fleet; providing technical know-how in solving ecological problems in the mining, forestry, machine-building and agricultural industries; and involvement with the USSR's tourism and leisure industries.

"The excellent relationships established and the good friends we made with top Ecoprom officials, scientists and industrialists, will stand SA in good stead," Naude adds.

Stellenbosch Sovietologist Philip Nel foresees the possibility of countertrade deals between SA and the Soviet Union involving the huge Soviet oil reserves.

And, adds SABC chairman Christo Viljoen, SABC's use of the US Cable News Network service has been made possible by an "acceptable" cash deal involving the Soviet Gorizont satellite. "We could find no other available satellite space to rent. With a willing buyer and a willing seller, both parties are happy."

Viljoen also sees huge opportunities for SA manufacturers of PABX and other telecommunications equipment in the USSR.

SA Druggists and Adcock Ingram CEs Tony Karis and Don Bodley say they are "looking at the Soviet and east European markets" — both for providing raw materials for pharmaceutical manufacture and as possible markets for SA medicines.

But, warns Volkskas Merchant Bank senior GM Izak Botha, who was a member of the delegation, it is essential for those dealing with the East Bloc not to do this on an "open account" but to use the financial services of established banks on both sides to facilitate trade. "Confirmed letters of credit and other acceptable trade instruments would ensure that the risk of lack of hard currencies would not jeopardise such deals."

Arnold van Huyssteen

MOTOR INDUSTRY FIM 7/9/90

A BETTER DEAL?

Car and truck dealers are tired of playing second fiddle to motor manufacturers. From now on they want to be treated as industry equals.

They argue that with dealer investments running into billions of rands, they deserve more consideration and protection.

Representatives of SA franchise dealers and vehicle manufacturers will meet in Johannesburg next week in what dealers hope is the first step towards a more equal partnership.

In particular, they want to renegotiate the manufacturer-dealer contract. As it stands, manufacturers may give a dealer as little as 30 days' notice before withdrawing a franchise — effectively putting the dealer out of business and rendering his investment worthless.

Spencer Sterling, president of the National Association of Automobile Manufacturers (Naamsa) and MD of Samcor, recently expressed his support for a new deal. Errol Richardson, chairman of the National Automobile Dealers Association of SA, says Sterling's remarks helped pave the way for next week's meeting.

Richardson doesn't deny that manufacturers should retain the right to dismiss dealers that fail to maintain standards. But he argues that with more than R3bn invested in dealerships around SA, the notice period must be fair.

The Belgium-based International Organisation of Motor Trades & Repairs is negotiating an agreement for the European Community entitling dealers to a minimum of 12

Last year ... 1990's crop amounted to about 300 000 ...

Union seeks meeting on sailors

6.10 cm 14/9/90

CAPE TOWN — The Food and Allied Workers' Union wants to meet Taiwan's local representatives over Taiwan's offer to compensate frostbitten sailors.

Fawu spokesman Nosey Pieterse said yesterday it also wanted to meet SA government officials to discuss legal protection for offshore workers, the "crisis in the fishing industry" and "future Taiwanese investments".

Taiwan's consulate-general in Cape Town, Tom Chou, said on Wednesday his government would "remunerate" families of SA sailors disabled by frostbite.

Pieterse said: "It would be naive to believe the Taiwanese government is committed to ending the human misery on their trawlers and stopping the plundering of our seas." The union wanted to discuss proper compensation for the injured workers, insurance, and safe working conditions. — Sapa. (73)

Taiwan link still wanted

S/Times 16/7/90 (73)

By DON ROBERTSON

SOUTH AFRICA should become a major producer of stainless steel and for this reason it is a pity that the joint venture between Highveld Steel & Vanadium, Samancor and Taiwanese companies has stalled.

Highveld chairman Leslie Boyd says SA has the world's largest reserves of chrome and an ample supply of nickel, which is almost a by-product of platinum mining. Chrome, nickel and iron are the main ingredients of stainless steel. It had been intended to build a R2-billion plant to produce semi-finished stainless-steel coils in SA and to ship them to Taiwan for further processing.

Mr Boyd says sanctions in Europe and America against SA steel have been effective and it would be foolhardy to build a plant relying on these markets.

Partners

For this reason, negotiations were entered into with Taiwanese companies, which have potential for growth.

Although the negotiations with Taiwanese partners Yieng Loong have been suspended, Mr Boyd says the South Africans are looking for other partners.

The SA Government was also keen for the project to go ahead, but was reluctant to assist financially.

LESLIE BOYD

"We are speaking to the Government and have indicated that we need some special 'treatment' in the early years to make it more attractive. The investment climate is not too good because many incentives, such as allowances, no longer exist," Mr Boyd says.

Although Mr Boyd is "reasonably confident" about prospects for vanadium sales, the Iraqi conflict could result in a rise in international interest rates with a resultant decline in world economies.

Overthrow

Before Kuwait was invaded, it had been expected that major industrialised countries would control inflation and that real interest rates would be low, resulting in stable economic growth in the 1990s.

Mr Boyd says: "There is likely to be continued downward pressure on prices in the short term, although a recovery can be expected. Prices are not yet uneconomic."

On the positive side, steel production in Eastern Europe has declined sharply since the overthrow of communism and it now has to compete in world markets.

By July, East German steel production had fallen by 31% and Poland's by 13,2%. In the first seven months of the year, production in Poland fell by 11,6% and in East Germany by 12,9%. Steel output in the Western world fell by only 2,7%.

Europe 1992 will be positive for the world steel industry, but not for SA until sanctions are lifted.

Mr Boyd says "SA is one of the world's most competitive steel producers and we should be expanding But we cannot sell to the US or the EEC because of sanctions It is strange that we can sell to Eastern Europe, but not to the West. I hope that sanctions will be lifted by 1995 and we will again be able to sell to Europe and America."

Challenges facing Highveld include the continuing need to reduce costs, and improve efficiency and productivity

The R80-million pelletising plant due to be commissioned by the yearend will make a major contribution

Mr Boyd says "It will have a favourable effect on furnace operation and will improve efficiency."

The plant will have a capacity of 700 000 tons of ore, about half the iron division's requirements.

Highveld will also investigate the further processing of steel, such as cold rolling, to give added value.

Negative

Mr Boyd is critical of the new general export incentive scheme (GEIS) because the authorities keep changing the rules and the formula rates. Exporters do not know how much of an incentive they have to play with when making a sale

"It is going to have a negative impact on steel and ferroalloy exports," he says.

Fawu campaign continues

THE Food and Allied Workers' Union (Fawu) is proceeding with its fishing industry campaign despite an accusation by the Minister of Environment and Water Affairs, Mr Gert Kotze, that the union was ill-informed.

Last week Fawu called for the withdrawal of Taiwanese businesses from South Africa and claimed that gill-netting vessels from the Far East were depleting South African fishing reserves.

In response, Kotze pointed to stringent legislation making it an offence for gill-netting vessels to enter SA ports without a permit and providing for heavy fines for those who defied the law.

A joint statement issued by Fawu and Cosatu this week said that it was not true to say that gill-net fishing had been outlawed. More than 100 vessels had been given permits to enter SA ports this year, they claimed.

The statement said if the government was serious about ending gill-net fishing, then it should remove the permit system and make it illegal for South Africans to work on gill-netters.

While Kotze last week claimed the fishing industry was showing healthy growth, Fawu says the opposite was happening.

The union said about 25 trawlers were being auctioned off with about 170 fishermen losing their jobs, while more than 250 workers are to be retrenched from several companies.

The union claimed that pilchard and anchovy resources were nearly depleted and the same was likely to happen to tuna. (73)

Severe Injuries

The union is to meet Taiwanese government representatives on Friday to discuss compensation for the more than 30 workers who have suffered severe injuries as a result of being forced to work for protracted periods without adequate protection in the freezer compartments of Taiwanese trawlers.

The union also intends to meet with Kotze.

Fawu is holding a fishing industry conference in Cape Town this week and is planning several marches later this month.

The union has said its members at local and West Coast factories will refuse

East is opening up for SA — Lombard

WASHINGTON — The East is opening up to SA, says Reserve Bank Deputy Governor Jan Lombard.

He and James Cross, who is in charge of gold and foreign exchange at the Bank, have just completed a seven-day visit to Hong Kong, Taiwan and Japan.

Lombard says attitudes towards SA are normalising. "People are relaxed in talking to us, and are very interested in the events in SA."

People are waiting to see what economic possibilities arise after reforms, although the Taiwanese are continuing their investment, which they regard as an important part of their portfolio.

The purpose of the visit was to study the marketing of gold in the Far East and to determine the nature of the demand for gold. B/Day 26/9/90

Cross says gold demand has increased in Singapore, but physical and investment demand in Hong Kong and Tokyo is low.

He says that traditionally a price of less than 1 800 yen a gram means buyers in Tokyo; but when the price reaches 2 000 yen, they turn sellers.

"Now it has been hanging around 1 800 and going lower, and there has not been much investment demand."

Cross says the Tokyo commodity market Tocom, begun in 1982, is likely to play an increasing role as a bullion market in the future.

The lifting of restrictions enabling foreigners to buy on the market has increased its importance.

Lombard says the fact that Taiwan is lifting restrictions on the import and export of gold is important.

While sanctions still apply, and Far East countries visited by Lombard and Cross are abiding by these, there are indications of some easing.

In Hong Kong, for instance, the Ministry of Finance has allowed some relaxation of voluntary sanctions.

Republic of China

Taiwan industrialists find opportunities for investment in SA

B|Day 11/10/90

73

TAIWAN is a small island briming with advanced technology skills and capital but lacking cheap labour and raw materials.

South Africa is a sprawling country rich in minerals, raw materials and with a large labour force, but lacking in technological expertise and capital.

Forged

These factors have drawn the two together and forged a strong, mutually beneficial relationship.

ROC Vice-Minister in charge of overseas Chinese affairs and chairman of the Association of Chinese Industrialists in SA Ming Yuan Lo says one sign of the growing relationship between the two is the number of Taiwanese industrialists who have settled in SA.

"The association was formed in July 1986 with 50 members: it now has nearly 200."

MING YUAN LO

The growth in investors is also reflected in the immigration figures for Chinese people.

Statistics from the Department of Home Affairs show that in 1988 there were 311 Chinese immigrants. This rose to 495 in 1989 and in the six months to July of this year has almost doubled, with 753 Chinese emigrating to SA.

Figures from Satour show more than 2 000 Chinese visitors came to SA during the Chinese New Year celebrations in February: about 14 000 Chinese from Taiwan visited SA during 1989.

Lo says members of the association are scattered all around southern Africa, but the majority are located in Bophuthatswana.

The problem facing industrialists wanting to relocate to SA is time, Lo says.

"It takes about 18 months from the time investors lodge their applications to their acceptance by SA authorities.

"At least two thirds of industrialists who have expressed interest in relocating to SA have been inhibited because of the delay in processing applications," he says.

"We have discussed this with the SA authorities and they are considering improving the system."

The recent political unrest has also been a deterring factor.

"Potential investors see the reports on television and in newspapers and become uncertain about the future of the country," Lo says.

On average, 15 to 30 potential investors visit SA every two months or so under the auspices of the association and there are "quite a few" projects in the pipeline.

Building

Auto parts and accessories corporation Taigene will soon be building a factory in GaRankua.

"They have six factories to be relocated and will create more than 200 jobs," he says.

The majority of factories relocated to SA manufacture garments, shoes, metal and plastic products.

Portnet is luring Taiwan fishermen with its facilities

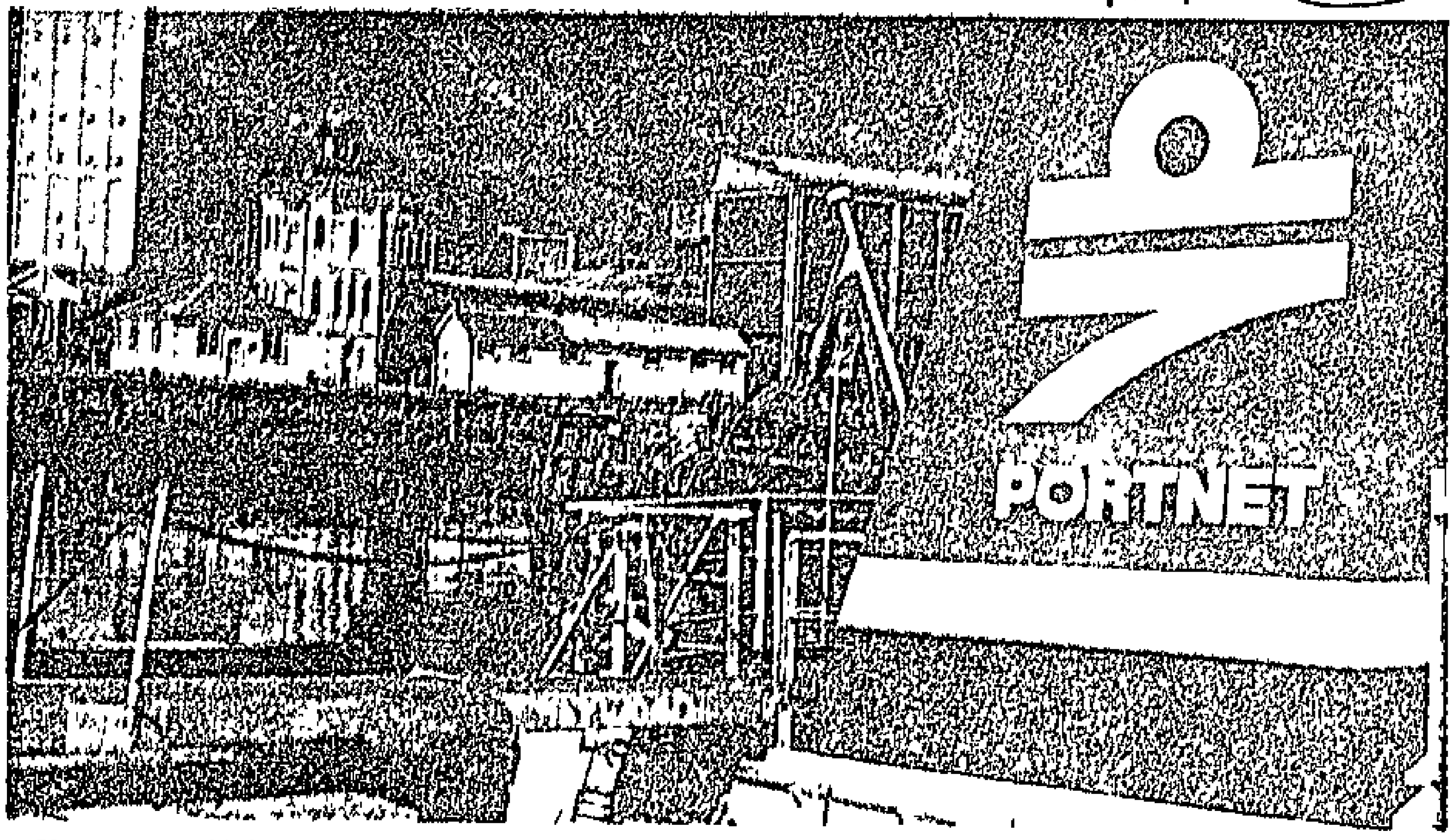
B Day 11/10/90 73

ABOUT 45% of foreign registered fishing vessels calling at the port of Cape Town are from Taiwan, says Portnet chief marketing manager Neil Oosthuizen.

Portnet has contact with Taiwanese nationals through servicing of fishing vessels and handling cargo through its eight commercial ports.

"We see this as a very important link. Cape Town often has the image of not being busy, but when you are in the port and see the fishing vessels you realise what an impact the foreign fishing fleets have," he says.

In 1989 there were 329 Taiwanese vessels stationed in Cape Town during the fishing season.



Numerous Taiwanese registered vessels utilise Portnet's facilities at the port of Cape Town.

Focusing

"We realise other ports would like to attract the Taiwanese fishing vessels so we are focusing on their needs.

"For example, recently Portnet, in conjunction with private enterprise and the ROC Embassy, opened a Chinese Club in the port of Cape Town.

"There the visiting Chinese seamen can relax, have traditional meals and baths and enjoy traditional entertainment," he says.

On the cargo front, the ROC also plays an important role. In 1989, 25% of all SA's imports came from the Far East, while 42% of SA exports went there. In 1989, Portnet handled 112-million tons of cargo.

"Portnet has built a reputation as a reliable supplier and operator. Following sanctions, when much of the trade shifted to Australia, Portnet has maintained its good reputation.

"To better service users, Portnet has embarked on a multi-million rand programme to upgrade facilities," Oosthuizen says.

In 1991, Portnet plans to spend R50m on replacing equipment and a further R20m on special cranes to handle containers in Durban.

"Also, a lot of Chinese businessmen are looking at trade and investment opportunities in SA.

Equipped

"Portnet is there to facilitate trade. We are equipped for that.

"On the investment front, we are open to suggestions and would welcome joint ventures with the Chinese," he says.

Some joint ventures, which will benefit Taiwanese fishing particularly, are already underway.

"We are planning to build a cold store in the port of Cape Town which will be capable of freezing fish at 60°C.

"This is the required temperature for shashimi (blue fin tuna), which is a delicacy in the Far East.

"The primary function of the store will be to receive fish from foreign vessels.

"Previously, in the case of shashimi, the fish could not be removed from the vessels because of insufficient freezer facilities in the port," he says.

Taipei trade office will be the heart of SA promotions

Bday 11/10/90

THE SA Foreign Trade Organisation (Safto), in conjunction with the Department of Trade and Industry, plans to promoting SA products in Taipei through a trade promotion office at the Taipei World Trade Centre.

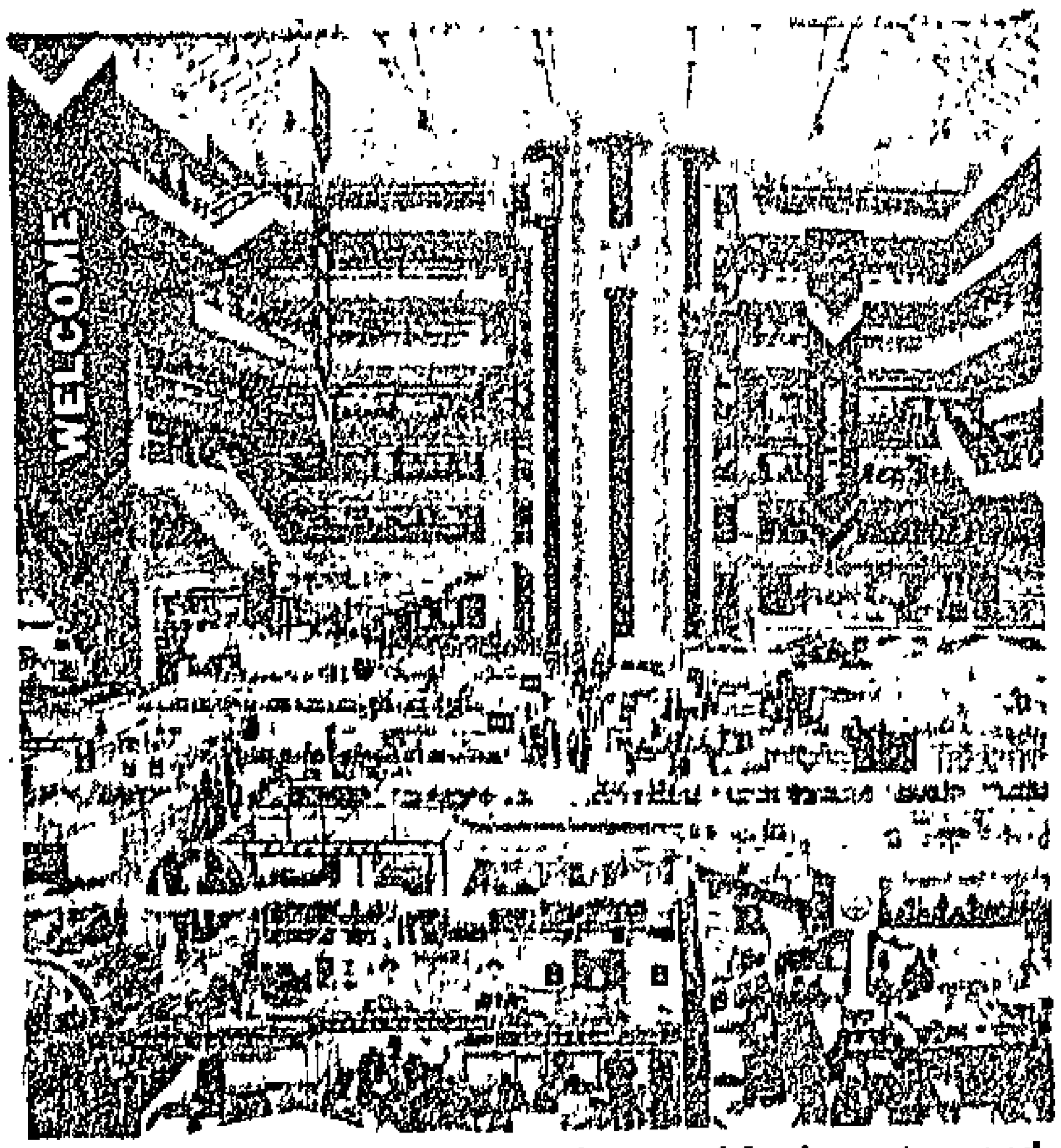
This follows a decision by Safto not to renew its contract with the Chinese External Trade Development Council for an exhibition of SA products in the Imports Products Display Centre in the World Trade Centre.

Although promotion efforts in Taipei have not decreased, it is felt the life cycle of the exhibition in Taipei has come to an end and the contract with the Chinese External Trade Development Council will terminate in January next year, SA/ROC Chamber of Economic Relations chairman Allen Sealey says.

SA companies have been represented at the World Trade Centre since March 1987, in the Import Products Display Centre, where numerous SA products have been on permanent view, he says.

Initially, 256 display booths were occupied. Many of the participants were able to establish agencies in Taipei. Others found their products to be either not competitive or unsuitable for the Taiwan market and they withdrew, says Safto senior manager international division Mike Veysie.

In 1988/89, only 125 booths were occupied and this year, the final year of the exhibition, 75 stands are occupied, he says.



Trade fairs in Taipei are a big drawcard for importers and exporters.

An SA presence in Taipei is of strategic importance, particularly with the strong trade relations which SA and the ROC enjoy, Sealey says.

Veysie says Safto has been offered the exclusive rights to a trade promotion office of 80m² in the World Trade Centre.

"This complex is the hub of business in Taiwan and is the most prestigious venue in Taipei for a trade office."

Investing overseas has become vital

73

Bday 11/10/90

FOLLOWING the trend of economic globalisation, outward investment has become an important strategy for Taiwanese companies.

In a recent address to delegates at the joint conference of the ROC/SA SA/ROC chambers of commerce, Ministry of Economic Affairs deputy director general of the Industrial Development and Investment Centre Mark Tseng said the sharp appreciation of the NT dollar and the rising cost of labour, together with other factors, had made outward investment both attractive and necessary.

"These factors led us to speed up the pace of economic liberalisation, globalisation, loosening restrictions and widening the scope of encouragement on outward investment," he said.

The ROC government had four primary reasons for pursuing the promotion of outward investment:

- ☐ To secure a stable supply of resources and technology, establish distribution channels and reduce costs;
- ☐ To expedite the setting up of branch offices of Taiwanese banks and help Taiwanese overseas investment companies;
- ☐ To establish service systems to help overseas investors break through tax barriers and get financing through international traders;
- ☐ To expedite the process of globalisation through strategic alliances.

Official statistics show the approved outward investment last year totalled $931m, a growth of 326% compared to 1988.

Sustaining

"However, we believe the actual outward investment amount may well be more than that," he said.

"SA is the ROC's biggest trading partner in Africa, with two-way trade sustaining a steady growth.

"SA, with its abundant natural resources, low cost labour, sound infrastructure, industrious workers and full diplomatic relations is one of the favoured places for ROC investors," Tseng said.

The ROC is one of the largest investors in SA, having just over 150 companies, with a total capital of $300m, in operation.

Expansion and globalisation of local companies was a means of strengthening competitiveness.

Because of the bustling financial market, it was hoped it would help quicken the pace of growth of Taiwanese companies, he said.

"We encourage our companies to form alliance through joint ventures with foreign firms."

Fawu member to be charged after protest outside embassy

BDay 1/11/90

Own Correspondent

CAPE TOWN — Police are to charge Food and Allied Workers' Union national executive member Nosey Pieterse for allegedly failing to meet magisterial conditions imposed on a demonstration outside the Taiwanese embassy yesterday.

Cape Town police district commissioner Col Philip Delport confirmed this after monitoring the noisy, placard-bearing demonstration on Festival Square outside the Standard Bank Centre yesterday.

He said a docket of failing to comply with the conditions — which included no more than 50 demonstrators be allowed to gather and that they stand 5m apart — would be opened against Pieterse.

Pieterse said the demonstration of the estimated 250 Irving & Johnson workers and Fawu members was to demand compensation for the 40 local fishermen who had lost fingers while working in the cold rooms of Taiwanese gill-netting trawlers.

It was also to draw government's attention to the "crisis" in the fishing industry caused by gill netting along the SA coast. This included massive retrenchments and companies introducing "short-time" — labourers working only two-and-a-half days a week.

73

Fawu was also demanding that anti-gill-netting legislation be tabled in Parliament as soon as the new session opened.

Pieterse was allowed to see consular official Tom Chou, who told him that he was awaiting a reply from his seniors in Pretoria about Fawu's compensation demands.

Acer to stop distribution through PDS

B Day 14/11/90

MELANIE SERGEANT

TAIWAN-based Acer Inc and Malbak's Protea Data Systems (PDS) have agreed to terminate the distribution agreement of Acer PCs in SA through PDS.

The move will see PDS concentrate fully on its printer business.

About 25 staff members are being retrenched.

Acer sales manager Conway Lee says Acer users need not worry about back-up, because his company has a long-term interest in and commitment to the SA market.

"We have already finalised the appointment of a new Acer product distributor in SA. This company will handle all warranty and normal repairs on systems sold by PDS.

43

Barriers

"We will make a formal announcement concerning the new distributor on December 3."

PDS MD Henry Ferreira said it made sense to move out of the PC business and focus on printers, because the PC market was too overtraded.

"Barriers to entry in the printer business are higher — specifically with regard to local assembly. There are also fewer suppliers, so the market is less overtraded," he said.

Most industry sources said Acer computers were good quality, and their distributorship could well be taken over by an existing distributor who would drop other products in its favour.

One said: "If the new distributor can hold on for a couple of years, the market should stabilise and profits could be better than currently possible."

... of SA's coal exports went to Europe, 19% to Japan and 11% to the rest of Asia. By 1989 these figures had become 45%,

count averages $3 to $5 a ton and that it costs the local industry about $200m a year.

Sanctions had other effects too.

tons by the mid-1990s.

The major groups are spending about R2bn on capital projects in order to be able to meet their ex-

participate in growth of the world market to the extent that it currently has a proportion of that market." — Financial Times.

Acer move makes waves in local PC market

BDay 6/12/90

Information Technology
MELANIE SERGEANT

73

THE Acer PC agency, formerly handled by Protea Data Systems, has gone to TSI group company Technology Systems Distribution (TSD).

The move is causing waves in the local PC market, because with its new product range and competitive pricing, many branded product distributors acknowledge Acer now has a chance to gain market share.

Star

Acer's chief of staff, George Hsu, said that as Taiwan's largest PC manufacturer, his company was already among the top 10 PC makers worldwide, and planned further growth.

The Wall Street Journal recently described Acer as a corporate star of the future.

It dominates the Asian market and is one of the largest exporters to the US and Europe.

"With plans to become a major player, we can't afford to overlook the SA market; it is an important market in the longer term. There are about 10 000 Acer PCs installed here, and it's important for a manufacturer of our size to be well represented here," he said.

A number of distributors vied for the agency, but TSD won because of its financial stability, and its large dealer network among other factors.

TSD MD Errol Ferriman said: "We have our own TSM range of PCs, and chose the Acer agency because of this company's stature in the market."

Acer is one of Taiwan's only PC manufacturers with plants in countries including Asia and the US, and it will soon be established in Europe. The company also has its own chip manufacturing facility, and has alliances with giants like Intel, Novell and Microsoft.

Some industry sources expressed their surprise at TSD's decision to take the agency, because the company already handles the IBM range and sister company Sapec sells Hyundai PCs.

An ISM spokesman said TSD was entitled to market whatever it saw fit.

"TSD's decisions don't affect the IBM product range because ISM and TSD jointly accredit or authorise dealers to sell IBM products as long as they conform to standards which are managed by ISM, which also handles generic marketing of PS/2 products."

Commenting on this, Hsu said: "The best product will win."

One PC distributor predicted that by having more competitive pricing, Acer had a good chance of gaining market share in SA.

"We would like to have won the agency for ourselves," he added.

Boost

Johannesburg branch manager of Joffe Office Automation Network, Jack Freedman, said that compared to other branded products, Acer's price was competitive. "It should do good things for TSD, although we're concerned the dealer channel could become too large."

Hsu predicted that the number of PC manufacturers would decline, which would boost PC sales for remaining manufacturers, a trend already evident in Taiwan.

SA-Taiwan investment expected to flourish

BDay 31/12/90 (73)

ZILLA EFRAT

SA AND Taiwan, which have been enjoying steadily growing trade relations, are placing increased emphasis on expanding two-way investment, according to an article in the Safto Exporter.

Areas with potential for increased two-way investment include the service industry, precision machinery, information, electronics, communication, vehicle parts and medical equipment.

In the area of technological co-operation, opportunities are recognised in manufacturing, roads, transport and environmental management.

Safto says these areas also provide gaps for suppliers of related products, particularly in the manufacturing field.

Equipment for road evaluation and environmental management projects, such as effluent treatment and water purification plants, are also much in demand at the moment, says Safto.

Between 1979 and 1989, Taiwanese industrialists invested R800m in SA, creating more than 40 000 jobs. The establishment of the International Investment Bank of China in Johannesburg earlier this year is expected to increase Taiwanese investment.

Trade has also grown steadily,increasing 40% to \$382m during 1985 and 1987 and surging to \$411m in 1988.

Taiwan and SA have concluded a most-favoured-nation agreement and bilateral agreements have been signed in the fields of trade, industry, culture, agriculture, energy, mining, fishing, transport and medical services.

Although the balance of trade between the two countries is in SA's favour, the trade relationship has largely been complementary, with SA supplying basic or intermediate products and Taiwan marketing sophisticated manufactured products.

SA's main exports to Taiwan include iron and steel, mineral by-products, fuels and base metals. Imports include electrical equipment, machinery and artificial fibres.

FOREIGN FIRMS IN. SA. — ~~MISCELLANEOUS~~ Other ~~&~~ OTHER

1991

Star 27/2/91

Violence 'threatening investment'

Taiwan has warned South Africa that social instability is causing investment problems in the country.

In a statement issued yesterday, Albert Lin, the Press counsellor for Taiwan, said the incentives for foreign investment had been largely offset by social instability in the townships and increasing disharmony in managment-labour relations.

"Violence, stayaways, strikes and the like can easily scare off foreign investment.

"The productivity of most workers leaves much to be desired. Although wage levels are comparatively low, labour costs turn out not to be inexpensive when this is taken into consideration."

(73)

He said it was hoped that labour unions would work, together with management, towards a solution. — Sapa.

Violence still deterring foreign investors

73

Business Day Reporter

WARNINGS that violence and political instability would continue to deter foreign investment and trade were sounded yesterday by the Taiwanese embassy and a top-level British trade delegation.

Taiwanese embassy spokesman Albert Liu said incentives for foreign investment in SA had been largely offset by township instability and increasing disharmony in management-labour relations.

"Violence, stayaways, strikes and the like can easily scare off foreign investment," Liu said in a statement.

He said in addition to internal unrest, productivity of most SA workers left much to be desired. It was hoped labour unions would also begin to express their concern to these problems and work together with management towards a solution.

Meanwhile UK SA Trade Association (Uksata) chairman Sir Keith Stuart told a Press briefing in Johannesburg yesterday that, following the lifting of the EC ban on new investment, British businesses would seek to boost exports to SA, but only if the internal security situation improved.

Investors, he said, were still awaiting greater clarity on SA's future economic structure before investing.

Stuart is leading a six-member Uksata delegation which is in SA to reinforce links with the SA business community and identify trade and investment opportunities.

He said problems in the Middle East and the UK recession were helping to make the SA market attractive.

"If sanctions and boycotts were ever in the past a disincentive to your salespeople in the UK market, I would urge them now to go all out in the UK market. I think they will be pleased with the results," he said.

● Picture: Page 3

BDay 2/7/91

Far East looks at Transkei

Business Times Reporter

EIGHTEEN manufacturers from the Far East hope to set up factories in Transkei after a visit to Taiwan and Hong Kong by the Transkei Development Corporation (TDC).

The factories could create about 2 000 jobs and help fill the empty premises in the Elzibeleni industry area near Queenstown.

TDC managing director Marshall Swana says the amount of the investment is not known and he is unable to name the companies because of sanctions.

They are, however, well known and involved in computer component manufacture, jewellery, machine tools, video and music tapes and electronics.

The TDC delegation saw more than 200 industrialists and government representatives and visited factories in Taiwan. In Hong Kong the TDC worked through the Chinese Manufacturers Association. S/Times 3/3/91

"Industrialists were particularly interested in our incentives, our abundant labour, factory capacity and geographical infrastructure," says Mr Swana.

ANDRE DU TOIT: We've got many advantanges

Taiwan's investment at R1,9bn

BEVERLY HUCKLESBY

INVESTMENT in SA by interests in Taiwan had reached more than $750m (R1,9bn) and provided employment for about 40 000 blacks in the decentralised industrial areas, the Republic of China embassy said recently.

Media liaison official Albert Liu said SA and the independent homelands had offered foreign investors a wide spectrum of favourable terms including low wage levels.

"There were 150 Chinese investors here in April 1989 and by the end of January 1990 the figure had surged to 250."

He said the highest percentage of Chinese industries were concentrated in the industrial development areas where higher government subsidies were available.

Taiwan's interest in SA was sparked by cheap labour and raw materials.

This, together with government decentralisation incentives including low interest and rental rates, transport, wages, training and relocation subsidies, and investment exchange in finrands, made SA ideal for investment.

Each of the four homelands — Transkei, Ciskei, Bophuthatswana and Venda — had set up a trade and investment office in Taipei to attract potential investors, he said.

Derlon spinning company, located in Ladysmith's Ezakheni industrial area, has been an established textiles company in Taiwan for more than 30 years. The company's SA investment amounted to about R40m and management intended expanding once the company began making a profit.

"At the moment we employ about 700 workers who undergo a six-month training course before they operate the highly technical machinery," general manager James Lin said.

"The trainees are paid about R50 a week and once they qualify, they automatically earn R100 a week."

Lin said once the company began making a profit, some sort of medical aid and pension scheme would be implemented for the workers and their families.

Polypropylene bag manufacturer Ufi Bags produces about 500 000 maize bags a month. Workers are paid a minimum wage of R50 for a 45-hour week and management actively discourages union membership.

Industrialists in the decentralised areas rationalised the low wages and lack of benefits by saying any wage was better than nothing. Yet workers are putting in a 10-hour day for less than minimum wages.

The Newcastle Chinese Chamber of Commerce said the workers in the Madadeni industrial area received between R45 and R150 a week depending on their job description and a weekly bus fare.

Jiann Fong of Jeammy Footwear said heads of department were paid R50 a week and other workers between R35 and R45. The workers, however, said they earned considerably less.

Many factory workers earn only R31 a week

By Shareen Singh Star 27/3/91

Working conditions and wages in Chinese and Taiwanese-owned factories in industrial decentralisation areas parallel that of farmworkers, according to a survey by The Star.

Wages for most of the work-force range between R31 to R35 a week for 48 work hours.

Apart from UIF, benefits such as medical aid and pension were non-existent.

In most factories in Natal under the KwaZulu government, workers were allowed a 30-minute lunch break and a short tea break.

These wages and conditions are hardly comparable with local companies manufacturing the same products — garments, textiles, knitting, shoes and plastics.

"We are worse off than farm-workers, who are also paid starvation wages, but at least they get food and accommodation," said a worker in one of the factories.

The South African Government subsidises up to R120 a month a worker employed by companies in decentralisation points.

Effectively, this means employers are paying only a few rands towards a worker's wage out of the company's coffers — the rest comes from taxpayers.

Cases of of employers "ripping off" workers by paying lower wages than the Government subsidy were reported last year.

Unions complained that they were having a tough time organising workers in the industrial decentralised zones which fall under homeland governments and are subject to different labour laws.

Taiwanese employers said wages were market-related in the different areas and also corresponded with low productivity levels.

The more workers produced the more they were paid.

They said most of the work-force were unskilled and had to undergo training.

Wages were improved when they qualified, the employers said.

● Govt considers ploughing a more economic furrow — Page 17

73

Many factory workers earn only R31 a week

73

By Shareen Singh Star 7/3/91

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● Govt considers ploughing a more economic furrow — Page 17

Low wages draw Taiwanese

By SOPHIE TEMA

THE South African government and the independent homelands have offered a wide spectrum of favourable terms to encourage the inflow of foreign capital and technology. CItizen 17/3/91

This is part of the government's policy to help develop and aid the economies of the homelands and create job opportunities there for the black population.

The Taiwanese are prominent among several foreign investors who have taken advantage of these opportunities.

There were 150 Taiwanese firms in the homelands in April 1989, and by the end of January this year the figure had surged to 250 – currently providing 40 000 jobs.

According to a spokesman for one of the companies, Derlon Spinning at Ezakheni near Ladysmith, the incentives offered in South Africa and the homelands appeared attractive to entrepreneurs from Taiwan, and this resulted in a steady increase of Taiwanese investment in the homelands. 73

Wage levels were "appealingly low" the spokesman said, and black workers employed by these companies earn wages ranging from R30 to R55 a week and from R120 to R250 a month.

Each of the homelands – Bophuthatswana, Transkei, Ciskei and Venda – have set up trade investment offices in Taipei to appeal to potential investors there.

Taiwanese investment has also spread to KwaZulu where there are now about 37 companies.

The incentives offered by the Government and the homelands to prospective investors include the use of the financial rand, low interest and rental rates, subsidies for transportation, wages, training, relocation expenses and electricity.

Subsidies and preferential rates vary in accordance with different industrial areas, which include metropolitan areas, decentralisation points and industrial development points.

R1,3-m paid to frostbite victims

Star 8/4/91 (73) (B) Fishing (H) (R2)

The embassy of the Republic of China has agreed to settle the claims of 32 South African seamen who suffered frostbite while working on board Taiwanese fishing vessels in 1989 and 1990.

The embassy said today that a total amount of R1 327 942 would be paid jointly by the boat owners and the Taiwanese government.

The amount to be received by each seaman varied according to the degree of injury and the number of fingers amputated. The two sailors with the most severe frostbite would receive R100 000 each.

Amounts of R2 000, paid in advance to each of 26 seamen before Christmas last year by the Taiwanese government, would be subtracted from the individual final settlements.

The pay-out follows an agreement reached between the government, the Legal Resources Centre and legal representatives of the 32 seamen.

Taiwanese ambassador I-cheng Loh, presented a cheque for R1 063 942 to the Legal Resources Centre in Cape Town today. Of this amount, R5 000 will go towards reimbursing the centre for expenses relating to the vessel, Chin Chia Ching. The remainder is to be paid directly to the frostbite victims.

Forty-three seaman registered with the centre or legal representatives after suffering frostbite while working on squid fishing vessels in the vicinity of the Falkland Islands.

Of these, five chose to pursue their cases independently in the courts, and were; therefore, excluded from the settlement, the embassy said.

Three seamen, who worked on the vessel, Kwang Mao, settled out of court on March 7, while two others employed by the Hsin Ho Chun 201 were still waiting for court dates.

The embassy said the Legal Resources Centre had been unable to contact six other seamen, most of whom had received some kind of payment from the boat owners. — Sapa.

Taiwanese payout helps seamen avoid exploitation

73

W Mail 12/4 – 18/4/91

By GAYE DAVIS: Cape Town

THIS week's payout of more than R1-million by Taiwan to 32 South African seamen maimed while working on Taiwanese fishing trawlers has sent a strong message to foreign trawler owners: you can't exploit South African workers with impunity.

Seamen employed by foreign trawlers fall outside the Labour Relations Act.

"Like farm and domestic workers they're at the bottom of the pile," said attorney Angela Andrews of the Legal Resources Centre. Seamen worldwide were bound by contracts and faced imprisonment if they jumped ship because of working conditions.

However, a combination of militant union pressure and the one redress offered by maritime law — the impounding of boats — has been highly effective in the current dispute.

The Cape seamen sought legal advice after suffering frostbite injuries while packing fish in on-board ice-chambers without adequate protective clothing. Some lost fingers.

Subsequent legal action, in which Taiwanese trawlers were attached, severely embarrassed Taiwan.

One vessel, whose licence has since been withdrawn, sailed out of Table Harbour in defiance both of a court order and injunctions from the Taiwanese government.

A Food and Allied Workers' Union campaign highlighted the seamen's plight and linked it to public outrage over Taiwanese gill-netting. Protest action included placard demonstrations, a refusal to handle fish caught in gill nets, pickets at the Taiwanese embassy, public meetings and marches.

Andrews said she believed the settlement would "change the perception of fishermen as people who can be exploited and abused with impunity".

You can't exploit me ... The Cape frostbite case has sent a message to foreign trawler operators

The highest individual sum received in the pay-out was R100 000, awarded to two workers, while Fawu is trying to trace a further six who will share R159 750.

Handing over a cheque for R1 063 942 this week, Taiwan's ambassador to South Africa, I-cheng Loh, said most of the money came from the government, with a portion paid by the fishing companies involved.

Taiwanese keen to invest in Lebowa

ELEVEN industrialists from Taiwan are interested in investing in Lebowa, a spokesman for the Lebowa Development Corporation said this week.

He said a Taiwanese manufacturer of rear-view mirrors for cars had visited the homeland earlier this month and the group of 11 had explored investment opportunities during the past week.

Sowetan 25/4/91.

The visits follow a recent promotional tour of the Far East by LDC executives. At least three more groups of foreign industrialists were likely to visit Lebowa this year, the LDC added. - *Sowetan Correspondent.*

73

Malawi moves to SA

73

S/Times (Bus Times) 12/5/91

CLOSER links with SA's neighbours were forged this week when the Malawian-based Press Corporation made its first investment here.

The procurement and export company, to be based in Sandton, will be managed by the Boart International group, a subsidiary of Anglo American.

Press Corporation is a force in the Malawian economy, employing 16 000 people in agriculture, industry, distribution, property and finance.

The new company will meet the procurement needs of the Press group, establish links with suppliers and identify and develop opportunities for trade between Malawi and SA.

Malawian company branches into SA

(73)

LIZ ROUSE

THE Malawian-based Press Corporation has made its first investment in SA with the formation of a procurement/export company in Sandton. B| Day 14|5|91

With an annual turnover of 750-million kwacha and 1990 pretax profits of 90-million kwacha, the Press Corporation is a major force in the Malawian economy. It employs 16 000 people in its agricultural, industrial, distribution, property and finance sectors.

The new company, Press Trading, has been formed to meet the procurements of Press Corporation more effectively, to establish closer direct links with suppliers and to identify and develop opportunities for SA trade, says Press Corporation CE Wyndham Freyer, who is also chairman of Press Trading.

Bank of Taiwan plans to open SA office

B Day 17/5/91

(73)

ZILLA EFRAT

THE Bank of Taiwan is set to open a representative office in SA.

An embassy spokesman said a Bank of Taiwan representative ~~had~~ visited SA in January.

The bank had then decided it ~~would~~ come to SA, but the embassy was waiting for final confirmation from the Bank of Taiwan about when and how it would be done.

In addition, China Airline will inaugurate its Taipei-Johannesburg passenger service later this year.

The embassy says all these developments will help expand business between SA and the Republic ~~of~~ China.

Last year Taiwan exported R1,84bn to goods to SA in 1990 and imported R3,08bn with a R1,23bn surplus in favour of SA, Taiwanese trade statistics show.

The two-way trade volume of R4,91bn has made Taiwan SA's sixth largest trading partner after Germany, UK, US, Japan and Italy.

A statement from the Taiwanese embass says, in 1990 the total trade beteeen SA and Taiwan grew 30,9% over 1989, but the R4,91bn figure accounted for only 1,5% of the ~~total~~ two-way volume of Taiwanese trade.

As a result, the embassy says there is plenty room for traders from both SA and Taiwan to increase their business, especially in view of the mutually complementary nature of the two economies.

There are currently about 250 factories in SA set up by Taiwan investors providing employment for 40 000 workers.

Bank of Taiwan plans branch in Johannesburg

B/Day 27/5/91 SHARON WOOD (73) (68)

THE Bank of Taiwan plans to establish a subsidiary in SA in October this year, says Mustek Electronics chairman C C Kan. The bank, based in Johannesburg, would focus on export and import financing and corporate banking.

The initial capital for the bank would probably exceed R50m. No participation of local shares was being considered at present.

The bank would act as a branch of the parent bank and move loan funds into the country quickly with the approval of the SA Reserve Bank, Kan said.

He added that the Bank of Taiwan's subsidiary would be of great significance to about 300 Taiwanese factories in SA. "Since Taiwanese factories are classified as foreign companies, local banks are reluctant to render any significant financial support, thus hampering their development."

Kan, who is helping the Bank of Taiwan establish the subsidiary, said a group of five senior Bank of Taiwan executives would come to Johannesburg in about mid-June.

They would start the process of establishing the subsidiary in accordance with the Deposit-Taking Institutions Act.

Registrar of Banks Hennie van Greunen said he had had no official application from the Bank of Taiwan to open a representative office in Johannesburg, but he would be happy to consider an application.

The Bank of Taiwan would have to follow certain procedures before permission could be granted for the office.

In January the bank's vice-president for international management, David Chang, visited SA and did a feasibility study on the possible extension of its business in SA.

Chang praised the sophisticated banking system in this country. He added that a benefit of operating here would be in adopting useful systems practised by other banks.

China in secret bid to trade with SA

74 73
250

Star 31/5/91

BEIJING — The Chinese government, a vocal champion of continuing sanctions against Pretoria, has sent a secret mission to South Africa to discuss trade and other links, Chinese sources say.

The delegation, led by a senior Foreign Ministry official, flew to South Africa earlier this month for a 10-day visit.

It is thought to be the first time China has sent senior diplomats to a country it still pillories and supposedly shuns as a bastion of racism.

The visit, which is believed to have focused on exploring commercial opportunities, follows earlier reports that a Chinese delegation went to South Africa in February to discuss a chemical project between the two countries.

Having been asked four days ago to confirm or deny this month's mission, the Foreign Ministry yesterday said it had "not had time" to prepare a response.

China's growing but still secret links with South Africa are a particularly sensitive subject for Beijing, which presents itself as a steadfast advocate for Third World interests and solidarity.

A Chinese United Nations official, Zhen Daode, was quoted by the New China News Agency in February as opposing any relaxation of sanctions against South Africa.

Dismantling

"The fact remains that black people still live under such an evil system and that the struggle of the international community against racism and apartheid is still far from reaching its end," he said.

Beijing has described the gradual dismantling of apartheid laws as "deserving welcome" but still proclaims a policy of non-contact.

China's clout in other parts of black Africa, however, has waned in recent years. Traditional friends such as Tanzania and Guinea have turned away from Chinese-inspired Marxism, while Beijing has in turn cut back on aid projects to the continent.

This month's Chinese visit to South Africa, diplomats say, reflects Beijing's determination not to let ideological scruples get in the way of commercial benefits. It follows a steady improvement in Chinese ties with two other past foes, South Korea and Israel.

Though stopping short of diplomatic recognition, Beijing has exchanged semi-official representative offices with both Seoul and Tel Aviv. China's ties with South Korea, which it fought to eliminate during the Korean War from 1950-53, are particularly healthy, boosted by a surge of trade and China's appetite for South Korean investment and know-how. — The Independent News Service.

Investment plans for Atlantis

B/Day 5/6/91 (73) (@)

LESLEY LAMBERT

CAPE TOWN — A Taiwanese and two Italian manufacturers are planning multimillion-rand investments in factories in Atlantis, near Cape Town.

Atlantis had received 85 inquiries from foreign companies this year, including the Taiwanese and Italian manufacturers who were proceeding with applications to set up factories, Atlantis project director Piet Burger said yesterday.

Burger declined to name the investors, but it is understood that the Italian companies — subsidiaries of a tyre manufacturer in Italy — are applying to set up two medium-sized factories of 15 000m² each.

The third investor, a German bicycle manufacturer based in Taiwan, is understood to be considering a smaller factory of about 2 000m².

The proposed projects are relatively labour intensive and would provide new job opportunities.

At current construction costs, they could amount to a minimum capital investment of about R16m.

Burger said potential investors were encouraged by the incentives offered by the new regional industrial development programme, which has replaced decentralisation. But many remained concerned about political and labour disruptions.

He said the three foreign applicants would all be entitled to apply for relocation subsidies and other programme incentives. Atlantis, like most other areas in the country, qualifies for 100% of the new incentives.

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ı 29 June to 5 July 1991, inclusive.

By order of the board
D. C. Dykes
Secretary

INCE

Biscuitmaker invests in SA

73 ZILLA EFRAT

FAMILY members who own Cuetara, the well-known Iberian confectioner, are set to invest in a biscuit and wafer factory in SA through their new local company, Continental Biscuits.

Acting Continental Biscuits MD and a member of the family, Luis Murillo, said yesterday Cuetara dominated the Portuguese and Spanish biscuit markets and also had a biscuit factory in Costa Rica.

Construction of the SA factory would start in the industrial area of Aeroton, near Johannesburg, shortly. This followed two years of investigations by the family. Bday 7/6/91

Murillo declined to indicate how much would be invested in SA.

While there were large players in the SA market, he believed the market was full of possibilities.

Exports to southern Africa were part of a longer term plan.

We were tortured, claim workers

★ SUNDAY TIMES, August 4 1991 7

Chinese boss denies staff were shocked with a cattle prod

73

S/Times 4/8/91

LOCAL textile workers claim a Taiwanese woman tortured them with what looked like a cattle prod in an effort to extract information about stolen jerseys.

Two women who work as machinists in a Taiwanese-owned jersey factory in Newcastle, Northern Natal, say a number of them were repeatedly shocked with a long metal rod that had a switch on it, while the owner looked on. But the Taiwanese owner denies that anybody was hurt on his premises.

By RYAN CRESSWELL

The machinists said 10 of them were called into an office at the factory — which comprises Ascendo Industrial and Apollo Industrial — by the owner, Mr Charles Huang, 40, and his wife, Judith, 33, on June 22 and kept there for most of the day.

Scream

Mrs Violet Zwane, 41, said she and her workmates were each shocked at least 10 times on the hands and asked who had stolen a number of jerseys.

She said: "Judy held this thing to my hands and I was shocked. My fingers closed and my body moved. It was very sore and I screamed."

Mrs Sobongile Phakathi, 38, claimed Mrs Huang shocked all the women and asked who had stolen jerseys, while Mr Huang watched.

"I was handcuffed to two other people from 10 in the morning to three in the afternoon when we were shocked by Judy," she said.

Mr Huang said there was no truth in the allegations.

"Nobody was hurt in my factory. We come from overseas and we do not want to cause trouble here. We Taiwanese do not want to damage our image.

"We have brought machines and money. We are careful with our workers because of the unions.

"But we do have a problem with stealing. In one week I caught 15 people stealing," he said.

He admitted that he sometimes docked workers' pay because of thefts.

Hurt

Mrs Zwane said four machinists decided to report the incident to the Newcastle branch organiser of the SA Clothing and Textile Workers Union (Sactwu) when they found out their weekly pay had been docked by as much as R26. The other two machinists who complained to the union are Mrs Emma Zwane, 41, and Mrs Tswayi Monesi, 36.

The women said they earned about R36 a week.

Mrs Violet Zwane said: "There were marks on our hands for about three days but we did not go to the doctor because we did not have any money."

She said one of the workers who was hurt complained to the police.

Police spokesman Warrant Officer Nasser Mahomed said the police had investigated the incident and handed the docket to Newcastle's chief prosecutor, Miss Corrie Greyling, but she had declined to prosecute.

Newcastle's town clerk, Mr Dave Schuter, said: "If this is all true we can't accept it but at the moment it is only rumours."

He said the 600 Taiwanese people in Newcastle were valuable to the community because they owned at least 30 businesses.

Recently Taiwanese industrialists in the town formed the Chinese Chamber of Commerce.

A spokesman for the organisation, Mr Jerry Su, said he had heard of the police investigation but could not discuss "mere allegations".

But Sactwu's branch organiser, Mr Chippa Sithole, is adamant that the 10 workers were shocked.

Clash

"After speaking to workers for some time it is my understanding that physical abuse and the unjust docking of pay is almost a daily occurrence in the Taiwanese businesses here.

"There seems to be some sort of culture clash.

"We plan to take the issue of these workers being shocked and their pay being docked to court," he said.

Taiwan trade-seekers

S Times (Bus Times) 4/8/91 (73)

Business Times Reporter

TAIWAN Economics Minister Vincent Siew will lead a trade mission due to arrive in South Africa tomorrow. Members will have talks on economic co-operation projects, including energy and transportation, says senior ministry official Liu Ti.

Two-way trade between the two countries is expected to increase this year from last year's $1,5-billion. Taiwan imports mainly energy products from SA and exports electronic and consumer goods and textiles.

Stronger Taiwan ties likely

BIDay 6/8/91.

GRETA STEYN

SA AND Taiwan are expected to expand trade, investment and technological ties during the current ministerial Economic and Technical Co-Operation Conference in Pretoria.

Trade and Industry Minister Org Marais gave a hint of this in a speech at the conference yesterday.

(73)

He said: "I believe that the relations between our two countries can enter a new phase of greater co-operation with regard to investment and undertakings in the industrial sector."

He said SA was in great need of foreign investments. The possibility existed that reciprocal investments would occur and that SA could use Taiwan as a "launching pad" for Far East markets.

SA civil engineers were also expected to work on Taiwan's "six-year plan".

Marais disclosed that two-way trade between the two countries was R3,3bn last year, compared with only R40,4m in 1974. He ascribed the huge increase to the signing in 1975 of the Economic and Technical Co-Operation Agreement.

"This partnership blossomed at a time when SA and the Republic of China to a degree stood isolated in the world."

He vowed that SA would not turn away from allies who stood with it during difficult times.

Discussions would take place at the conference to explore the expansion of a range of co-operation agreements.

These included agriculture, science and technology.

"Tariffs were and probably will always find a place on the agendas," he said.

SA's drive to promote exports could bene-

☐ To Page 2

Taiwan

BIDay 6/8/91.

(73)

☐ From Page 1

fit Taiwan in that it might enable SA to cut its customs tariffs. But plans to exchange preferential tariff quotas between the two countries have been abandoned because of GATT rules.

"This may be a problem with no easy solutions at hand."

With the lifting of sanctions, the stage was set for SA to expand trade. But, to exploit opportunities fully, it needed access to the IMF and World Bank.

There was a growing conviction throughout the world that the southern part of Africa could achieve economic growth and stability, particularly if the finance, technology and know-how of the developed world could join in partnership with SA business and development institutions, Marais said.

Star 7/8/91

Top Taiwan delegation for talks

73

TAIPEI — Taiwan's Economic Affairs Minister Mr Vincent Siew heads an official delegationto an economic cooperation conference in South Africa this week.

It will be the first large-scale formal meeting between Taiwanese and South African officials since 1989 when the annual Taipei/Pretoria economic cooperation conference was suspended due to mounting pressure from the international community to impose sanctions.

More than 300 Taiwan companies had invested in SA, and in view of this, Taiwan was seeking to sign investment guarantees and income tax exemption agreements.

Also high on the conference agenda were reciprocal tariff reductions and the removal of non-tariff trade barriers. — Sapa-CNA.

Deal with Sentrachem 'on the cards'

Taiwan to invest $200m in local plant

73 183 3474

BDay 15/8/91

BRENT VON MELVILLE

TAIWAN's government is to invest $200m in an SA petrochemical plant, making it the single biggest investment yet from Taiwan and the first significant foreign capital injection in the post-apartheid era.

A formal agreement between the China Investment & Development Company (CIDC) and Sentrachem is expected to be announced next month, according to CIDC president Shih Ta-Shao.

A spokesman for Taiwan's embassy confirmed the proposed scheme would be the biggest industrial investment to date.

He said while it was difficult to assess Taiwan's total investment in SA, embassy estimates put the figure at about $400m.

Reuter reported Ta-Shao saying the plant would produce about 100 000 tons of di-ethyl hexanol annually. He said the two companies would sort out the finer details of the project in September. The plant is to be located at Mossel Bay — to take advantage of the giant Mossgas project.

The investment will mark Taiwan's first investment in SA's petrochemical industry. Ta-Shao said the intention was to ship the material — used in products such as plastic films and sheets — back to Taiwan.

SA, he said, had also provided an investment guarantee and tax exemption — which local sources said would probably prompt further investment from Taiwan.

Sentrachem MD John Job confirmed the group was involved in discussions with the CIDC, but said the company was only one of many involved in discussions.

He said the plant would form part of the R4,5bn gas/liquid cracker plant, which was intended to utilise the extensive infrastructure put in place by the Mossgas project to produce chemical feedstock.

However, there has been strong speculation that the SA partners in the cracker, including AECI and Engen, were getting cold feet as the worldwide chemical industry sagged and plans were put in motion for several crackers in Korea and the US.

Job said Sentrachem was largely the driving force behind the proposed cracker plant. The group has put three years of research, and a significant amount of money, into ensuring its viability.

A local analyst said Taiwan did not produce di-ethyl hexanol and relied totally on imports for supplies. The joint venture proposal stems from an informal study conducted recently by the Chinese Petroleum Corporation into the viability of the plant.

The investment is also the first following the recent announcement by Trade and Industry Minister Org Marais of greatly expanded trade, investment and technological ties between SA and Taiwan.

According to Safto, Taiwan's industrialists invested R800m between 1979 and 1989. However, Safto Asia manager Graham Limerick said investment had tailed off slightly over the past few years mainly due to concerns about the levels of violence.

A spokesman for Sasol — SA's premier petrochemical producer — confirmed the group was aware of a proposed project, but added that it was not Sasol policy to comment on ventures by other companies.

Trade with Taiwan set to soar

BRENT VON MELVILLE

TWO-way trade with Taiwan was set for a tremendous boost and was likely to greatly exceed last year's level of $1,54bn, said Trade, Industry and Tourism Minister Org Marais. BIDay 16/8/91

Speaking at the SA-Republic of China Chamber of Economic Relations general meeting in Johannesburg yesterday Marais said there was strong scope for developing further strong links with Taiwan in the years ahead. 113

He said some of the exciting developments to date included:

- An agreement to avoid double taxation, which stands to the future benefit of entrepreneurs of both SA and Taiwan;
- The existence of over 250 Taiwanese factories in SA;
- The establishment of a major SA bank in Taiwan and the imminent opening of a branch of the Bank of Taiwan in SA;
- The introduction of a scheduled service to SA from Taiwan by China Airlines;
- The opening of the Taiwanese market to SA wines, beer, brandy and spirits in the beginning of 1993.

Chamber chairman Allen Sealy said there was optimism that trade could be significantly upped over the coming years.

Newcastle a favourite among Taiwanese

B Day 4/9/91

(73)

Own Correspondent

DURBAN — Jerry Sun sits back in his bright modern office, tucked away in a corner of his factory, and ponders my question: "Why are Taiwanese people flocking to Newcastle?"

The answer: "Because it is a very nice place, and it has proved very profitable."

Sun is one of 600 Chinese people who have settled in the northern Natal town in recent years, making it the second largest influx in the country. Bloemfontein heads the list of immigrants from Taiwan.

The Taiwanese embassy in Johannesburg lists 37 factories in Newcastle as Chinese-owned, compared with 11 in Isithebe, seven in Ladysmith and 10 in nearby Madadeni.

The Bloemfontein area boasts 48.

After 30 months, the company of which Sun is MD, Asiachem, is firmly established. It stands alongside the other factories in a town where industry dominates the scene, gathered in well laid out estates close to the commercial centre.

Sun ticks off Newcastle's advantages: "Its location — 350km from Durban and 300km from Johannesburg. It means easy access to 80% of the SA market.

"It offers quite high living standards in lovely countryside with plenty of space.

"The local authority and the people have been kind and helpful. This is a key factor that will attract more and more Chinese to the area."

However, there have been problems in dealing with local labour. Taiwan does not know trade unions as they operate here; there is therefore a learning process for both management and the workforce. An allegation that a Taiwanese employer ill-treated black staff is being investigated.

A recently formed Chinese Chamber of Commerce in Newcastle should help smooth relations.

Sun believes that in time Newcastle will have the highest number of investors from Taiwan.

Town clerk Dawie Schutte shares the confidence about future growth, whether from Chinese industrialists or others. After 46 months as the town's chief executive, he has seen 45 new factories open.

"I think we have done well considering in terms of the economic recession," Schutte says.

Austrians in SA to invest R25m

(93) 8 Day 11/11/91

DARIUS SANAI

AUSTRIAN industrialists are set to invest more than R25m in SA, says Austrian Trade Commissioner Leopold Birstinger.

The industrialists are part of a 35-strong Austrian trade delegation which arrived at the weekend.

Birstinger said one member of the Austrian delegation, who did not want to be named, was an investment broker with instructions to invest R25m in SA.

And another delegation member, Friedrich Vanicek, said at the weekend he was in SA to finalise a joint agreement with a local firm to manufacture and distribute machinery for the SA timber industry.

Birstinger said the investment broker was keeping his options open, and had not yet decided whether the R25m was to be invested in shares, in unlisted companies or in property.

He said there was great interest in the Austrian business community in investment opportunities in SA, and the broker's presence indicated a desire to invest immediately.

Austria, which is not a member of the EC, lifted trade sanctions against SA earlier this year.

Vanicek, who is a director of the Viktor Vanicek timber drying machinery company, said that his company already supplied some of the world's most advanced timber drying technology to the timber industries of Austria and eastern Europe. He was in SA to finalise a joint venture with a local firm to manufacture Viktor Vanicek machinery locally.

The long-term aim of the investment would be to export SA-manufactured machinery to the timber industry across the entire southern African region, with Mozambique as another target market, he said.

He would not disclose how much he was prepared to invest, but said the operation would "start small and get bigger", concentrating on profitability within SA before export.

Another delegation member, A Martin Bunzl MD Thomas Gaiger, said there was a growing market in Austria for "unconventional" SA exports including cotton, wool and textiles.

Gaiger said waste from the SA cotton industry could be exported to Austria and other central and eastern European countries.

Birstinger said Austria should be an important target market for SA exporters.

Austria is expected to be the next European country to gain EC membership, and, as a member of the European Free Trade Association (Efta) with traditionally strong links with the former Eastern bloc states, is situated at a strategic economic crossroads.

Another delegation member, Birstinger said, was in SA to promote a method for heavy industry to increase profitability while becoming environmentaly "clean" by selling waste products.

The method, developed in the Austrian steel industry, involves selling arc furnace dust and slag to companies which then purify the waste and sell it.

Focus on Taiwanese trade

TAIPEI — SA intended using Taiwan as a springboard into Far East markets, Taiwan's Vice-Economics Minister Chiang Pin-kung said yesterday. (73)

"(We) are also willing to utilise SA as a base for development of the overall African market," Chiang told a Taiwan-SA trade conference in Taipei, Sapa-Reuter reports. BDay 4/10/91

Chang Chung-chien, Taiwan's chief delegate to the conference, said the one-day conference was held to enhance economic relations and technical co-operation between the two countries.

Two-way trade between Taiwan and SA has soared to US$1,54bn, an increase of 5,2% on the preceding year, with a $414m surplus in Taiwan's favour.

"Trade between our countries is just like a new treasure mine waiting to be explored," said Taiwan's Board of Foreign Trade director-general K S Sheu.

GERALD REILLY reports from Pretoria that SA's National Productivity Institute director Jan Visser told the conference that a new constitution and government in SA were unlikely in the next 30 months.

He said it would be over optimistic to expect a generally acceptable new constitution and democratically elected government in the next 30 months. Political realities were too complex for quick solutions.

Arabs buy SA oil firm

By MARLAN PADAYACHEE

SAUDI Arabian businessmen bought a South African cooking-oil company this week in a R5-million deal. S/Times 6/10/91

Now Natal industrialists are hoping this is just the beginning of a flood of Arab interest in the region.

The Dallah Group of Jeddah bought a 70 percent stake in Elangeni Holdings, producers of Dello Oil and soap products. M3

The Arab businessmen are part of a conglomerate operating in 33 countries. They were also responsible for starting the Al Baraka Islamic Bank in Durban's Grey Street.

Seshego workers reject R4 pay increase

Sowetan 8/10/91.

By MATHATHA TSEDU

SIXTY members of the Metal and Electrical Workers Union of South Africa employed at Utah Electronics in Seshego, Pietersburg, are on strike demanding wage increases.

The workers, who earn between R35 and R42 a week, said they had rejected an offer of R4,50 a week. This would have brought their earnings to a minimum of R39,50 a week or R158 a month.

Stoppage

"They had agreed with our union on better increases but now they say they can only afford R4,50,'' a shop steward said.

A spokesman for the Taiwanese-owned company, Mr Lewis Lee, confirmed the stoppage.

He confirmed they earned a minimum of R35 a week and threatened to move the firm "to another area'' if the wage demands did not stop.

More heavy trading in Elangeni shares

By Jabulani Sikhakhane

73

A further 2,730 million Elangeni Holdings shares — equal to 16,3 percent of the group's issued share caputal — were traded at 45c on Friday. Star 11/11/91

Control of the troubled Durban-based group changed hands on September 30 when the Dallah Group of Jeddah (Saudi Arabia) acquired 70 percent of the equity at 43,5c a share.

After the deal the Dallah Group made an offer of 43,5c a share to Elangeni minorities.

However according to the offer notice, minority shareholders holding 28,94 percent of the equity lodged letters with the Securities Regulation Panel (SRP) to the effect that they would not accept the offer, which closed on October 25.

Elangeni shares to be redeemed

WILLIAM GILFILLAN

FOLLOWING the October takeover of Elangeni Holdings by the Saudi Arabian Dallah Group of Jeddah, shareholders holding the 3,5% interest in Elangeni not yet held by the controlling shareholders are advised today that their shares are to be redeemed.

The company has also announced it is to terminate its listing on the JSE.

The 3,5% of ordinary shares not held by the controlling shareholders were to be converted into redeemable preference shares and then the preference shares were to be redeemed.

The redemption was to be made by way of a cash payment of 50c a share which was at a 5c a share premium over yesterday's 45c closing price.

Yesterday Elangeni reported earnings of R48 000 for the 12 months to June, which was substantially down on the R529 000 for the 14 months to June 1990.

The Dallah Group took control of the soap and edible oil group in October with its R5,1m acquisition of a 70% interest in the group.

Austrians keen to open up businesses

STAR 3/12/91

(73)

Austrian businessmen are declaring their intention to open up in South Africa, making a major contribution to rebuilding the economy.

So says Albert Klamert, regional director of Intercont, the Austrian subsidiary of the R5 billion worldwide LEP group.

Mr Klamert, who is on his fifth visit to South Africa, specialises in trade with South Africa in partnership with Renfreight Aircargo.

He says: "Since many imports from Austria are relatively expensive, they will gain only limited market share. But the South African market is too attractive to ignore, so Austrian businesses are aiming to produce here through joint ventures or subsidiaries."

Expectations are high that pent-up growth potential will be unleashed, with South Africa acting as a gateway for the entire sub-Saharan region.

While 1989-90 SA-Austrian trade figures showed an 8 percent decline by value, airfreight volumes increased, especially in the area of spare parts as industrialists sought to extend the life of their equipment.

In addition to machinery and spare parts for industry, Austrian exporters see possibilities for a wide variety of high technology, chemicals, electrical appliances and sporting goods.

In partnership with Renfreight Aircargo, Intercont offers a direct airfreight service to South Africa and is the single largest supplier of cargo for carriage to South African Airways.

Austrian Airlines — while focusing on passengers — has freight capacity that will be increasingly sought-after as trade grows.

Not that traffic is one-way.

"South Africa need no longer rely solely on agricultural produce and raw materials," says Mr Klamert. "The quality of finished goods is improving noticeably."

Intercont has recently helped a South African exporter to gain a major contribution for the supply of computer workstations and a container-load is on its way. — Sapa.

Hotel group keen to invest in SA

(13) MARCIA KLEIN

INTERNATIONAL hotel group Hyatt Hotels and Resorts is looking at prime sites in Johannesburg, Cape Town and Durban to open its doors in SA.

Hyatt's corporate marketing director for Europe, Africa and the Middle East, Allan Edgar — who is in SA investigating opportunities — said in an interview yesterday SA had all the necessary ingredients to facilitate Hyatt's entry into the country. BDay 6/12/91

Although the local industry was depressed, this was merely a reflection of worldwide trends. SA had the infrastructure and the service levels necessary for international tourism.

"We have been closely monitoring the changing scene in SA, and we believe that the country offers enormous potential," he said.

Edgar, who was director of marketing for the Carlton Hotel for two years from 1985, said that based on his knowledge of the SA hotel and travel industries, the time was ripe to include SA in his company's portfolio.

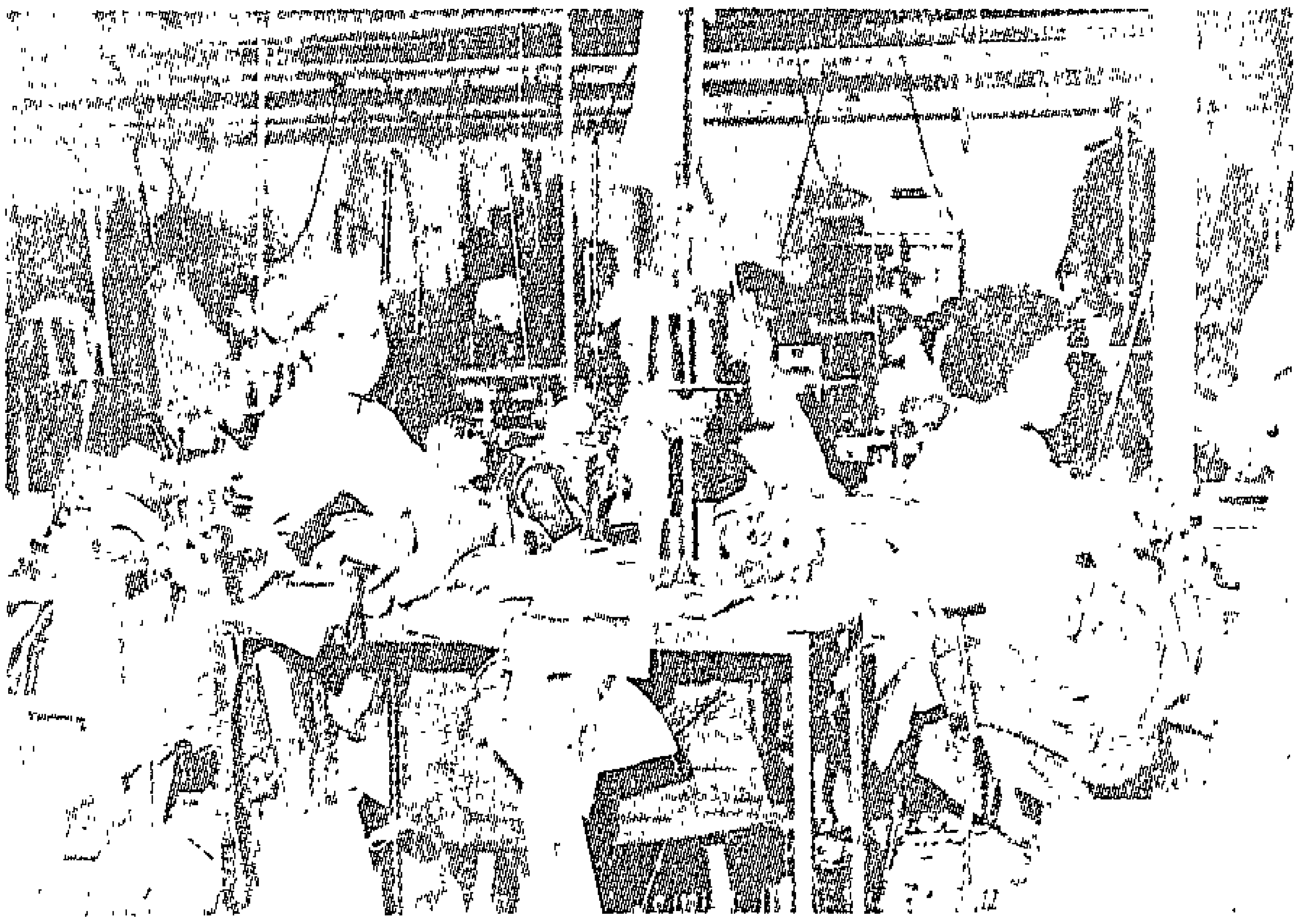
He said Hyatt was considering various possibilities in the country, including management contracts and partnerships.

The hotel management group operates 159 hotels and resorts worldwide, with more than 59 000 rooms.

It has 12 hotels under construction in the US, Asia/Pacific, Europe and South America.

Business Day SURVEY

Newcastle got off the ground in the early '70s when Iscor set up its third integrated works there. Infrastructure was geared up to accommodate extensions to the Iscor works. When these did not materialise, Newcastle found itself with an abundance of serviced land and embarked on an intensive marketing drive to attract industry. ***VAL PIENAAR*** *reports.*



Labour-intensive textiles factory.

Chinese community is spurring growth

BDay 6/12/91

A RAPIDLY growing Chinese community is putting the spurs to industrial growth in Newcastle.

Newly formed Chinese Chamber of Commerce spokesman Jerry Sun says: "For the past three years, Chinese businesses have erected an average of one factory a month.

"Today we have 45 factories as well as many other businesses in the CBD."

These factories are located in three industrial zones — 5km from the town, in Madadeni township about 25km out of town and adjacent to the CBD.

Business ventures range from the manufacture of adhesive tape to electronic toys and games and over 25 factories are involved in jersey and textiles manufacture.

Most of these products are aimed at the local market, but with South Africa's re-emergence into the world market many industrialists are looking to move into exports.

The Chinese population in Newcastle totals 650.

About 75% come from Taiwan and 20% from Hong Kong, while the remainder are SA-born.

There are a number of advantages to the area from the point of view of the small family businesses typical of this community, says Sun.

Decentralisation benefits, low land costs and an abundant supply of trainable labour combine to make new businesses viable even off a relatively small capital base.

Sun says its location midway between Johannesburg and Durban is also a major advantage.

Not only does this give the industrialist direct access to an estimated 80% of the SA market, but it is situated clear of the casinos which impoverish employees.

"People think I'm joking when I mention this, but there are strong Chinese communities in Bophuthatswana, Ciskei, Transkei and Bloemfontein, and they all acknowledge that casinos are a problem," he says.

The typical Chinese industrial business, Newcastle-style, is a compact, family-run organisation.

Hours are long and quality and productivity expectations of both management and staff are high.

The community employs an estimated 10 000 workers, usually 100-150 to a factory.

As such it is an important force in combating the unemployment in the region, but it has been accused of paying starvation wages for labourers working under intolerably restrictive conditions.

But Sun says: "We also work long, hard hours. A Chinese manager doesn't lock himself in an office, he gets involved in the work being done in the factory.

"Many of us operate on marginal profits. A labour-intensive business is sensitive to labour costs. They could put us out of business.

"This is a problem in Bloemfontein, where the largest Chinese community in SA is losing ground in the face of increased union activity.

"SA labour must recognise the first priority in this country is full employment."

Changes in government subsidisation policies have had minimal impact on the community, he says.

"We know better than to depend on subsidies to make a business viable, they are simply the bonus that makes it easier to get going.

"Newcomers will have to reassess the arithmetic involved in setting up under the new subsidy scheme, but we are in favour of a system that rewards productivity rather than inefficiency," Sun says.

JSINESS DAY, Wednesday, December 18 1991

Saudi-linked Islamic bank to open second SA branch

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ANDREW GILL

A JEDDAH-based company with banking interests is to open its second SA branch in March next year, having set up a joint venture bank with local shareholders in 1989.

SA-registered Al Barak Bank, 50% owned by Saudi Arabia's Al Baraka Investment and Development Company and 50% by SA shareholders, opened its first office in Durban in 1990, catering mostly for the Muslim community.

Al Barak SA CEO Ebrahim Bawda said it had now acquired a building in Cape Town with a view to opening an office early next year.

He was responding to a Reuter report from the Jeddah office that a Cape Town branch had already been opened.

B/Day 18/12/91

Banking is based on the Islamic financing principle of partnership financing or "profit and loss sharing" where returns are not guaranteed. The bank has built up an asset base of R37m since opening up.

Bawda said it had been successful beyond expectations. Returns often exceeded those offered by traditional banks.

He said the bank did not exist to serve only the Muslim community, but anyone who was prepared to comply with Islamic financing principles.

FOREIGN FIRMS IN SA — MISCELLANEOUS_OTHER

1992

NOV. — DEC

SA gears up as Arabs take softer trade line

(13) (680) STimes (Buss) 12/1/92

By ZILLA EFRAT

AN Arab League meeting, due to be held in Cairo in March, is expected to drop sanctions against South Africa.

The move will open SA trade in Persian Gulf nations which have a population of 87-million and import goods worth $66,2-billion a year.

Lebanon — not an Arab stronghold — is well disposed to SA and could support the lifting of sanctions, says Safto Middle East manager Gyfford Fitchat.

Johannersbug-based Islamic Business Chamber director Abdul Gani says the likelihood of sanctions going is shown by the number of approaches being made to SA by Arab interests.

But Breyer Development Services managing director John Bell warns that a prime factor that will influence any decision is SA's ties with Israel.

Surprise

There are signs of a thaw between SA and Arab countries. Some of SA's most vehement critics in the Arab world are believed to have visited SA to review the changes taking place.

A major development was President De Klerk's surprise stop-over in Oman last November when he met the oil-rich nation's Foreign Minister, Yusuf Bin Alawi Bin Abdullah.

A senior Safto manager was well received by high-ranking officials on a visit to Dubai and Egypt last October.

SA has been exporting small quantities of goods to the Arab countries through third parties.

There are signs of increasing Saudi Arabian investment in SA.

The Al Baraka Bank, half-owned by a Saudi company, will open its second branch in SA in March. The Saudi Arabian Dallah group took control of the Durban-based Elangeni group, which makes soap and edible oils, in October.

The Saudis are believed to have invested in some luxury retreats on the Garden Route.

The Islamic Business Chamber is gearing up for the end of sanctions and Safto will take a group visit to Oman and the United Arab Emirates in February.

Several official and private organisations are keen to meet the SA delegates, says Mr Fitchat.

Some SA companies have also been invited to the international commercial vehicle and plant equipment exhibition at the Dubai World Trade Centre in April.

Safto plans a "big splash" of SA products at the Dubai World Trade Centre exhibition later this year. High-profile representation is expected from official and industrial organisations.

Hotels

A business delegation from Dubai will arrive in SA to investigate shipping links in a couple of days.

Mr Fitchat believes further Arab investment in SA will be forthcoming, especially in hotel chains and resorts. Arabs could also provide venture capital for mining exploration.

He says that in the past, SA companies exported to the Persian Gulf region under third-party brand names and had to pay a political premium.

Mr Fitchat says the Persian Gulf region, which has a high standard of living, has few natural resources other than crude oil and has to import most commodities.

He believes that SA fresh produce, processed food, grain, livestock and frozen chickens would be competitive in this market.

The oil-refining industry in the region is making large investments to produce value-added chemicals, an area in which SA has expertise.

In the long term, SA engineering suppliers should be able to get contracted work from international companies already in place in the region.

Patience

Mr Fitchat says countries that offer a good starting point for SA exporters are the United Arab Emirates, Oman and Bahrain. Saudi Arabia, Iran and Qatar could be served from them.

Safto's starting point is Dubai because it is the centre of imports and re-exports in the region. It plays a pivotal role in the region's cargo movements.

Dubai is expected to become the Hong Kong of the region and its Jebel Ali Free Zone attracted $1-billion in investment from international companies in 1991.

However, Mr Fitchat warns that because it takes time and patience to enter the Arab market, SA exporters should start working on their plans now.

Investor cruises in to Walvis Bay

Business Day Reporter

KENYAN businessman Madat Abraham took a walk in Walvis Bay a year ago during a world cruise on the QE2. Four hours later he was owner of a prime commercial site in the middle of town, bought from Spoornet for R500 000.

Construction is due to start next month on the Baystar Mall, a shopping centre to be built in two phases. The site is bounded by Seventh Street, Thirteenth Road and Sixth Street. B/Day 12/2/92

Abraham, on a visit to Johannesburg this week, described himself as an "international investor", with his main interests in Kenya and California.

"Before coming to SA aboard the QE2, I had made an in-depth study of the country," he said.

"We called at Durban and Cape Town, and then at Walvis Bay. I took a walk in town, and was fascinated by the place.

"I have interests on the Pacific Ocean, and it seemed a good idea to have something on the Atlantic. Within four hours I had bought the property." 73

Abraham says he has had a lot of inquiries from Cape Town about the centre, and from local shopkeepers anxious to move to the prime position. He expects the centre to provide 250 new jobs.

Abraham is surprised at South Africans' lack of knowledge of Walvis Bay.

"It seems to me that 90% of South Africans know nothing about the enclave.

"There may be tension in Durban, Johannesburg and Cape Town, but Walvis Bay is serene."

Walvis Bay architect Even Mackintosh has designed the Baystar Mall, and the agents are J & B Estates.

STAR 13/2/92 (73)

Shipping giant returns to SA

DURBAN — Norway's largest shipping firm, Wilhelmsen Lines, has resumed service to South Africa, after being forced to quit in 1985 at the height of sanctions against SA.

"It's good to be back," the company's president, Ingar Skaug, said yesterday.

Mr Skaug, who flew to Durban several weeks ago, said his company had been operating in South Africa from 1910 to 1985.

The company named John T Rennie and Sons of Durban as its agents in Southern African. — Own Correspondent.

Samsung launches SA market drive

S/Times (Buss) 8/3/92

13

By CIARAN RYAN

SAMSUNG, the Korean conglomerate with annual sales of $40,8-billion, has opened an office in Johannesburg in an attempt to increase its slice of SA-Korean trade, which totalled $1,25-billion last year.

The Samsung franchise for consumer electronics was recently awarded to TV manufacturer Etron.

Samsung SA's marketing executive, John Vlotman, says the company intends expanding into Africa, SA in particular. It maintained a subdued presence in SA for about 10 years.

Inroad

Samsung is looking for partners. It will hold an exhibition in the Sandton Sun Hotel on March 23 to introduce its products. Mr Vlotman says more than 40 products will be displayed, from personal computers to TV sets, audio systems, textiles, petrochemicals and food.

Korea, and Samsung in particular, have made inroads on the Japanese consumer electronics market worldwide.

Etron is headed by former Tek Electronics managing diector Brian Cape, 42. He expects Samsung brands to take 15% of the TV, VCR, video camera and audio market. Siltek will continue to distribute Samsung business machines through its subsidiary, Tarsus Technologies.

Samsung withdrew its franchise agreement from Supalek last year.

Mr Cape left Tek in 1990 and bought an electronics factory at Mogwase, Bophuthatswana, where he assembled GoldStar Korea TVs.

Etron caused a stir when after only a year of operation, it grabbed 15% of the SA TV market. Etron makes 70 000 sets a year at Mogwase. A total of 233 000 black-and-white and 343 000 colour TV sets were sold in SA last year, 70% of them to blacks. More than 130 000 VCRs are sold annually in SA.

Mr Cape says the TV market will benefit from housing and electrification programmes.

Etron ended the GoldStar Korea agreement when the Samsung deal was signed.

Mr Cape says: "Samsung's quality is exceptional. It manufactures products for some of the world's top brands, such as Sony, Toshiba and Akai."

Samsung VCRs, video cameras and audio equipment are imported to compete at the top end of the range.

Marketing manager Doug Laurie says the company will make a full range of TV sets from small monochrome sets to high-tech 64cm and 72cms ones.

"We are looking at the assembly of Samsung VCRs here. Once these developments have settled down we will launch Samsung white goods.

Largest

"Servicing and distribution of Samsung products will continue to be handled by third parties. That keeps our head-office costs low."

Fortune magazine rates Samsung one of the world's largest companies outside the US. It has 5% of the world colour TV market, 9% of VCRs and 13% of microwave ovens. More than 6% of the income from electronics sales is invested in research and development, a division which employs more than 10 000 engineers.

Mr Laurie says Korea is narrowing the technology gap with Japan. Lower labour costs give it a 10% to 15% price advantage over the Japanese.

Taiwan bank expresses great confidence in SA

73

BDay 26/3/92

ADRIAN HADLAND

SA WOULD have one of the world's strongest economies within 20 years, Bank of Taiwan SA MD David Chang said this week.

The state banking institution of the Republic of China, with total assets of about R86bn, will open its first African branch in Johannesburg on April 2 this year.

The bank was welcomed to SA by the mayor of Johannesburg, Jan Burger, last night. The mayor said "there will undoubtedly be increased two-way trade and investment between the Republic of China and SA".

Focusing on trade and corporate financing, the bank hopes to act as a conduit for foreign investment, particularly from the Far East.

"We want to be a bridge to channel funds to meet the needs of industrialists here in SA," said Chang.

The Bank of Taiwan is the 33rd foreign bank to establish operations in Johannesburg, with many more looking into the possiblities, said Johannesburg City Council commerce and industry director Collin Wright.

"The fact that the Bank of Taiwan has selected Johannesburg as one of its key international locations is of great significance and is indicative of the commitment from that country in terms of investment in Johannesburg and SA," said Wright.

The Bank, one of the world's 150 largest, has 100 branches and 6 000 personnel mostly in Taiwan. Further branches are planned in Los Angeles, London, Amsterdam and Frankfurt while a New York branch was established in 1989.

The SA branch, which obtained its provisional banking licence from the registrar of Deposit-Taking Institutions in Pretoria in December last year, opens up next month with capital assets of R50m.

"Once the political uncertainties are eliminated, more investment will come. The potential here is so high," Chang said.

The bank's objective was to build up a base in SA, and in the longer term Johannesburg would become a gateway to the rest of Africa.

"Foreign investment from Taiwan mostly focuses on the Far East — Thailand, Singapore, Indonesia — because geographically and culturally, Taiwan is closer to those places. With the establishment of the Bank of Taiwan in SA, capital from the Far East will now have access to a direct channel for investment," he said.

Taiwanese bank ready for business

(73)

STAR 26/3/92

By Magnus Heystek
Finance Editor

The wave of foreign investment promised in the event of a referendum yes vote seems to have started.

Yesterday the Bank of Taiwan said it intended to start operating in SA with a capital investment of R50 million.

Earlier, British entrepreneur Richard Branson said he intended making large investments in SA.

Other deals are in the pipeline and a rash of similar announcements can be expected.

Bank of Taiwan has occupied a building in Rosebank for some weeks, awaiting the outcome of the referendum to announce its plans.

In an interview, MD David Chang, said:"Although all the obstacles to economic growth have not yet been removed, we feel confident about the South African economy.

"The outcome of the referendum was a "silver lining" and if violence can be scaled down, I believe that the SA economy has a great future."

According to Mr Chang, a career banker, he will initially concentrate on trade finance between South Africa and Taiwan.

"There are a great number of Taiwanese businessmen and manufacturers in South Africa.

"My bank will concentrate on them, but will also finance any kind of trade between the two countries," he said.

He added, however, that the bank would also act as financial gateway between South Africa and the whole of the Far East.

Bank of Taiwan, which is a registered deposit-taking institution, would at a later stage consider entering the local retailing market, Mr Chang said.

The local operation will initially be staffed by 20 people, five of whom are from Taiwan, with the rest recruited locally.

The bank will officialy open its doors on April 2.

Until then Mr Chang will have some time to sharpen his golf, which he calls the "best fringe benefit" he's ever had.

Graphic: LEE EMER

S Times (Buss) 29/3/92

Tatung for SA?

THE Taiwanese industrial giant Tatung is considering investment in South Africa, says Mr W S Lin, president of the $2,5-billion company.

On a visit to SA to the local Tatung Information Technology products distributor CSS Group last week, Mr Lin had meetings with Eskom.

He said the cost of electricity in SA, among the lowest in the world, is an attraction to any energy-intensive manufacturing process.

He added that SA's huge supplies of natural resources were an additional incentive and would be suited to automotive catalytic convertors that require platinum catalysts.

Hong Kong financiers buy Arena entertainment lease

BD 30/3/92 (93)

LINDA ENSOR

CAPE TOWN — The lease for the Arena entertainment complex on the outskirts of the Waterfront development at Cape Town's harbour has been sold to a consortium of Hong Kong financiers.

The complex, adjacent to the Mission for Seamen building and next to the Waterfront's dance and drama school, is a popular late night venue consisting of three restaurants, five bars and several discos.

The Hong Kong consortium announced last week they had invested about R80m in property-related projects in SA, including heavy investments in housing developments in Stellenbosch and Paarl.

Victoria & Alfred Waterfront MD David Jack confirmed yesterday that the consortium had purchased the lease and that the V & A had agreed to the cession by the previous consortium which had leased the buildings from the V & A.

He said the previous consortium had placed itself in voluntary liquidation when one of the syndicate members failed to put up finance as promised. Jack said the Hong Kong consortium had indicated it would continue to operate the Arena with the same management and did not believe the entertainment complex conflicted with the Waterfront development.

NEWS IN BRIEF

73

ANC assures Saores

THE ANC had given Portuguese President Mario Saores assurances about the security of the 700 000-strong Portuguese community in SA, the organisation's official in Britain Mendi Msimang said in London yesterday.

Msimang said this after meeting Soares in Lisbon on Monday in an attempt to dilute a strong Portuguese initiative to partially lift EC sanctions on April 6.

BDay 2/4/92

Marvol to get 51% of Concorde

DUMA GQUBULE

MARVOL Holdings SA, the Luxembourg-based trading group, is to acquire a 51% controlling stake in Concorde Travel Holdings (Concorde). (73)

Concorde is SA's only directly listed travel group.

Its controlling shareholders, who include certain directors of the company, holding around 85% of the issued share capital, have undertaken to accept the offer. BDay 12/5/92.

However, the offer is still subject to approval by the Securities Regulation Panel.

In a deal valued at about R2,4m, Marvol will offer 33c for each Concorde share.

Trading in the shares was suspended yesterday at a price of 35c.

Concorde MD Allan Lunz said the investment by Marvol represented a vote of confidence in Concorde, tourism to and from SA, and the country's future.

Lunz said the deal would dramatically broaden Concorde's scope to increase international tourism to SA and establish a worldwide network which Concorde would offer its local clients.

Marvol is the holding company of a multinational trading group involved in international trade, mining, tourism, industrial manufacturing and publishing, with existing interests in SA.

It has particular strength in trading activities involving Russia and Eastern Europe.

Concorde has been a pioneer in SA business travel.

Chinese investors for Verwoerdburg

B/Day 13/5/92

NEELS BLOM

VERWOERDBURG has opened its doors to investors from Hong Kong, combining high-tech development with a residential resettlement plan jointly devised by Hong Kong developer Legarleon and the Verwoerdburg City Council.

Town Clerk Piet Geers has confirmed the development of a residential area adjacent to Verwoerdburg's newly-developed Highveld Technopark which has been set aside to accommodate about 500 immigrant families from Hong Kong

Construction will begin early in June and the first families are expected to arrive in September. Several industrial development phases have been or are being completed.

"So far, 124 families have been approved. Initially they will all probably live in the area that is being specifically developed with them in mind and it is envisaged that they will establish industries at the Highveld Technopark. However, the immigrants are free to settle and set up business where they please," Geers said.

"Recruiting of the families is being done in accordance with SA immigration regulations and in terms of the Department of Manpower's stipulations of professional qualifications."

Geers emphasised that neither the residential and industrial areas were for the exclusive use of the immigrants.

Legarleon SA MD Philip Kotzenberg said applicants were required to have proven professional skills and had to be involved in a successful business of their own in Hong Kong.

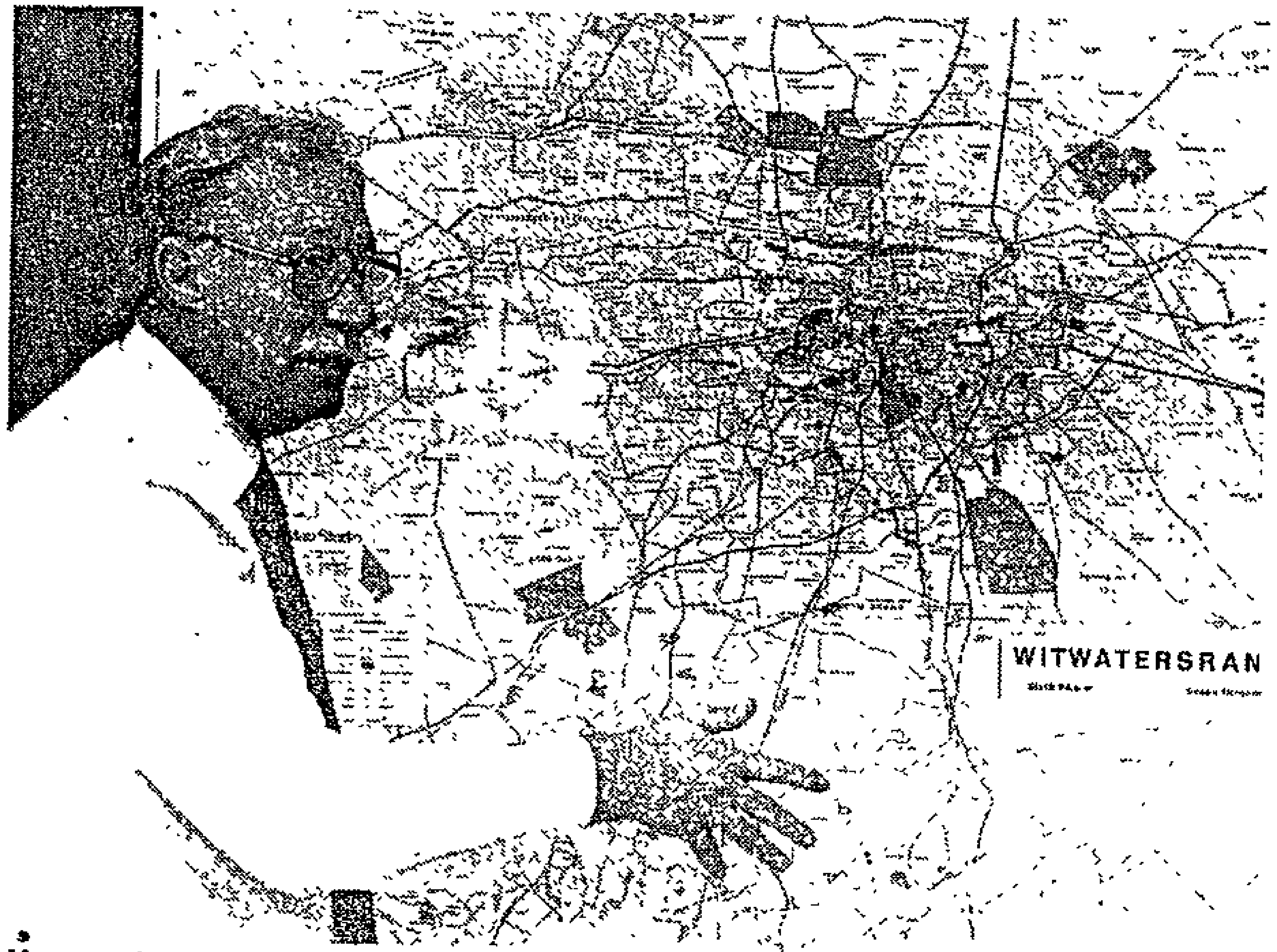
Legarleon SA required each family to bring with them sufficient funds to start a business and buy a home, an amount between R750 000 and R1m.

"The idea is that they will create job opportunities in SA. They will not be permitted to bring their own workforce with them and will be required to train local people," Kotzenberg said.

Asked about conflicting cultural interests, Geers said the Verwoerdburg community was receptive to multi-cultural inputs and the immigrants were expected to be integrated within a short period.

Chief town planner Douw Nel said the resettlement project was part of a greater Verwoerdburg development which would eventually amount to more than R1bn.

The development includes Highveld Technopark, mainly geared towards research and development, Gateway industrial park for light manufacturing (Annexure B), the Hennops industrial park and a development for the wholesale industry.



Verwoerdburg Town Clerk Piet Geers indicates on a map where prospective Chines immigrants will invest R1bn. Picture: BRIAN HENDLE

Bop encourages stock farming after drought

RUPERT RAYNER

SEVERE drought in Bophuthatswana has prompted it to encourage the farming of stock instead of crops.

Delivering his R271m budget in Mmabatho yesterday, Agriculture Minister Phineas Moeketsi warned that livestock farmers would have to show greater responsibility in their use of grazing.

He said that in spite of the drought, the homeland's marketing board had "bumper crops" of wheat and groundnuts, largely as a result of the Taung irrigation scheme.

Moeketsi said the maize crop dropped 15% from last year.

He announced a new agricultural policy directed towards stock farmers, with a R34,2m allocation to livestock programmes and R1m to combat overgrazing.

From riches to rags, and it's all the state's fault

w/mail 22/5-28/5/92

(73)

By PAUL STOBER

AN Israeli investor who arrived in South Africa a millionaire is now reduced to selling toys in a flea market — allegedly the consequence of a "conspiracy" against him by the state and police.

Now the investor, Oded Besserglik (46), who at one stage ran two factories in the Free State, is suing the government for R38-million, and has the backing of a National Party MP from the Orange Free State.

Besserglik has been the victim of a "vendetta", according to the MP, whom he approached for help after being ruined by state action against him.

In a report assigned to the MP — Besserglik asked that his name be withheld — the evidence was examined and submitted to two cabinet ministers whose departments were involved. *The Weekly Mail* has seen this report.

The saga began when Besserglik, who says he came to invest in South Africa because "I have faith in the country", brought R3,7-million capital into the country eight years ago. Today, he makes a living by selling at flea markets the clothes and toys his factories once produced.

On this road from riches to rags, he has been arrested, imprisoned, charged with fraud and was almost deported. Referring to the attempt to deport Besserglik, the MP concluded in his report: "Alas, it seems as if a conspiracy existed between the SAP and the office of the Department of the Interior."

In careful English, Besserglik demands justice: "I am an investor in this country and look how they treated me."

He is suing the minister of trade, industry and tourism, the minister of law and order, the chief director of the Decentralisation Board (now the Regional and Industrial Development Board), and Colonel William Frankim of the Commercial Branch of the South African Police, for R38-million in damages.

Since late 1984, Besserglik has been taking advantage of incentives offered by the board, which was the responsibility of the minister of trade, industry and tourism. He invested in two factories, Besserglik Textiles and Energy Textiles, at Botshabelo in the Free State.

On October 29 1986 Besserglik's auditors submitted a relocation claim on behalf of Energy Textiles to the board, to cover the cost of bringing the factory's machinery from England. The initial claim was mislaid by the board and had to be resubmitted on May 29 1987.

For no apparent reason, the board failed to settle the claim and, despite extensive meetings and negotiations, by November 1987 Energy Textiles had received only part of the amount due to the company.

The delay in the settlement of the claim forced Besserglik to cut back on his employees and production. Disappointed by the "unhelpful attitude" of the chief director of the board, Jacobus Pienaar, Besserglik met its chairman, Coenie de Villiers. At the end of the meeting, De Villiers promised to take steps to finalise the balance of the claim.

But that was when his problems really began.

On December 14, Frankim — then a captain — of the SAP's commercial branch arrived at Besserglik's office in Bloemfontein and announced that, following a complaint, he was instituting an investigation of wages paid to black workers at Energy Textiles.

A monthly employment incentive had been payable to the company by the board.

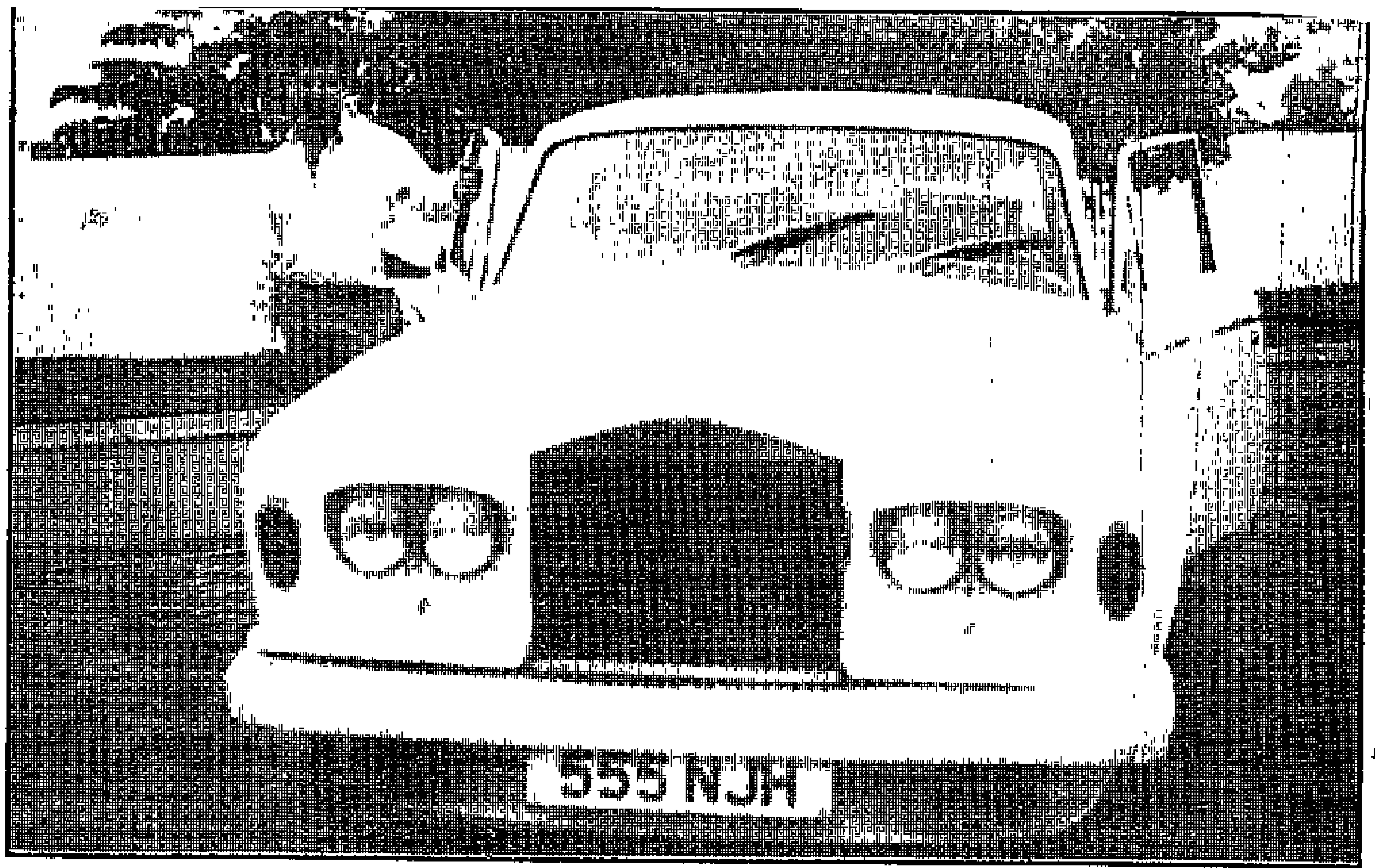
The next day, Besserglik received a telex from De Villiers informing him that all payments of concessions to Energy Textiles were being suspended in the light of the investigation into the company's affairs by the commercial branch. It later emerged that the board itself had initiated the complaint. The investigation which followed spanned three years and has been described as a vendetta against Besserglik.

- In April 1988 Frankim allegedly released unsubstantiated information around the investigation to *Bloemnuus/news* newspaper, claiming there was an international investigation into Besserglik's affairs.
- In June 1988 his eldest son's passport was confiscated and only released after an interdict was brought.
- On October 25 1988 the commercial branch prohibited Besserglik's auditors from doing any work for his companies, which made it impossible for the companies to function effectively. As a result, both factories were forced into liquidation. Besserglik's creditors refused to extend his loans and consequently he lost his home. In order to keep his family alive and cover his legal costs, he was forced to sell whatever other assets he had.
- On July 27 1989, more than 18 months after the investigation began, Besserglik was arrested, imprisoned for two days and charged with fraud. He was released on R20 000 bail. The prosecution, which postponed the case five times, was not able to produce a charge sheet until the day before Besserglik's fifth appearance.

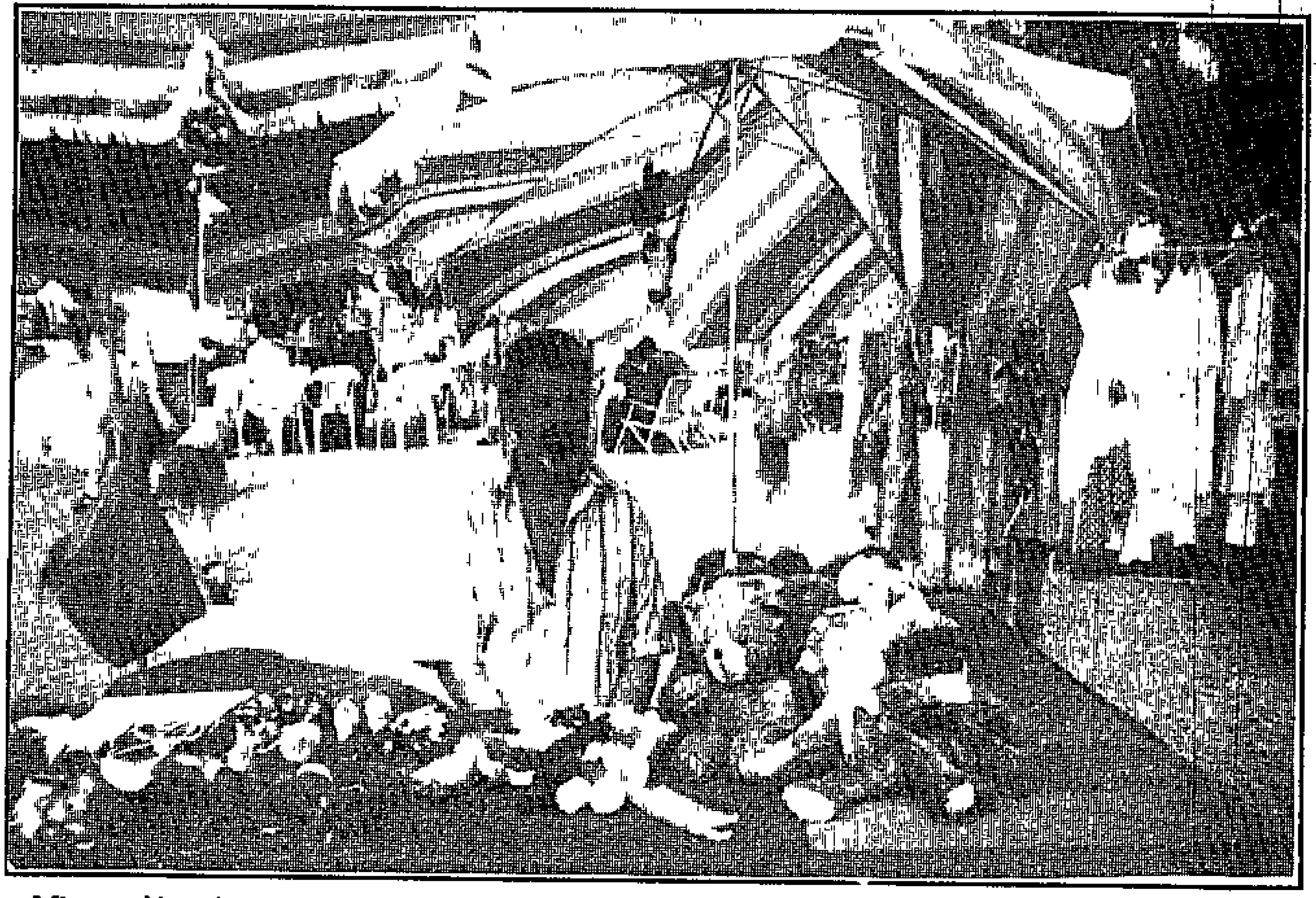
By the time the case was dropped because the prosecution was unable to proceed with the charge, Besserglik bail had been reduced to one rand. The report by the MP states: "The whole matter is based on the fact that Frankim wanted to financially ruin Besserglik."

- In October 1991 Besserglik was summonsed to appear in court on substantially the same charges. The case was given short shrift: after the prosecution had put its case, the magistrate granted an application by the defence that the charges be dismissed.
- While the court proceedings were going on, attempts were made by the Department of the Interior to have Besserglik deported. But for the intervention of the Free State MP, they would have succeeded.

Blesserglik's claim for damages is being defended by the government. Jacobus Pienaar, director of the board, refused to comment on the allegations because, he said, the case was *sub judice*.



Before ... Oded Besserglik once drove a Rolls Royce



After ... Now he runs a stall at a flea market

Top Finnish mine group sets up shop in SA

S Times (Bus) 24/5/92 73

By IAN ROBINSON

FINLAND'S largest mining company Outokumpu — an international supplier of mineral processing technology — has set up a subsidiary in South Africa.

The subsidiary will also serve Southern Africa.

It could become a base for worldwide exports of technology.

Outokumpu comprises four segments: base metals production, copper production, stainless steel and technology

Outokumpu Mintec, a group in Outokumpu Technology, has established an office at Halfway House. The group supplies equipment, processes, instruments and automation for the mining and metallurgical industries.

Outokumpu Mintec president Seppo Kreula, who visited SA, says that although the group operated here through agents for more than 20 years, two reasons prompted its decision to establish a subsidiary.

Outokumpu is in other major mining countries — such as Canada and Australia — and has long felt a need to add SA to the list. The lifting of trade sanctions by Finland — the first Scandinavian country to do so — in July last year gave Outokumpu the green light.

A bill has also been presented in the Finnish Parliament to lift investment sanctions. It is expected to be passed soon.

Outokumpu was the first Finnish company to move into SA after the lifting of trade sanctions.

Outokumpu also believes it needs a base in SA to service its equipment already installed. It regards service as more than maintenance. It includes knowhow and expertise. Outokumpu is committed to improving the recovery and efficiency of existing plants.

It also wants a base to promote sales of equipment and technology. During his visit Mr Kreula examined the most effective strategies.

Several mining houses also want Outokumpu to have a direct presence in SA.

Since it established a presence in SA, Outokumpu has contracted to supply Kloof gold mine with two PROSCON process-control equipment systems. It is discussing the supply of similar equipment to other mines.

Outokumpu supplies more than 30% of flotation cells sold worldwide and is promoting the concept of "intelligent mineral technology" — an effective combination of equipment and technology — to maximise recoveries and to lower costs.

Fine

Flotation cells are used to separate milled (finely ground) sulphide ore from waste material.

Outokumpu has developed the next generation of flotation cells which give better recoveries. It has also made the world's largest flotation cell of 100 cubic metres, which provides savings in capital expenditure.

Finnish interest in the SA mining industry was also illustrated by the visit of 10 members of the Finnminers group of mining equipment manufacturers this year.

Talks failure means 'three-month delay'

PATRICK BULGER

CODESA II's failure to deliver a package of agreements would delay the negotiations process by three months, DP Codesa representative Ken Andrew said at the weekend. B/Day 8/6/92

The ANC's resort to mass action to support demands for an interim government and a democratic constituent assembly, as well as ANC-government mudslinging, would keep public tensions between the two main parties at a high level, said Andrew.

"The behaviour of the ANC and government in the days leading up to Codesa II and afterwards has set us back about three months," he said.

Codesa II mandated Codesa's management committee, made up of representatives of the 19 participating organisations, to resolve the deadlock that arose around decision-making percentages in a constitution-making body.

Once the deadlock is broken, agreements already reached on levelling the political playing field, interim arrangements and the reincorporation of the TBVC states will be ratified.

Codesa II asked the management committee to break the deadlock in time for a planned third Codesa plenary at the end of this month — by which time Parliament would have introduced legislation to facilitate interim arrangements. The deadline is unlikely to be met.

One ANC source admitted last week that emphasis on the office bugging issue was a "delaying tactic" intended to stall proceedings until the ANC had "consulted" its constituency through mass action.

Investment in Jo'burg expected from Far East

73 B/Day 8/6/92.

ADRIAN HADLAND

SUBSTANTIAL capital investment in SA's manufacturing and property industries could be expected from the Far East soon, Johannesburg city council commerce and industry director Collin Wright said at the weekend.

Trade delegations from Singapore, China and Hong Kong would visit Johannesburg this year to investigate investment opportunities, Wright said on his return from the Far East. Japanese and Korean companies had also expressed interest in extending trading ties with SA.

Singapore's Trade Development Board and the Singapore Manufacturers' Association would send delegations to the city in July, and a Singaporean computer manufacturer had confirmed his intention to open a factory there.

A ministerial delegation from China had also announced it would be visiting Johannesburg during July.

Wright addressed more than 120 Hong Kong businessmen during his trip and discussed immigration and investment opportunities with several major corporations. A group of property owners was expected to arrive in Johannesburg soon to discuss city property development.

The Import-Export Bank of Taiwan was offering low interest rates with special repayment conditions to Taiwanese corporations investing in trade and manufacturing facilities in SA. Several South Korean firms had committed themselves to opening Johannesburg offices.

On a Hong Kong radio station last week, Wright pointed out that SA's infrastructure was better placed to take advantage of a global economic upswing than others such as eastern Europe.

Tribute paid to Marina Maponya

Business Day Reporter

MARINA Maponya, a former SA businesswoman of the year and wife of millionaire Richard Maponya, died at her Johannesburg home on Friday after a long illness. B/Day

Maponya was deputy chairman of the Maponya group of companies, which was built up after she and her husband went into business in Soweto during the '50s. 8/6/92.

Maponya initially trained and worked in social welfare.

She became a director of several companies.

They included Volkswagen SA, African Life, the Development Bank of SA, the SABC — she was appointed the corporation's first black board member in 1990 — and the Post Office.

Sapa reports that Post Office board of directors chairman Donald Masson paid tribute to Maponya, saying her valuable contribution as a board member would be missed. He expressed his condolences to her husband, eight children and 15 grandchildren.

A touch of Taiwan for Bronkhorstspruit

BDay 8/6/92

STEPHANE BOTHMA

AN UPMARKET village for Taiwanese immigrants is to be established outside the eastern Transvaal town of Bronkhorstspruit at a cost of R250m.

The village is the first phase of a much larger investment project involving the local town council and Taiwanese businessmen in the area.

Taiwanese people interested in settling in the village have to invest about R250 000 to set up industries in the area. And they will take out permanent residence in SA, says town clerk H B Senekal.

The Bronkhorstspruit council is operating five permanent recruiting offices in Taiwan and seminars are being held to inform interested parties there.

Most of the foreign capital will be invested in ventures in Ekandustria, an industrial park about 12km from Bronkhorstspruit and administered by the KwaNdebele National Investment Corporation and the Bronkhorstspruit Town Council, Senekal says.

Investment will focus on the electronics, shoe and clothing industries and will be strongly export-oriented.

The building of infrastructure for the village has started and construction of homes will begin in the next three months.

All the costs involved will be met with Taiwanese money, Senekal says.

A university, shopping centres, gardens, schools and an R80m Buddhist temple will be built with an accent on maintaining Chinese cultural links.

However, the area will not be restricted to people of any particular race, Senekal adds.

● See Page 2

(73)

Viljoen calls on Brussels to encourage foreign aid

Bdny 18/6/92

BRUSSELS — Pretoria's chief negotiator in talks to end apartheid, Gerrit Viljoen, appealed to the European Parliament in Brussels yesterday to encourage an immediate return of foreign aid and investment to SA.

In an address to the Euro-parliament's foreign affairs commission, he called for foreign pressure to be put on extremists on both sides in SA to join negotiations for a new constitution.

Viljoen, State Affairs Minister, said a week of mass action launched by the ANC on Tuesday risked degenerating into political intimidation and violence.

The ANC called the protest to put pressure on government to make more concessions in constitutional talks deadlocked over Pretoria's insistence on safeguarding minority rights under future black majority rule. Behind-the scenes talks were continuing.

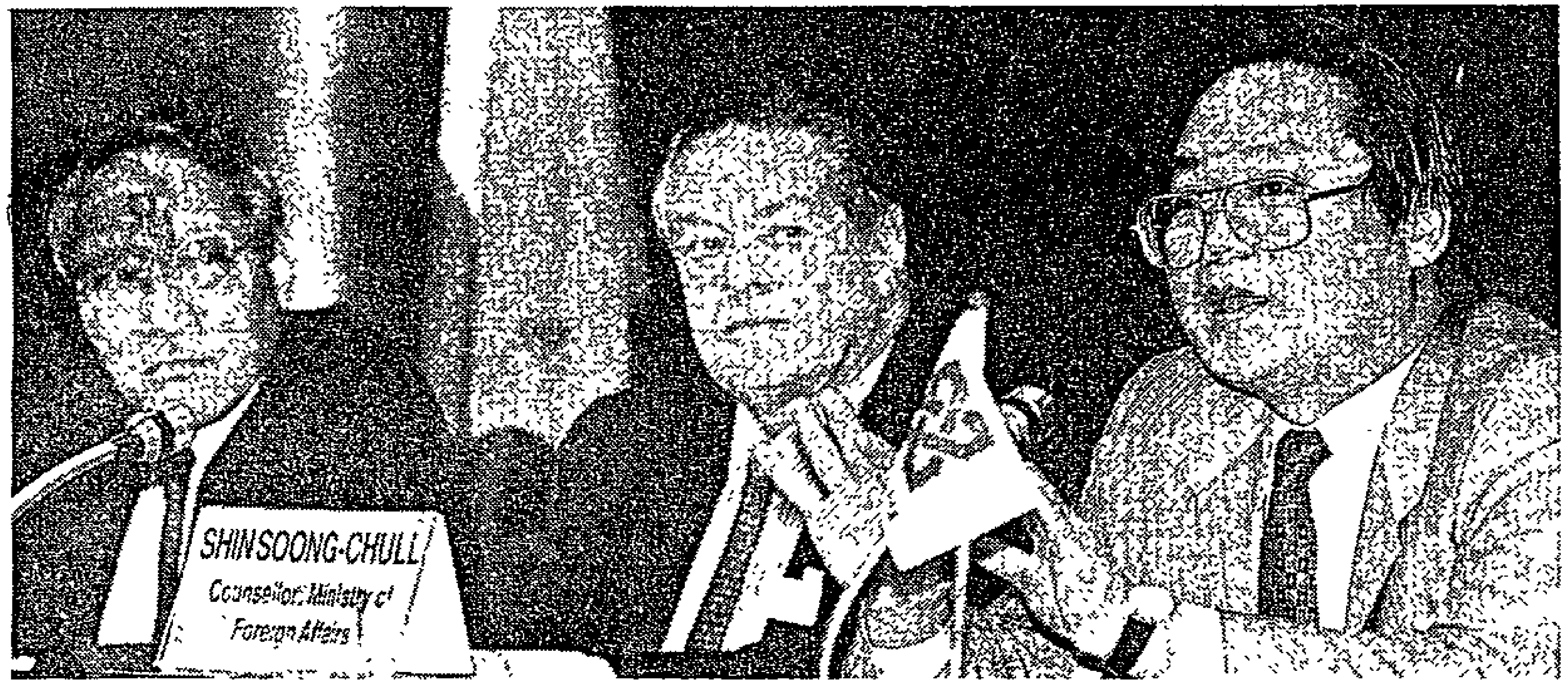
He pleaded with foreign governments to give development aid to SA and to encourage private foreign investment without first waiting for the installation of a new, democratically-elected government.

"The sooner those governments ready to do so help us with development funding and facilitate new investment by the private sector in economically viable projects, the sooner the socio-economic climate will promote the holding of (all-race) elections," he said. — Sapa-AFP.

Koreans seal pact with Sacob

BDAY 14/7/92

GAVIN DU VENAGE



Members of a South Korean trade mission at a meeting at Sacob after arriving in Johannesburg yesterday. From left are Samwhan Corporation chairman Chong Whan Choi, Sacob deputy director-general Ron Haywood and Ministry of Foreign Affairs counsellor Shim Soong Chull. Picture: CATHERINE ROSS

A 14-member trade mission from South Korea, investigating investment opportunities and joint ventures with SA businessmen, arrived in Johannesburg yesterday for a 10-day visit.

The delegation signed an agreement of co-operation with Sacob to promote business and trade ties between the two countries.

Mission leader and chairman of the Samwhan Corporation Chong Whan Choi said Korea was rich in technology, but had no natural resources, of which SA had an abundant supply.

Areas of mutual interest were textiles, footwear, shipbuilding, manufactured steel and tourism. Opportunities existed for joint Korean/SA projects to set up factories here which would supply Africa and overseas markets.

13

Daewoo director CK Ryu said Korea had very little in 1960, after years of Japanese occupation and a three-year war. Yet the country now boasted an average annual growth rate of 10%.

Welcoming the delegation, Sacob deputy director-general Ron Haywood said Koreans had a flair for enterprise which had helped build one of the world's most successful economies.

Impasse stems Chinese capital

BDAY 31/7/92

GAVIN DU VENAGE

THE current political impasse could lose SA millions of dollars from potential Chinese investors, Chinese Chamber of Commerce Transvaal general secretary Sherry Chen said this week.

By mid-1991 more than 250 Taiwanese companies had invested \$750m, creating more than 40 000 new jobs and bolstering SA's balance of payments.

She said substantial investments had been made in property development, tourism and industry between 1989 and 1991, but uncertainty had stemmed the inflow of Chinese capital.

At least 60 tourist and business groups had cancelled plans to visit SA.

Unless a clear political direction emerged soon, investors would begin to pack up and head northwards, she said.

When the situation in the country changed, however, investment could double or even treble.

Chen said countries like Zambia, Botswana, Zimbabwe and Kenya were becoming more attractive because they had learned from the mistakes of their past and had set out on a defined path of restructuring. Most offered tax holidays, cheap land and an environment to create profitable ventures.

SA, meanwhile, lacked a clear political vision, and had other problems which discouraged investors.

These included high tariffs, a bureaucracy which was at best unhelpful and at worst obstructive, high corporate tax and low productivity.

On the plus side, SA had a highly developed infrastructure and business opportunities in virtually every field.

She said the country was also a good market for skilled Chinese with professional qualifications, and many would consider immigration, especially from Hong Kong.

EC to send three-nation peace mission to SA

(73)

ARG 20/8/92

COPENHAGEN. — Foreign ministers of the previous, current and next presidencies of the European Community — Portugal, Britain and Denmark — will leave on a peace mission to South Africa on September 1.

Foreign Ministry sources here said that during the visitors' two-to-three day trip they would hold talks with President De Klerk and some of his ministers, as well as with members of the African National Congress and Inkatha.

The talks would centre on the escalation of violence, which was "undermining the process of democracy", the sources said. — Sapa-AFP.

Regional scheme attracts R350m

BDay 30/9/92 173

PETER DELMAR

SA's new regional development programme attracted foreign investment worth almost R350m in the past 12 months, with most of it going to relatively under-developed areas.

A Board for Regional Industrial Development spokesman said 65 projects of a total 289 approved in the period were foreign funded.

The foreign investment — most of which was by Taiwanese businesses — was worth R348,3m and accounted for 10% of the R3,25bn the board calculated was involved in schemes benefiting from incentives in the past 12 months.

The spokesman said it was still too early to evaluate the success of the new incentive scheme, which was introduced in May last year and which rewarded productivity, unlike the previous system which was largely concerned with compensating investors for input costs.

For the current financial year, government had set aside R900m for decentralisation incentives. Two-thirds of this, however, was for commitments in terms of the previous system.

Natal/KwaZulu was the region with the greatest number of new projects (83), followed by the eastern Cape (63) and the Free State (38).

The largest single number of jobs created was in the Natal/KwaZulu region — 9 100. In the eastern Cape almost 5 000 jobs were created. The 38 projects in the Free State accounted for 3 604 jobs, the board said.

New investments were in a range of industries.

Statistics supplied by the board indicate the new scheme — for which all regions qualify — has enhanced the decentralisation programme's job creation capacity.

In the past 12 months almost 24 000 jobs were created. In the previous 10 years, government claimed its decentralisation policies created 154 000 jobs at a cost of R3,2bn — about the same average annual outlay on incentives as that allocated in the current financial year to the scheme.

In terms of the new scheme, qualifying investors receive an establishment grant and a production incentive equal to 20% of operating profit. Incentive packages are to a maximum of R15m per investment.

A formal review of the incentive package was scheduled to be carried out only in about four years time.

Belgian firm backs out of R96m project

EDWARD WEST (13)

BELGIAN-based NV Bekaert has pulled out of a R96m deal with Haggie because of continuing political violence and economic uncertainty in SA.

The group was on the brink of finalising a technology agreement with Haggie for the construction of a steel cord factory in Boksburg. BDAY 15/10/92

Haggie MD Chris Murray said plans to establish the factory — construction was due to start this year — would be put on hold until the group found another international partner.

A team of two Bekaert directors recently visited SA to evaluate the political and economic situation.

Their overall assessment in the light of the Bisho shootings, other political unrest and possible restructuring of the tyre industry was not positive, he said.

It was understood the tyre industry was under pressure from government gradually to phase out import protection measures on tyres from 1993 over a period of seven years.

Murray described the withdrawal of Bekaert after 10 months of negotiations as disappointing, but said he still believed the project had great potential.

Haggie was evaluating the project's future and would only commit itself if it was in the best financial interest of the group. The steel cord plant — a joint technology venture between Bekaert and Haggie — was announced earlier this year.

It planned to manufacture and replace imports of 6 000 tons of fine steel wire strand a year — saving an annual R60m in foreign exchange.

Demand for the wire strand, which was used to reinforce tyres and for hose armouring, was expected to increase with the swing away from traditional textile-reinforced tyres to steel radials.

The plant would also have improved the export potential of locally manufactured steel radial tyres.

Murray added that Bekaert's decision did not affect Haggie's existing and future technology and product ties with the Belgian firm, which was a world player in steel wire technology.

FOREIGN FIRMS IN SA – MISCE. & OTHER

1993 – 1997

FM 12/2/93 (73)

FOREIGN INVESTMENT

First at the Finnish line

In what is believed to be the first major Nordic investment in SA since sanctions were imposed nearly 10 years ago, Sunds Defribrator, a Finland-based engineering company, has bought control of ND Engineering, one of SA's largest privately owned engineering firms.

Sunds, which has US$500m in annual turnover, specialises in timber-based fibre manufacturing technology. It is a wholly owned subsidiary of the Rauma group, which has a turnover of $2bn a year. Rauma is a division of Repola, the largest company quoted on the Helsinki Stock Exchange.

The investment represents Sunds' first toe in African water, though it has investments in 25 companies on four other continents. For Durban-based ND Engineering the deal should mean a welcome capital injection along with direct access to technology previously available only on a licensed basis. It will, according to ND Engineering joint MD Allan Lofstrand, also open up several export opportunities.

ND specialises in fabricating stainless steel vessels and systems mainly for the pulp and paper industry, though it also manufactures process equipment for the sugar and petrochemical industries. The company co-ordinated, designed, laid (in eight days) and commissioned the 3,5 km stainless steel effluent pipeline from Sappi's Saiccor plant at the mouth of the Umkomaas River on the Natal South Coast several years ago.

Sunds group chairman and deputy president Kenneth Eriksson will not divulge financial details. He says the deal's structuring in terms of financial and commercial rands is still being finalised with the SA Reserve Bank.

FM 12/2/93 (73)

He says the decision to invest was made because of the growth opportunities presented by a well-established pulp and paper industry. The downturn in SA and the world pulp and paper markets, along with a favourable exchange rate, probably meant ND's price was reasonably attractive to a capital-flush organisation willing to gamble on SA's future political and economic stability.

"Of course, we have to exploit world markets to the greatest potential in order to carry our development costs," Eriksson adds. "On that basis, we could not ignore SA. This is particularly so because the SA pulp and paper industry is a privatised market. ND will provide the gateway to this market." ■

Chinese brewer set to step on SAB's toes

PETER GALLI

CHINESE investors might soon tap into the local beer market and are preparing to pour hundreds of millions of rands into developing a huge brewery at Meyerton, south of Johannesburg.

A 16ha site has been bought for the brewery, which would operate in direct opposition to SAB which has a near monopoly on the local market.

A Meyerton town council spokesman confirmed that land had been bought, but said negotiations were still under way.

B/DAY 29/3/93

"We are negotiating with the prospective developer, but nothing has been finalised as he still has to to obtain a permit from the Chinese government for this. Should the permit not be granted, the entire deal will fall through.

"As far as we are aware, the Chinese investors have no connection with SAB and will be competing with them," he said.

Industry analysts said the beer market was extremely lucrative.

"SA is believed to be the 11th largest per capita consumer of beer in the world and latest figures give a per capita yearly consumption of 58*l* or 60% of total local alcohol consumption," one said.

13

SAB's beer division posted a turnover of R4,84bn in the year to end-March 1992.

Anglo American Property Services (Ampros) holds about 48ha of land in Three Rivers East extensions 1 and 2 — near Meyerton — and is optimistic it could be sold to house the brewery's staff.

(73)

B/DAY 19/4/93

Norwegian investment

THE first investment in SA by a Norwegian company since sanctions were lifted by Norway in March this year was concluded recently. Norwegian company Jotun Polymer has decided to invest R1m-R2m to set up a southern African distribution network for its polyester resins and gel coats.

COM

Amic tight-lipped on offshore plans

BUSS-DAY 9/6/93

MATTHEW CURTIN

AMIC, Anglo American's industrial subsidiary, is keeping its offshore business development plans firmly under wraps, six weeks after confirming it was considering a multimillion-rand venture with South Korean conglomerate Daewoo.

Chairman Leslie Boyd declines to comment on the group's overseas ambitions, although a study is planned to investigate the establishment of a R600m colour TV tube plant in SA with Daewoo.

In March, Boyd said the group was pursuing possible joint ventures with Korean and Japanese partners.

Market sources canvassed yesterday on the likely merits of a tie-up with Daewoo were nonplussed about the benefits for Amic or the Korean group.

Daewoo is one of Korea's four major *chaebol*, or conglomerates, which have become increasingly ambitious globally. The groups are radically restructuring their businesses — Daewoo plans to compress the 20 companies it controls into five by 1994 — while stealing a march on Japan's industrial giants, hit by domestic economic malaise and the impact of the strong yen on Japanese exports.

Daewoo's sales stood at $29bn in 1992, ranking it below Hyundai ($52bn), Samsung ($50bn), and Lucky-Goldstar ($31bn).

Daewoo, Samsung and Goldstar are the three making the most progress in competing with Japan in consumer electronics, underpinned by strong domestic sales, new markets, and new production facilities in Latin America and Europe.

Their combined exports to Japan rose 40% to $153m in the first quarter this year.

Daewoo has started marketing its products in Russia, Uzbekistan and Vietnam, and recently completed a $197m colour TV and microwave oven factory in France.

The conglomerates enjoy a good measure of government support, with subsidies recently offered to companies to develop high-definition TV tubes.

Samsung has set up strong links with US and Japanese partners in its key aerospace, petrochemical, consumer electonics and computer businesses.

What bemuses local analysts on the Amic/Daewoo move is what the Anglo subsidiary and SA can offer a fast-moving Korean industrial group which it cannot find in Southeast Asia, Europe or Latin America. They agree the local market for consumer electronics is small, and from a business point of view, the only competitive advantage SA may have is the weakness of the rand, and the prospect it will weaken much further in the years ahead.

Boyd's frank presentation of year-end results, in which Amic earnings a share fell nearly 16% as it bore the brunt of depressed commodities markets and the recession, and promise of restructuring to make the group more financially efficient lifted the thinly traded shares in March.

However, despite some good bookover deals at lower levels recently, the shares resumed their steady four-year underperformance of the industrial index.

South Korean giant likes look of new SA

S/Times (Buss) 18/7/93

By DON ROBERTSON

ONE of the world's leading industrial conglomerates, South Korea's Daewoo Corporation, is eyeing South Africa as an avenue for investment.

It made its first move this month when it linked up with Anglo American Industrial Corporation (Amic) to buy an effective 29,9% stake in General Technologies from Powertech for R20,1-million. The interest will be held by a joint company, Daewoo-Amic JV.

Daewoo is also conducting a feasibility study with Anglo American into the possibility of establishing a R600-million TV tube factory in SA.

Daewoo Southern Africa director Choong Ryu says: "The study will be completed by the end of this year.

"The tube makes up 40% of the cost of a TV set. Is essential that we have a proper TV industry in SA with a view to the export market. We are also investigating the possibility of making motor components for export.

"We are looking at joint ventures in SA and anyone with a good idea is welcome to approach us.

"We are betting on the future of SA. Your country is the only hope in Africa. If it collapses, there is no chance for the rest of the continent.

"Black leaders know what direction to take and although there might be some turmoil in the future, I believe the political situation will be resolved. This is the message I have been giving my people in Seoul."

Daewoo has been in SA since 1984, operating under the name of Young Stanley to beat sanctions. It claims a 30% share of the microwave market in SA through the Mercury and Aim brands. It has a modest share of the refrigerator market through the Philips range made in South Korea.

It is also a major supplier of textiles, machine tools, vehicle components and computers.

Daewoo imports coal and aluminium ingots from SA, contributing to a bilateral trade worth about R150-million a year.

Daewoo's growth is an example of the entrepreneurship of its founder and chairman, Kim Woo-Choong. He started the company in 1967 with $10 000. It was an importer textiles and exporter of clothing. Sales in the first year were $700 000.

Daewoo, the third corporation largest in South Korea, is one of Fortune magazine's top 50 industrial companies. It has a turnover of $30-billion a year and will spend $1,5-billion on plant, equipment and investments this year.

Research and development divisions will receive about $1-billion.

The corporation has about 100 branches and 50 major subsidiaries in 80 countries. It employs 100 000 people.

Daewoo supplies Caterpillar with 10 000 forklifts a year. Its shipbuilding and offshore structures division is the largest in the world.

The automotive plant has a capacity of 700 000 units a year, including cars, trucks, buses and rail transport systems. The steel, metal and building division is one of the largest in South Korea.

The company exports about $1-billion of chemicals a year.

It makes TV sets, VCRs, CD players, audio equipment and home appliances. It is also involved in telecommunications, aerospace, cookware, luggage, pianos, bicycles, leather goods, toys, textiles and garments.

It once operated the world's largest textile factory.

The resource development division is investigating uranium and coal projects in Canada, coal in Swaziland and various oilfields. It recently completed a road network in Botswana.

Engineering, construction, architecture and civil works and information systems make up the rest of the group.

Although his company ranks as one of the biggest in the world, Mr Woo-Choong is not among Fortune's wealthiest people. He recently donated his entire shareholding in Daewoo to welfare organisations in South Korea.

CHOONG RYU: Anyone with a good idea is welcome

Taiwan companies angered by pay rules

SI Times (Buss) 17/10/93

By CIARAN RYAN

SEVEN Taiwanese companies employing 5 000 workers are threatening to quit South Africa because of alleged harassment by industrial councils.

Four of the footwear companies are at Botshabelo in the Free State and three at Newcastle, Natal. The National Industrial Council of the Leather Industry of SA is suing them for alleged underpayment of wages and benefits.

C C Kan, chairman of the Association of Chinese Industrialists of Southern Africa, says: "If this court action succeeds and the companies are forced to pay, many will be forced to go.

"Taiwanese companies not in the footwear industry are watching this action.

"Industrial councils want rural plants to pay the same wages as in towns. This is not commercially feasible and is unfair. When we came to SA, we were not told of the industrial council system."

Three hundred Taiwanese companies in SA, employing more than 40 000, have joined the Confederation of Employers of Southern Africa (Cofesa). It campaigns for freedom of association and for limits on industrial council powers. (13)

Another company considering disinvestment because of alleged harassment is East London's Annie's Creations, winner of the 1992 Entrepreneur of the Year Award.

Director Maleta Cawood has been to New Zealand to investigate the possibility of moving the factory there.

Managing director Tom Cawood says that if he is forced to comply with industrial council regulations, his wages will double and the factory will close.

"Many of our workers were unemployed for 17 years before we arrived," says Mr Cawood. "Had it not been for the industrial councils, I would have employed 600 workers by now. Instead, I have 100."

Cofesa director Hein van der Walt says the powers of industrial councils exceed those of the police.

"They claim the right to enter your premises and inspect the wage book and other financial records.

"They do not need an appointment or a warrant. It is no wonder they have been accused of operating like the mafia."

Industrial councils are empowered to regulate conditions of employment, minimum wages and other employee benefits while providing mechanisms for resolving disputes. They are private organisations made up of employer and trade-union representatives. Membership is voluntary, but agreements are binding on non-members.

The councils have been blamed for strangling job creation and small business because their agreements apply to signatories and non-signatories regardless of their ability to meet the cost of compliance.

The number of industrial councils fell from 104 in 1981 to 91 in 1990. The number of employees covered by agreements dropped from 1,27-million in 1981 to 800 000 in 1990.

Cofesa represents 500 000 employers and nearly 5-million workers.

Mr van der Walt says opposition to the system has reached the point of rebellion. He accuses the councils of trying to "colonise" entire industries at a time of rising costs and declining sales.

More than a million workers have lost their jobs since the recession began in 1989. There are 400 000 entrants to the job market each year.

Mr van der Walt says: "In a country where 46% of the workforce is unemployed, I don't think we should have to worry about minimum wages and industrial councils.

"If a worker is willing to work for R80 a week and someone is willing to pay him that, there is a job which was not there before. Industrial councils are killing job creation with minimum wages."

Mr van der Walt has appealed to Finance Minister Derek Keys and Manpower Minister Leon Wessels to review the system and to sign the 1948 International Labour Organisation (ILO) convention on freedom of association.

More than a dozen companies were forced into liquidation in the Western Cape in the past two years because they were unable to pay industrial council levies.

The seven Taiwanese companies were unaffected by industrial councils when they set up plants in the 1980s. Their troubles started after changes in the regional development scheme and expansion of the Leather Industrial Council.

Mr van der Walt says organised labour comprises only 1,5-million workers, but it dictates conditions to the entire workforce of 8-million as well as the 6-million unemployed.

"We have asked the International Employers Organisation in Geneva to place pressure on the ILO which in turn, we hope, will bring pressure on SA to allow freedom of association."

SA supported the 1948 ILO convention on freedom of association, but has yet to sign it. Mr van der Walt says freedom of association must be enshrined in SA's new constitution so that industrial councils can be challenged.

Taiwan is the largest foreign investor in regional development in SA. It invested R678-million of R1,24-billion in two regional development programmes between 1982 and 1993.

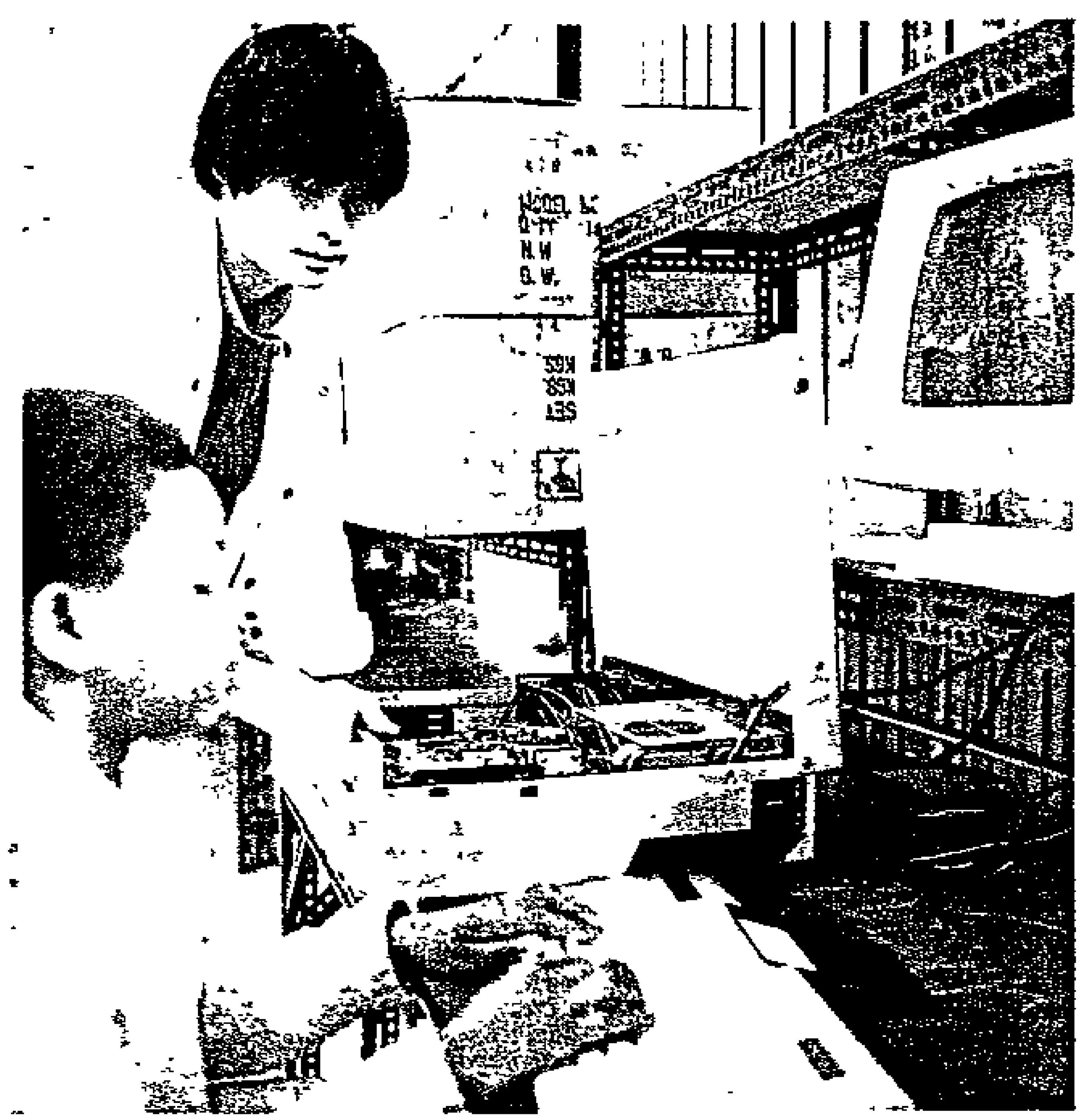
Mr Kan says Taiwanese companies were attracted to SA by generous incentives under the regional industrial development programme and the large domestic market. He knows of no other country with an industrial council system as restrictive as SA's.

"In some countries you have labour problems, but not industrial councils.

"Other countries want you to manufacture for export, but here the domestic market is wide open. Wages are high, four times those in China and twice those of Indonesia.

"Since the regional industrial development programme took away wage subsidies, many companies are finding business uncompetitive."

New Zealand abolished national labour agreements as part of a package of measures aimed at reforming its economy. Productivity soared and wages held steady in spite of claims that living standards would fall.



MORE PAY, LESS WORK . . . job training under eastern eyes, Botshabelo-style

SA in the queue at Africa's bank

SI Times (Buss) 17/10/93

By ZILLA EFRAT

SOUTH African suppliers, consultants and contractors may soon win lucrative tenders for African Development Bank (AfDB) projects, say development specialists.

Several SA consultants are awaiting a decision on their applications for registration with the AfDB's unit in charge of the Federation of African Consultants.

The lifting of Organisation for African Unity (OAU) sanctions is seen as a milestone in opening the doors to AfDB financing, which is expected to match World Bank levels for South Africa.

Another significant step was enactment of legislation for the Transitional Executive Council. Development specialists, however, are uncertain whether this is enough to meet the requirements for AfDB membership.

The AfDB has said that SA will be allowed to join after a transitional government is installed.

Procurement for AfDB projects is generally done from member countries, but tenders are open to non-members nations.

Several SA companies have bid for these in the past. But Department of Finance senior financial adviser Johan van Tonder says they were usually excluded because of sanctions.

He says the key factor now is whether the restrictions of individual countries will block the way for SA companies.

SA's ties with the AfDB have been strengthening in the past two years. The AfDB's first reconnaissance mission is expected to prepare an economic report on SA soon.

Numerous SA groups have been preparing for possible negotiations.

The aspects examined include a look at whether the assistance SA may receive outweighs the costs of membership.

Mr van Tonder says SA would be classified with the AfDB as a category C country because its annual gross national product exceeds $990 a head.

However, the AfDB gives priority to category A and B countries — those with GNP lower than $990 a head.

In the past, most category C countries have renounced their rights to benefit directly from AfDB loans, but have received technical assistance loans.

They have also not benefited from low-interest African Development Fund financing, except in cross-border projects which involved at least one category A or B country.

AfDB president Babacar Ndiaye has indicated the possibility of special arrangements being made for SA once it has joined the organisation.

These could include a concessional fund over a fixed period to make up for the time lag before SA enjoys normal AfDB benefits.

A final decision about SA's joining could be made by the TEC. But some say AfDB membership is not high on TEC priorities.

The go-ahead could well come after a government of national unity is installed.

The AfDB directors must tell the board of governors when SA has met conditions for membership. In terms of a 1963 resolution, this would be when the SA Government "has terminated its apartheid policies".

The AfDB board will, however, not meet again until next year and no exceptional decisions on SA are expected in the meantime.

Liechtenstein firm buys out Fastening Technology

BD 14/2/96

(73)

ROBYN CHALMERS

LIECHTENSTEIN-based company Hilti Aktiengesellschaft has entered the SA market with the acquisition of Fastening Technology for an undisclosed amount.

Marketing co-ordinator Gavin Lee said the company would be known as Hilti SA, effective from January 1.

"Although Hilti products have been available locally during the past 40 years, this is the first direct investment by the Liechtenstein group of companies in SA," he said.

Hilti products were distributed in SA by CP Smaller for years, during which time a national sales force with a network of Hilti centres was built up in the local market.

Lee said that several years ago, the assets of CP Smaller were purchased and its personnel taken over by privately owned Fastening Techology. The company took over the distribution of Hilti products.

Hilti is a group of companies represented in more than 100 countries with 12 000 employees worldwide and a turnover of Sf2,2bn. It is a supplier of specialised systems to selected segments of the construction, commercial and industrial markets.

Lee said the acquisition of Fastening Technology followed recent similar investments in Europe and South America, as well as a new joint venture in China.

SWITCHING ON . . . Brian Cape, the first non-Korean to be appointed managing director of a Samsung subsidiary Picture: CHRISTINE NESBITT

73

Samsung in R600m SA venture

ST(BT) 19/2/95

By DON ROBERTSON

SOUTH Korean-based Samsung, the world's 14th largest corporation, is to invest R600-million in a joint venture with TV producer Etron over the next five years and expand its range of products.

A new company, Samsung Electronics SA, has been established, in which Samsung has acquired a 90% interest. An initial investment of R150-million will be injected into the new company to develop the infrastructure and embark on a major advertising and marketing campaign.

A new range of imported washing machines, refrigerators, TV sets, VCRs, camcorders, microwave ovens and audio products will be introduced in April. Etron will continue to manufacture Samsung TV and VCR products as well as other brands at its factory in Mogwase, near Sun City.

Samsung facsimile and telephone distribution will still be handled by James Ralph, while office equipment will remain under the Tarsus banner.

"Samsung plans to become the third largest supplier of broad-based electronic goods in South Africa in the next three years," says Brian Cape, Samsung Electronics managing director, who is also the first non-Korean to head one of the group's subsidiaries.

"We expect turnover to grow from the current R100-million to about R400-million in the next four years," he says.

The funding from Samsung will allow Etron to double its staff complement of 350 in the next 12 months to increase production of TVs and VCRs.

While no discussions have yet taken place for the construction of a new plant, Mr Cape believes this is possible in the near future.

"Samsung is absolutely committed to SA. I firmly believe this investment, the first by a South Korean company, could rise to R600-million in the next five years."

Samsung is the world's largest manufacturer of TV tubes, memory chips and magnetron motors for microwave ovens, the sixth largest producer of colour TV sets and the second in microwave ovens and VCRs.

The group also has major interests in heavy industry, petrochemicals, pharmaceuticals, is one the the world's largest shipbuilders and supplies engines for America's F16 jet fighters.

Last year Samsung boasted sales of R180-billion and exported goods worth R35-billion. In 1994, the company spent R2,6-billion on research and development, employing 12 000 people in this division.

15 630,53. June Nikkei futures rose 260 points to 15 690.

However, he said he did not see yesterday's advance as a prelude to a change in market sentiment.

MARKET ASSAULT *Samsung Electronics director for Africa and Asia, H K Yang, (bottom centre) and Samsung Electronics (SA) MD Brian Cape (bottom right) seal the company's R150 million investment drive in South Africa*

Samsung to launch huge SA sales drive

(73) CT(BR) 5/4/95

BUSINESS REPORT STAFF

Samsung's new South African operation plans a R9 million marketing assault this year to support its drive into the consumer electronics market, managing director Brian Cape said yesterday.

Cape said the marketing campaign would underscore an investment of R150 million in South Africa over the next two years by the South Korean parent company, the world's 14th largest corporation with sales last year of $51,3 billion. Cape said he expected Samsung's investment to grow to as much as R600 million over the next five to six years.

Yesterday Samsung acquired the sales and marketing operations of Etron, a leading South African consumer electronics firm.

The new business, Samsung Electronics South Africa, will oversee the expansion of Samsung's range of electronic products, mainly television sets and VCRs, to a wider array of microwave ovens, washing machines, frost-free refrigerators and audio products.

Cape, former MD of Tek Electronics and the first non-Korean head of a Samsung subsidiary, said the new operation would rely initially on imports as well as on products made by Etron, which would continue as a separate manufacturing company, led by MD Peter Trickey.

Doug Laurie, marketing director of the new subsidiary, said the advertising campaign would run from May to December and would target trend-setting high-income buyers.

Indonesian textile giant rescues Coastal Clothing

(73)
CT 21/4/95

The rescue of Durban clothing manufacturer, Coastal Clothing, by Indonesian textile giant PT Polysindo Eka Perkasa has kick-started the company's southern African expansion drive.

Rajen Pillay (right), Polysindo's South African director and Coastal Clothing managing director, said that the multinational, which had an annual turnover in excess of $1 billion and was listed on the Jakarta and Luxembourg stock exchanges, intended investing heavily in southern Africa.

He confirmed that in addition to the three-phase R100 million Coastal Clothing project, a deal was already on the table to deliver "massive spinning and weaving capacity" to a planned Polysindo African operation. This was likely to be located in a neighbouring southern African state where thousands more jobs would be created.

Already, in terms of the recapitalisation deal, Polysindo has injected R36 million into Coastal Clothing whose listing remained suspended on the JSE after its 1993 collapse. This marks the first major Indonesian investment in South Africa.

Big hopes for SA at Samsung

(73) ST(B) 7/5/95

By KEVIN DAVIE

SOUTH Korean giant Samsung is aiming to be the number one brand in consumer electronics in South Africa within the next two to three years.

Samsung, with worldwide sales of $60-billion annually, has already established itself in South Africa as a leading player in products such as television sets and faxes.

From mid-year it is to begin a multimillion- rand advertising campaign to establish its brand name in the SA market place.

Samsung in February established Samsung Electronics SA in a joint venture with Brian Cape who was appointed managing director.

Mr Cape says his company expects to increase sales of R84-million last year to R150-million this year and R200-million next year.

This will put Samsung in a leading position in South Africa's consumer electronics market.

It already holds the number two position in televisions, video recorders and faxes, but plans to expand the range of imported Samsung products to include washing machines, fridges, microwave ovens, audio products and air conditioners.

Mr Cape says Samsung has been a leading supplier of these products to South Africa for many years, but has done so under other brand names such as Telefunken, KIC and Tedelex.

The reason for this is that the Samsung group began only in the late 1908s to promote its own brand rather than manufacturing appliances for other brands.

Mr Cape, who is the only non-Korean managing director of a Samsung subsidiary, says Samsung products sell at 10% to 15% below the equivalent Japanese models, but in many cases claims superior specifications and features.

Samsung is increasingly marketing its products in terms of their quality rather than cheaper prices. But with players such South Korean giants Daewoo and Goldstar also keen to increase their market share, cheaper electronic goods for consumers may be the result of vicious competition.

There is likely to be active competition on price in the lower end of this market. Black consumers now buy about 75% of all television sets, says Mr Cape. Video recorder sales to blacks are also showing rapid growth.

Samsung, which has the biggest television tube manufacturing plant in the world, is considering establishing a tube plant in South Africa.

But Mr Cape says the government will first have to put together a competitive package geared to attract start-up industries.

He suggests such a package, coupled with a relatively low infant industry protection of 30%, could be sufficient to clinch the deal.

Another possibility is the establishment of a fridge assembly plant.

The government has been in negotiations with a Samsung competitor, Daewoo, on establishing a television tube plant, but without a start-up package the Daewoo-Amic partners are asking for 60% protection.

Samsung imports television sets duty-free in kit form and assembles them at Etron's 400-worker factory at Mogwase near Sun City.

Samsung's drive into the SA market is part of its worldwide drive to expand market share.

The group has also been active in a foreign investment drive since exchange controls were relaxed by the South Korean authorities two years ago.

AMBITIOUS . . . Brian Cape, MD of Samsung SA, which is aiming to become SA's leader in consumer electron

Malaysians to get stake in Boland Bank

(73) EDWARD WEST

CAPE TOWN — Malaysian company Landmarks Berhard would acquire a 26,8% stake in Boland Bank, Christo Wiese, the bank's controlling shareholder, announced at the weekend.

The investment is part of a major restructuring of the bank involving a R383m recapitalisation through a rights issue.

Wiese said the restructuring would create a listed holding company for Boland, which he would continue to control.

Describing the R2,3bn Kuala Lumpur-listed investment holding company Landmarks Berhard's decision to take a R275m stake in the venture as exciting, he said: "This is not the usual paper deal, but new investment that is being brought into SA."

In the first stage of the deal Wiese would sell his Boland Bank shares to Landmarks Berhard SA (LBSA) — formerly cash shell Martin Jonker Motors — for R350m. To fund the purchase LBSA would issue 86,5-million "N" ordinary shares to Wiese, giving him a 93,9% stake in LBSA. Landmarks Berhard would hold the remaining 6%. The JSE had agreed to list LBSA's shares under the name Samgro in the financial services sector from June 5. BD 8/5/95

While Boland Bank raised R383m through a rights offer, LBSA would hold a rights offer to raise R253m.

Wiese would renounce his rights in terms of the offer to his Malaysian partner in LBSA. As a result, Wiese would hold 55% of LBSA and Landmarks Berhard 44%. The remaining 1% would be held by minorities.

LBSA's board — with Wiese as chairman — would be reconstituted to reflect the new shareholding. Proceeds of the LBSA offer would be used to take up rights in the Boland Bank offer, raising its holding from 54,8% to 61%. Its 44% stake in LBSA would give Landmarks 26,8% of Boland's equity.

Next Boland Bank would transfer its operation to an unlisted, wholly owned subsidiary, which would pay for the business by issuing ordinary shares. The bank would be registered as a bank controlling company and change its name to Boland Bank Holdings, listing on the JSE as Bolhold on June 5.

● See Page 12

Kuwait steps into SA fertiliser

(73) ST(BT) 18/6/95

By DON ROBERTSON

A KUWAITI finance group has taken a major stake in South Africa's agricultural industry and is planning to supply farmers with fertiliser at between 30% to 40% below local prices.

A seven-member delegation from the Arab Company for Finance and International Trade (Acfit) last week met Deputy President F W de Klerk, Agriculture Minister Kraai van Niekerk and business leaders.

They subscribed R13,5-million to a rights issue floated by the recently established Trading Corporation of South Africa (Koopkor) and made available a $400-million revolving credit, mainly for buying fertiliser.

Koopkor has indicated it intends seeking a JSE listing within three months through a reverse takeover which will give it the financial muscle to expand operations.

Acfit has also signed an agreement with an international fertiliser group and Koopkor director Elias Olivier says it will be possible to supply farmers with fertiliser at between 30% and 40% below local prices. The first shipment is due this month.

Acfit has offices in 53 countries and has opened a Johannesburg branch to serve the sub-Saharan region. Its ultimate holding company is the Bank of Kuwait.

Tarig El Mamoun, Acfit's managing director, said his company had heeded Mr de Klerk's advice and would investigate involvement in tourism and industry, with particular emphasis on medium-sized companies with sound management which lacked capital.

Other delegates included Najeeb HM Al Saleh, chairman of Kuwait Interests for Financial Investments, Omar AA Al-Sayer, an executive director of the Gulf Bank, Abdulwahab R Al-Haroon, managing director of the Kuwait Public Transport Company and Bader Al-Bajan, a director of Kuwait Petroleum.

Koopkor was incorporated in June last year to provide a fully fledged service to farmers, particularly the many black farmers entering the industry, to assist with redistribution of land, providing scientific information, restructuring marketing systems and offering insurance and risk capital.

The company has about 400 members and will target the top 20% of farmers who produce 80% of agricultural products.

Mr Olivier says it has bought scientific information from the Agricultural Research Council, universities and research and development institutions, which it will supply to farmers. It will purchase goods for farmers on a traditional co-operative basis.

Koopkor has a seat on the SA Futures Exchange and will trade in all agricultural products.

One associate within the Acfit group is rated the third largest agricultural trading company in the world, handling over 60-million tons of agricultural commodities last year, says marketing director Tom van der Merwe. Koopkor hopes to use this company to import maize to meet last season's shortfall and to negotiate trades in agricultural products.

FOREIGN INVESTMENT (73)

The old school Thai

FM 23/6/95

Following a recent visit by its president Sumet Jiaravanon, the multibillion dollar Thai-based Charoen Pokpkand Group, has opened an office in Johannesburg.

The 72-year-old group, which is involved in the petroleum, petrochemical, telecommunication, automotive and agricultural industries, employs 45 000 people and last year had a turnover of about US$7bn.

Its local office will operate under subsidiary CP International Trading Group, which is already established in Germany, Belgium, the US, Japan, Korea, Hong Kong, Singapore, Korea and Vietnam.

Project manager, trade and investment in SA, Natenapis Sookbang, says the group is looking at investing in animal food production if it can find a partner. It is also investigating the setting up of a retail chain (convenience stores). The company has already entered into a joint venture with Netherlands-based Makro to operate what is believed to be the first cash-and-carry wholesale supermarket in Asia.

At the retail level, the group has become a franchisee for the 7-Eleven chain operating 300 stores in Thailand.

"We would be looking at setting up 24-hour convenience stores in SA. For this we would also look for a joint venture and operate the stores in conjunction with petrol stations." But one of the factors Sookbang says which could affect the outcome of current negotiations is SA's high crime rate, especially with the stores operating around the clock.

Other factors considered a hindrance to the group's operations is the proliferation of middlemen in SA. "There are too many middlemen, and it is the customer who finally pays the end price," she says.

The company is also looking for distribution channels for its other food products — chicken and frozen fish.

The group intends using its base in SA as a springboard into Africa for its agro-produce and animal feeds but again security and political stability could have a bearing on the outcome.

But in what could come as good news for SA runners, the company says it manufactures, under licence, Nike and Reebok sports shoes.

"With all of the franchisers' high quality standards adhered to, we could land the shoes here at a wholesale price of $20 a pair," Sookbang says. ■

Russian cars to be built in Natal

By DON ROBERTSON

(73)

A RUSSIAN car and motorcycle manufacturer plans to open an assembly plant in Phoenix near Durban.

ST (M) 30/7/95

Following a successful visit to Russia and Malaysia earlier this month by Kwazulu-Natal Minister of Economic Affairs and Tourism Jacob Zuma, the Izhmash Joint Stock Company indicated its intention to build the plant.

Two members of the Izhmash group recently opened an office in Durban to assess the project, but have since returned to Russia to advise the board of directors.

A spokesman for Mr Zuma says the intention of Izhmash is to begin production of motorcycles and, later, cars.

She says although the investment would be welcomed, no further details of the project are available.

Mr Zuma's two-week overseas trip will be followed later next month by a visit by the Prime Minister of Malaysia, accompanied by 200 business executives as well as Russian bankers.

The main interest for Malaysian businessmen in Durban is the Point Development and the International Convention Centre. They are also interested in developing small and medium-sized enterprises.

Taiwan granite plant

By ZILLA EFRAT

ONE of Taiwan's largest building firms, the Sun Sea Construction Company, will invest well over R100-million in a granite cutting and polishing factory in the Northern Province.

The factory is the first major foreign investment in the Northern Province, South Africa's poorest province.

It could create about 400 jobs in the area and there may be spinoffs for a further 600 jobs.

Thaba Mufamadi, the Northern Province's economic affairs MEC, says the factory's exact location will be finalised before the end of August.

The plant is likely to be built near the Mokerong red granite quarrying area, about 50km West of Potgietersrus. However, much will depend on infrastructural support.

Sun Sea Construction has been prospecting in South Africa for the past three years. It has been mining in the area for the last three months and already employs almost 60 people.

Most of its Northern Province production will be exported, largely to Taiwan. It also expects to cut and polish granite mined in other provinces, as well as in Zimbabwe.

Mr Mufamadi says this is Sun Sea Construction's first investment in South Africa. If it goes favourably, the group will explore other opportunities.

The company has agreed to provide managerial and technical training for its local workforce. Starting in January, it will send 20 staff members to Taiwan for in-house training.

Mr Mufamadi expects various other foreign investments in his province to follow including one from a French company which hopes to make granite tombstones for export.

(73) ST (BT) 30/7/95

Voice mail processor sets up shop

CT(BR) 1/8/95 (73)

STAFF WRITER

Telemesser, the Israeli voice-mail processing company, has embarked on an investment programme in South Africa.

Its initial investment of R2,5 million over the next two months includes the hardware, software, training and access to programmes and methodology, said Atzmon Lifshitz, the president of Telemesser.

"As part of a worldwide expansion programme, we identified South Africa as one of the ideal markets for our product," he said.

Telemesser will operate as Telemessage in South Africa.

Telemesser is already established in Hungary, India, Greece and negotiations are in progress in Poland.

"We find our specialist marketing and applications capability plus the ingenuity of the system is very well suited to less mature markets as an aid to marketing programmes," said Lifshitz.

Conspicuous success had been achieved in Israel with marketing campaigns for companies like Coca-Cola, Pepsi, Visa, Mastercard, Fiat, VW and Kodak, he said.

Gareth Tudor, the local managing director, said the marketing and information programmes covered an entire spectrum of applications.

VOICE INVESTMENT *Atzmon Lifshitz, the president of Telemesser, seated, and Gareth Tudor, the managing director of Telemessage, the Israeli voice-mail company investing in South Africa*

The East meets Africa in Newcastle's factories

unions in South Africa Picture: HERBERT MABUZA

By CAROL PATON

ON THE road into Newcastle is a sign that welcomes visitors in Chinese.

The sign — put up by Charlie Huang, a Taiwanese jersey manufacturer and an IFP member of the Newcastle town council — has welcomed more than 1 000 Taiwanese who have established 67 factories and invested approximately R190-million in the town.

Mr Huang's factory, with its freshly swept forecourt, guarded by two huge stone lions and surrounded by pink and white flowering plants, looks like a small piece of the Republic of China.

But he and his fellow industrialists, mostly clothing manufacturers, have begun to see that Newcastle is a world apart from their homeland.

"We came here because labour is cheap, but found that productivity is low. We thought the low wages would make up for it," says Mr Huang, who for the first seven years of his operation received a subsidy of R80 a month for every worker he employed.

Now, without a subsidy, Mr Huang must pay his workers R480 a month — compared to the R130 a month he paid when he first arrived in 1988.

Added to this, the South African Clothing and Textile Workers Union (Sactwu) has flourished and now has 33 disputes with Taiwanese bosses, many of them for paying salaries below the minimum wage.

Says Mr Huang: "Unions shouldn't be allowed here. In Taiwan we don't have unions — we work hard. If the unions give trouble, we'll close the doors."

In response, Sactwu organiser Alpheus Mdluli says: "Workers say: 'Let them pack and go.' This type of investment must be reviewed — it isn't the kind that we want at all."

For Sactwu, dealing with the Taiwanese has been frustrating: most of the bosses refuse to meet the union, don't arrive at conciliation board hearings and ignore Industrial Court rulings.

With the union and the Taiwanese industrialists at loggerheads, the town council's plans for local development are in jeopardy.

The Taiwanese industries, which include clothing, knitwear, shoes, toys, plastic products, watches and clocks and a diamond-cutting works, boosted Newcastle's economy dramatically after the council launched an aggressive overseas marketing campaign in 1983. Says Ferdi Alberts, assistant town secretary: "From 1987 to 1989 we established one factory a month from the Far East."

In spite of the council's success, 45 percent of Newcastle's population is unemployed. Mr Alberts says the only investors willing to take the risk remain those from the Far East.

Faced with few options, the council is determined to make the relationship with the Taiwanese work through securing a pact with labour. The council's RDP committee — of which Mr Huang is the deputy chairman — plans to involve business and labour in making a decision about the future of investment from the Far East.

"We will form some sort of pact. Unions are here to stay, but they must also accept there's a cultural difference when it comes to the Chinese," says Mr Alberts.

In other words, concessions must be made. Taiwanese employers want the minimum wage scrapped and replaced by a bonus system linked to productivity where workers are paid only for the work they do.

But if pay is linked to productivity, responds Mr Mdluli, what happens if a worker is off sick or on annual leave?

The Taiwanese and council would like Sactwu to agree to a moratorium on strikes. "We can't abandon strikes as long as there are no fair hearings, no communication and people are not earning a living wage," says Mr Mdluli.

It also seems the industrialists would like to secure this pact without talking to labour at all. "We're tired of dealing with this union — we can't sit at the table all day talking," says Mr Huang.

Instead, he exhorts his workers to work harder. " 'You must work hard,' I tell my workers," says Mr Huang, almost shouting.

ST 17/9/95 (73)

New Hilton is sign of Malaysia's commitment

WM(BM)25-31/8/95

(73)

Karen Harverson

CONSTRUCTION of the R205-million Sandton Hilton will be the first concrete result of Malaysian investment interest in South Africa.

Construction will begin at the end of the month with completion due by June 1997.

The project is a 70/30 joint venture between Malaysian businessman Amin Shah and local consortium Team Development Concepts and will create about 1 500 jobs.

The contract for the design and construction of the hotel, which will be situated in Rivonia Road, has been awarded to Group 5 Goldstein Building.

Shah says his company, Business Focus, will be looking at other projects in South Africa and has just signed another joint venture with a black-owned steel engineering company Al Bokhary.

"The company will supply all the steel required in the construction of the hotel, using locally sourced steel," says Shah.

Business Focus was also involved with other players in bidding for the now suspended R2-billion project to acquire four Corvettes for the South African Navy.

The company will be looking at opportunities in South Africa to invest in property, engineering, food production and agriculture.

Textile group's R180-m SA plan

(38) (63) ARG 30/11/96

JOHN VILJOEN, Business Staff

SINGAPORE'S Tolaram group plans to invest R180 million in its South African textile manufacturing interests during the next five years, the group's African head Sajen Aswani has said.

Internationally active Tolaram, which owns four companies in Cape Town and KwaZulu-Natal, plans to consolidate these interests into a single Johannesburg Stock Exchange-listed company within the next three years.

Mr Aswani was speaking in Cape Town yesterday after attending a meeting where Fenix Industries shareholders approved a change in name for the Lansdowne company to Tolaram 2000.

Tolaram recently bought a 94 percent stake in JSE-listed Cape Town dye-house, fabric knitter and textile trader Fenix Industries for R19,7 million. The group last month also bought a controlling share in Cape Town clothing accessories manufacturer Strebel, also listed on the JSE.

"We hope to consolidate all our holdings in stages into one company and to be a major textile business in South Africa," Mr Aswani said.

Tolaram would invest R180 million in its operations in South Africa and about R20 million in Swaziland during the next five years, he said.

(73)

Between its Cape and KwaZulu-Natal interests, the group employs about 1 700 people, and another 1 000 at its Natex plant in Swaziland.

Tolaram's other South Africa interests include Prilla 2000, a cotton and polyester yarn spinning company in Maritzburg, and Lotus 2000 in Hammarsdale, which spins acrylic yarn and manufactures woven synthetic rugs.

The two KwaZulu-Natal companies represent combined assets of about R100 million and would eventually be incorporated into Tolaram 2000.

These operations would see more effective use of resources in the coming years, but this did not mean lay-offs, he said. "I can only see further employment in the group."

The South African assets are held through Hong Kong-based Industrial Investment International, a wholly-owned subsidiary of Asean Interests, which is one of Tolaram's investment holding companies.

Malaysian multinational acquires SA clothing firm

ARG 16/2/96 (73)

Business Editor

MALAYSIAN multinational Mycom is to take over clothing group Delswa and holding company Jade as part of a major thrust into South Africa.

In an announcement today, the group said Mycom had entered into a R13 million deal with controlling shareholders in Delswa and Jade — now called DJI Clothing and DJI Clothing Investment Holdings — through its subsidiary M C Industrial Investment Holdings (MCI).

MCI would serve as the holding company for a major investment drive by Mycom into South Africa, with interests in the hotel and leisure industry, property development and construction, stockbroking, trading and the food industry.

DJIH and DJIC would be the main corporate vehicles for this programme.

Mycom said DJIH could also acquire controlling interests in other listed companies, becoming the holding company for a conglomerate including DJIC.

Negotiations were already in progress concerning specific acquisitions.

Minority shareholders are offered 320,4c for each DJIH share, 305,3c for each DJIC share and 201,5c for each DJIC preference share.

Mycom said the listing of the preference shares would probably be discontinued because their infrequent trading did not justify administrative costs.

■ **Del Monte Royal Foods** has cut the final dividend 23 percent to 10c as attributable profits slumped 20 percent to R145,5 million in the year ended November.

Exceptional items, reported in profits, included profits of R30 million on the sale of a 50 percent stake in Royal Beech Nut.

Chairman Vivian Imerman said spending had been swelled by aborted attempts to buy a major European food business and by restructuring of the Philippines associate.

■ **First National Bank's** $200 million one year Revolving Credit Facility arranged by Japan's Fuji Bank has been oversubscribed and increased to $230 million. The original facility was signed in February last year.

■ Attributable profits of **Associated Manganese Mines** shot up from R24,4 million to R70,2 million for the six months ended December, on the back of higher sales volumes and better ferro-chrome prices. But directors said improved supplies of ferro-chrome would reduce prices in the second half.

The interim dividend is unchanged at 250c to leave cash to finance the replacement of mining equipment and vehicles.

■ **African Life** is to raise R125 million through a rights offer to finance growth. Directors said recurring premium income had grown at 39 percent a year since 1989, trading conditions had improved since Real Africa took control of the group and Aflife had started several strategic developments.

secondary schools. We are also engaged, with industry and the universities, in co-ordinating a national system of innovation, because without this co-ordination we would not be able to create new technologies. As the hon member has rightly pointed out, our trade deficit, as far as technology is concerned, is in the range of R12 billion. This means that our manufacturing sector is relying on imported technologies which are licensed and therefore subject to very stringent conditions such as regional trade and accessing export markets

I am greatly elated and encouraged by the seriousness with which he has approached the whole issue of research and technology in this country, because without better allocations from the fiscus we shall not be able to effect real research and development and therefore new technologies.

In 1987 the research and development budgets, which were supported through the science councils, amounted to 1,4% of the GDP, but from 1987 until today there has been a consistent and steady decline in this level of funding, to such an extent that now we are not even speaking about 0,7% being spent on research and development. The trend in all industrialising countries is to increase the allocation for research and development rather than to decrease it.

Debate concluded.

Racial quotas 73

4. Mr K M ANDREW asked the Minister of Labour:

> Whether the Government intends introducing legislation enforcing racial quotas; if not, what is the position in this regard; if so, what will be the nature of these quotas?

N178E.INT

The MINISTER OF LABOUR: Mr Speaker, the question asked obviously relates to and may be prompted by the article which appeared in *The Argus* of 20 February 1996. The document referred to in the said report is a discussion document and does not represent or reflect the policy position of the Ministry of Labour. I have not approved of the said document because it has not been formally presented to me. Therefore it is impossible for me at this stage to comment about the introduction of legislation enforcing racial quotas.

What I can say for now is that the Department of Labour is actively engaged in a process of policy development on affirmative action and employment equity with a view to eradicating apartheid-based workplace discrimination and preventing the recurrence of such in future. This process was initiated by me on 3 March last year at an official opening of an Affirmative Action Policy Development Forum. The forum is a nonstatutory body of stake-holders serving as a platform to exchange ideas on policy options for affirmative action and employment equity.

The process is still ongoing and the department, through the Directorate of Employment Equity, is facilitating workshops with stake-holders at national and provincial levels. Ideas and views gathered at the workshops are captured in draft discussion papers for further development. Such views and ideas do not reflect official positions or policy of the Ministry or Government.

It is envisaged that after the completion of the process of research and the canvassing of ideas and views, a final draft discussion paper will emerge for consideration by me. A Green Paper will be prepared for public discussion and an Employment Equity Bill should be ready during the second session of Parliament this year.

Mr A J LEON: Mr Speaker, arising out of the hon the Minister's reply, I would like to ask the hon the Minister of Labour whether, in fact, in view of his reassurances this afternoon that the draft document does not reflect the policy of the Government of National Unity, any steps are being taken to ascertain why it was leaked to the media by an official apparently in the employ of the Minister. I presume there was some purpose behind the leak, and given the enormous attention it received, I think we owe it to ourselves actually to shed some light on this very controversial issue.

The hon the Minister has come before Parliament this afternoon and said: "I do not have a specific policy. I will await the outcome of various consultative processes and then I will present a Green Paper, and then I will show my hand."

With respect, however, I think on an issue as important as this the hon the Minister and the Government owe it to us to give a lead on the issue. I would say that if one looks at the thinking—and presumably the thinking came from somewhere; it did not drop out of the air—that is in the draft paper which was presumably deliberately leaked to the media last week,

one will see that we are talking there of fines of half a million rand for companies that violate the so-called employment equity.

The draft itself does not embrace quotas directly, but it brings quotas in through the back door—through fiscal disincentives for companies which do not meet certain targets—and it explicitly endorses race, gender and disability quotas in the public sector. It should be explained, it should be debated and one should hear what the Government's attitude is rather than simply saying: "We will let you know of our lead when everyone else has spoken," because there are various types of affirmative action. There is the good affirmative action which was enunciated in this House on 17 February 1995 when it was said:

> I call on all our people to refuse to listen to the false prophets who seek to perpetuate the apartheid divisions and imbalances of the past by presenting affirmative action as a programme intended to advantage some and disadvantage others on the basis of race and colour.

These words were spoken here by President Mandela. Yet the thinking behind the fifth draft of the discussion document goes completely against the grain articulated in this House by the President of the Republic. That is the reason why people do, quite frankly, get very alarmed by reports of possible prescriptions for this Government's affirmative action policy. Quotas, corresponding fines, sanctions and other so-called policies will be counterproductive and indeed nothing short of disastrous, because the potential for abuse of misinterpretation is dangerous and as inequitable as the current situation is.

We have seen trouble around the world when policies hiding themselves behind the moniker of affirmative action have led to reverse apartheid, tensions and tangled lawsuits. Any liberal democratic interpretation of this, which my party will try to give, is actually to support wholeheartedly the idea of equality of all citizens. The fundamental rights of the individual are the building blocks of a democracy, especially a liberal democracy. Racial and patriarchal discrimination are anathema to my party, and we therefore fully support positive action aimed at redressing past discrimination. Citizens must be fully protected against discrimination in its direct and indirect forms. That is what the debate in the Constitutional Assembly on the Bill of Rights is all about.

However, at the same time South Africans have identified jobs as what they need most. Should this Government not be concentrating on economic growth to establish 50% more Blacks and 30% more women in the workforce rather than creating new opportunities for bureaucratic proliferation and the deracialisation of our society? Those are the two concepts which contrast and conflict with each other. Does this Government believe—perhaps the Minister can give an early indication of his leadership on this issue—that quotas and disincentives will lead to an expansion or a contraction of the labour market? This could, if implemented, be another in the long line of blunders which we have seen this year which continue to chip away at the inroads South Africa should be making in becoming a nonracial, nonsexist economic success story.

Studies across the world have shown that race and gender quotas in the United States, for example, in some years have actually contracted or reduced the economy by as much as 4%. One is talking here about $227 000 billion in a year. After adding up all the indirect and direct costs of the new bureaucracies to monitor compliance and abuses of the system, of any adequately qualified candidates hired, of tenders awarded on a set-aside basis, not a merit-driven basis, affirmative action of the kind contained in the fifth draft which the Minister referred to this afternoon actually leads to a diminution of the economy as a whole and a retraction of jobs. [Time expired.]

The DEPUTY SPEAKER: Order! The hon the Minister.

Dr W A ODENDAAL: Mr Speaker, on a point of order: I believe that, according to my arrangement with the Table, Mr David Graaff is to speak now.

The DEPUTY SPEAKER: Order! There is a bit of a mess here with the speakers' list because the interpellant is not participating in the debate and hence Mr Leon had both the interpellant's time and his time. So you have had a double dose and now you will have Mr Graaff.

Mr D DE V GRAAFF: Mr Speaker, I would like to thank the Minister for informing us that the quota system is not part of his policy. I hope that he will tell us categorically that he will not in the future think of introducing a quota system, because we in the NP believe in affirmative action. We believe that any action which helps to uplift and improve the lot of those previously disadvantaged is to be welcomed. However, we believe that there is no argument as to what must be done. The question is: How is it to be done? The quota system is not the answer.

If we look at the implications of the quota system it means that we will have to reintroduce race classification, because otherwise how is one going to account for numbers of each race in a given workforce? It will mean the creation of a new bureaucracy. It will mean an acceleration of the brain drain, because those with ability will ask themselves, "Am I going to be promoted on grounds of ability or on grounds of my colour?" It is further going to be a disincentive for both domestic and foreign investors. It is further going to increase local costs of production. It is going to adversely affect our global competitiveness.

What business needs is to be allowed to hone itself in doing what businesses do best. If we have a social programme the answer is not to impose it on the business community, because American Black leaders have already realised that a quota system does not work. I quote Judge Clarence Thomas, who said: "Laws cannot make us equal." Professor Thomas Sewell of Stanford University stated:

> Enforced affirmative action is humiliating for Blacks. It creates the impression that they cannot succeed on own merit.

[Time expired.]

The MINISTER OF LABOUR: Mr Speaker, I think that the hon Mr Leon knows that he is taking a chance by trying to draw me into a debate on a nondocument. I would therefore like to emphasise what I have said, namely that as far as I am concerned there is no document on the table. Therefore there is actually no debate. That is the first point.

The second point is that it is indeed extremely pretentious of those who have been beneficiaries of apartheid-based policies, of job reservation, of special education—Christian National Education—and other policies to come here before this honourable House and say that a democratic government must not do anything to reverse those racist tendencies.

It is indeed pretentious for them to say that everything should be left to the market and then everything else will be all right, when they know that they deliberately distorted the historical development of our country by their policies and that we therefore have to change this country.

When the document is on the table there will be sufficient time for people to express their views on it. As I said, I am not prepared to be drawn into some misguided sectarian debate now when there is no document on the table. As soon as the document is available we will, as is the custom—the hon Leon would know this—make the document available. We will give hon members sufficient time to study it and they will have sufficient time to respond. All I can say for now is that the business community, organised labour and academic institutions are part of the process of developing this policy, including, for that matter, the University of Pretoria. [Time expired.]

Mr A J LEON: Mr Speaker, this is a nondebate on a nondocument with a non-Minister of Labour, because he does not actually wish to be drawn into a debate on something which is absolutely critical to his own Ministry. [Interjections.] So it is an interesting situation. I put it though—and I have a very strong suspicion about this which, I believe, the hon the Minister shares—that that document's appearing in the press was the result of a strategic leak.

It did not just happen by accident or by chance. So, I think one is quite entitled to come to this Parliament as a consequence of that and ask some questions, even if the Minister has been very assiduous in avoiding giving answers. But he did say one thing. He said that because of patterns of social engineering in the past, of job discrimination, of border industries, of incentives and disincentives . . .

Mr J H DE LANGE: Mr Speaker, on a point of order: If Mr Leon is impugning the integrity of the Minister by suggesting that he is the one who . . . [Interjections] . . . strategically leaked this document, I would ask the Chair to rule very strongly against that suggestion. If he is suggesting that it was done in any other way, then that is fine, but he must put on the table whether he is impugning the integrity of the Minister. If he is, I would ask him to withdraw his assertion immediately.

Mr A J LEON: Mr Speaker, may I address you on that? For the record, I would put it to that hon member that he is deliberately abusing points of order in order to try to stop the debate. [Interjections.] Let him go and check the Hansard and see exactly what I said. If that member is going to take points of order, he should, at the very least, listen to the debate. I never impugned the integrity of the Minister. I suggested it was a strategic leak

from his department which was put out for a specific purpose and it makes this . .

The DEPUTY SPEAKER: Order! I think it would be helpful to the Chair if you could explain whether you intended conveying to the House that the hon the Minister had leaked the document.

Mr A J LEON: No, Mr Speaker, I did not, as Mr De Lange well knows. The Minister did give a hint, an outline of a policy and an approach regarding this matter, notwithstanding his protestations to the contrary. He said that there had been social engineering in the past and job reservation. It was a social engineering policy which my party opposed. There were also border industries. I have just been to northern KwaZulu-Natal. [Interjections.] There are towns which have collapsed because of the social engineering of apartheid, and now that is going to be used as the justification for another batch of social engineering ploys. The fact is that the Minister has a good motivation. He wants to redress imbalances, but using the same lousy means as the apartheid government did, even with a different purpose in mind, is not going to lead to a better result. On the contrary, it is going to lead to a bad result. [Time expired.]

The MINISTER OF LABOUR: Mr Speaker, I would like to reiterate what I said, and I hope that the hon Mr Leon was listening. There is no document on the table and therefore there is no basis for us to have an enlightened debate here. I think the time of the House would be better utilised debating other issues on which there are documents on the table. This would promote saving on Parliament's budget.

There is no question at all—I want to be very clear about this—that a strategic leak, whatever "strategic leak" means, took place. What I know is that there was no leak that was designed by the Ministry. It is true that a journalist got hold of a discussion document. In a situation in which so many people are involved in discussions, it is possible that someone found the document. This document was not leaked officially by the director-general or in any way by the Ministry. I want to say once again that we will have ample opportunity to debate this question. As long as it is clear in this House that no member of the House would want to defend the perpetuation of the deeds of the past under the pretext that the future or the present will change things by themselves, that will not happen. We will have to take proactive steps—very serious proactive steps—to correct the injustices of the past.

Mr J A JORDAAN: Mr Speaker, speaking from an IFP microphone, I hope I am not speaking with an IFP voice. However, on a point of order: Is it parliamentary for one member to implicate members by referring to members on this side of the House as having stolen, thereby implying in the process that they are thieves? I am referring to the hon member Mr Tony Yengeni. [Laughter.]

The DEPUTY SPEAKER: Order! The Chair did not hear what Mr Yengeni said. Would the hon Mr Yengeni please rise, and either confirm or deny that he said the alleged words? [Interjections.]

Mr T S YENGENI: Mr Speaker, I confirm that I did say that the wealth that most White people have in this country they got by stealing. [Interjections.]

The DEPUTY SPEAKER: Order! May I ask the hon member whether he was referring to any member of this House? [Interjections.]

Mr T S YENGENI: Mr Speaker, I was not referring to any specific member. I was speaking generally about the fact that the wealth that the Whites amassed in this country was not proper accumulation of wealth. [Interjections.]

The DEPUTY SPEAKER: Order! I think we have to observe certain rules in this House. If the implication is that there are members in this House who have committed crimes, then I would ask the hon member please to withdraw that, because the implication is that there are hon members here who are thieves. [Laughter.] That is unparliamentary, and I would like him to withdraw that please. [Interjections.]

Mr T S YENGENI: Mr Speaker, I pointed out in my response that I was not referring to any specific member of this House, but rather generally to the fact that the wealth that the White people have in their hands was accumulated through the exclusion of the majority of the people of this country and to me that is nothing else but stealing. [Interjections.]

Dr W A ODENDAAL: Mr Speaker, on a further point of order: Those are not the words that Mr Yengeni used. [Interjections.] He said that White people stole. I take exception to that, and ask you to make him withdraw. [Interjections.]

The DEPUTY SPEAKER. Order! I would like to call on the hon member, if he used the words "they have stolen", to please withdraw that.

Mr T S YENGENI: Mr Speaker, what should I withdraw? My saying that the White people in this country stole the wealth that they have?

The DEPUTY SPEAKER: Order! If that implies that there are hon members in this House who have stolen, then you have to withdraw it.

Mr T S YENGENI: Mr Speaker, I did not imply in any way that hon members in this House stole, but rather that White people in general—in my view—accumulated the wealth that they have through the exclusion of the majority of the people of this country. [Interjections.]

The DEPUTY SPEAKER: Order! We are going to have a lengthy debate on this issue. I have asked the hon member, if he by implication referred to hon members of this House, to withdraw it. It is unparliamentary to refer to any member of this House as having committed a criminal offence.

Mr T S YENGENI: Mr Speaker . . .

The DEPUTY SPEAKER. Order! I am having some difficulty here. This is a remark that was made. I could study the Hansard, but it would probably not be in the Hansard, so I am relying on the integrity of the hon member. If he said it and intended to refer to members of the House, he must please withdraw his statement. [Interjections.]

Mr G C OOSTHUIZEN: Mr Speaker . . .

The DEPUTY SPEAKER: Order! I think the hon Mr Yengeni is on his feet.

Mr T S YENGENI: Mr Speaker, this is a very strongly held view on my part. It is what I believe. I am not going to withdraw that belief. [Interjections.] If there was any implication in what I said, then I withdraw the implication, but I still hold the belief. [Applause]

The DEPUTY SPEAKER: Order! We may now proceed.

Mr G C OOSTHUIZEN: Mr Speaker . . .

The DEPUTY SPEAKER: Order! The hon member has withdrawn his statement.

Mr G C OOSTHUIZEN: Mr Speaker, on a point of order . . .

The DEPUTY SPEAKER: Order! Sorry, I have now seen the hon member.

Mr G C OOSTHUIZEN: Mr Speaker, on a point of order: He did not withdraw it unconditionally. [Interjections.]

The DEPUTY SPEAKER: Order! Because the Chair did not hear the remark, Mr Yengeni was asked whether he referred to hon members as having stolen property. He said no; he had referred to White people. I asked him whether by implication he had referred to hon members in the House. He said that if he had done it by implication, he withdrew it.

*Mr F J VAN DEVENTER: Mr Speaker, on a point of order: I should like to address you on this matter. Should the hon member offer that kind of apology, namely that something was meant by implication, it means that he does not exclude any member of this House from theft from the people of South Africa. That is a very serious accusation and we will have to have a ruling on the matter. If the White people in this House are seen as thieves, a ruling will have to be given about the question whether they are entitled to sit in this House in terms of the present Constitution and the electoral Acts. [Interjections.]

Mr A J LEON: Mr Speaker . . .

The DEPUTY SPEAKER: Order! I would like to respond to the hon member Mr Van Deventer first. I will do it in English so that the hon member Mr Yengeni can also understand.

*Perhaps he also understands Afrikaans.

†If there was any reference, whether directly or by implication, to hon members of this House, he has been asked to withdraw it and he has withdrawn it. That is the end of the matter. [Applause.]

Mr A J LEON: Mr Speaker, I would like to address you on your ruling, because it has very serious implications. [Interjections.] There have been previous rulings from your Chair—I will find the refences by the start of proceedings tomorrow—that racial remarks . . . [Interjections.]

The DEPUTY SPEAKER: Order!

Mr A J LEON: . . . will not be tolerated in this House. [Interjections.] What Mr Yengeni has said is a vulgar, racist generalisation. [Interjections.] If that is going to be tolerated and he is not obliged to withdraw it—that White people are thieves—then previous rulings given by the Chair in this regard must presumably no longer stand. With great respect, that is the danger with regard to this ruling. I would ask you to look at it from that vantage point. [Interjections.]

The DEPUTY SPEAKER: Order! We are going to have an unnecessary, acrimonious debate. The remark that he made was that Whites in this country acquired their wealth . . . Well, he used more expressive language. It was just a statement that he was making. I do not think that it was intended to be racist and he has withdrawn it. [Interjections.] The hon member has withdrawn any implication that he may have made. [Interjections.] Order!

Mr J H DE LANGE: Mr Speaker . . .

The DEPUTY SPEAKER: Order! Do you have something new to add?

Mr J H DE LANGE: Yes, Mr Speaker, I do have something new to add. We on this side of the House take very strong exception to this. I have never seen, in any meeting, when the Chair has made a ruling on a point of order—Mr Tony Leon knows this very well—that one can then get up and ask the Chair to reconsider the ruling. [Interjections.] It is completely incorrect. It is not in line with the Rules of this House. [Interjections.] I would ask him to apologise for this—something he knows he is willingly transgressing—and for running over the Rules of this Parliament. [Interjections.]

Mr A J LEON: Mr Speaker . . .

The DEPUTY SPEAKER: Order! I have given my ruling, Mr Leon. We want to proceed now. [Interjections.]

Mr G C OOSTHUIZEN: Mr Speaker . . .

The DEPUTY SPEAKER: Order! That is the end of the matter. I have given my ruling and we will now proceed. [Interjections.] We will now proceed to Question Time.

Mr G C OOSTHUIZEN: Mr Speaker, are you seeing me?

The DEPUTY SPEAKER: Order! No, I am not seeing you. We will now proceed to Question Time.

Mr P A MATTHEE: Mr Speaker . . .

The DEPUTY SPEAKER: Order! Do you wish to add something new to this specific point? I have given my ruling.

Mr P A MATTHEE: Mr Speaker, I accept your ruling, but may I just point out to you that the point raised by Mr Leon—I am putting this specifically, also because of the address by the hon Mr De Lange—is a different point of order to the first point of order. [Interjections.] The first point of order raised was a point of order about stealing, theft, and so on. The second point of order, by Mr Tony Leon, was a point of order about racism and a racist remark. I ask you for a ruling on that, and I concur with the point made by Mr Leon. I would like you to rule on that point now. You have not ruled on that. [Interjections.]

The DEPUTY SPEAKER: Order! The Chair has ruled repeatedly that we are trying, as members of this House, to build a new South Africa, and the Chair will not tolerate racist remarks. The Chair has expressed itself very strongly in the past, and I once more wish to urge members to try to work cordially together and, although we have freedom of speech, to avoid making remarks which will cause offence to fellow members who are hon members of this House. You are all hon members. We will now proceed to Question Time.

Debate concluded.

QUESTIONS

†Indicates translated version.

For oral reply:

Executive Deputy President (Mr T M Mbeki):

Questions standing over from Wednesday, 21 February 1996:

*1. Mr F J VAN DEVENTER: Executive Deputy President (Mr T M Mbeki).† [Withdrawn.]

Space agreement between SA and Russia

*2. Dr F J VAN HEERDEN asked the Executive Deputy President (Mr T M Mbeki):

Whether South Africa has signed a space agreement with Russia; if so, (a) what are the terms of the agreement and (b) when will the first South African cosmonauts be (i) selected and (ii) trained?

N38E

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki):

During his last visit to South Africa the Deputy Prime Minister of the Russian Federation, Mr Oleg Soskovets, made an offer for South Africa

Daewoo plans R1bn vehicle plant for SA

CT(BR) 15/3/96 (73)

By Roy Cokayne

Pretoria — Daewoo, the Korean motor manufacturer that has just launched its vehicles onto the South African market, has long-term plans to invest about R1 billion in a completely-knocked-down manufacturing facility.

But Marius de Waal, Daewoo's marketing manager, said that the company had not yet concluded the necessary arrangements.

"It is probably three, four or five years down the line. Daewoo will be moving its head office with warehouse facilities to Midrand in April this year. The location of a manufacturing plant has not been finalised but it is likely to be in Rosslyn near Pretoria.

"The plant is likely to have a capacity of 100 000 units annually — similar to Toyota South Africa — and will produce vehicles for South Africa, Africa and Europe," De Waal said.

The executive managing director of Daewoo Motor's motor vehicles export division, S K Yeo, mentioned the establishment of a manufacturing plant in South Africa at the company's launch earlier this week.

Yeo said that initially, Daewoo would import completely built-up units until the economies of scale allowed the company to invest in a manufacturing facility.

"With the interest already shown, we hope that this will be sooner than later," he said.

De Waal said Daewoo had a stock shortage at present. Between 400 and 600 vehicles would be imported monthly until August.

He said Daewoo would be opening a new 500 000 unit plant in Korea in August, which would increase the number of vehicles available for import to the country. More agents would also be appointed, he said.

Daewoo has already appointed eight dealers countrywide — Sandton, Randburg, Pretoria, Port Elizabeth, Cape Town, Durban, East Rand and West Rand. Yeo said the company expected the dealership network in South Africa to employ about 1 500 people by 1997.

De Waal said Daewoo's current investment in South Africa totalled "at least R30 million" including its stockholding and operating capital. In the short term, Daewoo would be exporting automotive components to Korea. However, the company was still involved in discussions with component suppliers. A further announcement would be in about two months, De Waal said.

Yeo said a Daewoo delegation came to South Africa in October last year with the purpose of locating South African components to ship back to Korea. He said 40 potential South African business partners had already been identified.

"In some cases, the export opportunity requires 40 to 50 percent of the existing manufacturer's capacity. The reason for this trade opportunity is that the success of Daewoo in Korea means that production will go from 500 000 units to 1 million units this year, and double again thereafter.

"The local Korean components industry cannot cope and Daewoo identified South Africa as an ideal business partner," Yeo said.

Daewoo has been instrumental in elevating Korea to among the world's top 10 motor manufacturing countries in a relatively short time. The group was ranked 33rd in the Fortune Global 500 in 1994.

Korea's motor industry was launched in 1937 with the establishment of the National Motor Company. By 1976, as Saehan Motor, it was exporting vehicles to 40 countries worldwide. Daewoo assumed management in the late 1970s.

Equality in the workplace 'still evades women'

(73) CT 24/4/96 (BR)

BY FRANÇOISE BOTHA

Cape Town — Women, who represent 50 percent of the world's population, received only one-tenth of the world's income, said Brenda Greyling, the managing director of Brenda Greyling and Associates.

Speaking at an Executive Women's Club lunch yesterday, Greyling released figures published by Naomi Wolf in her book, The Beauty Myth, that showed there were only two professions in which women consistently earned more than men.

"Sadly, they are modelling and prostitution," she said.

This was despite the fact that women worked nearly two-thirds of all the world's working hours. In addition, women were found to own less than 1 percent of the world's property.

"When one looks at world statistics, the achievements of women are remarkable," Greyling said, commenting on the figures.

But, she cautioned, there was still a long road ahead.

"You do not win by struggling to the top of a system. You win by refusing to be trapped within one at all," she said.

The keynote speaker was Wendy Lucas-Bull, the executive director of Rand Merchant Bank Holdings and last year's businesswoman of the year. Speaking on management challenges facing South Africa, she said local companies faced the same challenges as their international counterparts.

"In the past, South African companies could choose between being superb service providers or low-cost producers. The challenge is now how to do both," she said.

Watchdog for labour policies

By Khangale Makhado

LABOUR Minister Tito Mboweni has appointed a drafting team to be charged with putting in place the Employment Equity Bill.

The move follows the approval this week by the Cabinet of the appointment of the 11-man team charged with the task of eradicating all forms of discrimination in the labour market.

The team is made up of lawyers, labour law experts, senior government officials in the labour department and other academics.

The Ministry said yesterday that once passed, the Bill would aid in the process of achieving social justice in the country and would form part of the laws initiated by the Government.

According to the Ministry, once in place the Bill would be the first intervention "to do away with all forms of discrimination in occupation and employment".

The 11 members of the drafting team are Ms Urmila Bhoola, Dr Caroline White, Ms Thuli Madonsela, Dr Guy Mhone, Mr Mpho Makwana, Ms Lucia Rayner, Ms Valerie Amos, Mr Sipho Madlopha, Dr Neva Makgetla, Professor Paul Benjamin and the State Law Adviser.

Sowetan 24/5/96

Laws unfair to women must be overhauled, govt is told

BD 29/5/96 (73)

Mduduzi ka Harvey

GOVERNMENT needed to ensure that laws discriminating against women, particularly women in rural areas, were immediately overhauled to ensure equality, Gauteng Human Rights Commission member Pansy Tlakula said yesterday.

Speaking at an equality day workshop in Johannesburg — this marked the launch of human rights awareness week — she said there was a need not only to address inequalities against women, but to deal also with the empowerment of the disabled, AIDS sufferers who were subjected to pre-employment tests and intolerance towards homosexuals.

Tlakula told delegates from a cross-section of the Gauteng community that although government had shown a commitment to equality and human rights by setting up commissions and by implementing different initiatives, it now needed to address the socio-economic imbalances in the society and ensure black empowerment and not black enrichment was instituted.

She said there was a need also to transfer skills to blacks who were previously denied them, to move from tokenism to real ownership, put an end to lip service to affirmative action and to overhaul the criminal justice system, particularly in the case of violence against women.

In addressing these challenges the commission would play a crucial role as it was empowered to initiate its own investigations to ensure there were no transgressions of the new constitution, Tlakula said.

Soweto mayor Sophie Masite said a new era of human rights demanded that local government review and overhaul the way it interacted with its employees and with the community.

This, Masite said, applied at political as well as administrative levels.

She said practical steps had to be taken to translate human rights into reality and to contribute meaningfully to transforming communities so they embraced a culture of human rights.

The driving forces which should inspire transformation should be the constitution and the Bill of Rights.

Moosa moots gender quotas

(73) BD 19/6/96

Mduduzi ka Harvey

THE absence of women in local government, particularly at management level, had raised the question of whether an enforced quota system to ensure equitable representation should be debated, Provincial Affairs and Constitutional Development Minister Valli Moosa said yesterday.

He was speaking at a joint women's conference on local government organised by his ministry and Idasa in Johannesburg. Moosa said the quota system debate would have to be reopened for discussion with all stakeholders.

Government and political parties would have to address gender imbalances before the next local government elections. Disadvantaged councillors, he said, should be provided with greater backup and programmes should be implemented which would enable women to take part in local government at managerial level.

It was important for women to take part in the drafting of the local government white paper. The white paper will scrap the transitional structures in place at local authority level and restructure local government. Legislation for this would be tabled in Parliament next year.

Bridging legislation to restructure local government, which will be tabled in Parliament in August, was almost complete and would aim at overcoming inadequacies in the Local Government Transition Act.

Moosa reiterated that while there were strong provisions for empowering women at a local government level, this meant nothing without action. Women should be involved in the running of councils as town clerks and treasurers and there must be a move away from "men's club" type councils.

He called for a move away from male domination not only at a local authority level, but nationally as well.

At the conference delegates called for steps to be taken immediately by national and provincial governments to legislate the recommendations. They called also for commitment from provincial and local governments to be gender-sensitive and for more consultation between women on their common problems.

In addition, they called for greater capacity building training programmes on democracy at council and political party level and implementation of legislation aimed at encouraging women to take part, particularly in rural local government.

They called also for the extension of resources to implement gender sensitivity at local government level.

Wages, job creation not always linked

Renee Grawitzky

BD 20/6/96

THE labour market commission acknowledges that although a trade-off exists to some extent between wage and employment levels, it does not follow that unemployment is simply caused by high wages.

This is among the positions adopted by the commission in its deliberations on the elasticity of wages and employment.

Research conducted by the World Bank and Prof Sam Bowles has concluded that wage increases have a negative effect on employment to the extent that in the long term, a 10% increase in real wages has been associated with a 7% decline in employment levels.

The commission points out that these studies measured the average relationships and do not necessarily hold for wages at the lowest level.

The commission says that it is simplistic to conclude that if wages can be lowered, job growth can automatically follow.

Call for legislation on 'employment equity'

BD 20/6/96

73

Renee Grawitzky

THE Labour Market Commission has recommended that legislation on "employment equity" or affirmative action be placed before Parliament soon.

The commission's report says the law should rely on targets, not quotas.

The commission recommended that legislation should require employers to formulate comprehensive affirmative action plans and that these should be monitored by a new directorate of equal opportunities within the labour department.

There would be no direct penalties for non-compliance. However, companies' action plans would be assessed when companies put in tenders for government work. The commission said: "Major sanctions and incentives should centre on the extent to which access to government resources is facilitated by the filing of a serious employment equity plan".

Commission co-chairman David Lewis said that proposed legislation would be enabling, not prescriptive.

The commission said that affirmative action policies should be directed at redressing the "labour market manifestations of racial and gender discrimination and discrimination against the disabled".

It questioned whether legislation along the lines mentioned by Lewis would be effective and said "it will be important for the directorate of equal opportunities to develop a partnership and a sense of common purpose with companies and with institutions".

The commission was of the view that newly established institutions, namely, the directorate of equal opportunities, workplace forums and the Commission for Conciliation, Mediation and Arbitration were potentially powerful enough to play key roles.

The commission said employment equity programmes that "embody a strong internal labour market focus must place considerable emphasis on deracialising the higher ranks of the shop floor", meaning supervisors and skilled technical workers.

Commissioner Niccoli Nattrass, an economist at the University of Cape Town, in a dissenting opinion, agreed that affirmative action could be an important way of addressing labour market discrimination and disadvantage in SA.

However, she objected to the "commission's failure to problematise (sic) race, or to appreciate that the overlap between race and the labour market disadvantage is not exact".

Affirmative action, she argued should ultimately be guided by socio-economic considerations.

GENDER COMMISSION

NO STRIP TEASE

FM 28/6/96

The Commission on Gender Equality Bill has been rushed into law — despite qualms within all parties and outside lobbyists that it introduces extraordinary provisions of search and seizure which could be subject to future abuse (*Current Affairs* June 21). The commission — mandated by the interim constitution of 1993 — can "investigate any gender-related issues" in both the public sector and private businesses.

The searching of individuals in pursuit of a "case" is a unique authority given to the Gender Commission. Only the DP and the ACDP voted against the Bill last week, prior to the parliamentary winter recess. It had been hoped by opponents of its draconian quasi-police powers that the Bill would stand over and allow the parties to reassess its formulation.

Within the parliamentary portfolio committee on Justice, Willie Hofmeyr (ANC) expressed reservations about the personal search clause. The NP's Sheila Camerer found the search provision "entirely inappropriate." Nonetheless, once the Bill is gazetted, the process of setting up the commission will begin; and its character will be dependent on the people who are appointed to it.

It would appear that the firm intention of the ANC Women's League that the Bill be passed in its present form before the end of the last session prevailed.

Chief executive of the Institute of Race Relations John Kane-Berman commented on its introduction: "In free societies private citizens and private institutions are free to do as they please provided they do not break the law, but we seem to be moving into a society which is governed not by law but by the latest trends in political correctness."

The Constitution explicitly commits SA to "nonracialism and nonsexism." The Gender Commission, as originally conceived, was to have been largely a legislative watchdog, vetting old and new legislation where it discriminated on gender grounds.

But its scope has been enormously expanded. It will inevitably spawn a huge bureaucracy on the perpetual lookout for gender inequalities and incorrectness, and doubtless receive innumerable complaints, not least from women who feel aggrieved in the corporate world.

Colin Douglas, Race Relations' parliamentary affairs manager, comments: "People concerned about human rights will have to be vigilant in future if political leaders are prepared, in the pursuit of worthy goals like gender equality, to resort to the kind of unjust measures contained in this Bill. It is unthinkable that, in a free society, anyone should be authorised to investigate, search and interrogate citizens who are not suspected of breaking the law.

"Many MPs acknowledged the Bill's dangers and could have removed some of them if they had waited until after parliament's recess to pass the Bill. Yet they did not, which is disturbing."

The latitude for intervention permitted by the Bill could presage similar powers being awarded to the other statutory commissions. What are the police and courts for if this tendency takes root? ■

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Chief executive of the Institute of Race Relations John Kane-Berman commented on its introduction: "In free societies private citizens and private institutions are free to do as they please provided they do not break the law, but we seem to be moving into a society which is governed not by law but by the latest trends in political correctness."

The Constitution explicitly commits SA to "nonracialism and nonsexism." The Gender Commission, as originally conceived, was to have been largely a legislative watchdog, vetting old and new legislation where it discriminated on gender grounds.

But its scope has been enormously expanded. It will inevitably spawn a huge bureaucracy on the perpetual lookout for gender inequalities and incorrectness, and doubtless receive innumerable complaints, not least from women who feel aggrieved in the corporate world.

Colin Douglas, Race Relations' parliamentary affairs manager, comments: "People concerned about human rights will have to be vigilant in future if political leaders are prepared, in the pursuit of worthy goals like gender equality, to resort to the kind of unjust measures contained in this Bill. It is unthinkable that, in a free society, anyone should be authorised to investigate, search and interrogate citizens who are not suspected of breaking the law.

"Many MPs acknowledged the Bill's dangers and could have removed some of them if they had waited until after parliament's recess to pass the Bill. Yet they did not, which is disturbing."

The latitude for intervention permitted by the Bill could presage similar powers being awarded to the other statutory commissions. What are the police and courts for if this tendency takes root? ■

CT(BR) 2/7/96

Green Paper backs carrots and sticks

(73) (~~856~~) (~~6456~~)

By Thabo Leshilo

Johannesburg — The government plans to favour companies that promote affirmative action and to punish those who do not comply.

These and other far-reaching proposals were announced yesterday by Tito Mboweni, the minister of labour, in the Green Paper on employment equity.

Besides being favoured for government business when tenders and contracts were awarded, affirmative action companies could also receive subsidies in the form of training grants from the department of labour or tax incentives from the department of trade and industry.

In terms of the proposed law, companies that fail to comply could be fined and stricter penalties applied in cases of repeated discrimination and the failure to develop "acceptable" employment equity plans.

Mpho Makwana, the director of equal opportunities at the department of labour, said the Green Paper was aimed at redressing "disadvantages emanating from past racial policies and, as far as possible, to ensure the accommodation of differences between people in the workplace".

The paper proposes that measures to achieve employment and occupational equity should be centred on eradicating unfair discrimination in hiring, promotion, training, pay benefits and retrenchments.

Employers should also be encouraged to remove unjustified barriers to employment and to speed up training and promotion for the previously disadvantaged.

Makwana said the employment and occupational equity policy, once adopted by government, would be part of broader measures to promote overall social and economic equality.

Income

He said the need to promote employment equity was made more urgent by the deep inequalities in income between blacks and whites, with blacks, especially women, at the bottom and whites at higher income levels.

Makwana said at least one in three black employees earned less than R500 a month in October 1994, compared with less than one in 20 whites. A third of black people earned under R500 a month, against only 5 percent of whites.

Disparities in occupational categories showed that "in top management, only half of black people earned more than R2 000 a month, compared with three-quarters of whites".

The Green Paper calls for the accelerated training and promotion of blacks, women and people with disabilities to foster equity while promoting greater productivity and economic growth. It also calls for the prohibition of racial and sexual harassment.

The institutional framework and enforcement mechanisms proposed include a directorate of equal opportunities to guide policy formulation and implementation and to monitor compliance with the proposed law; a labour inspectorate to monitor and enforce activities that do not require highly specialised knowledge; and bargaining councils to handle sector-specific issues such as training and education schemes.

Mboweni denied the allegation that the proposals would result in job reservation — this time in favour of blacks. He said the paper aimed to bring equity to ensure the country took full advantage of all its people's skills.

☐ **See Personal View, Page 16 and business reaction, Page 22**

Green paper proposes subsidies and sanctions to promote job equity

BD 2/7/96 (~~356~~) (~~166~~) (73)

Renee Grawitzky

GOVERNMENT has been advised to look at a range of subsidies and investment and tax incentives for training to entice employers to draft and implement employment equity plans, including affirmative action schemes.

The green paper on employment and occupational equity, released by the labour department's equal opportunities directorate yesterday , tries to provide an "enabling environment" in which employers and stakeholders can implement such programmes. The paper is to be discussed with business and labour before the tabling of a draft Bill in the next session of Parliament.

It is intended to facilitate implementation of measures to advance people from disadvantaged groups (blacks, women and the disabled), remove discriminatory practices and create an environment that acknowledges and addresses diversity in the workplace.

The labour department's equal opportunities director, Mpho Makwana, said the proposals in the green paper were intended to shift the focus from affirmative action programmes, which had become discredited, to creating employment equity in the workplace.

This focused on eradicating unfair discrimination in recruitment, promotion, pay, training and benefits, along with encouraging employers to undertake organisational transformation to remove unjustified barriers to employment for all and to accelerate training and promotion for individuals from historically disadvantaged groups".

Labour Minister Tito Mboweni said the proposals should not be seen as reintroduction of job reservation. The intention was to ensure that discrimination did not become a permanent feature of society. "We are blowing the whistle for the end to discrimination and to achieve equity" which would lead to efficiency in the economy.

In terms of the green paper employers need to conduct internal audits and formulate employment equity plans with employee representatives.

Employers would not have to comply with quotas, but would have to set targets and timetables. Larger employers would have to submit plans to the department and smaller employers would have to submit plans when applying for government contracts. Those who failed to promote equity could face fines or be ineligible for government contracts. There would be a legal obligation to implement approved plans.

Employer decisions on recruitment practices, training, grading and pay could fall under public scrutiny. Information from internal audits would have to be given to the department.

Seeking 'equality' in workplace

Positive, proactive measures are required to protect disadvantaged groups, writes Urmila Bhoola

(73) Star 8/7/96

Two of the newest buzzwords in South Africa are without doubt "equality" and "anti-discrimination".

The final constitution, still to be ratified by the Constitutional Court, guarantees equality before the law and equal benefit and protection of the law to all.

It prohibits "unfair discrimination" either directly or indirectly, on the grounds of race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language or birth.

The Labour Relations Act of 1995 (LRA), which will come into effect later this year, translates these guarantees into specific protection for employees and job applicants. In addition to the grounds listed in the constitution, it also prohibits unfair discrimination on the grounds of political opinion, marital status and family responsibility.

The new constitution will apply to the state as well as to private parties, so the obligation to ensure equality and end discrimination applies to everyone, including employers, private clubs and individuals.

The first place to begin implementing equality is in the workplace. Some forms of discrimination are direct, for example in advertising a job for a "male technician", but other forms are indirect or hidden. These are harder to isolate or remove.

For instance, the requirement that all employees have matric certificates excludes a larger number of black applicants than white applicants, and could constitute indirect discrimination. In Canada, the failure to accommodate the religious beliefs and practices of employees has been held to be discriminatory. For example, a neutral requirement that all employees work overtime on Saturday was held to be indirect discrimination against Jewish employees.

Employers will have to re-evaluate all practices that could be discriminatory. For example, recruitment practices will have to be changed to make jobs accessible to as wide a range of applicants as possible. All barriers to the employment of disadvantaged groups, particularly black people, women and persons with disabilities have to be removed.

Sometimes the methods a company uses to recruit its employees can prevent the employment of disadvantaged jobseekers. It might rely on an employment agency which targets only white employees, or advertise in newspapers directed only at white English-speakers. Internal advertising and informing trade unions of vacancies has to be effected to ensure that a more representative group of applicants is targeted.

Last month the Industrial Court ruled that a company which discriminates on the basis of race to appoint an affirmative action applicant in place of a person from a "privileged group" is not committing an unfair labour practice. However, the court cautioned that affirmative action was an interim measure.

Employees can also play a significant role by challenging workplace practices which result in discrimination. Women employees who believe that failure to provide childcare facilities or flexitime is discriminatory can request employers to provide these perks.

Where an employer claims a distinction between workers is legitimate, based on the "inherent requirements" of a job, it is more difficult to prove discrimination. The LRA states that such a distinction is not discrimination. This means that although there are instances where employers can choose one worker above another, it cannot be on arbitrary grounds.

For instance, it is not discriminatory to require an applicant for a driver's job to have a valid driver's licence. Inherent requirements for particular jobs have to be carefully scrutinised by applicants lest they become a guise for discrimination.

Can the mere prohibition of discrimination really achieve full equality for all in South Africa? There is no doubt that legislation is imperative, given the pernicious history of apartheid. But the mere prohibition of discrimination is not enough to guarantee equality. Positive, proactive measures are required to redress disadvantaged groups.

This could be in the form of employment equity, which encompasses a number of mechanisms ranging from removing obstacles to the employment of people from disadvantaged groups; accelerated training, hiring and promotion of and accommodating a diverse workforce.

All these measures are envisaged by the constitution and the LRA to improve the position of disadvantaged groups. In addition, the Department of Labour's Draft Green Paper on Employment Equity, released last week, suggests measures for implementing equality in the workplace.

But the obligation to eradicate discrimination does not rest with employers alone. Unions and employers have to agree jointly on measures to implement equality in the workplace. It is only by eradicating all forms of discrimination, inside and outside the labour market, and providing positive opportunities for advancement that we can begin the long haul to full equality.

■ *Urmila Bhoola is a lawyer practising in the area of affirmative action with Cheadle Thompson and Haysom.*

Search for affirmative action policy runs into the realities of apartheid legacy

Anti-discrimination laws aim to alter rules

17/7/96 (73) CT(OR)

By Lynne Duke

Pretoria — Many employees of the apartheid era have accepted new posts or taken severance packages amid the massive restructuring of South Africa's public service. But too many skilled whites want to leave government service, at a time when too few blacks are available to fill their jobs.

Until the skills level of the black majority increases, government ministers are in the awkward position of asking some whites to stay.

"I had to tell them, 'We need your skills'," said Zola Skweyiya, the public services minister. "In deciding who goes and who remains, the interests of the state must prevail ... whites have got skills, and we need those skills to run South Africa."

Skweyiya's statements illustrate how South Africa's search for the right affirmative-action policies has run smack into the realities of apartheid's legacy.

Mindful of the dearth of skilled blacks — and watchful of the rollback of affirmative action policies in the US — South African policy-makers recently announced a blueprint for the country's first anti-discrimination legislation to govern the racial transformation of the public and private sectors.

Officials are steering clear of the term "affirmative action," and say their intention is not to put a few black faces onto employment rosters but to change an entire system.

There is truth in Lyndon Johnson's warning that people hobbled by chains cannot be expected to go to the starting line and compete effectively, says Mpho Makwana, a labour department official who led the drafting of the legislation. But South Africa hopes not just to unshackle the runners but to change the rules.

"The rules also have to be defined to suit a majority culture," he said. "You want to ensure that it's not another number-crunching strategy."

President Nelson Mandela's government inherited a skewed system of education and employment. Under apartheid whites were groomed to lead. Blacks, in the main, were groomed to follow. The process of hiring employees included legislation reserving the best jobs for whites.

Apartheid's legacy is devastating: Today adult blacks have had half the educational years of whites; their salaries are barely a third of whites' salaries; and their unemployment rate is eight times higher. Though blacks run the government, whites still run the economy; whites, which make up 13 percent of the population, own 90 percent of the nation's wealth, according to government statistics.

The proposed legislation would regulate for the first time the way South Africa attacks these disparities in the public and private sectors. It seeks to change the way employers define merit and qualifications among applicants and the way they train and promote their employees.

The plan would require large employers to report on their "equity" progress, but it does not call for strict numerical goals or time frames. It offers incentives for employers to establish solid plans for advancing blacks, and provides sanctions for those who do not. How it will measure progress, however, has yet to be debated.

Black South African officials have watched with concern as the US court system has curtailed affirmative action policies, and hope to avoid similar court battles.

The South African Constitution not only guarantees equal protection before the law but also makes provision in its bill of rights for the protection and advancement of the disadvantaged majority.

However, the new constitution was only passed by parliament in May, so how its provisions will be interpreted by the courts is unknown. One of the first tests may come through a public service union's suit to stop an affirmative-action plan that set aside some state's attorney posts for blacks.

Members of the all-white, 60 000-member Mine Workers' Union also are up in arms about affirmative action, saying that whites now are being "disadvantaged."

Stories of the rapid advancement of a small but growing black middle class and elite have fuelled white fears. These skilled blacks have emerged through education and training in exile or against-the-

of the game

17/7/96

odds in South Africa during the apartheid years. Such upwardly mobile blacks are hot commodities in the private sector these days.

The demand for highly qualified black managers and executives is so great that a new class of job-hoppers has developed.

Joe Matuna, who also has a business degree, is a development manager for a paper production corporation — a position he says is substantive, unlike some of the other posts that he has held. He has had nine jobs in 13 years, each with a higher salary than the last.

"Yes, I have worked in financial services, government, non-government, public sector, private sector," Matuna chuckled. "I have been at some stage a black advancement candidate."

There has been little progress in corporate South Africa. Blacks hold about 10 percent of management positions in the private sector, though estimates vary.

Hazel Ralefeta, the managing director of the Black Management Forum, believes the government should set numerical goals to push black advancement.

"We believe the government should have come out much clearer with targets," Ralefeta said. "If you do not set targets, how do you measure?"

But some say that the reality of the nation's demographics means that it is only a matter of time before whites' importance in the labour force recedes and blacks become more prominent. — The Washington Post

Tackling SA's disparities

(73)

DURING apartheid, South Africa's public service jobs were reserved almost exclusively for whites. But in this age of transformation and with a black Government at the helm, the ranks have been thrown open to blacks.

Most department heads are black and the rank and file are slowly changing hues too.

Amid massive restructuring of the million-member public service, many employees of the apartheid era have accepted new posts – or taken severance packages.

But too many skilled whites want to leave Government service at a time when too few blacks are available to fill their jobs.

There are few black engineers, for example, or hydrologists, surveyors, to say nothing of nuclear physicists. So until the skills level of blacks increases, Government ministers are in an awkward position of prevailing upon some whites to stay.

"I had to tell them we need your skills," says Public Services Minister Zola Skweyiya. "In deciding who goes and who remains, the interests of the state must prevail. Whites have the skills, and we need those skills to run South Africa."

Skweyiya's statements illustrate how South Africa's search for the right affirmative action policies has run smack into the realities of apartheid's legacy.

Mindful of the dearth of skilled blacks, South African policy makers have unveiled a blueprint for first anti-discrimination legislation to govern the racial transformation of both the public and private sectors.

Officials are carefully steering clear of the term "affirmative action", and say their intent is not just to put a few black faces on to employment rosters but to overhaul an entire system created to serve a white minority.

People hobbled by chains cannot be expected to go to the starting line and compete effectively, says Mpho Makwana, a Labour Department official who led the drafting of the new legislation.

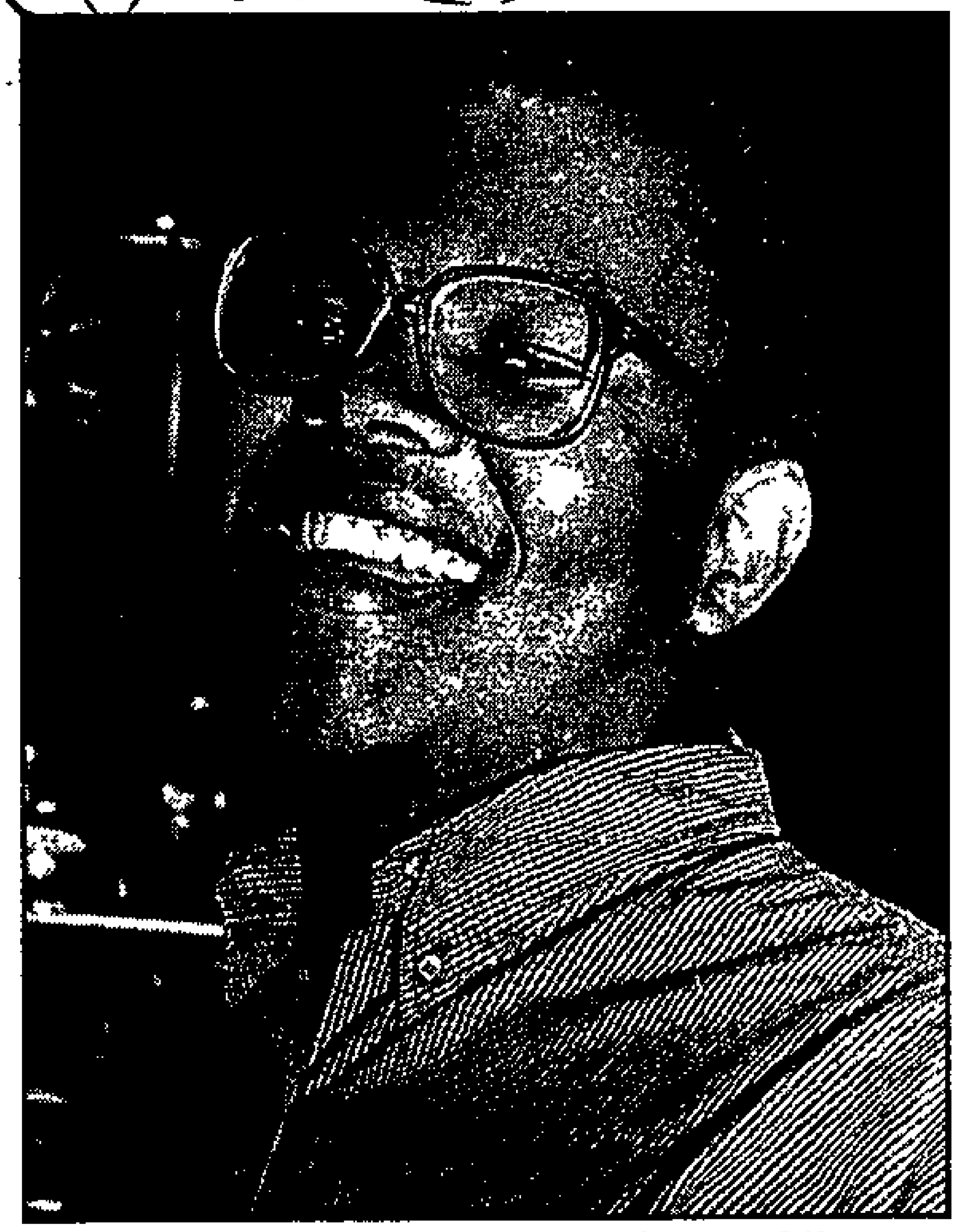
But South Africa hopes not just to unshackle the runners but to change the rules of the whole contest.

The Government inherited a skewed system of education and employment.

Under apartheid, whites were groomed to lead while blacks were groomed to follow.

Apartheid's legacy is devastating: Adult blacks today have had half the educational years of whites; their salaries are barely a third of whites' salaries; and their unemployment rate is eight times higher.

Although blacks run the nation's government, whites still run the economy; they are 13 percent of the population, but own 90 percent of the nation's wealth, according to Government statistics.



Mpho Makwana ... one of the architects of the new employment equity legislation.

Sowetan 18/9/96

The proposed legislation would for the first time regulate the way South Africa attacks these extreme disparities in both public and private sectors.

It seeks to change the way employers define merit and qualifications among applicants and the way they recruit, hire, train, develop, promote and listen to their employees.

The plan would require large employers to report routinely on their "equity" progress, but it does not call for strict numerical goals or time frames.

It offers incentives for employers to establish solid plans for advancing blacks, and provides sanctions, such as loss of Government contracts, for those who do not. How it will measure progress, however, has yet to be debated.

The new Constitution not only guarantees equality before the law but also makes provision in the Bill of Rights for the protection and advancement of the disadvantaged majority.

One of the first tests may come through a public service union's suit to stop an affirmative action plan that set aside some state's attorney posts for blacks.

Stories of the rapid advancement of a small but growing black middle class and elite have fuelled white fears. These skilled, educated, aggressive blacks have emerged through education and training in exile or against-the-odds tenacity internally during the years of apartheid.

The demand for highly qualified black managers and executives is so great that a new class of job-hoppers has cropped up.

But thus far, there has been little progress in corporate South Africa. Blacks hold roughly 10 percent of management positions in the private sector, though estimates vary. Of 8,401 directors in large South African companies, 32 are black women, 92 are white women, 357 are black men, and 7,920 are white men, according to McGregor Information Services. – *Washington Post.*

Eight broadcasters

THE Independent Broadcasting Authority has issued broadcasting licences to eight community radio stations which it believes provide services that are important in maintaining community cohesion.

Stations which received licences are Radio Rippel, Radio Soshanguve, Teks FM Stereo, New Pan Hellenic Voice, ALX FM, Soweto Community Radio, Radio TNT and UCT Radio.

REPORTS: Business Day Reporters, Sapa.

Tariff structure 'must be revised'

BD 24/7/96

WASHINGTON — SA's tariff structure needed "serious review", Land and Agriculture Minister Derek Hanekom said on Monday.

"We have one of the most complex tariff structures in the world," Hanekom said after a meeting with US Agriculture Secretary Dan Glickman.

The two agriculture ministers were meeting as part of the US-SA binational commission and signed a pact setting up the framework for an agricultural committee.

Hanekom said SA was trying to develop an agriculture sector that was much more competitive.

"That is one part of our policy review which we're going through at the moment, to simplify our tariff regime in SA." However he said SA was well within the General Agreement on Tariffs and Trade and that its tariff levels were not extraordinarily high on most of its commodities. — Reuter.

Mboweni in talks over green paper

(73)

Renee Grawitzky

BD 24/7/96

THE imposition of targets and quotas in employment and occupational equity legislation formed the focus of discussion between Labour Minister Tito Mboweni and representatives of the Black Management Forum yesterday.

The meeting, initiated by the ministry, was held after the BMF indicated its concern about the green paper's "perceived failure to impose rigid affirmative action quotas and targets on employers".

Mboweni said discussions with the BMF revolved around how "we can write into the legislation the issue of targets". The green paper, he said, argued for negotiable targets, and therefore there was no disagreement on this issue.

The BMF raised a number of crucial factors which were missing from the green paper.

It was agreed that the labour department's director of equal opportunities would co-ordinate a more structured relationship between the parties.

Maize committee calls for higher exports cap

BD 24/7/96

Louise Cook

THE maize advisory committee yesterday called on Agriculture Minister Derek Hanekom to urgently change the maize marketing laws within 10 days, after talk of possible marketing changes for exports had plunged the industry into a state of uncertainty.

The committee, an advisory body to the Maize Board, had been contemplating changes to the current marketing scheme set up in May to guide the industry to full deregulation next year.

The scheme had allowed exports through agents other than the board for the first time, but exports had been capped at 1,8-million tons.

The idea of changing the current scheme in mid-season resulted from industry fears of possible domestic shortages resulting from an oversupply to the board's export pools. The SA Futures Exchange was also thrown out of industry meetings when the exchange objected to suggested changes, saying it could cause heavy losses for those who had taken out maize futures contracts.

The committee said it now would recommend the cap on exports be raised to 3,3-million tons from 2,55-million tons. This week figures showed the crop could be 9 657-million tons or 60 000 tons more than expected.

Hanekom was not available for comment and neither was Safex.

LITTLE PROGRESS IN PROMOTING WOMEN

Distinct shifts taking place in the workplace

CT 29/7/96 (ZESA) (73)

A FOUR-YEAR study by the Breakwater Monitor project of the implementation of affirmative action in South Africa has found some progress in the top firms, but women still make up only 25% of the workforce, reports Political Writer **HENRY LUDSKI.**

A GROUP of South African companies — several of them in the Western Cape — have emerged as affirmative action trendsetters, according to a major survey of market trends.

The four-year study, focusing on the implementation of affirmative action, graphically shows the huge gap between the "Top 15" and most large corporations, which are still struggling to get into top gear.

The study also points to a glaring inconsistency in the implementation of affirmation action across the board — almost all companies have made little progress in recruiting and promoting women. Figures in both areas for the "Top 15" and the national average showed declines since September 1994. Women still make up only 25% of the total workforce on average and there has been no real increase since 1994.

The survey points to yet another disturbing labour market trend that has a direct bearing on the private sector's ability to absorb more people into the economy: Restructuring in the past two years has resulted in job losses of 1,14% (9 600 people in a sample of 843 011).

The research project, undertaken by the UCT's Graduate School of Business Breakwater Monitor, is the largest research initiative of its kind in South Africa, with the voluntary participation of 150 of the country's most progressive employers who together employ more than a million people.

In almost every job category, it has found distinct shifts taking place in the workplace as employment patterns begin to reflect new realities.

On a management level alone, black people on average now make up 16% of managers in the leading affirmative action companies — six per cent up on 18 months ago — compared with a national average of 10%. Between 1994 and 1996, the number of women at management level has increased by an average of only about one percent.

"At the current rate of change, black managers will make up 30-35% of managers in these companies by the year 2000," said Breakwater Monitor project manager Mr Angus Bowmaker-Falconer. There is no ideal company out there. People are doing different things right."

In the "Top 15", black managers now make up 70,74% of all new management recruits, compared with 20,32% in 1994. The national recruitment average is now about 42%.

The study shows that aggressive recruiting has also coincided with increased levels of promotion. At the top end, 42% of all management promotions are now black, compared with the national average of only 18%.

Black workers now account for 28 585 of skilled labour posts, compared with 23% in 1994. This is much higher for the top 15 organisations, where the proportion increased from 19,37% in 1994 to 30,59% in 1996.

"We have collected and analysed internal labour market and affirmative action data biannually for the past four years and it is only now that clear patterns of change are emerging," Bowmaker-Falconer said.

Another feature of the restructuring of organisations has been that top companies lost 14,44% of their new black management recruits compared with the national average of 11,99%.

The report, to be published next month, covers 19 sectors, including financial services, banking, fast moving consumer goods, industrial, media, large industrial, parastatals/utilities and retail.

Both the recently published Labour Market Commission report and employment equity green paper make provision for the possibility of engaging external agencies to assist with information management and monitoring the implementation of more equitable employment practices.

The Breakwater Monitor project is seen as a model for monitoring South Africa's affirmative action policy.

Bowmaker-Falconer said the findings showed that even within this top-end sample there were organisations that had taken up the challenge of transformation much more seriously and aggressively, while others had not made any significant progress.

"The changed organisational structures tend to point to an upskilling, with more people at management and skilled work levels and a decrease of unskilled workers."

This week we will run a special series of articles probing the story behind the implementation of affirmative action. Topics that Political Writer HENRY LUDSKI will turn the spotlight on include: Affirmative action as a booming trade; the international experience; successes and failures in the field and the gender factor.

It appears that although organisations are making progress at management and skilled levels, there is little progress in the training, development and promotion of unskilled workers.

Bowmaker-Falconer argues that the companies who are having success with affirmative action are improving their organisational and workplace practices with the view to becoming more efficient and productive.

Saying that "there's no ideal company out there" and that people were succeeding in different ways, Bowmaker-Falconer added that affirmative action depended to a great extent on involving the entire staff in the process and not only on bringing in people from the outside.

"Many big organisations are bringing in black managers as a total solution, which is not the correct approach. Black managers are important for changing power relations and for ensuring that they are role models and people who can influence thinking at management level.

"Successful affirmative action companies are bringing in people from the outside as well as focusing internally to develop people who were denied opportunities.

"A successful affirmative action model also looks at both race and gender and deals with the entire staff process, including promotion, performance and evaluation practices.

"You also need a reliable system of information management, especially for executive reporting and setting targets. You also have to commit resources to the process. The experience of the study is that even large and sophisticated employers battle to provide basic labour market information, with the situation likely to be much worse in the public sector and in small- to medium-sized organisations."

Bowmaker-Falconer argues that an effective mechanism at the national level and implementing a reliable monitoring system will require a partnership between business and government. "Businesses are unlikely to respond favourably to a punitive approach and will find ways under such a system to circumvent accurate data collection."

Bowmaker-Falconer believes the development of electronic data reporting mechanisms allowing for standardised reporting and internal tracking of the process by organisations should be a core component of any effective monitoring system of affirmative action by the government.

"If the government sets up an affirmative action monitoring infrastructure, it has to ensure it develops the sophistication of the data it collects over time and standardises and sets up automated systems for data collection, verification and analysis."

Options like Internet and providing employers with the tools to collect and report data should be considered.

"We are dealing with the top companies and if large numbers of them can't provide us with basic and reliable data, I can't imagine how smaller companies will be able to provide information if a method of standardisation is developing.

"If you look at rate of change, it's the South African companies that are taking the lead."

Breakwater Monitor is a national research project established as a partnership between progressive South African employers and the University of Cape Town's Graduate School of Business.

Taiwanese have invested in 620 businesses in SA

MD 29/7/96 (73)

I-Cheng Loh

HOW many businesses in SA are invested in by people from Taiwan? Everyone seems to be interested in this question, including the embassy of the Republic of China, whose business it is to know the status of economic relations between the two countries.

The embassy spent three months gathering data, interviewing Chinese businessmen and collating figures, and an answer is now available.

There are 620 businesses in SA invested in by Chinese from Taiwan, with a total investment of US$1,5bn (R6,45bn) and employing a total of 41 240 people. The information was compiled from an extensive survey taken by the embassy among the 13 176 permanent residents who are, or were, citizens of the Republic of China. (There are 27 515 people of Chinese descent in SA.)

Compared with five years ago, the number of manufacturing companies stayed more or less the same, at 280 factories, but the number of workers employed by these factories dropped from about 45 000 to 36 224, of whom 32 690 are Africans. The decrease was due to a variety of factors: from increased factory automation, to the adverse effect of corruption in customs, to labour militancy. In the past five years, about 50 factories have shut down or moved elsewhere, but about the same number of new, more sophisticated, factories have taken their place.

There has been growth in the commercial and service sectors among SA residents from Taiwan. There are now 340 businesses operated by them — from banking to ocean freight, and from import-export to wholesale distribution — that employ a total of 5 012 people, of which 2 694 are Africans.

Taken as a whole, these businesses owned by the Chinese from Taiwan have an annual turnover of R8,54bn. They annually import goods worth about R1,7bn, and export products worth R682m. The low export figure shows that their economic activity is still largely inward-looking, and the use of SA as an export base for the rest of the continent is not yet a major factor.

Last year, Citifair Holdings and the Taiwan Trade Development Corporation bought a whole block across the street from the Hyatt Hotel in Rosebank for R40m. And more recently Richard Hsu bought 450ha of industrial land near Sasolburg. He plans to develop it as an industrial park. Investors from the Republic of China own two golf courses in the Johannesburg area.

In the industrial sector, the breakdowns of the 280 factories is: garment manufacturing 44, knitted sweaters 44, plastic products 23, shoe manufacturing 22, electronic and electrical 19, polypropylene bags 16, spinning and weaving plants 14, metal working 12, furniture and wood processing 8, plastic and melamine dinnerware 6, latex gloves 6, sport and recreation equipment 6, handbags and travel bags 4, paper products 4, cosmetics 4, moulds and mouldings 4, motor vehicle parts and accessories 4, kitchen utensils 4, food products 4, gem polishing 3, paraffin stoves 3, mineral processing 3, clocks and watches 3, miscellaneous 20.

In terms of geographical distribution, most of these factories tend to be concentrated in industrial parks established by former homelands. The Newcastle area leads the list with 48, followed by Botshabelo 37, Ladysmith 26, Ciskei 20 (of which 13 are in Dimbaza), Isithebe 19, Johannesburg 16, Thaba Nchu 14, KwaNdebele 13, Durban and Bloemfontein 11 each, and Transkei 10 (of which 7 are in Umtata). KwaZulu-Natal has 40% of the factories.

In the commercial and service sectors, most of the 340 companies have to do with import and export of both raw materials and finished products. The breakdown is as follows: import-export 94, wholesale 58, retail 48, food and drink 47, real estate development 17, transport, shipping and customs brokerage 8, travel 8, banking and other services 8, farming and other agricultural business 6, sports and recreation 3, motor vehicle maintenance and repair 3, miscellaneous 40.

By far the largest concentration of these commercial and service establishments, 197 in all, is in Gauteng. A total of 169 are in Johannesburg. KwaZulu-Natal accounts for 61, with 34 in Durban and 20 in Newcastle. Western Cape has 30, of which 29 are in Cape Town. Free State has 21, of which 15 are in Bloemfontein.

Most investors belong to the category of small and medium enterprises, and the owners usually run the businesses themselves. But the Bank of Taiwan (SA) Ltd is a subsidiary of the state-owned Bank of Taiwan in the mother country. The Bank of Taiwan (SA) Ltd's current loan portfolio consists of $110m and R64m, a total of R537m — and all the money has gone to SA customers.

Shipping between Taiwan and SA demonstrates how free competition has benefited the end consumer. When Nantai Shipping Line first introduced a regular service between Keelung and Durban in 1982, the charge for transporting a standard 20-foot container was between $1 800 and $2 000. Now three shipping companies have a total of 26 vessels plying between Taiwan and SA, some of them going on to Latin America after stopping at Cape Town, and the freight charge has dropped to $1 000.

Uniglory Marine Corporation, a subsidiary of the Evergreen Group, which owns the largest container fleet in the world, has 12 ships on this route. Uniglory's associate company, Green Africa Shipping (Pty), operates container yards in Durban and Johannesburg, a fleet of trailer trucks, and acts as customs broker for its clients.

In air travel, China Airlines and SAA together have three flights a week between Johannesburg and Taipei, and carried the 35 142 tourists from Taiwan who visited SA last year.

Computers and peripherals dominate the Republic of China's exports to SA. A long established company in this field is the Mustek group, which controls seven companies, including its flagship Mustek Electronics (Pty). Outsiders estimate that Mustek probably supplies more than half of all the PCs sold in this country. Its dominant position, however, may face a challenge from another Taiwanese company, Acer Africa Ltd, whose parent company is the seventh largest PC producer in the world. Acer founder Stan Shih was in Johannesburg earlier this year to look at expansion plans.

There are 44 Chinese factories making knitted or embroidered sweaters scattered in the former homelands. All depend upon Derlon Spinning (Pty) for supplies of polyester yarn, dyed to their specifications, as raw materials. The Derlon group, which consists also of Derlon Dyeing (Pty), Derlon Twisting (Pty) and Sunlit Fashions (Pty), employs 1 000 workers in Ladysmith. The company has reached an agreement with the SA Clothing and Textile Workers' Union and now enjoys labour peace, which should set an example for other Chinese manufacturers in SA.

Another 44 factories are engaged in producing garments other than sweaters, aimed mainly at the export market. Because of wage disputes, however, a number of them are considering moving out of SA. For example, one company which formerly owned two plants, one in SA and the other in Lesotho, each employing 1 800 workers, has shifted the bulk of its production to Lesotho. The Maseru plant now employs 3 000 people and the SA plant only 1 000.

Lesotho, Swaziland, Botswana and Malawi are sparing no effort to lure Chinese-owned plants away from SA.

The Embassy of the Republic of China is doing all it can to persuade Taiwanese investors to maintain their presence in SA, citing the importance of closeness to markets, excellent infrastructure, and better protection due to existing diplomatic relations. However, there are also Republic of China embassies in Lilongwe and Mbabane.

□ **I-Cheng Loh is the Republic of China's ambassador in SA.**

Deadlock 'may arise over employment standards'

BD 31/7/96

Reneé Grawitzky

LABOUR negotiators have advised government and business of disagreements which could constitute a deadlock between the parties.

The move, during negotiations on minimum employment standards legislation this week, came after two months of discussion in the labour market chamber of the National Economic, Development and Labour Council (Nedlac) on the employment standards green paper and a first draft Bill on Employment Standards.

The parties were due to complete negotiations next week. However, Nedlac's management committee agreed yesterday to grant the parties an additional two weeks to study and negotiate on a further draft Bill to be released this week. This could affect the timetable set to ensure a final Bill is tabled in Parliament in September.

Labour emphasised it would not take a decision on declaring a formal deadlock until it had seen the draft Bill to be circulated this week. Business SA spokesman Adrian du Plessis said business was looking to negotiation to clarify the parties' positions further.

Nedlac executive director Jayendra Naidoo said good progress had been made so far. Vishwar Satgar, assisting the labour team, said labour's concerns related to work hours, maternity leave, variation of standards and the role of the employment standards commission. Although the facilitation process had been successful, it had clouded the bottom-line positions of the parties.

Labour sources indicated that government had shifted from some of its more progressive proposals. It emphasised the process had to move from facilitation mode into negotiating mode.

Satgar said the draft Bill failed to legislate a 40-hour week and six months paid maternity leave. Instead proposals related to phasing-in of reduced hours but made no reference to a 40-hour week. Government and business have opposed six months' paid maternity leave, with the Bill proposing four months' unpaid leave.

Labour's concern around the variation of standards related to ensuring standards could not be lowered while business would like to ensure such flexibility. Satgar said the employment standards commission should have the power to investigate wage differentials and inequalities at the top end of the salary scale and the minister should be able to recommend the moderation of salaries at the top end.

Companies too quick to skirt the question of gender equity

CT 31/7/96 (73)

HENRY LUDSKI
POLITICAL WRITER

GENDER equity has emerged as one of the most contentious issues in affirmative action.

The problem has been highlighted by several recent surveys that have found that, in the public and public sector, it is still very much a man's world.

Affirmative action has aroused intense debate in the workplace, but nowhere is it more fierce than in the gender movement where the focus is on moving the debate to the political centre-stage.

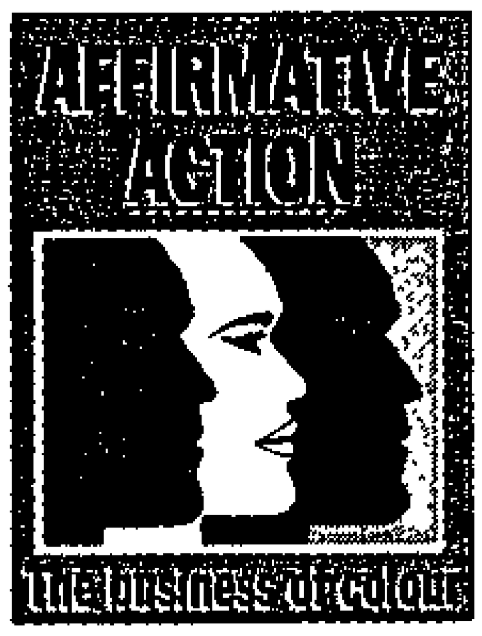
"At the moment the debate is not even in the room, let alone on the table," says organisational development consultant Ms Phuti Tsukudu, who is involved mainly in training in the non-government organisation and public sectors.

Tsukudu argues that organisational structures are modelled on "patriarchal" societal values.

"When one mentions gender one senses an element of discomfort among men because it touches on the power dynamics between the sexes.

"It's an issue with which even many progressive black men are struggling."

The relationship between men and women is often characterised by suspicion and fear that women in the gender movement have a "hidden agenda", Tsukudu says. "We would begin to succeed only if most men embraced gender equity and began to challenge and educate their male colleagues."



The third in our series of articles on affirmative action focuses on the challenge of achieving gender equality.

Gender equity and the rights of the disabled have received special government attention. This is reflected in the emphasis given to these in employment and human rights legislation and in the Constitution.

A member of the Law Society's executive, Mrs Christine Qunta, said she had been "startled" by a recent survey that found women were not rising up the corporate ladder at the same rate as men.

The survey, by UCT's Graduate School of Business Breakwater Monitor, found a slight decline in the percentage recruitment of women by top companies that were making progress with affirmative action.

Qunta called for "fairly drastic steps to be taken to rectify the situation".

At the heart of the problem, she believed, was the question addressed by her book, Who's Afraid of Affirmative Action? "White men, it appears," says Qunta.

"From my experience in the corporate world, it appears that most white males find it difficult and unusual to deal with black women."

As the only black practitioner dealing with commercial corporate law, Qunta has found that many white men are reluctant to deal with women and to view them as being skilled.

Qunta believes that women bring to the corporate world special qualities that are "badly needed".

By promoting representivity at the highest level of power, the government has "pointed the way", Qunta says.

"It has created a tremendous climate and platform for women which has resulted in a lot of issues receiving attention and being highlighted.

"The government has laid the foundation for gender issues to be addressed and it is now up to other people to keep it alive."

Western Cape human rights commissioner Ms Rhoda Kadalie said she expected affirmative action and discrimination would be one of the focuses of the Human Rights Commission.

A number of complaints had been received from women who said they were being discriminated against in the workplace.

"I have told them that if they believe they have been overlooked, then they must take this up first with the company. In this way, employers will have to develop grievance procedures that address this issue.

"Companies are going to be confronted increasingly with cases of discrimination. It is important that they start dealing with such matters themselves because it is extremely costly to go to court."

Kadalie, who as gender co-ordinator at the University of the Western Cape played a significant role in placing gender on the table on campuses, said the HRC would tackle aggressively the question of discrimination.

Companies should "accept that women are breadwinners, just as men are" and that they should be treated similarly.

There were still many factors, such as the lack of child-care facilities in the workplace, that mitigated against the performance of women and which needed to be addressed, Kadalie said.

"Education in the workplace around issues of employment and gender equity should form an integral part of the implementation of affirmative action."

● *Tomorrow we focus on the lessons to be learnt from the Canadian experience in developing and implementing a policy of equity in employment.*

Bid to meet Bill deadline

Reneé Grawitzky (73)

THE National Economic, Development and Labour Council (Nedlac) outlined an agenda yesterday whereby labour, government and business could finalise negotiations on employment standards legislation to ensure the parliamentary deadline was met.

Nedlac executive director Jayendra Naidoo said the management committee had approved an agenda which would ensure settlement of this issue within the next few weeks.

He said "we are hoping that this agenda could be completed within the next three weeks, in good time to allow Parliament to consider the Bill before it goes into recess."

The parties were supposed to have finalised discussions by the end of July. However, government was in the process of circulating a revised draft Bill to the parties by Monday. The parties would have two weeks to study the draft and submit their responses.

BD 1/8/96

Coercion will not aid employment equity programme

JD Verster

(73) 07/8/96

WHILE the recently released green paper on employment equity rejects set quotas, it nevertheless introduces an element of coercion into the labour relations field.

All companies will be required to conduct audits to provide information on possible discriminatory practices in areas such as hiring, promotion, training, pay benefits and retrenchments and submit this information regularly to the labour department.

Larger companies are required to submit equity plans which, once approved, they would be legally obliged to implement. Companies failing to submit plans would face fines, and a departmental inspectorate will police the system.

If a company is not genuinely committed to introducing employment equity (for whatever reason), regulation is unlikely to change its attitude and approach, and there is a danger that affirmative action in such a context may become a sham.

To coerce or bribe companies into adopting affirmative action measures is not in line with the underlying objectives of equal opportunity in the workplace. The green paper unfortunately places the emphasis on compliance with government regulation rather than with achieving employment equity and non-discrimination.

Government regulation might create more representative-looking boardrooms, management and other senior employee categories, but it is unlikely to create optimal human resource development in a discrimination-free environment. While the elimination of overt discrimination by employers is a legitimate aim, burdening employers with reducing inequalities not caused by discrimination is unacceptable.

The issue is not whether special measures should be adopted but how best such measures will work in practice and whether the long-term objectives will be achieved. Firms should pursue their equity employment obligations with the seriousness and commitment that is required.

Rather than submitting to regulation, companies should be encouraged to opt for assistance and advice on a voluntary basis from specialist agencies or government bodies geared to facilitate the introduction of employment equity programmes.

A situation in which voluntary practices and processes develop and are implemented will lead to genuine affirmative action appointments rather than window-dressing. Organisations that opt not to implement such plans or programmes would, over time, given the current skills shortage, become uncompetitive and unprofitable.

These market realities, rather than coercion in the form of regulation, are much more likely to create effective employment equity programmes.

❑ **Verster is a labour lawyer with legal firm Webber Wentzel Bowens.**

ΞWS

Survey sounds warning from labour

By Guy Oliver
LABOUR EDITOR

Johannesburg — High levels of worker dissatisfaction with the government's economic performance since it came into power in the 1994 elections have been identified amongst labour in the Eastern Cape, according to a recent survey.

The survey, is in the latest South African Labour Bulletin, by Rhodes University academics Roger Southall, the professor of politics, and Geoffrey Wood, the senior lecturer in sociology, was conducted in the region traditionally regarded as an ANC stronghold.

The survey was commissioned by the Human Sciences Research Council and covered 470 voters from the unemployed, farm workers and trade unionist members from Cosatu, the National Council of Trade Unions and the Federation of South African Labour.

The survey, conducted on the eve of last year's local elections in the province, found that 37 percent of respondents felt the country's general situation had improved while 27,8 percent felt the situation had deteriorated and "many respondents believed that their employment situation had got worse". But the percentage for the last category was not provided.

"Despite their high degree of loyalty to the ANC alliance (73 percent of respondents pledged support for the ANC), it is evident that there is considerable dissatisfaction amongst Eastern Cape trade unionists with the seeming non-materialisation of promises for economic empowerment," the authors said in the bulletin.

Other respondents' political allegiances were divided among the PAC (5,6 percent), the National Party (3,7 percent) and the remainder between smaller parties such as the DP and the African Christian Democratic Party. No one interviewed pledged support for the IFP.

Because the ANC's economic performance was not held in high regard by unionists well versed in the way of democratic procedures, this served as a warning to the government given that the survey also found that 99 percent of trade unionists voted in the national elections, 8 percent more than non-trade unionists.

Furthermore, this trend was reflected in local government elections, which revealed that "significantly more unionised workers had registered to vote in the local government elections than those who did not belong to trade unions."

Although the authors felt most respondents remained loyal to the ANC government and were prepared to exercise patience in terms of delivery, they warned that the ANC should not take unionist support for granted.

"It is true that, if disillusion sets in, ANC-inclined trade unions may choose not to switch to an alternative party, but, worse for democracy, which cannot thrive in conditions of popular apathy, they might not choose to exercise their vote at all," the authors said.

CT (BR) 12/8/96

Malaysia buys stake in SA dam resort

(73) CT (BR) 12/8/96

By Roy Cokayne

Pretoria — Country Heights Holdings Berhad, a top Malaysian property developer, said it had acquired a 51 percent stake in Pecanwood Resort and Residential Estate on the Hartbeestpoort Dam for R28 million.

The Malaysian property developer said the remaining 49 percent shareholding in the development was held by Maccon Investment Holdings, (Maccon) the South African company.

The joint venture contract was signed in Kuala Lumpur earlier this month.

Maccon forecasted turnover from the joint venture to be more than R650 million over the next six years.

The Pecanwood venture is part of the Malaysian developer's overseas expansion plans, after several years of successful upmarket property development in Malaysia.

Pecanwood is a fully secured residential estate of 750 freehold homes integrated into a Jack Nicklaus Signature Golf Course.

It will also include a boating club, a hotel and a conference centre, a tennis centre, a health spa and about 280 apartments.

The development will offer residents country-club living within 30 minutes of Sandton, Midrand and Pretoria. The developers have already sold 80 percent of the first phase of the residential packages, worth more than R50 million.

Construction of the golf course and township services reticulation has started. The first occupation of homes is set for early next year.

The Malaysian property developer was founded by Dato' Lee Kim Yew and made its name with the Country Heights development, dubbed the Beverley Hills of Malaysia.

It is involved in developing the R1,75 billion Mines Resort City outside Kuala Lumpur. This development involves transforming the world's largest open-cast tin mine into a city around a lake.

It includes housing, a shopping complex, a business park, a theme park and The Palace of the Golden Horses, one of the world's premier hotels, with about 500 rooms.

The development is a Malaysian version of Sun City's Palace of the Lost City, being the creation of the same design team, but it is much bigger.

Law to ban workplace bigotry

(73) Sowetan 12/9/96

By Gerry Reilly

LEGISLATION banning discrimination at the workplace and requiring employers to conform to the Government's employment equity plans will be tabled in Parliament early next year.

So says the head of the Labour Department's equal opportunities directorate Mpho Makwana.

A draft Bill is scheduled to be completed by the end of this month.

Based on a Green Paper published in July, the Bill's objective is to open channels for advancement closed to blacks for generations.

"It will revolutionise an intolerable system which has consigned black workers to an inferior status in the labour market.

"We will strive for a balance between sanctions and incentives to encourage employers to cooperate in implementing the equity plans," he says.

The Bill will set out employment, training and development standards as guidelines for employers.

The apartheid baggage thatforced black workers to the bottom rung of the earnings ladder would be dumped.

There has to be a freer flow of information from Government to workers so that workers are made aware of their rights.

Makwana says the legislation will be the catalyst to drastically reform a rotten racial system which still persists widely in the white-dominated private sector.

He promises what he terms "unpleasant consequences" for employers who failed to cooperate. However, the Government, wherever possible, will avoid being prescriptive unless circumstances dictated otherwise.

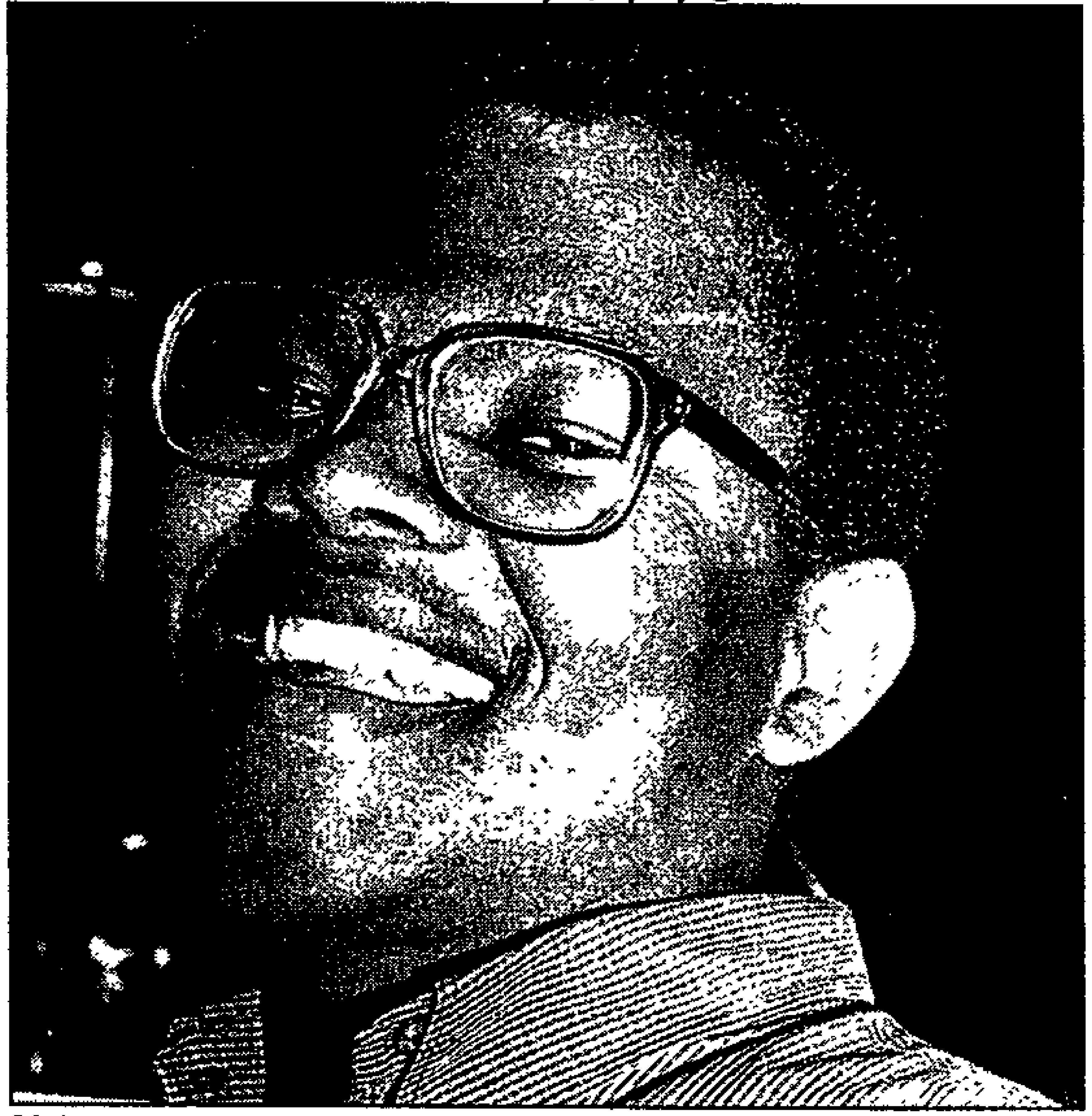
On the other hand, the legislation is not going to be the panacea for all the evils of past discriminatory policies.

A glaring gap in income distribution in South Africa demonstrates that there are no quick fixes.

He says the policy will be sustained until all vestiges of economic deprivation have been removed.

Progress, or lack of it, would be monitored.

The extent to which a company promotes the employment equity policy, says Makwana, will become a factor in the awarding of Government and parastatal contracts.



Mpho Makwana promises tough action against those who do not conform.

Government reviews workplace equity

CT (BR) 18/11/96 (73)

ROY COKAYNE

Pretoria — The last-in-first-out principle (Lifo) in regard to retrenchments, generally favoured by unions, could be discriminatory, says Tito Mboweni, the labour minister.

Mboweni said in the context of bringing people into the workforce who had traditionally been outside the system, Lifo was "reinforcing the pattern" that previously existed in South Africa. Lifo could also affect the people affirmative action was intended to help.

Mboweni said the unions were in favour of Lifo because it protected workers who had been in the employ for longer periods.

He said Lifo was a difficult issue that needed people to talk about it and "find an amicable working-class decision".

"Our intention is to promote employment equity to remove discrimination in the place of work, to give greater opportunity to those who have suffered indignities in the past and to make our workplaces look more like our country both in racial and gender terms," he said.

Mboweni said anti-discrimination proposals in the Employment Equity Green Paper included the need for accelerated recruitment, promotion and training of blacks and women.

He said the success of employment equity was essential, and the government was expecting labour to play a crucial role in this regard.

"Equity is not, as some seem to believe, a luxury for a developing country. It is a prerequisite for development, prosperity and good industrial relations.

"But it cannot and should not mean that long-term prospects for promotion of white employees will be blocked. We want a skilled, trained workforce where every citizen is able to compete equally for jobs and promotion."

Turning to minimum wages, Mboweni said there was not a simple trade-off between minimum standards and jobs.

He said the government's acceptance of minimum labour standards was partly aimed at preventing unacceptable practices and partly dealt with some of the extremes of poverty in the workplace.

But, he said, the government recognised it could not legislate poverty away; that minimum standards must target the most vulnerable; that it must avoid measures which damaged job creation; and must avoid complex and unenforceable regulations.

MORE FOREIGN BANKS (68) (73)

MALAYSIAN TIDE

FM 31/1/97

Another foreign bank will be registered this week, part of a wave of investment from Malaysia. It is TA Bank of SA, one of three subsidiaries of TA Enterprise, a Malaysian listed securities firm.

It will be headed by Henry Shaw, formerly of Standard Bank.

Unlike most foreign banks entering SA, TA Bank will not target the top 100 quoted companies. Shaw says that end of the market is overbanked "with margins as low as an eighth or a quarter of a percentage point. TA Bank will target small and medium-sized businesses."

Seventeen foreign banks started operating in SA last year, including ABN Amro, based in the Netherlands, which opened a branch.

One of the most recent entries is the Bank of Tokyo-Mitsubishi, which opened a representative office in November.

Takefuma Murata . . . introducing Japanese industrialists

One of its components, the Bank of Tokyo, left SA in 1986.

A merger in April 1996 with Mitsubishi Bank created the world's largest bank.

The interim report of the merged entity shows about US$36bn in tier one capital and assets worth about $725bn in the six months ended September 30.

Its nearest international rival, HSBC, has not yet reported for 1996 — its financial year ends in December. However, its tier one capital in December 1995 was $20,8bn.

Unlike other recent mergers in Japan, which were prompted by a solvency crisis in one or both of the banks, the merger united two profitable banks, says SA office head Takefuma Murata.

The Bank of Tokyo, he says, "was specially strong in the international markets with hundreds of offices and big subsidiaries abroad. But it had only about 33 branches in Japan while Mitsubishi Bank had a huge domestic customer base."

The merged bank has 360 outlets in Japan and 400 worldwide.

In SA, says Murata, it will concentrate on introducing Japanese industrialists and assisting them in joint ventures with local partners.

Ethel Hazelhurst

Bank of India opens in SA

(73)

Belinda Beresford

BD 3/3/97

THE State Bank of India opened its first office in Johannesburg at the weekend, lured by the increasing trade between SA and India.

Bank chairman Panduranj Kakodkar said the new office, the base for the company's banking operations in southern Africa, would initially focus on corporate banking, in particular trade-related business. The bank expected to get a licence to deal in foreign exchange within the next few months.

Opening endowment capital was R67,5m and asset levels were expected to be around R190m at the end of the first year, Kakodkar said.

Kakodkar said the bank would probably open a dealing room and take on project financing when it was more established. SA banking regulations precluded it from retail dealing operations unless they were worth more than R1m.

He said there were similarities between the exchange control regimes in India and SA. There had been an increase in joint ventures between the two countries, but controls were hampering direct investment. He expected exchange control to be removed in both countries in the next few years.

In March last year, the bank had assets of more than $42,08bn and paid up capital and reserves of $1,59bn.

'Love hotels' now open to everyone

Gay couples can now legally frequent the city's "love hotels," a Buenos Aires municipal commission has ruled in a decision that ended two weeks of intense political debate and negotiation. Mayor Fernando de la Rua had called the new regulation "a crazy idea" and suggests that same-sex houses of assignation should be created specifically for gays. Raul Fernandez, the councillor who initiated the change, said: "For us, the fundamental principle is that sexual orientation must not be used as grounds for discrimination." The constitution of Buenos Aires enshrines "the right to be different" and bans "discrimination ... for reasons of race, gender, sexual orientation, age or religion". – Sapa-AFP.

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Better work practices sought for homosexuals

(73)

South Africa is the first and only country to guarantee constitutional equality to gays and lesbians. But will employers give same-sex partners recognition? Glenda Daniels reports

Protest for equality ... South Africa's constitution protects gay and lesbian rights.

The constitution forbids sexual orientation discrimination, but employers still battle with the issue in work practices.

There are still laws, practices and policies that discriminate against homosexuals and lesbians. For example, many employers do not give benefits to same-sex partners of gay employees. Most employers do, however, extend such benefits to spouses of married employees.

The only institutions so far which have come out clearly in favour of recognising gay partners are the University of the Witwatersrand, Rhodes University, the University of Cape Town, and Anglo American.

Even here there is still some discrimination, says Mazibuko Jara, co-ordinator of the Equal Rights Project (ERP) at the National Coalition for Gay and Lesbian Equality.

In terms of Wits policy, he says, same-sex partners have to be together for at least five years to qualify for benefits, such as medical aid. In contrast, a heterosexual couple could meet today, marry tomorrow and immediately qualify for benefits.

The coalition is having a conference this weekend to discuss the way forward in terms of the applicable clause of the constitution, to monitor legislation and to discuss its draft code of good practices, aimed at helping employers improve life for gays and lesbians in the workplace.

The focus of the ERP is to look at employment-related discrimination, especially regarding the benefits question.

Right now, while the situation might on the surface appear bleak regarding the recognition of gay partners in the workplace, this is a false impression. There is more than a glimmer of hope for equality because legislation is progressive, and all cases now are precedent-setting ones.

The ERP recently conducted a survey of institutions and companies based on three questions – do you discriminate on the basis of sexual orientation, do you extend benefits to same-sex partners and what procedures are to be followed, if you do extend benefits?

Anyone you cohabit with is family

Only 22 out of 200 employers responded to the survey.

While most universities have a positive attitude, many institutions are defensive and others even hostile

The response of the 55 Cosatu, Nactu and Fedusa affiliates is even poorer, says Jara. Only the Transport and General Workers' Union met with the ERP to discuss the issue.

The Public Service, the country's biggest single employer, with more than 1,2 million people, still discriminates against same-sex relations in terms of its laws, which is in conflict with the new constitution, says Jara.

The definition and terms used in the regulations and the Public Service Staff Code discriminate on the grounds of gender, sexual orientation and marital status. For example, Regulation A1.1 defines a household, marriage and dependents in a way which excludes same-sex relations and heterosexual partners who are not married.

The denial of benefits on the basis of sexual orientation and marital status is unfair and unconstitutional, says Jara. The new constitution and the Labour Relations Act should be used as a basis for gay and lesbian equality, he adds.

The basic Conditions of Employment Bill in the LRA has a progressive definition of family. In summary, it says that any person an employee cohabits with is family.

"This is the first time in our history that family has been defined in such a broad way It encompasses all sorts of relationships previously ignored," says Jara.

Some employers willing to consider new policies

Some responses to the Equal Rights Project survey:

- Unisys – no policy, but willing to work with coalition.
- University of Fort Hare – are working on policy, but have not invited input from gays.
- University of Natal – working on policy.
- RAU – does not recognise same-sex partnerships for purposes of employment benefits
- University of Zululand – currently only legally married spouses receive benefits, but management will consider same-sex partnerships.
- Technikon Free State – confirmed they will extend all legal rights to employees in same-sex relationships and adhere to the LRA.
- City Council of Pretoria – still differentiates on the basis of marital status but is now reviewing its fringe benefits.
- Karos Hotels – benefits do not extend to same-sex partners. Would not meet the coalition.
- CNA – "Our answer is no, since we do not acknowledge common-law wives either. Until the law changes for this, it will remain the same for same-sex partners."
- Alpha Limited – all benefits are enjoyed by employees irrespective of sexual orientation. Benefits are only extended to partners who are married in terms of the marriages act. If legislation is passed recognising same-sex marriages, this would be recognised.
- MacPhail Holdings say they do not ask for details of a person's sexual orientation when they apply for a job so "this survey is not relevant to us". In a follow-up letter, they said they would comply with the new LRA and the constitution.
- BMW SA – employment benefits are non-discriminatory but none is applicable to spouses.
- SA Post Office – no discrimination, but in the case of medical aid benefits only married employees enjoy benefits. Conditions of service will be amended as soon as new legislation is promulgated
- Unions - Of the 55 affiliates of Cosatu, Nactu and Fedsal, none besides the Transport and General Workers Union agreed to a proposal for a meeting with the coalition.
- The T and G reached an agreement with the coalition about joint future action on shopsteward training and education on sexual orientation discrimination at work.

TA BANK

Going for the middle order

(73)

Malaysians move in to take on major domestic institutions

FM 11/7/97

The strategy of TA Bank, a subsidiary of the Malaysian company TA Enterprise Berhad which opens for business next week, differs from those of other foreign banks in SA. Instead of targeting the top end of the market, says MD Henry Shaw, it has its sights set on the middle — companies with a turnover of R10m-R100m.

Shaw, who was finance GM of Standard Bank after the retirement of Andrew Fleming four years ago, says TA Bank has chosen this route "because it is where the big commercial banks make their profits. The top end is highly competitive and margins are thin. The bottom end is costly because of the branch network it requires. This has to be cross-subsidised by other operations.

"The reason the big banks achieve return on equity of 25%-30% — despite these costs — is that profits are derived from the middle of the market."

Other foreign banks, he explains, have

made their choice because they "are tapping into an existing customer base — the big multinationals. And they have established international banking networks."

TA Bank does not have this advantage because its Kuala Lumpur-based parent has only recently entered the banking arena. It established a subsidiary in the Philippines two months ago and has a minority stake in an Indian bank.

As foreign banks have not yet entered the top corporate market, TA Bank's main competitors are the major domestic banks. But Shaw has a significant competitive edge. He does not have to maintain a branch network for retail clients.

Finance for trade between SA and southeast Asia will be TA Bank's centrepiece. "Trade has increased exponentially since 1994. And having a Malaysian parent will give us access to that part of the world."

Listed in Kuala Lumpur, TA Enterprise Berhad has three legs to its business, says Shaw — stockbroking, property development and banking.

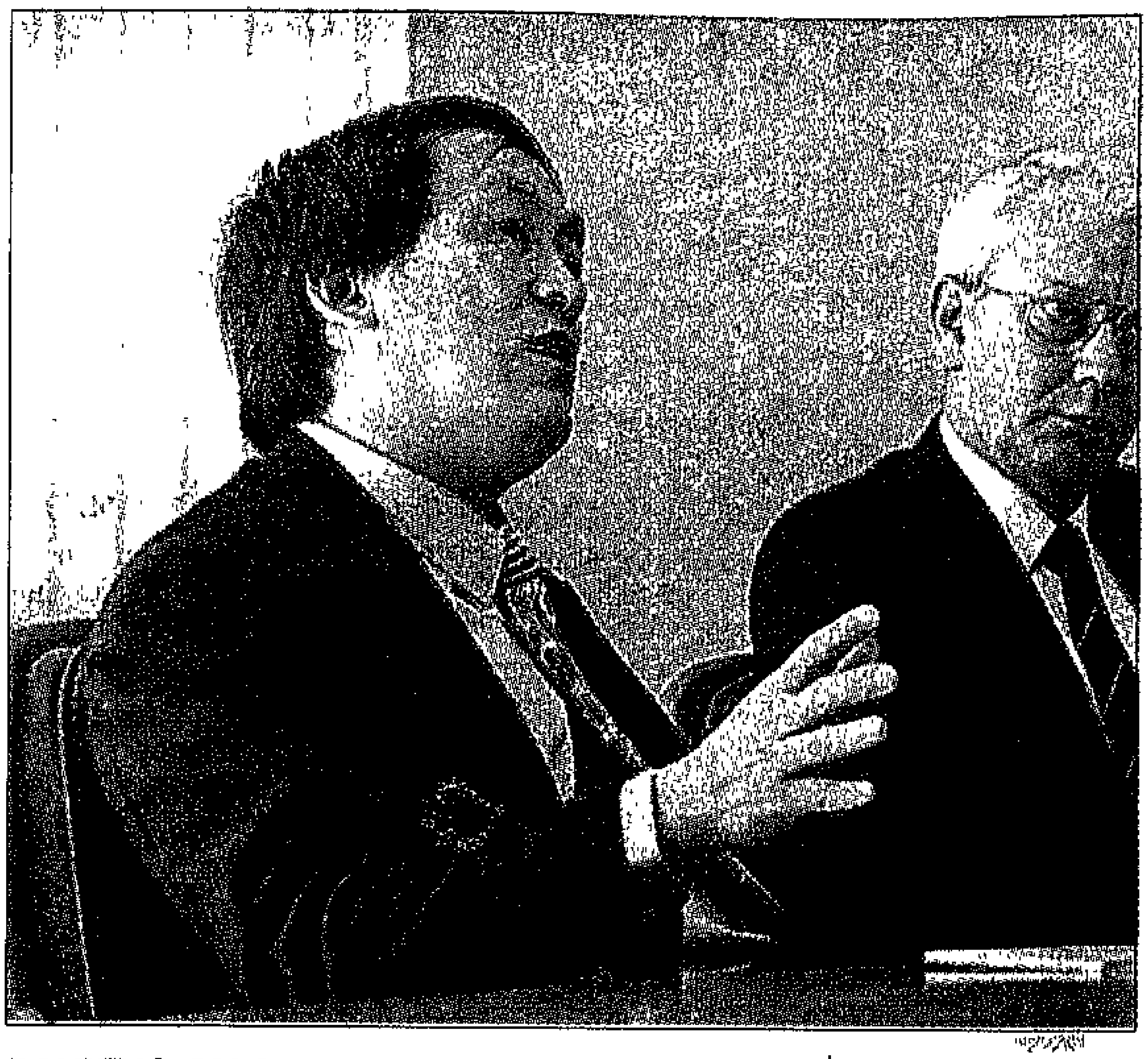
The parent company has a market capitalisation of about R4bn and its end-1996 pre-tax profits were R600m.

TA Bank, now based in Dunkeld West, will move to what was formerly Thrupps Corner in about two years' time.

The site was bought by the TA Group at the beginning of the year and is now being redeveloped. Another property development is the purchase two months ago of a property overlooking Table Bay. This, says Shaw, is being converted to a small hotel specialising in an upmarket clientele.

Ethel Hazelhurst

Henry Shaw *. . . feels he has significant competitive edge*



BANKING ON SA *Tony Tiah, TA Enterprise's executive chairman, and Henry Shaw, TA Bank South Africa's managing director* PHOTO JOHN WOODROOF

Malaysian TA Bank launches SA operation

CT(BR) 16/7/97

RICHARD STOVIN-BRADFORD

Johannesburg — TA Bank, a subsidiary of the Malaysian-based securities holding company TA Enterprise Berhad, was launched in Johannesburg yesterday.

TA Enterprise, which is listed on the Kuala Lumpur stock exchange, first entered the South African market early last year through the acquisition of stockbroker Kilroe Whitehead, now known as TA Securities.

The company is also active in the property market through TA Properties.

Tony Tiah, the executive chairman, said the close relationship between the Malaysian and South African presidents had led his company to invest here.

He said international media coverage of South Africa had in the past created a negative impression of the country, but he now saw that South Africa was "quite advanced".

"The TA Group is optimistic about the prospects for growth and development in sub-Saharan Africa, especially South Africa," Tiah said. "Our plan is to use South Africa as a base."

Henry Shaw, the bank's South African managing director, said: "TA Bank has a full banking licence and foreign exchange capabilities."

Shaw said that TA Bank would track trade finance flows between South East Asia and South Africa and also concentrate on banking corporates, development agencies and parastatals.

Tiah, who said that South Africa was not well known to Malaysian companies, said: "We will also be providing information to investors from Malaysia; our corporate finance division can play a very pivotal role."

A Business Map survey shows that Malaysia ranks second in terms of foreign direct investment in South Africa, contributing 20,7 percent of the estimated R30 billion foreign direct investment commitments that have entered the country since 1994.

Tiah hoped that South African companies would also look at projects in Malaysia where his group would be willing to participate in joint ventures.

TA Enterprise had shareholders' funds of $500 million, and was one of the top 10 financial institutions in Malaysia in profitability terms, he said.

TA Bank has been launched with an initial capital base of R150 million.

(73)( )

SA banking boosted by TA Bank launch

(73) Sowetan 16/7/97

By Maxwell Pirikisi

SOUTH Africa's financial services industry received a major boost with the launch in Johannesburg yesterday of TA Bank, a subsidiary of a leading Malaysian-based securities holding company, TA Enterprise.

TA Bank executive chairman Datuk Tony Tiah said the initial capital invested by the bank was R150 million, three times more than the minimum capital required to start banking operations in South Africa.

The organisation first came into the country early last year when it bought stockbroking firm Kilroe Whitehead, now called TA Securities. It also owns TA Properties, which is fast becoming one of the leading players in the local property market.

Tiah said his group decided to set up banking operations in South Africa because the country was emerging as a regional centre for investment and economic growth in Southern Africa.

"We already have a presence in South Africa through TA Securities and TA Properties. With TA Bank, we will now be able to play a complete role as a financial group offering a wide spectrum of financial services not only in South Africa but across our entire network," said Tiah.

He said TA Group was optimistic about future prospects for growth and development in sub-Saharan Africa, especially in South Africa.

"The close political and economic ties between Malaysia and South Africa provide a strong foundation for investment in South Africa," he said.

Banking licence

TA Bank, which secured a full banking licence in February this year and expected to start operating today, will initially provide a range of core banking products to medium-sized corporate and commercial clients, said TA Bank South Africa (Tabsa) managing director, Henry Shaw.

He said: "We will provide services related to loan and deposit facilities, foreign exchange, and imports and exports."

The bank will also link up with a number of international banks to facilitate investment and international trade between Africa and East Asia.

It intends to open offices in major centres around South Africa and is exploring representation in neighbouring African countries.

Bank of Baroda opens SA branch

BD 13/8/97

(73)

Nicola Jenvey

DURBAN — Commercial banks and government should work together to promote and develop self-help schemes in rural areas to create sustainable small and medium-scale industries, Bank of Baroda chairman and MD Krishnamurthy Kannan said yesterday.

Speaking at the Indian bank's launch into SA, Kannan said similar schemes had already been developed in India to enhance the skills in these areas and prevent significant urbanisation and poverty.

However, government had to underwrite a percentage of the risk associated with funding self-help schemes, since the social responsibility of banks did not extend indefinitely.

The bank yesterday established its 2 500th branch with the R50m investment in Durban. The bank has 2 461 branches in India, and has a majority holding in two subsidiaries in Uganda and Kenya. Partial interests are also held in IBU Hong Kong and Indo-Zambia Bank in Africa and it has a presence in the USA, UK, Bahamas, United Arab Emirates, Oman, Fiji, Mauritius, Belgium, Seychelles and Guyana.

Global deposits by March were \$8,9bn, with advances amounting to \$4,6bn and investments stood at \$3bn.

Initially, the Durban branch would engage in wholesale banking, trade finance, money market operations and retail lending.

BANKING

CT (BR) 13/8/97

(73)

Indian group opens branch in Durban

The Bank of Baroda, India's second largest bank, would open a branch in Durban today, the bank said yesterday. Krishnamurthi Kannan, the chairman, said the main objective of opening a branch in Durban was to consolidate regional operations between the African states, the Indian Ocean islands, India and Hong Kong. He said the bank would act as a "catalytic agent" for the growth of trade and commerce between India and South Africa by providing banking and advisory services to importers and exporters in both countries. He said it would also explore new business avenues in South Africa. The focus of operations would be corporate finance, retail financing and loans for large projects, he said. The Bank of Baroda has 38 international branches in 13 countries. — *Ravin Maharaj, Durban*

Employment survey lambasts inequalities

(73) BD 20/10/97

Bonile Ngqiyaza

ABOUT half of SA's black women, a quarter of black men and fewer than 5% of whites are unemployed, the results of the 1997 Breakwater Project, which monitors employment equity in SA biannually, show.

The project results released at the weekend found that among the employed, a third of black South Africans earned less than R500 a month, compared with fewer than 5% of whites.

These extreme inequalities, the report said, contributed to social unrest and crime, undermined growth and development efforts and were associated with labour market inefficiencies.

The Breakwater monitor is a national database and information service established by the University of Cape Town's Graduate School of Busi-

Continued on Page 2

Survey

(73)

Continued from Page 1

BD 20/10/97

ness in partnership with employers.

The longitudinal study involved 99 organisations which employed 651 896 employees, project spokesmen said. Its sample of 948 608 represented 6,6% of the economically active population and 18% of total public and private sector employment, which stands at 531 5 433, according to the Reserve Bank's 1996 annual economic report.

"Policies and legislation aimed at employment equity have gained their urgency in SA from the deep economic and social inequalities that persist. Income distribution in SA ranks among the most unequal in the world," the report stated.

In his introduction, Information Resources Group MD Angus Bowmaker-Falconer said the sample was biased towards large corporate employers, and posed a challenge to medium and smaller organisations to participate.

The study found that a sample of the 23 top performing organisations showed a higher representation of women — 32,94%. On average, this was 6,32% higher than the national sample. However, they had a 2,6% lower black representation.

In the top performing companies, white employee numbers declined by 5,40% compared with 5,58% in the national sample. Black employee numbers grew 4,33% (4,93%).

Draft Bill to phase out racially-biased benefits

(73 ~~(...)~~) Sowetan ~~20~~ 21/10/97

Sowetan Correspondent

DRAFT legislation which provides for the phasing out of racially-based housing subsidy schemes initiated by the former National Party government has been tabled in Parliament.

The Housing Bill will regulate the phasing out of subsidies granted by the white, coloured and Indian communities by the tri-cameral Parliament. The Bill, which will be debated in Parliament today, provides for a single, national system of housing subsidies.

Chairman of Parliament's Housing Committee Mr Titus Mafolo said the Bill would remove elements of discrimination in Government's housing subsidy policy and bring the financing of housing provision in line with the Constitution.

Mafolo said the racially-defined benefits would be phased out a year after the Bill became law.

The Bill also provides for the scrapping of the R9,7 billion local government housing debt and the introduction of a social compact between the Government, business and communities to expedite housing delivery.

Once approved, the Bill will also enable Government to prohibit shoddy workmanship in the construction of houses through the establishment of minimum national standards. The standards would include the minimum size of house that could be built for a family.

Provision has also been made for a National Housing Code with guidelines for minimum standards determined by the Minister of Housing.

Indonesian group in SA ostrich coup

Louise Cook (73) BD 27/10/97

A CONSORTIUM of Indonesian businessmen, Royal Ostrindo, has embarked on a buying spree of SA ostrich farms, abattoirs, tanneries and birds, injecting more than R300m into the industry in less than a year.

A spokesman, who did not want to be named, said the latest acquisition was 20 ostrich farms near Oudtshoorn in the Western Cape for R70m-R100m.

The consortium "may well use" the farms, acquired from one of the world's biggest ostrich producers, Saag Jonker, to supply meat and hides to Dryx, a Krugersdorp abattoir/tannery bought by the consortium last month.

Royal Ostrindo MD Mike Youmans was not available for comment.

The spokesman said the consortium would focus on production, processing and exporting of meat and hides.

Jonker has retained four farms and will stay on as Western Cape production manager for the consortium.

73

Fawu putsch as Transvaal area dissolved

CT(MR) 5/11/97.

FRANK NXUMALO

Johannesburg — Mandla Gxanyana, the Food and Allied Workers' Union (Fawu) general secretary, yesterday dissolved the Transvaal regional executive committee and placed the region under his direct control until the region's congress in July next year.

Yesterday's drama followed Transvaal's suspension at the weekend by a small but powerful Gxanyana-controlled clique that union sources said misruns the union's Gugulethu head office.

The sources said, ironically, that the weekend meeting had been called to discuss Gxanyana's suspension for allegedly gross financial mismanagement, his apparently dictatorial leadership style and the union's deep financial crisis.

However, Transvaal, the union's biggest region with more than 52 000 members, yesterday decided to withhold union subscriptions immediately and is now heading its own way.

Sources close to the union also said as a way out of the crisis the union was proposing to sell its Real Africa shares to raise about R6,4 million.

Give the gender commission an equal chance

BD 13/11/97

SA's commission on gender equality has been given a raw deal, says Colleen Lowe Morna

73

THE strangling of the commission on gender equality before it has even had a chance to breathe is a tragic reflection of the glaring gap that exists between rhetoric and reality where commitment to gender equality in the new SA is concerned.

As one of the six institutions for the promotion of democracy entrenched in the constitution, the commission came into being in March with a predetermined budget of R2m: a sum insufficient to pay the salaries of commissioners, let alone staff, offices or operations.

The budget, drawn up by white male bureaucrats, consists of line items in multiples of 11 (publications R11 000; transport R22 000; computers R44 000; furniture R55 000 and so on). At best, the budget is a reflection of the gross ineptitude of the public service, at worst a pathetic reflection of the sexism which pervades our society.

Efforts by the commission to get a reasonable budget approved during the course of the financial year have resulted in a government paper merry-go-round. This resulted in the commission being told to make another submission in January, by which time the commission might well have been forced to shut its doors.

In these days of scepticism about commissions generally, it is worth reflecting on why the commission was established, and what it has achieved with the limited resources at its disposal.

To mention a few salient facts:

□ Under customary law, which still governs the majority of women, especially in rural areas, women remain dependants all their lives, under the guardianship of their fathers, sons and male relatives. When husbands die, women have no claim to property, which is divided among male relatives;

□ Very few women in SA own, or have access to, land;

□ Three-quarters of those who are illiterate in SA are women;

□ Women constitute the majority of unemployed people and among those who are employed the biggest category is domestic workers. A white man is 5 000 times as likely to be in top management as an African woman;

□ Women constitute only 10% of decision-makers in the public service, 25% of legislators in national and provincial parliaments and 18% of councillors in local government; and

□ One in every three SA women is regularly battered by her husband. One in three SA women can expect to be raped in their lifetime — the highest such statistic in the world.

Virtually every country in the world has some mechanism in place for advancing gender equality. Drawing on international experience, SA opted for a "package" of mechanisms, including gender units in all government departments, a co-ordinating office on the status of women in the deputy president's office and an independent commission with monitoring and investigative powers over both the private and public sectors.

In its short existence, the commission has:

□ Initiated information and evaluation workshops which yielded the first "state of the nation" report on gender equality on August 9. Similar workshops will now take place in each province;

□ Held a strategy workshop on customary law, will be holding public awareness workshops on the SA Law Commission paper on harmonising customary and civil marriages and is initiating "age of majority" legislation;

□ Taken up the case of a Muslim radio station barring the voices of women which could lead to a ground-breaking constitutional court case on the twin provisions in the Bill of Rights for gender equality and religious freedom;

□ Initiated an inventory of legislation which still discriminates against women and is advocating anti-discrimination legislation;

□ Commissioned a gender baseline study to set targets for achieving of gender equality;

□ Designed a massive public education campaign and convened a ground-breaking workshop on gender and the media in September which will now become an annual event to examine the role of the media in transforming gender relations;

□ Launched initiatives on gender in the private sector and on violence against women;

□ Played a key role in the adoption of a declaration on gender and development by the heads of state of the Southern African Development Community in Blantyre, Malawi, in August.

The commission's budget constitutes 2,6% of the budgets of all commissions; and 0,00000002% of SA's 1997/98 budget.

Ironically, a commission set up to end discrimination against women finds its commissioners being paid the lowest salaries of all commissions.

Yet, the gender commission, which vowed at its first meeting to avoid a culture of ostentation, has not made this the central focus of its work. Its commissioners use their personal laptops and make their homes available for meetings as they wait patiently for proper offices to work from.

Most organisations in a similar situation would have packed up long ago.

Herein lies the great strengths and weakness of the commission. Worldwide, women have kept families, communities and nations alive through survival instincts so strong and so unspoken that they go unnoticed. Is this how we understand gender equality in SA? If not, let the gender commission begin its tasks on an equal footing.

□ *Lowe Morna is a gender and development specialist and an adviser to the commission.*

Mboweni's affirmative action Bill

(73)

Sowetan 27/11/97

New law aims to end discrimination of the old job reservation policy

By Abdul Milazi

LABOUR Minister Tito Mboweni yesterday launched the Employment Equity Bill aimed at ending unfair discrimination in employment and providing for the implementation of affirmative action.

The Bill is Mboweni's *coup de grace* in his efforts to transform the labour market, and will go a long way in addressing the imbalances in the workplace created by the apartheid regime's job reservation policy for whites.

Mboweni said: "Statistics indicate that if we want to correct our skewed job market, we have to do more than simply outlaw discrimination. Our Constitution, which underpins our new democracy, has done that."

An affirmative action survey carried out in September this year noted that black senior managers increased by only 0,4 percent from 1992 to 1996.

Provisional figures from the 1996 census showed that women comprised 52 percent of South Africa's population, but occupied only 12,2 percent of senior management posts.

"The situation is no less bleak for disabled people. Estimates suggest that one in five disabled people is economically active, but that only one in 100 has a job in the open market. And that most disabled people have to rely on social pensions and family support," said Mboweni.

Mboweni said the Bill balanced self-regulation by employers, who would develop their own equity policies, and enforcement of such plans and policies by the Government.

The Bill prohibits all forms of discrimination, based on the provisions of the Constitution, requires all companies with more than 50 workers to develop equity plans and contains enforcement measures and advisory mechanisms to ensure effectiveness.

This also applied to all organs of the State as employer, except for local government, the defence force, the National Intelligence Agency and the SA Secret Service. The equity plan should outline the company's employee profile and possible barriers to transformation.

Job equity bill 'to ensure fair deal'

(73)

Renee Grawitzky

BUSINESSES and employees would be encouraged to co-operate in drawing up employment equity plans without government intervention, under an Employment Equity Bill that was published yesterday.

While the bill focuses on self-regulation, it subjects employers to penalties for noncompliance.

The bill will require about 10 000 companies employing 50 or more people to develop employment equity plans. These plans will have to outline methods to remove discrimination and ensure the creation of a more diverse and representative labour force.

Employers would have to submit plans within 18 months of the legislation coming into effect and thereafter on a yearly basis until they achieved their goals.

The department said that employees and trade unions with an interest in transformation should monitor enforcement of the legislation.

Failure to comply with the proposed legislation could result in companies being disqualified from bidding for state tenders; facing hefty fines or even Labour Court orders to ensure compliance. Disputes would be referred to the Commission for Conciliation, Mediation and Arbitration.

The bill, in line with the spirit of the Labour Relations Act, promotes the development of plans within structures such as workplace forums and trade unions.

Labour Minister Tito Mboweni said the bill was not designed to bar the promotion of white males, nor encourage token appointment of blacks, women and disabled people into management positions. Labour department equal opportunities director Loyiso Mbabane said it was also "not about grabbing hobos and making them into MDs". The purpose, Mboweni said, was to ensure all workers got a fair deal when it came to hiring, training and promotion and ultimately to "bury the industrial colour bar in practice, not just in our constitution".

The bill aims for numerical targets in an equity plan. It also provides for the creation of a Commission for Employment Equity consisting of a chairman, appointed by the minister, and eight part-time members from the National Economic, Development and Labour Council. The commission will advise the minister on codes of good practice and will also recommend guidelines to prepare equity plans.

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Picture: Page 3
See Page 16

ANALYSIS

Organisations not convinced by government's arguments

New labour legislation unveiled yesterday will force organisations to once again revise employment policies, writes **Reneé Grawitzky**

BD 27/11/97 (73)

MBOWENI

THE release of the Employment Equity Bill yesterday raises crucial questions about whether it alone can reduce inequalities and ensure increased efficiencies and jobs in an increasingly competitive climate. Implementing a combined strategy of affirmative action and ensuring workplace equity is not without conflict. However, government believes there are sound political and economic motivations for the legislation.

From a political perspective, the costs that might be incurred as a result of the new laws could be a small price for business to pay to reflect its stated commitment to redressing past injustices. Any opposition to the legislation could be viewed as business — again — not supporting government's transformation agenda.

The legislation, and the Skills Development Bill currently under discussion, could have positive economic consequences in that they could provide employers with the type of workforce and organisational structure which is necessary to compete in the global economy.

The cut-throat competition of globalisation could, however, place an employer between a rock and a hard place in trying to meet two apparently divergent objectives — workplace equity and competitiveness.

Fundamental to government's whole approach to the bill is the premise that jobs will be available.

Under apartheid, white males benefited by having easy access to jobs even if, sometimes, they were not qualified, and this propagated inefficiencies in the economy.

The labour department argues that the promotion of employment equity is desirable both on equity and efficiency grounds as it could "transform the labour market, create labour market security and maximise economic competitiveness".

The department believes that upgrading skills, improving access to jobs, occupations, training and opportunities for promotion advances all members of the workforce and makes it possible for them to achieve maximum productivity and efficiency.

"On a wider scale, the elimination of discrimination raises economic efficiency throughout the economy by ensuring a more rational allocation of labour resources," it says.

Business is not altogether convinced of this argument and largely supports the Malaysian approach, where, to an extent, empowerment came about as a result of economic growth.

This brings us back to the old argument of whether Labour Minister Tito Mboweni's five-year plan to restructure the labour market will facilitate or impede economic growth — and which process comes first.

The bill challenges the more narrow notions of affirmative action and adopts a more systematic approach to developing and providing opportunities for all. As one academic says, it is "not a window-dressing approach to transformation".

Durban-based consultant Pat Stone endorses this view and says the bill is not a "numbers game but is about growing and developing people". This will not happen overnight and will require a commitment by current incumbents to train and develop blacks, women and the disabled.

The reality, he says, is that, under affirmative action policies, people are being appointed and given the trappings of office but are being left to sink or swim.

This is partly as a result of the fact that a large group of people in relatively senior positions relish the self-fulfilling prophecy that the previously disadvantaged will not "make it".

Another important point is that the bill's underlying premise that the old regime will effectively train itself out of jobs increases the "old guard's" vulnerability and economic insecurity.

This scenario becomes more problematic in the context of a shrinking economy and the continued increase in unemployment.

Such pressures could lead to half-hearted attempts to implement legislation in order to "let the system fail".

The bill, acknowledging potential pitfalls, moves from the premise that employment equity plans should be negotiated within organisations and companies.

"The only way we can come through this is by open, honest debate about what is achievable," Stone says.

An employer source says there are fundamental elements in the bill which make it unworkable. Business was not opposed to the underlying principles, but believes achieving them could prove problematic.

Institute for Personnel Management president Tisetso Tsukudu says it will reflect poorly on business if it complains about the bill. Business has had a long time to practise affirmative action since the days of black advancement and the Sullivan code. He says people tend to focus on the negatives and not the positive outcome of what government is trying to promote. The benefits are that business will have the correct and well-trained people to deliver profits.

The legislation is meant to unite and encourage business to utilise their human resources effectively, he says.

Employers with more than 50 employees face a number of administrative burdens to audit the workplace, review current policies and submit reports to government on equity plans and yearly progress towards achieving the goals of such plans.

The employer source said business was concerned that this legislation, the fourth set of labour laws tabled in two years, would place additional burdens on small to medium-size businesses which did not have the capacity to comply with all the obligations of this and other legislation at the same time.

The source said this, plus punitive fines brought a certain level of negativity to implementation.

Other practicalities around enforcement had to be addressed. "How will inspectors judge plans in different sectors?" he asked.

However well-meaning this legislation, discussion could become bogged down which could prove unfortunate as the legislation seeks to ensure self regulation.

EMPLOYMENT *Equity quotas ruled out in favour of 'consultation'*

(73)

Mboweni unveils equity bill

Frank Nxumalo
LABOUR CORRESPONDENT

Pretoria — Tito Mboweni, the labour minister, yesterday unveiled the Employment Equity Bill, which seeks to eliminate unfair discrimination and introduce a legal framework for affirmative action.

The bill was approved by the Cabinet on November 19.

The minister said recent statistics emphasised the need for specific programmes to redress workplace imbalances.

He said the bill would balance self-regulation by employers with meaningful monitoring and enforcement of government employment equity practices and policies.

"This balance is captured in three key areas," Mboweni said. "First, the bill prohibits unfair discrimination on the grounds outlined in our constitution.

"Second, the bill requires all companies employing 50 or more people to develop equity plans. These plans should state how the company intends removing discrimination in the workplace and how and by when they plan to achieve a diverse and representative workplace," he said.

"Third, it has appropriate enforcement measures and advisory mechanisms to ensure its effectiveness."

Mboweni said the bill did not impose quotas for the representation of disadvantaged groups, including Africans, Coloureds, Indians, women and disabled people, but laid the basis for consultation between employees, employers and trade unions.

He said the bill also provided for the establishment of a Commission for Employment Equity, an advisory body to the labour minister with representatives from business, labour and the government, whose chairman will be appointed by the minister.

Mboweni said the days of job reservation were now over.

"We make no apology for this bill favouring the previously disadvantaged, Africans, Coloureds and Indians, as well as women and the disabled; we must level the playing field," Mboweni said.

He said he hoped all employers and workers who were prepared to embrace the future would welcome the bill.

"There are sound economic reasons for them to do so," Mboweni said. "Every time we exclude someone from employment simply on the grounds of colour or gender or disability, we are throwing away our country's best resources, our people."

REDRESSING IMBALANCES *Tito Mboweni, the labour minister, unveils the new employment equity bill* PHOTO: JOHN WOODROOF

ET (BR) 27/11/97

Bill's fines 'punitive'

Reneé Grawitzky (73)

ALTHOUGH organised business and labour said yesterday they supported the Employment Equity Bill's objectives, business said it was concerned that companies not complying with the legislation could face "exceedingly punitive fines" of up to R900 000.

The SA Chamber of Business said when compared with penalties imposed for more serious breaches of the law, such fines were "tantamount to turning an employment offence into a major economic crime".

In backing the bill's aims, Federation of Unions of SA general secretary Chez Milani said it was essential that there were "necessary checks and safeguards" to stop "reverse discrimination" and nepotism taking root in the workplace in the guise of employment equity. Fedusa would actively ensure that employment equity was "truly equitable", he said.

Business SA (BSA) spokesman Vic van Vuuren said it was necessary to address past imbalances and eradicate all forms of discrimination.

Newly appointed BSA chairman Dorian Wharton-Hood said points in the bill's favour were that there was no obligation to appoint unqualified and unsuitable people or to create new positions to further affirmative action.

□ Wharton-Hood, who is Liberty Life vice-chairman, was elected BSA chairman on Wednesday night and replaces Iscor's executive chairman Hans Smith.

BD 28/11/97

WS

Sacob hails bill but fears for small firms

CT(BR) 28/11/97 (166) (73)

FRANK NXUMALO

Johannesburg — The South African Chamber of Business (Sacob) yesterday welcomed the primary objectives of the Employment Equity Bill announced by Tito Mboweni, the labour minister, on Wednesday.

Sacob said the elimination of workplace discrimination and the achievement of a more diverse workforce were "commendable ideals".

Sacob "noted with approval" that "no quota system was proposed, nor was there any obligation to appoint unqualified or unsuitable people or create positions to further affirmative action".

The umbrella business organisation also welcomed the fact that it was not the intention of the bill "to exclude non-designated groups from employment".

However, a Sacob spokesman questioned the ability of small businesses to comply with the provisions of the bill and the capacity of the department of labour to enforce it.

"In addition, the bill mooted 'exceedingly punitive' fines of up to R800 000 for transgressing firms which, when compared with penalties imposed for more serious breaches of the law, were 'tantamount to turning an employment offence into a major crime'.

"What the bill effectively seeks to do is to create a fully representative workforce in all occupational categories within five years. This is unrealistic, given the current levels of education and skills," said Janet Dickman, Sacob labour affairs and social policy manager.

Meanwhile, Cosatu deputy general secretary Zwelinzima Vavi said the labour federation "fully supported" the bill as it "broadly captured" the aspirations of labour.

(73)
(~~156~~)
(~~136~~)

EMPLOYMENT EQUITY BILL

Affirming a fait accompli

FM 28|11|97

Business won't oppose Bill but would have preferred incentive approach

Bowing to the inevitability of legislated affirmative action, Business SA (BSA) says it will approach negotiations on the Employment Equity Bill in a spirit of optimism.

Despite an earlier bruising for opposing the new Basic Conditions of Employment law, BSA will seek consensus with labour and government over the Equity Bill when Nedlac begins haggling in late January, says BSA social policy vice-chairman and Sanlam human resource GM Vic van Vuuren.

Labour Minister Tito Mboweni was expected to unveil the Bill this week, after his department scurried to pull back a version inadvertently released by the government printer last Friday. It is understood, however, that the core provisions are basically the same.

The Equity Bill's key aims are to eradicate discrimination in the workplace, and speed up the training and promotion of the formerly disadvantaged.

Described by the Labour Department as "enabling and user-friendly," the Bill requires employers and employees in firms with a staff of 50 or more to negotiate equity programmes. These targets — as opposed to fixed quotas for the hiring of blacks, women and the disabled — must be presented to the department within 18 months of the law taking effect.

Contraventions could lead to an order from the Labour Court or fines of between R500 000 and R900 000. Policing will be carried out by a departmental inspectorate.

Though BSA opposed the Employment Equity Green Paper when it appeared last year, Van Vuuren says affirmative action is necessary given past discrimination.

"However, we felt it should instead take the form of codes of best practice, incentives and encouragement, as there is already enough union and other pressure," he says. "We will not oppose the legislation, but we do have a problem with the big stick approach, we see training and development of people as key to the success of employment equity."

There has been a progressive increase in the number of companies with affirmative action policies, says FSA-Contact. This year it found an estimated 75% of companies sampled had adopted one. Amarnath Singh

Small busines sector warned on jobs equity

(73)

No protection for entrepreneurs

AAG 2/12/97

THABO MABASO
Business Reporter

Small businesses discriminating against their black, disabled or women employees must not expect to be treated with kid gloves by the Government simply because they are exempted from certain provisions of the Employment Equity Bill.

Labour director-general Sipho Pityana said in an interview that the clause in the bill requiring companies to submit plans for affirmative action did not offer protection to discriminatory bosses.

Mr Pityana said that these companies will be forced to work out an equity plan with their employees and trade unions.

"If companies demonstrate a pattern of discrimination against their employees the department may deem it neccessary for them to compile a plan," Mr Pityana said.

The bill seeks to achieve employment equity in the workplace by eliminating discrimination. According to the bill companies must prepare a profile of their workforce and prepare and implement an employment equity plan, which has to be submitted to the department.

These companies must report to the department each year. Businesses who employ less than 50 people are exempted from working out an equity plan, but may not discriminate against employees.

The Department of Labour conceived the bill after what it says are shocking statistics of the demographics of South African managers.

Department figures show between 1992 and 1994 black senior managers increased only 0,4%. Women, who form 52% of the population, made up 12,2% of senior managers in 1996. A Breakwater Monitor survey found all female senior managers were white.

Mr Pityana said his department was going to convene a workshop early next year of labour market stakeholders, where they would be informed about the bill.

"We will go into the broad philosophy and policy thrust of the bill and how it will work," Mr Pityana said.

Government departments and state parastatals were expected to take the lead in implementing affirmative action, he added.

The bill does not set any quotas or timeframes for implementing affirmative action. However, companies who comply with the employment equity law will be judged favourably when applying for state contracts.

Companies who flout its provisions face a maximum fine of up to R900 000.

INDUSTRIAL RELATIONS

CT(BR) 5/12/97

Dawning of workplace equity

(73)

FRANK NXUMALO

Johannesburg — The Employment Equity Bill, the last of the big four "Mboweni bills" unveiled last week by Labour Minister Tito Mboweni, marks, albeit imperfectly, the dawn of an era of equitable industrial relations in a South African labour market distorted by decades of job reservations for whites and the pernicious victimisation of black workers, especially Africans, at the workplace.

The department of labour quotes the Central Statistical Service as saying 10 000 South African companies will fall under the category of "designated companies" — those that employ 50 or more workers and will be required by the new labour law to submit equity plans within 18 months after its promulgation.

That the bill seeks to redress the imbalances of the past dispensation by giving a legal framework to affirmative action or the accelerated advancement of designated groups is not "reverse discrimination", as self-appointed experts would have us believe.

This is evident in the preamble to the gazetted version by Mboweni, which says: "This legislation is drafted with a view to advancing those groups who have been disadvantaged as a result of discrimination caused by laws and social practices, and not with a view to seeking retribution for past injustices."

Affirmative action could go a long way in bridging the apartheid wage and grading gap and accessing mainstream economic participation by the black majority, including Africans, Indians, coloureds, women and the disabled.

Black Management Forum (BMF) representatives point out, perhaps cynically, that "there have always been blacks at the workplace, but right at the bottom" and argue for top black managerial positions as "real diversity".

The BMF also slammed the bill for allegedly seeking to tone down affirmative action, but Loyiso Mbabane, department of labour director of equal opportunities and a former member of the BMF, says he is "worried" the BMF is failing to take a "broader perspective" and to "rise above sectoral interests".

"The department of labour cannot come up with a law whose sole purpose is the development of black managers. What about black artisans, workers, secretaries and the others? It is not correct to say that the Employment Equity Bill is silent on management. (It states) that companies must be equitable across all occupational categories and levels, horizontally and vertically," Mbabane said.

Mbabane says "it's very unfair" to dismiss such appointments as tokenism. At any rate, he says, the department can easily check that out in company equity plans and reports.

"Token appointees tend to occupy low-risk, low-profile positions such as public relations, human resources and social responsibility management, where the person takes decisions that do not affect company productivity and losses. It is very difficult to become a successful token in engineering, operations and finance where output is measurable and quality (or the lack of it) is easily picked up."

The BMF call for an "independent equity commission" as opposed to an "advisory" one provided for in the bill, is not viable and a potentially expensive proposition that could play into the hands of the right wing.

Neither does this proposition curry favour with the department.

"A call for an independent commission would have made sense in 1993 or 1994 when people did not yet have confidence in the government. Then there was doubt about how fast the new government would transform the country. To be on the safe side people wanted to ensure the commissions were independent.

"This government has the full mandate to rule, and the department of labour has proved itself to be the champion of the underprivileged," Mbabane said.

He said the equity commission was modelled on the basic conditions of employment commission, with full representation from labour, government and business.

The South African Chamber of Business's (Sacob) contention that the provisions of the bill will harm small business does not hold water. As Mbabane points out, there are thousands of highly profitable small businesses which have been exempted. However, although Sacob maintains that the provisions of the bill will be a heavy drain on small businesses, it concedes that it depends on how one defines "small business".

The contingency of government contracts upon compliance and the progressive-scale fines are designed to give teeth to the proposed new labour law.

"This law will be unbalanced if it does not enforce compliance," Mbabane said.

COMMENT & ANALYSIS

Business ignoring new bill at its peril

Business in SA seems unaware of the onerous demands it will face if the new Employment Equity Bill becomes law, writes **Anthea Jeffrey**

BD 19/12/97 (73)

GIVEN the fact that the Employment Equity Bill of 1997 aims at bringing back compulsory race classification — and could impose this on all employers irrespective of size — it is surprising that business has thus far raised so little objection to it.

Press reports to date have stressed that organised business has generally accepted the measure. Press coverage of the bill has also been superficial and has failed to probe its implications. Business may thus be unaware of what it is apparently endorsing.

Much of the analysis of the bill has been premised on the assumption it is only employers of 50 people or more who need be concerned about the "under-representation" of black people, women, and the disabled at all levels of the workforce. Experience from the US indicates, however, that every employer — irrespective of size — may have to correct for "under-representation".

The reason is a simple one. The bill prohibits all employers from discriminating against employees, either "directly" or "indirectly". Direct discrimination involves intent on the part of the employer and can be deduced, for instance, from any overt expression of prejudice. Indirect discrimination, by contrast, does not require any proof of intent.

In the US, moreover, it is well-established that indirect discrimination can be inferred from the statistical "under-representation" of designated groups at any level in the workforce. Under representation is assessed, in general, by reference to regional and/or national demographics.

Where under-representation is found, this is regarded under US law as evidence that the employer must have discriminated in the past — and the onus then lies on the employer to justify the composition of his workforce.

Should he fail to do so, both compensatory and punitive damages can be claimed on a class basis — and the amount awarded can be substantial.

The parallels between the bill and US law are significant. As in US law, the bill:

☐ Prohibits "indirect" as well as "direct" discrimination;

☐ Reverses the normal onus of proof;

☐ Allows employees to claim both compensatory and punitive damages; and

☐ Enables action to be brought on a "class" basis for the benefit of a group of employees who are similarly situated.

These similarities do not mean our courts will necessarily follow the US approach in interpreting the bill. There is a danger, however, that they will — if only because US law provides a substantial body of relevant precedent.

If the US approach is indeed endorsed, then all employers will have to ensure the "equitable representation" of black people, women and the disabled at all levels of the workforce.

And the risk of liability for compensatory and punitive damages may provide — as in the US — a powerful incentive towards "getting the numbers right".

What numbers will be required? This is not clearly stated. Employers with 50 employees or more must strive for "equitable representation" and are told that this depends, among other things, on national and regional demographics as well as the "pool of suitably qualified" applicants.

How the size of this pool is to be determined is not explained. However, it seems that the pool cannot be confined to individuals with necessary formal qualifications or relevant experience.

How, then, are "suitable abilities" to be assessed? The bill is silent in this regard, but experience in the US warns that any assessment of ability — whether through general intelligence or employment related tests — is fraught with difficulty.

For a test which has an "adverse" effect on members of designated groups — in that members of such groups generally do less well than other individuals — is itself evidence of indirect discrimination. The employer must then show that the test he used was justified by business necessity. If he fails to discharge this complex burden, compensatory and punitive damages can again be claimed.

The explanatory memorandum accompanying the bill supports the inference that "equitable representation" means representation which accords with national and/or regional demographics. The memorandum cites, for example, the percentages of whites and blacks currently occupying unskilled and managerial positions.

Based on this evidence, the memorandum concludes that "there is little correlation between the composition of the workforce at technical, professional and managerial levels and the overall demographics of our country".

What government envisages, it seems, is that population composition should be mirrored in the workforce at all levels. Its intent in this regard can, of course, be used by the courts in the future as an aid to interpreting the law.

Employers with more than 50 employees confront, thus, a two-fold risk.

Not only can they be sued at any time for unfair discrimination, but they also face severe penalties for failure adequately to achieve employment equity. Every designated employer must:

☐ Analyse his workforce by race, gender and disability;

☐ If this shows "under-representation" at any level, draw up an "employment equity plan" incorporating "numerical goals" and a timetable for making "reasonable progress" towards these in one to five years; and

☐ Report annually on progress towards "equitable representation".

How is this to work in practice?

Assume an employer in the trucking business has 100 employees, only 30% of whom are female. At management level, blacks constitute only 20% and women a mere 10%. The employer cannot unfairly dismiss existing employees, but must also make "reasonable progress" within five years towards a workforce which, at all levels, is approximately 75% black, 50% women and 5% disabled. If natural attrition is limited and he cannot afford to take on new staff, his progress in reaching these "numerical goals" is likely to be slow. If it is deemed insufficient, he faces a fine of up to R500 000 in the first year, R600 000 in the second, R700 000 in the third, R800 000 in the fourth and R900 000 in the fifth.

These penalties are severe. And they can, of course, be buttressed at any time by the award of compensatory and punitive damages for any alleged discrimination the employer is unable to prove fair.

Once this bill becomes law, business will have to comply with race classification all over again. If business is indeed willing to support this, it is either unaware of the implications of the bill or unwilling to confront government on so sensitive an issue as affirmative action.

☐ *Jeffrey is a special research consultant at the SA Institute of Race Relations.*

FOREIGN FIRMS IN S.A

- OTHER -

JAN. '98 - JULY '99

Employment equity bill slated as too soft

(73)

Private-sector employers given too much time, says forum

Star 5/1/98

By Edwin Naidu

Six weeks before the expiry date for public comment on the Government's Employment Equity Bill, the proposed legislation has come under fire from the Black Management Forum for being "too soft" on employers in the private sector.

Forum President Lot Ndlovu said his organisation welcomed legislation as a tool for transforming the workplace but believed the proposed bill allowed companies in the private sector too much time to get their house in order.

The proposed bill, released last November, gives companies 18 months in which to submit equity plans and those not complying could be hit with fines of between R500 000 and R900 000.

"The 18-month period is unacceptable. We have a very serious problem with that because it allows companies to start from a zero base and pretend that they never knew about affirmative action legislation," he said.

Ndlovu said separate studies, including one by FSA Contact, had shown that when asked about the main challenges facing business many of the companies canvassed said affirmative action was one of the main issues requiring attention.

"It seems as if Government is giving companies a long time frame because affirmative action is a brand new concept to business. This is unacceptable," he said.

Ndlovu said the bill set no targets for employers in the private sector. These were necessary to judge its effect on the workplace.

"I do not think employers will oppose the imposing of targets because at the end of the day, it is in their interests," he said.

Ndlovu added that the forum was also concerned about the placement of the bill within the Ministry of Labour.

"Since this bill is pivotal to transformation of our society as a whole, and not just ensuring blacks take up positions, we feel that to help change the culture and mind-set of our people, the bill should be driven from the deputy president's office," he said.

Ndlovu said the forum would be willing to work with the Government to iron out differences before the bill becomes law.

During the unveiling of the bill, Labour Minister Tito Mboweni said several studies had shown that management in South Africa was still dominated by white men, who make up "a small fraction of our society".

"The grim reality is that black people continue to perform almost all lower-paid and lower-skilled jobs," he said.

He said legislation would not change the workplace in the country overnight but would encourage change or else old patterns would continue.

Mboweni said the bill should not encourage companies to make token appointments of blacks, women or the disabled.

"We do not ask employers to employ people who are disastrous for the job and incapable. We are demanding that they train their staff, that they eliminate racial discrimination in the workplace and that they recruit from the widest possible pool of suitable candidates," he said.

Mboweni said the fact that, four years into the democratic order, the labour market remained so skewed bore testimony to the need to take steps to change.

The bill is available for public comment until February 16 after which it will be debated in Parliament. It is expected to be passed into law by June.

CAPE TIMES
MONDAY, JANUARY 5, 1998 ★

PERIOD OF GRACE 'UNACCEPTABLE'

Equity Bill 'too soft' on private employers

CT 5/1/98

(73)

JOHANNESBURG: The Black Management Forum says the government should not waste time by allowing private companies an 18-month period of grace for submitting equity plans.

SIX weeks before the expiry date for public comment on the government's Employment Equity Bill, the proposed legislation has come under fire from the Black Management Forum (BMF) for being "too soft" on employers in the private sector.

BMF president Mr Lot Ndlovu said his organisation welcomed legislation as a tool for transforming the workplace but believed the bill allowed companies too much time to get their houses in order.

The bill, released last November, gives companies 18 months in which to submit equity plans, and those not complying could be hit with fines between R500 000 and R900 000.

"The 18-month period is unacceptable. We have a very serious problem with that because it allows companies to start from a zero base and pretend they never knew about affirmative action legislation," he said.

Ndlovu said studies had shown that when asked what the main challenges facing business were, many companies canvassed said affirmative action was one of the main issues that required attention.

Although the government had "dragged its feet" on drafting legislation, it had to its credit consulted widely, and this included canvassing the views of business.

The government should "not waste time" by allowing companies 18 months to get their houses in order.

Ndlovu said that for private employers the bill set no targets, which were necessary for gauging its effect on the workplace.

"I do not think employers will oppose the imposing of targets because at the end of the day, it is in their interests," he said.

The forum was also concerned about the location of the bill in the Ministry of Labour.

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"The grim reality is that black people continue to perform almost all lower-paid and lower skilled jobs," he said.

He said legislation would not change the workplace in the country "overnight" but would encourage change or "old patterns will continue".

Mboweni said the fact that four years into the democratic order the labour market remains so skewed bears testimony to the need to take steps to change.

The bill is available for public comment until February 16. — Own Correspondent

Experts warn on new job equity bill

Employers may be fined over composition of workforce

(73)

ARG 22/1/98

ALIDE DASNOIS
Business Editor

If United States law is followed in South Africa, all employers, even the smallest, may be forced to employ more black people and women or face heavy fines, two Institute of Race Relations researchers have said.

Analysing the Employment Equity Bill due to come before Parliament this year, researchers Anthea Jeffery and Martin Schönteich say it could have wide-ranging effects on small as well as bigger businesses.

If it becomes law, the measure will force employers of 50 or more people to produce an employment equity plan and to show "reasonable" progress in achieving employment equity within one to five years.

Employment equity will be defined with reference to national and regional population breakdowns and to the number of "suitably qualified" black people, women and disabled people available.

But, say the researchers in their analysis, not only employers of 50 people are affected by the bill's provisions on unfair discrimination.

"The bill imposes on all employers – irrespective of their size – a prohibition on unfair discrimination, whether direct or indirect. Direct discrimination requires proof of some kind. Indirect discrimination is more broad."

If the law is interpreted in the same way as in the US, the researchers say, any under-representation of black people, women or the disabled in any company could be indirect discrimination. This means that unless an employer can explain why the numbers of black people, women, and disabled people at all levels of the company do not reflect the demographic situation in the country – taking into account regional differences – he or she could be in contravention of the law.

The researchers say the bill is silent about whether US law will be followed in interpreting the meaning of indirect discrimination. But, they note, the influence of US law is visible in other parts of the bill.

The bill also puts the burden of proof on employers to justify the composition of their workforce where black people, women and the disabled are under-represented.

Though employers are entitled to take into account the number of "suitably qualifed" people when determining the composition of the workforce, the bill does not say how "suitably qualified" is to be defined.

Race relations institute surprised by business sector's acceptance

73

Employers 'in the dark' on equity bill

ET(BR) 22/1/98

FRANK NXUMALO
LABOUR CORRESPONDENT

Johannesburg — The general acceptance by business, albeit with some reservations, of the Employment Equity Bill, makes it questionable whether business fully understood how the bill would work in practice, the South African Institute of Race Relations said in its latest report.

The aim of the bill is to eliminate unfair discrimination and ensure a more equitable representation of blacks and women at the workplace.

The institute's researchers, Anthea Jeffery and Martin Sconteich, said that in practice black employees or their union representatives could bring charges of discrimination against any employer on 19 listed grounds, at all levels of employment. Claims could also be brought by job seekers or former employees.

According to the bill, it is not unfair discrimination "to take positive measures" to promote employment equity by giving preferential treatment to black people, women and people with disabilities, the institute said.

IN DOUBT *Anthea Jeffery of the race relations institute*

The bill places the burden of proof on the employer. Failure to satisfy that burden could result in compensatory and punitive damages, the institute said.

To enforce equitable representation, the bill compels employers with 50 or more employees to come up with "employment equity plans" that reflect national and/or regional demographics.

The bill does not impose employment quotas. But in practice these plans must either have "numerical goals to be achieved within a specified time" or aim at a workforce which is 75 percent black, 52 percent female, and about 5 percent disabled.

"Designated employers must show 'reasonable progress' in meeting these goals, (but) unless employers experience high rates of staff turnover, it might be difficult to make sufficient progress without dismissing incumbents.

"Failure to make 'sufficient progress' is punishable by fines of up to R500 000 for a first offence and R900 000 for a fourth. These maxima may be increased at any time by the minister of labour by notice in the Government Gazette," the report said.

It said if the well-established precedent in the US was followed, "under-representation" of any of the three groups would be evidence of "indirect unfair discrimination". If employers were unable to justify the composition of the workforce, they would also be liable on that basis.

MOTORING *Top South Korean company joins host of new entrants to the market*

(73)

Kia Motors gears up for SA

(1998) LT(BR) 29/1/98

Roy Cokayne

Pretoria — Kia Motors, South Korea's second largest vehicle manufacturer, is to enter the South African market from the beginning of next month, Ray Levin, the managing director of Kia Motors South Africa, announced yesterday.

The announcement follows a host of new entrants to the South African market in the past two years.

Fiat Auto announced last week that it planned to invest more than R250 million over the next two years in the production of new models in South Africa, after the finalisation of a new agreement with Automakers, the holding company of Nissan South Africa.

This new agreement has led to the establishment of a new company, Fiat Auto South Africa, which from July 1 will be fully responsible for the importation and distribution of all Fiat Auto products in southern Africa.

This week, Volvo Car Corporation, the Swedish car company, also said it was to start the assembly of two of its models in its plant in Gaborone, Botswana, which is operated by Wheels Of Africa. This plant is also scheduled from April to assemble completely knocked down Hyundai models.

Levin, who worked for the McCarthy group for 11 years, said Kia Motors South Africa had obtained the sole franchise to import Kia vehicles to South Africa when the Imperial group agreed to relinquish it.

He said the entry of Kia to the South African market involved an investment of about R11 million by Kia Motors South Africa, the main portion of which was in stock.

Levin said other costs included the setting up of a head office in Kempton Park, which employs five people at present, but Kia would keep its structures as flat as possible to enable them to have a smaller mark up and ensure the vehicles were competitively priced.

Levin said Kia Motors South Africa had the backing of a leading financial institution and was set to become a significant competitor in the South African market.

He said the sales targets set for Kia were an average of about 100 a month but building up to about 500 a month in the next 12 to 18 months.

The initial range of vehicles in South Africa will consist of two models — the Sportage, a mid-sized leisure orientated 4x4, and the Pride, a compact 1,323-litre sedan.

"Kia has an exciting range of passenger and commercial vehicles and we are already in an advanced stage of planning for the expansion of the model range in South Africa," said Levin.

Eleven franchised dealers would open in Gauteng, Cape Town, Stellenbosch, Port Elizabeth and Durban from February, he said.

Hyundai plant opens next month

Roy Cokayne

Pretoria — Pilot production at the R250 million, completely knocked down assembly plant for Hyundai, the South Korean motor manufacturer, in Botswana was scheduled to start on February 17 this year, Brian Simms, the company's chief executive officer, said yesterday.

Pilot production was initially scheduled to begin this month, but Simms said construction had been delayed by the heavy rains early last year.

Simms said a total of 90 cars would be processed during the pilot production programme: "Depending on how that goes, we will be able to finalise a date for full production for mid-April this year."

Simms said the plant would initially only produce the facelift Accent model.

Chinese-owned television plant moves to Dimbaza

BD 18/3/98 (73)

GRAHAMSTOWN — A R29m television assembly plant has been moved from China for reassembly in Dimbaza, an industrial area established by the former Ciskei government with the help of decentralisation incentives.

Hainan Vision, owned by a Chinese consortium, says more than 280 jobs will be created.

The location, about 20km from Bisho, was chosen after the consortium was courted by Willie van Heerden, acting head of support services for the Centre for Marketing and Investment in the Eastern Cape (Cimec), part of a drive to attract foreign investors.

This week the plant was being reassembled by an 11-man team of Chinese technicians after being shipped from Haikao in mainland China. The entire factory was stripped into pieces, packed into crates and shipped by sea and road to Dimbaza, where it is being put back together.

Acting Cimec head Don Maclean says the first phase of investment will see the factory making television sets based on Toshiba technology. Assuming a positive cash flow, phase two will entail assembly of VCRs in about a year's time.

The television sets will be assembled from imported parts with the exception of the plastic casings, which will be moulded by local firms. —ECN.

Discriminatory employers will be on the block

(73)

FRANK NXUMALO
LABOUR EDITOR

CT(BR) 11/6/98

Johannesburg — Businesses which failed to take steps to remove all discriminatory practices from their pay policies could face legal action when the Employment Equity Bill becomes law later this year, FSA-Contact, the human resources consultancy, said yesterday.

However, complying with requirements of the bill could place companies under enormous financial pressure, the consultancy said.

Hennie Steenkamp, a senior consultant at FSA-Contact, said while many local companies had implemented affirmative action plans and ensured that their recruitment and disciplinary practices were fair and justifiable, many "still discriminate along racial lines when it comes to pay and benefits.

"Some discriminatory practices include providing lower or no pension benefits to women or black employees compared with other groups, different salary scales for people doing the same job because of their gender or race, and discriminating against one group within the organisation in terms of medical aid or housing benefits."

Steenkamp said companies should immediately review job classification and grading policies and systems to ensure they meet the requirements of the bill.

Employers should also review salary scales, pension, housing and medical aid benefits to ensure that these do not exclude or prejudice any employee on gender or racial grounds.

"Employers cannot delay dealing with the issue (because) the bill requires employers to collect information and conduct analysis of its employment policies, practices and procedures to identify employment barriers which adversely affect women, the disabled and previously disadvantaged," Steenkamp said.

Bill will outlaw discrimination

ARG 15/10/98 (73)

ARGUS CORRESPONDENT

Pretoria – Legislation outlawing discrimination is being drafted and could be presented to Parliament before the end of the year.

The architects of this draft want it to be enforceable, but have not decided yet whether penalties will be attached to proven discrimination.

The anti-discrimination law will give teeth to the constitution's Bill of Rights and allow victims of all forms of discrimination recourse to the law.

While racism is likely to be the main focus of the legislation, the draft law also will prohibit discrimination on the grounds of, among others, gender, sexual orientation, age, disability, religion, language, marital status, pregnancy, ethnic or social origin and culture.

The draft legislation will also deal with hate speech and racial epithets.

It is what's known as omnibus legislation, explained Dr Lindelwa Ntutela, senior researcher and legislation drafter on the equity legislation drafting unit.

A joint project between the Department of Justice and the South African Human Rights Commission, the unit was set up in March.

According to its mandate, the unit must present Parliament with draft equality legislation before 2000.

Dr Ntutela said the shortened parliamentary calender due to the elections next year and the controversial nature of the law made it imperative to complete the drafting phase as early as possible.

The bill must be in force by February 2000, said Dt Ntutela. "That means we need to present draft legislation by the end of the year so Parliament can debate it next year and it can be in place in time."

Dr Ntutela said that while the legislation would be educative rather than punitive, the final draft would probably contain elements of criminalisation.

Sunday Times Business Times
October 18 1998

HARD AT WORK... Shepherd Mdladlana is making sure the new Act will be implemented

Employment equity on track despite criticism

EMPLOYMENT EQUITY

By THABO KOBOKOANE

GOVERNMENT was committed to putting employment equity legislation in place soon despite criticism that the Act would be impossible to implement.

Labour Minister Shepherd Mdladlana told the Black Management Forum's annual national conference in Mmabatho this week that his department was already preparing for the implementation of the Act.

"Numerous tasks need to be undertaken before the law can fully come into effect," Mdladlana says. These include recruiting and training additional staff and establishing the Commission for Employment Equity.

Mdladlana says he will make further announcements in due course. The department has said it will spend about R150-million over the next five years enforcing the new employment equity law.

The controversial legislation, passed by parliament in August, will compel businesses employing 50 or more people and with annual turnover of more than R10-million to submit within 18 months employment equity plans outlining methods to remove discrimination and ensure the creation of a more diverse, representative labour force.

Other aspects of the legislation oblige employers to "progressively reduce" the wage gap between workers and bosses and disclose to government the remuneration packages of all employees.

In defence of the legislation, Mdladlana says it would have been "suicidal" if the democratically elected ANC government in SA ignored the inequalities.

ST 18/10/98

(73)

Plans for equity in labour market

By Mzwakhe Hlangani
Labour Reporter

HUGE disparities in the workplace will be totally eradicated when the Employment Equity Act becomes effective, probably next June, and trade union shop stewards will ensure employers comply with the Act, a delegation of business and labour was told yesterday.

The Department of Labour will enforce and monitor the implementation of the Act through labour inspectors, who will be empowered to issue compliance orders against employers who fail to comply, the department's spokesman Duncan Nkosi said.

The Act calls for drastic measures and is not just about repealing discriminatory laws in the workplace.

Nkosi said shop stewards are expected to work with labour inspectors in monitoring compliance in the workplace. The department has budgeted for the training of inspectors and commissioners who will preside over disputes related to the Act.

Announcement

The official announcement of the promulgation of the Act is expected to be announced by the Labour Minister Membathisi Mdladlana on Freedom Day, April 27.

Business South Africa spokesman Vic van Vuuren told a workshop organised by the Independent Mediation Service of South Africa (Imssa) that the act was a useful tool for transformation and that business supported it.

Van Vuuren appealed for a positive and pragmatic approach by line managers, pointing out that the key to its successful implementation relied on shop floor partnerships.

Black Management Forum executive member Bheki Sibiya urged management to take responsibility for ensuring adequate consultations on the required work analysis for all occupational categories.

Sowetan 5/3/99

73

Friday April 30 1999 SOWETAN

Employers 'must redress imbalances'

By Paul Letsoalo

THE only way to prove democracy exists in South Africa is to fight discrimination, especially in the workplace, Labour Minister Mr Membathisi Mdladlana said yesterday.

Addressing a media conference on the implementation of the Employment Equity Act, which was passed in September last year, Mdladlana said:

"Removing discrimination on its own will not ensure equality in employment opportunities for those who have been denied access to jobs, education and skills in the past.

"The Act therefore has to go further and place an obligation on employers to introduce affirmative action steps to redress these imbalances."

It seeks to bring to an end decades of inequalities that are a result of both apartheid policies and societal prejudices and stereotypes.

To ensure the successful implementation of the Employment Equity Act, the department believes:

- Employers and employees must be informed about the provisions of the law and how to apply it;
- The law must be easy to apply and employers should not bear undue cost to implement the law;
- Employers and workers should be able to implement the laws in ways that enhance productivity, efficiency and good employment practices; and
- Employees who feel they have been unfairly discriminated against should be able to have their disputes speedily and effectively dealt with.

With this in mind, the department and the Commission for Conciliation, Mediation and Arbitration (CCMA) have put in place the following :

- The development of codes, guidelines and regulations to assist employers and employees to draft equity plans, do work place analyses and report to the department of labour; and
- Training of staff in the department and the CCMA to handle inquiries, cases and disputes relating to employment equity.

(73) Sowetan 30/4/99

EMPLOYMENT EQUITY

(73)

FAIR ATTRACTION: WALK THE AMAZING LEGAL TIGHTROPE

FM 14/5/99

Employers must beware of how they obey the law

David Kemp owns a warehouse in Durban from which he sells curtains, towels, duvets and upholstery and the like to the retail trade, turning over R15m a year.

He employs 89 people — and there's the rub. Because Kemp refuses to disclose the race or gender of his staff, he could be heading for a brush with the law, in the shape of the new Employment Equity Act.

The Act says employers like Kemp must report to the Department of Labour on the labour diversity of their businesses. The reason he won't, he says, is that it smacks of racism; he didn't do it under apartheid, so why should he be forced to do it now?

"The ANC always says small, medium and micro enterprises are at the heart of its job creation strategy, but the new laws may stifle this sector," he says.

The choice is stark for Kemp, and others who have always tried to run their businesses on minimal paperwork: start developing a staff equity programme now, or face the prospect of prosecution as the Act takes effect.

Nor is it as simple as that: overzealous application of the Act could expose employers to law suits from existing staff.

The Employment Equity Act's stated intention is to eliminate discrimination and promote employment equity in the workplace. It covers all employers and employees, except the security and intelligence services.

Companies with more than 150 employees are required to submit their first report to the Labour Department by December 1 this year, and those that employ fewer than 150 employees should do so by June 1 2000. Thereafter the big and small companies are required to report their progress to the department every year and every two years respectively.

Ever since controversy first erupted around the equity law proposal, management consultants and legal firms have been inundated with requests for advice on how to comply. And they have been quick to develop costly transformation programmes.

But the biggest challenge to companies under the Act may lie in the way they review their employment practices. This is where companies evaluate their existing human resources policies, employment contracts and organisational culture, and decide how best to harmonise affirmative action with existing fair labour practices.

Employment law specialist Mosh Thulare says' the Act is too inflexible and discourages internal hiring and promotion, which motivate staff and boost morale. Companies now may find they cannot comply with the Act by hiring within their organisations. This may force them to overlook qualified staff and recruit from outside simply to meet stipulated race or gender quotas.

Employers who fail to stick to their existing employment policies may be exposed to legal liability. In two recent cases — George vs Liberty Life Association of Africa Ltd, and Public Servants' Association of SA vs Minister of Justice — employees successfully challenged affirmative action appointments made by their employers in breach of existing appointment procedures.

Thulare says companies must be careful how they implement employment equity legislation. The tension between affirmative action and existing contracts is not always obvious; employers must ensure their equity plans don't discriminate against current employees. Sello Mabotja

THROWING LIGHT ON EQUITY

A primer for the Employment Equity Act

What's required: Companies with at least 150 workers must report compliance to the Department of Labour by December 1, thereafter annually. Companies with fewer than 150 workers must report by June 1, 2000, thereafter two-yearly.

How to do it: Step 1 — analyse existing employment practices. Step 2 — develop a set of equity targets in consultation with staff. Step 3 — start a programme of continuing training for employees and managers. Step 4 — finalise and begin implementing the equity plan.

Watch out: Employers should beware that their affirmative action plans do not disrupt existing good employment practices. Established employees have already successfully challenged affirmative action appointments on the basis of improper procedure.

NEWS BRIEFING

Members of the Commission for Employment Equity named today

73

Johannesburg – The department of labour would announce the names of the members of the Commission for Employment Equity (CEE) today, the department said yesterday.

The members were nominated by the tripartite National Economic Development and Labour Council that brings together representatives of organised labour, business and government.

The CEE was established by the Employment Equity Act to advise the minister of labour on various codes and regulations required for the implementation of the act, which becomes operational on August 9, National Women's Day. Planned regulations include standardised forms for employers, a summary of the act for display at workplaces, procedures for the conduct of an analysis and preparation of the workforce profile, plus simpler forms for smaller employers. – Frank Nxumalo

Brait's maiden results 'on solid ground': Brait, the investment and merchant banking group, scored an 80 percent year-on-year increase in attributable earnings to R192,7 million in its maiden results for the year to March 31, the company said yesterday.

Page 3

Black employee claims 60% wage differential

BD 31/5/99 (73)

Alan Fine

CAPE TOWN — THE first Labour Court claim by a black employee for back pay on the grounds that his company has been paying him racially discriminatory wages continued last week after a three-month adjournment.

Buyer Michael Louw's claim against Golden Arrow bus company is based on a consistent 60% differential between his wage and that of a white colleague, Johannes Beneke, employed several years after him in 1990. Louw's claim goes back to only 1996, relying on the anti-discrimination clause of the Labour Relations Act of 1996.

Golden Arrow director Barry Gie on Friday denied that remuneration at the company had ever been based on race.

A key point in the trial is that Beneke was promoted from buyer to warehouse supervisor in 1994. The company asserts this was a promotion and put Beneke in a job requiring greater skill, justifying the wage differential between the two men.

Under cross examination Gie said the minutes of an internal company meeting, where a member of management said Beneke's new position was not a promotion, had been wrong.

Asked why Beneke had not received a salary increase if it was a promotion, Gie said the company had been in financial difficulty and was retrenching.

Earlier this week management consultant John Steer gave evidence analysing the two men's duties according to the Peromnes job grading system.

When Beneke joined the company as a buyer in 1990, he was paid R2 300 a month compared with Louw's R1,500. This differential of more than 60% remained until 1997 when their respective salaries were R4 460 and R2 760.

The case has been postponed to a date yet to be decided.

Human rights chief to probe Mossgas race row

Wessels on way to Mossel Bay after 'dozens of complaints' of job reservation and discrimination

ADRIAN HADLAND
POLITICAL EDITOR

#8 (73) ARG 27/7/99

A race row at Mossgas is set to break into the open as the Human Rights Commission prepares for a hearing into racial discrimination at the Mossel Bay-based company.

The commission confirmed this week it would send Western Cape commissioner Leon Wessels to Mossel Bay to begin the investigation.

In a letter to Mossgas management earlier this year, the commission warned the parastatal racial discrimination in the workplace was contrary to the constitution.

"We wish to remind you," the letter said, "that discriminating against persons on the ground of their race is a clear violation of their right to equity under section 9(4) of the constitution."

The decision to launch an inquiry follows dozens of complaints of job reservation and racial discrimination going back several years.

Last July, six employees sent affidavits to the commission setting out alleged incidents of overlooked promotions, unkept promises of training, apartheid-like segregation of employees, and victimisation.

One employee said he had been forced to help supervisors at Mossgas load company bakkies with stolen property and had been threatened with victimisation should he refuse.

Mossgas management has repeatedly denied the allegations, saying it has an aggressive affirmative action policy and grievance procedures

In its own affidavits to the commission, the company said it had "always taken a very strong line against any form of discrimination".

Regarding the improvement of the racial diversity of its workforce from 72% white and 28% black in 1993 to 62% white and 38% black last year, Mossgas said that "progress has been made".

It pointed out the difficulties of hiring black staff into a highly technical environment and the "undesirable location" of the oil-from-gas corporation.

But black workers at Mossgas, some of whom are now represented by the Mossgas Black Empowerment Forum, insist that management is merely paying lip-service to transformation.

The establishment of the forum in June 1997 had been met with hostility and threats of legal action, its members allege.

Senior management had referred to the forum in the two meetings held in the last two years as "klipgooiers" intent on "making Mossgas ungovernable".

The forum claimed, too, that although policies and structures to prevent racial discrimination were in place at Mossgas, they were seldom used effectively.

"The policies of Mossgas were never an issue with us and still are not," the forum said. "It is also our view that Mossgas has had some of the best policies in the country by any standards, even in the pre-1994 era. Our concern was and still is with the implementation of the policies and inconsistencies resulting therefrom.

"The application of current, revised policies remains discriminatory in effect," the forum said in its letter to the commission.

The forum alleged that one of the meetings it had with management was merely a "quick-fix" arrangement aimed at hiding labour relations difficulties ahead of Mossgas's appeal to Parliament for an extra R2,2-billion in funding.

Although funding, for the extension of Mossgas's activities, was granted, the allegations of mistreatment and discrimination continued.

The forum has sent letters of complaint about conditions at Mossgas to President Mbeki, the Mossgas board and to the ministries of Mineral and Energy Affairs and Public Enterprises. It has also made a presentation to Parliament. It is hoping the commission will come to its aid as a last resort.

The company, for its part, has accused the forum of injurious falsehoods, "which impair the good name and reputation of Mossgas".

FOREIGN FIRMS IN S.A

– AUSTRALIAN –

OCTOBER '89 – JULY '97

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Aussie company accused of SA tie

The Star Foreign News Service

MELBOURNE — Australia's anti-apartheid movement has accused the country's biggest company, BHP, of trying to hide its business activities in South Africa. (2680) (68)

The movement said today that BHP owned a company called Phoenix Mining Finance which operated in South Africa.

It had not mentioned this at last week's annual general meeting because of the problems that it would have caused.

The company, however, does appear in BHP's report to shareholders. Its activities are not listed but its profit was given as R250 000, down from R2 million the previous year.

BHP tried to play down the issue today, claiming that its inter-ests in South Africa were "mi-nute" Star 5/10/89

The anti-apartheid movement said that it would continue to press BHP to disclose the exact nature of Phoenix Mining.

than cars and homes valu

Aussie, Anglo deal attacked

19/10/87

68

The Star's Foreign News Service

The Western Australian government has come in for heavy criticism for its decision to go into a gold-seeking business with a South African Anglo American subsidiary.

The government has announced that its bullion arm, Goldcorp, will join with Anglo American Pacific to extract an estimated one billion rand's worth of gold from tailings dumps at Kalgoorlie.

Goldcorp, operator of Perth's Mint and producer of the Gold Nugget coin series, is run by the former Intergold team which made South Africa's Krugerrand the world's most popular currency investment.

The anti-apartheid movement, the unions, the state conservative opposition and even a Federal Labour MP have attacked the government decision.

Mr Graeme Campbell, the Federal Labour member for Kalgoorlie, said he could not understand "the hypocrisy of a government which puts trade and sporting bans on South Africa yet goes into a joint venture with them".

Anti-apartheid spokesman, Mr Paul Kaplan, said his movement was "outraged" that the government would enter a South African partnership.

10/11/87

Aussie insurance group to sever all ties with SA

68

Dispatch Correspondent

JOHANNESBURG — The Australian-based international insurance group, Colonial Mutual, is about to sever all ties with its South African operation.

In a carefully-worded announcement yesterday, in which the word "disinvestment" was not mentioned, Colonial Mutual's general manager in South Africa, Mr Doug Cleland, said it was "in the process of becoming an independent South African operation".

Answering questions, Mr Cleland said that Colonial Mutual, which has its South African head office in Cape Town, was having exploratory talks with several other "established South African organizations offering complementary strengths" with a view to a possible merger.

Possible partners would not necessarily be Cape Town-based.

Asked if the link-up could be with a building society, Mr Cleland said: "At this stage we don't know."

He said that any merger or other relationship would be considered as an opportunity for expansion rather than rationalisation.

Colonial Mutual is South Africa's second oldest life assurer. It employs 800 people in this country, where it has total assets of more than R500 million and branch offices in every major city.

Although it is at present still part of an international group it is officially recognised in this country as a South African assurer controlled by a local board.

All funds from South African policy holders are retained here and secured by investments in this country.

Border post chaos

BATHO — Chaos reigned at the Ramatlabama border post yesterday, the first day of new visa requirements imposed on Botswana citizens entering Bophuthatswana.

Large crowds gathered at the border gates, but by mid-morning only 11 people had been allowed into Bophuthatswana. — Sapa

Australian firms seek staff in S A

68 14/9/85
Mercury

Mercury Correspondent

JOHANNESBURG— Australian and New Zealand companies are looking for a wide range of professional staff in South Africa.

Lawyers, quantity surveyors, metallurgists, engineers, stockbroking analysts, computer experts, electrical fitters and journalists are wanted.

At least a dozen retrenched journalists have accepted jobs in Australia.

One Australian firm has a representative in South Africa looking for quantity surveyors/estimators while the New Zealand Synthetic Fuels Corporation, operating the world's first plant to convert the natural gas from feedstock to fuel, is looking for engineers.

One of Australia's leading stockbrokers is looking for a senior institutional dealer, an industrial analyst, a fixed deposit dealer, a corporate advisory executive and a private client manager to take up positions in Perth, Melbourne and possibly Sydney.

Another company, based in Perth, is advertising for a plant metallurgist for a gold mine at Kalgoorlie; a New Zealand firm wants a switchgear foreman and experienced electrical fitters.

A legal firm in Perth is looking for experienced attorneys and advocates and a computer company is looking for experienced staff.

One firm operating in Britain, Renault Truck Industries in Dunstable, Bedfordshire, wants senior engineers and supervisory staff.

Australian businesses look at code for SA

9/8/85 STAR 68

The Star's Foreign News Service

MELBOURNE — At least some sections of Australian business appear to be reluctantly embracing the reality that some form of a code of conduct for Australian businesses operating in South Africa is inevitable.

The Business Council of Australia and the Confederation of Australian Industry met the Minister for Foreign Affairs, Mr Bill Hayden, today to discuss the matter.

The meeting followed a previous one last week and a series of negotiations with officials working on the code.

The two business groups have been reluctant to embrace the notion of a code arguing that it constitutes unwarranted government interference in commercial affairs.

However a business spokesman said today the two groups would have to negotiate. He added: "If the government is going ahead, then let's have it in terms which will be borne at the least cost by the business community".

He said it was important there should not be impositions on Australian business in South Africa which were more restrictive than those on businesses operating in Australia.

Meanwhile the union movement has signalled its determination to take tough action against business links with South Africa.

The Amalgamated Metal Workers' Union advocated a ban on South African imports from September 1 and said it had already persuaded a number of Australian metal and engineering companies to stop importing components from South Africa.

And in Perth the Western Australian Trades and Labour Council called for a ban on South African immigrants.

Australian business rejects code on SA

68 S. Day 17/6/85

MELBOURNE — The Hawke Labor government has suffered a major setback in its campaign to take the international initiative on tough trade measures with South Africa.

On Friday the Confederation of Australian Industry, one of the two most important organisations that speaks on behalf of big business, rejected Canberra's proposed code of conduct for Australian companies operating in SA.

CAI spokesman Larry King said the decision "in no way implies the CAI approves of South Africa's internal politics nor of apartheid".

He said the organisation was concerned that acceptance of the government-implemented code would price Australian companies out of the lucrative South African market, and could preceed the introduction of similar obligations on companies operating in Australia or in other overseas markets.

The second major voice of business in Australia, the Business Council, is still considering the proposed code suggested by Canberra. It expects to make a decision within the next few days, but informed sources said the vote is likely to give the plan the thumbs down.

One business leader, who asked not to be identified, accused Foreign Minister Bill Hayden of being "naive and unsophisticated" in his handling of the matter. He said there had been no consultation with industry before the draft code was released. — Sapa.

Aussies cut trade links with SA

68

Sowetan 6/6/85

CANBERRA — Australia yesterday banned all future construction contracts with South African firms.

The Foreign Affairs Minister, Mr Bill Hayden, and the Construction Minister, Mr Steward West, said the policy would apply immediately to firms with a majority South African ownership.

Mr Hayden said the decision was "consistent with the government's policy to increase pressure on South Africa to abandon the obnoxious practice of apartheid".

Firms wishing to bid on future government construction contracts would be required to prove they were not dealing with a majority South African-owned firm.

The ban was immediately criticised by the opposition trade spokesman, Mr Tom McVeigh, who said it would invite retaliation against Australian companies. — Sapa-AP.

KDM 19/4/85

Aussies set SA conduct code

(68)

CANBERRA. — The Labour Government introduced a voluntary code of conduct yesterday aimed at discouraging Australian companies in South Africa from exploiting apartheid.

The Foreign Minister, Mr Bill Hayden, also said his government would support the introduction of mandatory sanctions against South Africa if it were given the opportunity in its new position as a member of the UN Security Council.

Mr Hayden, presenting the code in Parliament, said the continuing violence and loss of life in South Africa were matters of profound concern.

The code, similar to those of other major developed countries, rejects segregation at the place of work and applies the principle of equality of treatment to recruitment, employment and industrial relations practices.

It also applies the fundamental principle of equal pay for equal work but recognises that staged programmes may be necessary to achieve this.

Mr Hayden said it was "clearly unacceptable for any Australian company to pursue commercial activities in South Africa which might exploit the peculiar employment conditions which arise because of apartheid".

The Foreign Ministry estimated about 70 Australian companies had investments in South Africa, including those involved in joint ventures and those with minority interests.

The total investment stood at R15 400 000 in June 1983, not including companies such as Rio Tinto which have big stakes in Australia and South Africa but are British-based.

Mr Hayden said his government appreciated some people would argue that the new code of conduct should be mandatory, not voluntary.

The code will apply to Australian companies or their subsidiaries, branches or affiliates operating in, investing in or having representation in South Africa, and which employ non-whites. — Sapa-Reuter.

ARGUS 18/4/85 68 NATIONAL/INTERNATION

SA trade: Australian move on conduct code

Argus Foreign Service

CANBERRA. — The Australian Government today moved to introduce a code of conduct for companies trading with South Africa.

It also said it would support an effective international disinvestment policy. At the same time the Prime Minister, Mr Bob Hawke, announced that the Government was prepared to provide assistance for Australian cricketers to break any contracts signed to play cricket in South Africa.

And the Minister of Foreign Affairs, Mr Bill Hayden, said payments to Australian cricketers were nothing less than "blood money".

These moves, announced in Parliament, form part of a concerted response to violence in South Africa and to the prospect of the ban on sporting links being broken by a rebel cricket team.

Significantly, opposition leader Mr Andrew Peacock said the conservative Liberal-National Party opposition supported the code of conduct because it now had grave doubts that South Africa was serious about reform.

His statement confirmed that the opposition has abandoned moves that it made last year towards embracing the US policy of constructive engagement. But Mr Peacock said the opposition would not support an economic boycott, which the Government indicated it would do if it involved South Africa's major trading partners.

He said such action would hurt people it was designed to help. The announcement of a code of conduct was made by Mr Hayden in a statement about the South African issue.

The code will be voluntary but Mr Hayden said he expected all companies involved — about 100 — to comply with it. The code is modelled on the European Community, Canadian and Sullivan codes.

It will require Australian companies to reject segregation and to apply the principles of equality of treatment to recruitment, employment, industrial relations and pay.

Mr Hayden said the code would ensure that Australian companies did not exploit the "peculiar employment conditions generated by apartheid".

He said it would take into account the social and economic hardships imposed on non-whites in South Africa and proposed fringe benefits and other measures consistent with those in Australia.

He said the compliance of companies with the code would be monitored by the Government but there would be no penalties for non-compliance. On a possible trade boycott, Mr Hayden said Australia was not prepared to act unilaterally.

However it was possible that as a member of the UN Security Council, Australia would soon be asked to vote on mandatory sanctions.

"Australia would support such a proposal," he said.

POOLS WINNER

Dennis Turner, a 51-year-old machine operator from Stoke-on-Trent, has a good reason to quit his tyre-factory job. He has scooped Britain's biggest football pools win — nearly a £1-million (more than R2-million). He staked 36 pence (85 cents). Presenting the huge cheque on behalf of Littlewoods is TV star Howard Keel.

Mystery on gem digs in N Tvl

SS 28/7/81

~~216~~

68

An Australian - controlled company, Kosovo Exploration, has apparently joined forces with one of Lonrho's South African listed subsidiaries to prospect for diamonds in the far northern Transvaal.

The Mining Journal says that Kosovo has concluded an agreement with "a quoted SA mining company" for prospecting for precious stones on certain farms in the Zoutspansberg district.

Kimberlites

The journal says that the 19 800 ha prospecting area is near Venetia farm where De Beers and Middel Wits have located high-grade, high - value kimberlites.

Under the agreement, Kosovo has the right to subscribe for 30 percent of the shares of any company formed to mine discoveries which may result from prospecting

Approached for comment, Kosovo's locally-based managing director, Mr Richard Jules-Macquet, declined to name the South African partner.

Natural

However, Lonrho SA chairman Mr Sid Newman, without confirming or denying that a Lonrho company was involved slipped, "it has not been made public yet." He also conceded that Lonrho companies had for many years held prospecting options in the area.

It was natural that mining companies continuously took up options and there was nothing significant in doing so, he said.

However, Mr Newman's reaction was vastly different from that of other mining houses which denied association with Kosovo.

Furthermore, a statement "I am trying to find out how much you know" from Mr Newman added to the belief that Lonrho was somehow involved.

Substantial

In addition, a deeds search of mineral-rights holders revealed that Mineral Holdings, a Lonrho company, held substantial rights in the area.

It was therefore logical for Lonrho to prospect these farms in view of the excitement caused by the Venetia discoveries.

Minerals Holdings can, however, be scrapped from the list of probables as the Mining Journal clearly stated that the company involved was listed.

Subsidiary

The only mining holdings companies in the Lonrho South Africa stable are Coronation Syndicate, which has a subsidiary in Zimbabwe and Duiker Exploration, which has two collieries in the Withbank district

If it is accepted that Coronation Syndicate's interests are in Zimbabwe only, it would be a fair assumption that Kozovo's partner in the prospecting area in the Northern Transvaal is Duiker Exploration.

STAR 20/3/79 (68)

'Give SA enlightened investment'

Own Correspondent

BRISBANE — Professor William Kgware, Vice Chancellor of the black University of the North, has appealed to Australians for "enlightened" foreign investment in South Africa.

Speaking at a Press conference on his arrival in Sydney last night Professor Kgware said sanctions had put pressure on South Africa to examine its racial policies. However, economic sanctions hurt the blacks more.

SANCTIONS

"The blacks are the low-income people and any rise in costs brought on by sanctions affects them.

"Hungry men can become desperate. If violence should occur with a transition to majority rule, it is not because I prayed for it," he said.

Progressor Kgware is visiting Australia as the guest of the newly-formed Australia-South Africa Association, which aims to increase trade and communication between the two countries.

Anglo search for uranium in Australia

STAR 10/7/78

(68)

Own Correspondent

PERTH — South African mining companies, which are already involved in gold, diamonds and nickel in Western Australia through associates or subsidiaries, are now reported to be looking for uranium.

I am told that Anglo American, through its subsidiary Australian Anglo American has been prospecting for uranium in the Meekatharra district about 800 km north-east of Perth.

My informant, a representative for the mining equipment company Diamond and Board, said that two weeks ago he met a group of geophysicists who had been doing magnetometer tests in the Meekatharra district.

"They did not say what they were looking for but it seems highly likely that it was uranium my informant said.

It is doubtful that they would find diamonds in that part of the country. Within about 300 kilometres of Meekatharra, at a place called Yeelirie, the Western Mining Company is working large deposits of uranium which lie just below the surface.

When I spoke to the head office of Australian Anglo American in Melbourne, a spokesman said he could neither confirm or deny the reports about uranium.

He was also reticent to talk about diamonds, but it is known for a fact that De Beers, through its West Australian subsidiary Stockdale Prospecting is exploring in a new part of Western Australia.

The Anglo spokesman in Melbourne said he would prefer not to speculate about the area in case the company's rivals got to hear about the operation.

Ek

L.W. Na afloop van die skrifte... didate wat grensgevalle is, opgeroep word ... afloop van die eksamens die kenn... om te kyk of hulle hierdeur geraak word.

Sake-Afrikaans: Een vraestel ... McFarlane

Afrikaans I: 2 vraestelle ...

1ste vraestel ... ar (grammatika - 50) ... (... - 50)

2de vraestel ... (prosa) ... ar (poësie)

In vraestel 2 moet 5 vrae ... kunstens 1 vraag maar nie meer as 2 vrae uit elke ... (100)

L.W. 'n Woordeboek mag by die bea... vraestel ... Afrikaans gebruik word. Elkeen wat ... maak, moet sy eie woordeboek saambring. Geen ... by die eksamen toegelaat word nie.

Afrikaans-Nederlands I: 2 vraest...

1ste vraestel Af... Ndl. poësie)

... Af... d. Merwe (Afr. & Ndl. prosa)

2de vraestel Af... kunde)

... denis, Fonetiek, Fonologie)

In die eerste vraestel moet V... word, nie minder as EEN en nie meer as TWEE uit elke ... Tweede vraestel moet TWEE vrae uit Afd. A en DRIE ... word: verpligte fonetiese transkripsie, EEN vraag oor die Fonetiek en Fonologie en EEN oor die Taalgeskiedenis.

Ndl. grammatikes (Pheiffer): 'n Toets sal gedurende September afgeneem word. Die punte sal vir die eksamen tel.

R1,75-m stays here

THE R1,75-m which Imperial Cold Storage is a paying Henry Jones (IXL) for 100% of control of Land Harvest (Pty) will not leave South Africa.

It will be used to develop the other interest which Australian company H Jones has in South Africa, the pineapple processing company, Western Province Preserving.

H Jones' decision to move out of the not very profitable frozen food market and to develop the pineapple company means that the Australian company's funds will stay invested in South Africa.

The deal means that ICS, which had H Jones as an equal partner in Land Harvest, now has total control of the Harvestime frozen food label. Harvestime products are estimated to hold 20% of the frozen vegetable market and Land Harvest has recently entered the export market.

H Jones received one-third of the payment in cash in September, and the balance will be paid over the next three years.

SUNDAY EXPRESS 9/10/77

Afrikaans-Nederlands II: 2 Vraestelle (3 uur)

1ste vraestel Afd. A ... moderne Ndl. poësie)

Afd. B Snyman & v.d. Merwe (prosa)

2de vraestel Afd. A Scholtz (Semantiek Engels)

Afd. B Pheiffer (Taalgeskiedenis)

Afd. C Snyman (Afr. poësie)

Afd. D Waher (Taalkunde)

In die eerste vraestel moet VYF vrae beantwoord word, minstens TWEE vrae uit Afd. A en in Afd. B minstens EEN vraag oor Ndl. en EEN vraag oor Afr. prosa. In die tweede vraestel moet VYF vrae beantwoord word; minstens EEN en nie meer as TWEE uit Afd. A, B en C nie. In Afd. D moet EEN vraag beantwoord word.

Afrikaans-Nederlands III: 3 vraestelle (3 uur elk)

1ste vraestel Afd. A - Waher (Taalkunde)

... en Semantiek)

In hierdie vraestel moet VIER vrae beantwoord word, TWEE vrae uit elke afdeling.

b.o.

ICS buys out Jones

RDM 8/10/77

68

Deputy Financial Editor

IMPERIAL Cold Storage has paid about R1 750 000 to buy out its Australian partner, Henry Jones (IXL), from its half share in Land Harvest (Pty).

Land Harvest is a frozen food processor of vegetables which was started as a joint venture by ICS and Henry Jones six years ago.

Henry Jones was paid a third of the consideration last month and the balance is payable in cash — in South Africa — over the next two years.

A spokesman for ICS said yesterday that the deal had been done at below net asset value. He said the acquisition would have no material effect on ICS's assets or earnings this year.

Australian grant for SA 'skills' under fire

(68)

ARG 13/6/91

The Argus Foreign Service

MELBOURNE. — The Australian government's R 4,4 million grant for the development of economic skills in South Africa, including R220 000 to the African National Congress, has drawn increasing criticism in Australia.

Opposition leader Dr John Hewson said Australians enduring the worst recession in 60 years could not understand why money was being given to improve the quality of economic debate in South Africa.

"They simply cannot understand why an Australian government which has made such a mess of its own national economy should now be trying to coach others."

Referring to the allocation to the ANC, Dr Hewson said: "This game of playing favourites among black representative groups is a dangerous and unnecessary one."

The Opposition's spokesman on foreign affairs, Senator Robert Hill, claimed the grant to the ANC was "unprecedented and unwise."

Discussion on the grant was the focus of most media attention today on the controversial tour of South Afria by Foreign Minister Gareth Evans.

● Sapa reports that Mr Evans said on his arrival at Port Elizabeth that South Africa had a great future and would be welcomed back by the international community with open arms.

But, he said, this depended on negotiations remaining on track and obstacles to negotiations, especially the violence, being surmounted.

Mr Evans is meeting ANC deputy president Mr Nelson Mandela in Johannesburg today.

Mr Evans said his trip had been extremely successful but that his discussion with Inkatha leader Chief Mangosuthu Buthelezi, who slammed Mr Evans for his government's refusal to supply financial aid to his party, had been "a bit robust".

Chief Buthelezi yesterday hit out at Mr Evans for his government's refusal to supply financial aid to Inkatha and for saying that the ANC was the most widely representative black organisation in South Africa.

In a hard-hitting address to Mr Evans in Ulundi yesterday, Chief Buthelezi said the Australian government had been wrong in its views of the Inkatha Freedom Party.

The Kwazulu Chief Minister said he was "absolutely appalled" at the Australian government's perception that Inkatha's views were represented by the South African government.

Inkatha had "for decades" been locked in an intense struggle against the South African government and its apartheid and homeland policies, Chief Buthelezi said.

● Where the ANC cash comes from — page 15.

Complete vehicles are also being exported, says Mr Ver- rose by 4,6% and exports by 2%.

Aussies want to rebuild bridges

68

21/7/91 (Bus Times)

S/Times

By TERRY BETTY

AUSTRALIAN business is eager to normalise economic relations with South Africa.

South African Chamber of Business (Sacob) director general Raymond Parsons, says after visiting Australia: "Business relationship between the two countries can now be looked at on their economic merits."

Violence

There is also a possibility of expanding trade, says Mr Parsons. Australia can reach sub-Saharan Africa through SA. Similarly, SA can reach the Far East through Australia — especially when Japanese sanctions die.

In spite of sanctions being yesterday's debate, there will be no blank cheques for SA, warns Mr Parsons. "We will have to satisfy stringent economic and political criteria."

For example, concern is expressed about violence in the townships.

Mr Parsons had a 40-minute meeting with Australian Prime Minister Bob Hawke. He says it was "a friendly constructive exchange of views".

The next Commonwealth Conference is to be held in October in Harare where the SA situation will be reviewed.

As a result of Mr Parsons' visit, Australian shadow minister for trade and trade negotiations Alexander Downer will visit SA in a few days to discuss bilateral trade and investment opportunities.

Sacob's Australian equivalent, the Confederation of Australian Industry, will lead a business mission to SA next year.

Foster's cool to merger proposal

BIDay 19/5/92 (68)

MELBOURNE — Foster's Brewing Group indicated yesterday that it was not likely to favour a merger with SA Brewing Holdings, a diversified Australian beer maker.

SA Brewing on Friday proposed to merge with Foster's, the world's fourth biggest brewer with operations in Canada and Britain as well as Australia.

Foster's chairman Nobby Clark and chief executive Ted Kunkel issued a statement yesterday expressing concern that some press reports of the proposal "might imply that its implementation by Foster's was likely".

There had not been any formal discussions between Foster's and SA Brewing, the statement said.

"This merger proposal from SA Brewing is very similar to a proposal received from SA Brewing in March.

"At that time, the board of directors of Foster's Brewing Group considered the proposal in some detail and, based on the terms offered, decided not to proceed with it," the statement said.

Foster's said a detailed evaluation of the latest proposal from SA Brewing was being undertaken.

Foster's has retained external consultants to assess the second proposal and consider any differences from the original. It did not name the consultants.

"The detailed review will determine the likelihood of any benefits being realised," said the statement from Clark and Kunkel.

"Along with these and many other considerations, the merger proposal must ultimately meet the test of being in the best interests of all Foster's Brewing Group shareholders for it to proceed," the statement said.

Foster's was in a "sound position and with strong cash flows from brewing operations didn't need to undertake a 'fire sale' of non-brewing assets, as some reports had suggested", the statement said. — AP-DJ.

Tos Wentzel talks to the departing Aussie ambassador Colin McDonald

Enmity turned into friendship

STAR 18/6/92.

68

AUSTRALIAN ambassador Colin McDonald, soon to leave South Africa for a posting in Europe, has much to feel pleased about these days.

He can tell the story of how enmity turned to friendship.

When he arrived from Down Under four years ago his country was decidely unpopular.

Recently there has been a distinct turnabout in these relations. Sports contacts have been restored and there are visions of trade missions.

Australian companies may look at South Africa as a basis for operations in the rest of Africa.

In an interview the genial 55-year-old spoke about what was his toughest posting in 33 years in the foreign service, most of it in Asia and the Pacific. Before he came to Pretoria he was ambassador in Fiji.

Along with his government he had the reputation of being very critical of South Africa. Not true. "We were mainly critical of apartheid. I am very fond of the people," he corrected.

But even though apartheid is going, its scars remain. "It made the country, even the upper classes, very inward-looking.

"The country does not have a very strong international outlook and it is well behind on developments elsewhere in the world.

"It is one of the legacies of the past 40 years and the obsession with internal problems that you are still measuring things in terms of the issues of the '50s.

"Now, hand in hand with its internal emancipation, South African society will have to catch up with new causes," he says.

About his leaving at this crucial stage Mr McDonald adds:

"In a sense I came here when the ending of apartheid was the main issue. It is time for someone else to come here to move into the new issues without the baggage of the past weighing him down."

Referring to the hostility between the governments of the two countries in the past he said it became so bad at one stage that even Australian criminals were allowed to take refuge here.

In one such case, Australia sought deportation because there was no extradition treaty but the South African Government refused to take action.

"There really was very little basis for confidence in discussion on official level.

"Both sides were more interested in promoting public scenes of hostility. This was not peculiar to relations between the two countries. It applied to South African relations with many others."

The improvement started with the visit of Australian Foreign Minister Senator Gareth Evans a year ago although there was unfavourable media coverage of some aspects of the visit.

The real breakthrough came with sporting contacts.

He maintained that, had it not been for people like former Australian Prime Minister Bob Hawke, South Africa would not have been invited to the World Cup. There was also the part played by Nelson Mandela.

"Now there is the danger of we Australians becoming the flavour of the month," he quipped.

In the old days of enmity, Mr McDonald said, Pretoria put out the line that the purpose of Australia's sanctions policy was self-seeking: that it was looking for markets at South Africa's expense, coal particularly.

"In fact the principle of our policy was to bring about the end of apartheid and to make the principals in this country get together and negotiate a new constitution.

"In the past we had often been indentified as friends of white South Africa and it became necessary for us to take a high profile of antipathy.

"The coal sanctions, in fact, hurt Australia, because South African exporters undercut the going world market price in the Far East where we happened to be the main exporters." □

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Ford Australia gears up for SA comeback

(88) CT(BR) 19/10/95

By Alexander Corne

SPECIAL WRITER

Melbourne — Ford Motor Company of Australia is planning to supply fully built-up Falcon motor cars to Samcor, according to a Ford Australia executive.

"Two six-cylinder saloons have been under evaluation by Ford engineers in Pretoria for the past few months.

While no dates for the start-up of sales have been finalised, the cars are unlikely to arrive before early next year. They will have to be slightly re-engineered to run on leaded fuel.

The supply deal will be signed within one month, with both base and high-specification cars coming to South Africa, the exeutive said.

The Falcon is the only true Australian car still designed and manufactured in Australia. It uses rear-wheel drive, a straight-six, 157kW 4,0-litre engine and seats up to six in comfort.

Equipped with a driver airbag as standard and a passenger airbag as a relatively inexpensive option, the Falcon has been Australia's top-selling car for several years.

In the past two months Falcon has notched up more than 15 000 sales in Australia.

The car is sold in a variety of guises, and according to Ford Australia and Samcor is looking at all derivatives.

Modest

These start with the basic FLi aimed at the fleet market and include a better-equipped Futura model; a more up-market Fairmont and Fairmont Ghia pairing; while a stretched-wheelbase pair called Fairlane and LTD offer limousine accommodation at a modest price. There is also a voluminous Falcon wagon.

Sporty drivers can opt for the XR6 version which has a race-tuned 164kW engine and sports suspension.

All Falcon models are also available with an American-sourced 169kW V8 5,0-litre engine.

Samcor executives will not comment officially on the project, but sources within Ford Australia indicate the cars are well suited to South African climatic and road conditions.

The impressive towing capacity afforded by the rear-wheel drive layout will also appeal to caravan and trailer owners left without a suitable towing car since the demise of the Opel Rekord and Ford Sierra.

In Australia, the Falcon sells from about $29 000 (R75 400) including local taxes.

Duty

It could sell for around R80-90 000 in South Africa, depending on what export credits Samcor might use to offset the 65 percent import duty levied on fully built-up imports.

Ford Australia supplied Falcon, Fairmont and Fairlane motor cars to South Africa until the late 1970s, before they were killed off by successive fuel crises.

Ford Australia seems confident that sufficient demand for powerful rear-wheel-drive cars still exists in South Africa.

Ugandan banks to axe staff after pay rise order

CT(BR) 19/10/95 (384)

Nairobi — Foreign banks in Uganda are restructuring their operations following a hefty industrial court award to employees which threaten the sector's future.

The industrial court awarded bank employees salary increases of up to 80 percent, but the banks protested. They described the awards as "too high and unrealistic" and refused to comply.

The workers responded with a four-day strike that paralysed the entire sector.

Normality returned only after successful negotiations were held between the Uganda Bankers' Association and the Bankers' union.

But now the sector is feeling the pinch and foreign banks are hitting back. Three of them have started restructuring programmes that will see a cut-back in branch numbers and a substantial reduction of staff.

Another way the banks hope to recoup the extra outlay is to increase the minimum balances for savings account holders. But the increase could scare away customers. The level of savings has been dwindling since the government imposed a 30 percent tax on deposits in 1987. — Independent Foreign Service.

Ford Australia gears up for a South African comeback

Star 19/10/95 (68)

■ BY ALEXANDER CORNE

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Australian investments in SA set to rise

BD 15/7/97 (68)

John Dludlu

AUSTRALIAN investments in SA — which currently stand at about A$100m — would surge "dramatically" over the coming years, Australian high commissioner to Pretoria Ian Porter said yesterday.

Interviewed days after the inception of the trade ministerial commission of the two nations, Porter also said the commission and a forthcoming seminar — highlighting opportunities in SA — would see a rise in investments.

Porter and his colleagues in the Australian diplomatic service would address a seminar, titled Link West, next month to promote investments in this country and its potential as a launch base to the rest of sub-Saharan Africa.

The joint ministerial commission, inaugurated by Trade and Industry Minister Alec Erwin and his Australian counterpart Tim Fischer last Thursday, provided an "architecture for turning contacts into contracts", Porter said.

Australian sales to SA, which have been growing at a yearly 35% over the past five years, would double, he said. SA numbers show that bilateral trade reached R4,4bn last year, with SA only selling R1,7bn to Australia.

The seminar was also an attempt to influence change of Australian attitude regarding Africa. Opportunities in the subregion included the explosion of infrastructure projects as the SA-led region — such as the multibillion-rand Maputo Corridor — moved to modernise its infrastructure ahead of greater integration, businessmen heard last week.

Apart from mining investments, SA companies had also invested in retail and manufacturing, Porter said.

Australia's Moonstone tests alluvial diamonds in SA

CT (BR) 18/7/97 (68)

ANDI SPICER

Johannesburg — Australian producer Moonstone Diamonds is to buy into a new R22 million alluvial diamond project in South Africa that started operations earlier this year, the company said yesterday.

Moonstone took a three-month option to buy into the scheme from Northern Cape Mining and Exploration. The operations are at Saxendrift on the south bank of the Orange River, 50km west of Douglas in the Northern Cape province.

The mine produces 400 000 tons a month of material and the expected life is about 10 years, Moonstone said yesterday.

"The Douglas area is well known for the exceptional quality and size of its alluvial diamonds, and has been the site of alluvial prospecting and mining since the beginning of the century."

The mine is targeting large, high-quality diamonds, and exploration will be extended to adjacent properties in the future.

Northern Cape Mining and Exploration has applied for prospecting permits on four other properties in the same area. This would extend the life of the mine by another five to 10 years if commercial diamond deposits were found, it said.

Since the mine began in January, more than 1 459 carats have been recovered until the end of May. Grades are estimated at 0,5 to 1 carat per 100 tons, "similar to most other alluvial diamond deposits being mined along the Orange and Vaal rivers".

In the option period, Moonstone will do a thorough investigation of the operation, with scrutiny of prospecting, mining, processing costs and data, diamond sales and other information.

Moonstone will also receive a 15 percent royalty on all diamonds recovered during the option period and has the right to buy all of the assets when due diligence ends.

FOREIGN FIRMS IN S.A

— DANISH —

FEB. '91 - 8 AUG '94

Top level . . . F W de Klerk met Federation of Belgian Industries delegation leader Urbain Devoldere (centre) and Belgian Ambassador Eric Kobia yesterday.

Belgians talk to De Klerk, Botha

CAPE TOWN — A high-powered delegation from the Belgian private sector, accompanied by senior government officials, yesterday met President de Klerk and Foreign Affairs Minister Pik Botha.

Mr de Klerk said afterwards their discussions had concentrated mainly on economic matters and that he and Mr Botha had used the opportunity to give the Belgians a considerable amount of information.

The Belgian visit was a follow-up to a visit by himself and Mr Botha to Europe in May.

Star 20/2/91

The 31-strong delegation includes Belgian ambassador to South Africa Eric Kobia; senior officials from the National Credit Service and the Ministry of Foreign Trade; the chairman of the Federation of Belgian Industries and chairman of Philips Belgium, U Devoldere; and senior representatvies of a range of manufacturers, bankers, research companies and insurers.

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The Belgians also met Trade and Industry Minister Kent Durr yesterday. Other meetings will be with Inkatha leader Chief Mangosuthu Buthelezi and leaders of the ANC. — Sapa.

Belgians keen to reopen trade links

Star 22/2/91

By David Canning (72)

DURBAN — A Federation of Belgian Industry mission has arrived in the country, convinced the time has come for European enterprises in general — and Belgian ones in particular — to concentrate again on South Africa.

The high-powered delegation, whose members' enterprises account for about a quarter of Belgium's gross domestic product, said it believed positive developments in South Africa justified an improvement in relations between the countries.

The federation also was convinced that South Africa could become the springboard into Africa and play a major role in the economic recovery of sub-Saharan Africa.

A number of industrial companies and banks represented on the mission — which will be in Johannesburg over the next two days — are interested in becoming active in the area, possibly in partnership with local concerns.

They held talks with Durban's industrial and business leaders yesterday — after visiting Isithebe and meeting Dr Mangosuthu Buthelezi, Chief Minister of KwaZulu, at Ulundi.

Members of the Chamber said they were impressed with the openness of South Africans about both opportunities and problems in the country.

The federation said its visit flowed from the deep impression made on its members by State President FW de Klek when he visited its offices in Brussels last year.

"At the European summit of Rome on December 15, 1990, it was decided to lift the ban on foreign investments in South Africa. This decision was a token of support for the policy of Mr de Klerk.

"The dismantling of remaining apartheid legislation announced by the President on February 1 makes a further easing of sanctions possible."

Individual members said they had been keen to "get in first" on what they see as a renewed effort to reopen links. They said they had been beaten in this only by Portugal which recently had a mission.

Members particularly had been interested in transport costs and in its infrastructure.

The KwaZulu Finance Corporation's chief executive, Dr Marius Spies, said his organisation had been seeking more European investment for some time. The Belgian visit was the first positive move for the KFC in this respect since the sanctions era.

Belgian bank to set up shop in S Africa

(88) 72

Star 25/2/91

By David Canning

DURBAN — Belgium's Banque Belgolaise plans to open an office in South Africa in the wake of last week's Belgian trade mission.

Michel Israelson, chief executive of Belgolaise, said in an interview at the weekend that one of the bank's main objectives would be to finance the growing flow of trade between SA and other African states.

Belgolaise, a deposit bank specialising in bankrolling trade between Europe and Central Africa, has operations in Zaire, Rwanda and Burundi and agents in other African countries.

Initially, the bank's office will be small and located in Johannesburg.

It is associated with Banque Generale, one of Belgium's leading banks. Banque Generale and competitor Banque Bruxelles Lambert also sent representatives on the mission. Both groups were caught in South Africa's "debt standstill net" in the mid-80s.

Max Osterrieth, an executive with Banque Bruxelles Lambert, said his bank had taken a long-term view of ties with SA after the standstill.

Ironically, it had placed a large sum in a one-month investment shortly before the standstill was imposed.

However, the bank had not been enticed into selling its debt because of the discount involved and the fact that it took a long-term view of relationships with South Africa.

● The South African Chamber of Business (Sacob) and the Federation of Belgian Industries signed an agreement on economic co-operation on Friday.

The agreement provides for the promotion of bi-lateral trade relations, the distribution of information of mutual interest and the promotion of joint venture and investment opportunities and technology transfers.

Belgians sign a trade pact with Sacob

Business Day 25/2/91

ZILLA EFRAT

THE Federation of Belgian Industries has signed an agreement of economic co-operation with Sacob.

The agreement provides for the promotion of bilateral trade relations, joint ventures, investment opportunities and technology transfer as well as the distribution of information of mutual interest.

It was signed in Johannesburg by Sacob deputy president Hennie Viljoen and federation president Urbain Devoldere, who is also the leader of a visiting Belgian mission which left SA on Saturday. (72)

After Friday's signing, Devoldere said SA represented an opportunity for the future, not only because of the positive evolution taking place, but also because of the role it could play in southern Africa.

The delegation members saw SA as a "springboard to the rest of southern Africa", Sapa reports.

The delegates met high-level representatives from government, business and political groups. (120)

"We have discovered that there is more consensus between political groupings than differences of opinion," Devoldere said.

Belgian bank opens office in Jo'burg

72

ANDREW GILL

A MAJOR Belgian bank has set up an office in Johannesburg to consolidate links with local clients and set up a trade finance section for SA businesses.

The bank, Belgolaise, has set up its office under the name of its Zairean-based Banque Commerciale Zairoise (BCZ), represented by Willy DuBois.

Belgolaise is the controlling shareholder of BCZ. B/Day 26/2/91.

DuBois said it was a sign of SA's coming in from the cold that opening a representative office was "no longer a sin".

The office would serve the existing client base, make the steady stream of business between SA and the bank's British and Belgian offices more equitable and finance SA trade.

The bank represents many businesses from both Zaire and SA with trade links between the two.

The trade financing side would be difficult, he said, but attempts would be made to get into that market.

Belgian delegation to visit

72

EDYTH BULBRING

A TOP-level delegation of Belgian bankers, industrialists and businessmen will visit SA next month to investigate local investment opportunities following the EC's lifting of its investment ban on SA last month.

The delegation will include representatives of companies and organisations with investment and trade interests in textiles, infrastructure and engineering, construction, chemicals and banking.

Belgian Embassy first secretary Francis de Sutder said yesterday the delegation of at least 13 people — the first of its calibre in over 10 years — would be looking at investment and business opportunities in SA.

The delegation, which arrives on February 17 for a week-long visit, is to meet President F W de Klerk, Foreign Minister Pik Botha, Trade and Industry Minister Kent Durr and Reserve Bank senior deputy governor Jan Lombard.

It also hopes to meet representatives of the ANC, Inkatha president Mangosuthu Buthelezi and representatives of Nafcoc, Wesgro, Anglo American, De Beers, Nedbank as well as chambers of commerce.

The delegation will include representatives of the three major Belgian banks — Belgolaise, the Bank of Belgium and Almany — the holding company of Credit Bank — a member of the Belgian office of Foreign External Commerce.

Also on the list is Tractebel, the country's largest electricity and engineering company, the Federation of Flemish companies, Diamant Boart which has extensive interests in jewellery and mining, and Ganssens Pharmaceuticals.

SABLE FM 25/1/91 72

SWING TO INDUSTRY

Activities: *Property investment and trading, as well as washroom services and workwear garment manufacture.*
Control: *Netherlands-based Isdale Holdings 64%.*
Chairman: *J Nash; MD: P N Nash.*
Capital structure: *7,5m ords. Market capitalisation: R45,7m.*
Share market: *Price: 610c. Yields: 5,7% on dividend; 17,2% on earnings; p:e ratio, 5,8; cover, 3,0. 12-month high, 620c; low, 560c. Trading volume last quarter, 32 000 shares.*

Year to Jun 30	'87	'88	*'89	'90
ST debt (Rm)	6,4	1,2	11,0	9,7
LT debt (Rm)	4,8	4,0	12,3	12,2
Debt:equity ratio	0,49	0,22	0,42	0,38
Shareholders' interest	0,61	0,71	0,46	0,51
Int & leasing cover	2,65	8,79	4,3	6,8
Return on cap (%)	10,4	16,1	25,9	20,3
Turnover (Rm)	—	—	84,3	93,4
Pre-int profit (Rm)	2,4	4,7	20,1	18,9
Pre-int margin (%)	—	—	23,8	20,2
Earnings (c)	21,0	39,6	112,6	104,7
Dividends (c)	10	20	40	35
Net worth (c)	291	310	449	574

* 16-month period.

Dutch-held property group Sable Holdings last year extended its diversification into industry by acquiring Berden Hotel Supplies, the towel and rental division of Associated Laundries and Rent-a-Towel, for R5,8m.

The step is part of an expansion of Steiner Services ahead of a future listing.

Sable acquired Steiner about three years ago for R34m when the American parent disinvested.

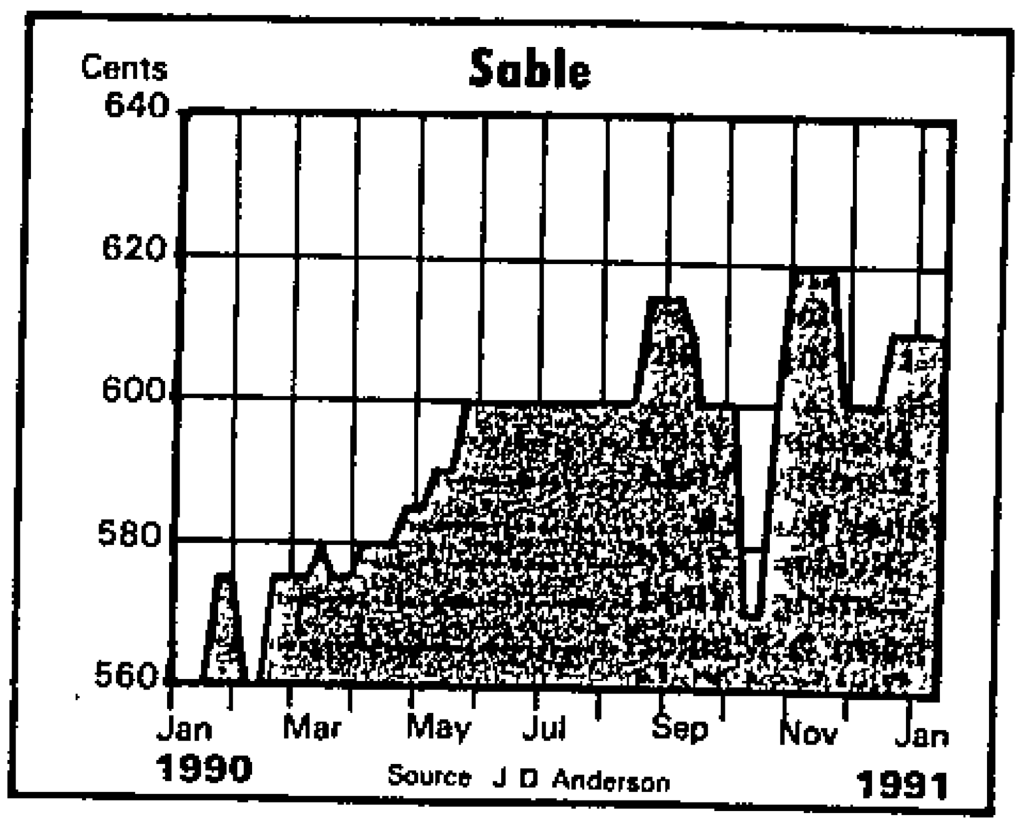
Since then, the company — involved in washroom services and linen and workerwear rental — has boosted Sable's bottom line usefully. In the year to end-June, the industrial division's R4,3m contribution to group attributable earnings was slightly more than the contribution from the property division.

MD Paul Nash reckons property will pick up and both divisions should make equal contributions this year. However, recent fuel price increases will have a marked effect on the running cost of Steiner's 300-vehicle fleet; rising labour costs is another worrying aspect at Steiner.

Group earnings rose last year by 11%, enabling an increase in the pay-out. The Berden acquisition was done without straining the balance sheet; most of the R5,8m price was for inventory and the transaction was financed by bankers acceptances. These had the effect of increasing creditors at year-end from R12,6m to R15,5m. Both short- and long-term borrowings fell, but the cash position halved to R3,8m. Gearing remains comfortable and provides some scope for expansion.

Steiner's growth potential has been enhanced since it became part of the Sable group, as the American shareholders were not keen to fund additional capital investment.

Steiner has since moved into manufacture of workwear garments in Ciskei. Manufacturing activities are now contributing significantly to Steiner's bottom line.



Berden and last year's other acquisitions are performing to management's satisfaction.

Steiner is unlikely to be listed this year, as management says this will only happen when market conditions are favourable.

The share looks cheap for two reasons. First, the property portfolio on which the 574c net worth is calculated has been conservatively valued — an example is the Sable Centre, which is certainly worth more than the stated R3m. Management reckons net worth calculated on revalued assets would exceed R10.

Second, shares of many industrial companies trade at a premium to net worth. Sable is now as much an industrial operation as a property group and the market could eventually rerate the share accordingly.

Gerhard Slabber

72

TAKING ON ROMATEX

A Belgian-owned Maritzburg company, forced to keep a low profile because of European Community opposition to investment in SA, has quietly captured more than a third of the local tufted carpet market in just five years.

The interloper, Belgotex Carpets, claims that it has taken a major slice of the tufted carpet market, which is the most popular type of carpeting sold in SA, representing about 70% of the total.

Figures for this year are not available, but industry giant Romatex says figures compiled last year by Management Planning Consulting Services showed that Belgotex had about 35% of the tufted market. Romatex was still on top with about 40%. The other 25% went to five smaller companies, led by Nouwens, Cape Fabrix and SA Carpet Mills. The total tufted market was 18,5m m^2 last year, but the market's rand value is not available. This year, Belgotex claims it holds half the tufted market.

Durban-based Romatex is reluctant to say much about its upstart rival, but it does realise it's in a dogfight. It acknowledges that the company is an efficient operation that has made big inroads into the industry.

Belgotex, the brand name for the range of carpets produced by Maritzburg-based Natal Nylon Industries, is little known outside the industry. Backed by the private, family-owned Beaulieu Group, which is the world's largest carpet producer in terms of volume, it launched its range of carpets in 1985, initially concentrating on high volumes at the lower end of the market and then moving higher upmarket.

Now it is testing the top of the range and last year moved into needle punch carpeting, which director Daniel Dolpire sees as the market's main growth area.

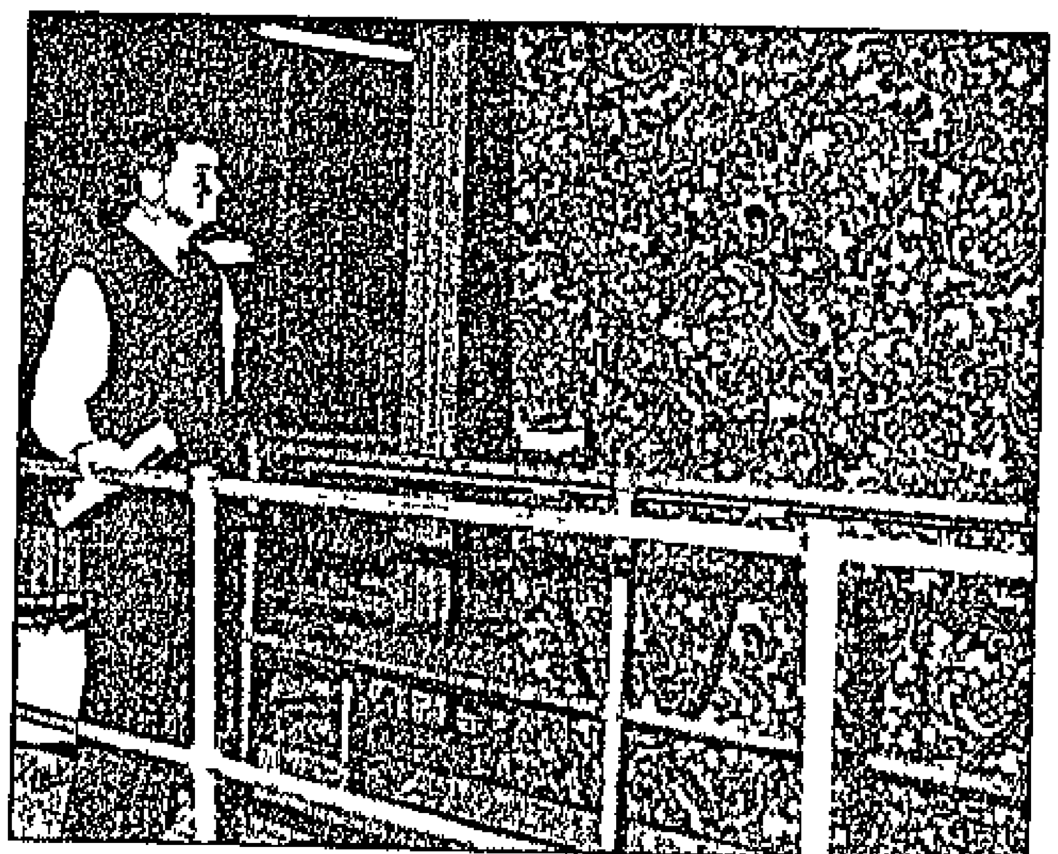
While Romatex leads in exporting (about 10% of its sales are concluded abroad), Belgotex is also viewing the overseas market as increasingly important. While most of its exports — which Dolpire says are still small — head to the Far East, it recently managed to break into eastern Europe.

"The biggest seller in SA is made from a technique called level loop space dye, which represents about 35% of the total output here," he says. "It's a cost-efficient, hard-wearing, practical carpet that was popular in Europe 15 years ago. Western tastes have changed, particularly in what was West Germany, which is now into more sophisticated, expensive carpeting. But the eastern part of Germany finds itself about 15 years behind and there the demand is for level loop space dye. We found that gap."

There are two versions of the origins of Natal Nylon. The company says it was set up in 1983 by the founder and chairman of the Beaulieu Group, Roger de Clerck, to produce nylon yarn for sale to Romatex. But after a falling out between De Clerck and Romatex, which left the Belgian with a plant but no customers for his nylon, he decided to put in his own tufting mills and make carpets. Two years later Belgotex was launched, after poaching two key men from the opposition, Dolpire and commercial director Malcolm Glennie.

Romatex, however, says the original deal broke down because it was clear from the amount of land De Clerck bought that he was going to produce more than just nylon and he would not agree to a clause in the contract that he would not make carpets.

Another factor was the plant's inability to produce nylon of high quality, which culminated in the plant closing in 1986 and then reopening in 1988 with virtually all new equipment.



Belgotex . . . *pulling the rag from under the competition*

Dolpire says the first big gamble that paid off was to start the operation by making 3,66 m-wide carpets while other SA companies were producing carpets 2,75 m wide. "The general trend in Europe and America was 3,66 m carpets and we decided to go on that. Today, the rest of the country is doing the same."

Another advantage, he says, is that almost the entire production process — from the nylon extrusion technique to make the yarn through to loading the finished product on to trucks — is done at the plant, using a high degree of automation and some of the most advanced equipment Europe has to offer.

Being plugged into a parent company that leads the world market is an obvious advantage too. Besides supplying Belgotex with the nylon chips to make yarn, the Belgian parent offers up-to-date research and equipment.

To capture still more market share, Belgotex, which is now 51% owned by De Clerck's daughter, Anne Colle, and her husband, Stephan, is undertaking a R43m expansion programme; it is upgrading and buying new imported equipment and building a new warehouse.

Competitors say Belgotex's success is partly a result of the financial rand system, which allowed it to grow rapidly with big foreign investments and working capital. They also point out that, when initially breaking into the market, it was importing nylon yarn through its Belgian holding company at 25%-30% below the world market price.

On the other hand, Glennie says that if it were not for Belgotex, the price of carpets in SA would be much higher. "Before we launched needle punch carpeting, an opposition company increased prices in that range five times in 15 months. A few weeks ago, it cut the price of one of those products by 15% because in terms of price we had cut them to pieces."

Shaun Harris

Afex predicts satisfactory final results

B Day 24/7/90

Business Day Reporter

DIRECTORS of Luxembourg-incorporated investment company Afex Corporation are predicting "satisfactory" results for the year to end-September following an increase in midway earnings to $0,0773 ($0,0403) a share.

Chairman David Marshall says in a statement accompanying the interim results that while the JSE-listed company's US property investments had a "disappointing" period, its general investment portfolio reflected the bullish conditions on Wall Street.

In addition, Afex's farming results will be brought to account in the second half, as in previous years.

72

Barring unforeseen circumstances, directors will "at least maintain" the $0,9 dividend and again offer the scrip dividend alternative, Marshall says.

Afex writes down African assets

LIZ ROUSE

AFEX Corporation, the Luxembourg-incorporated investment company listed on the JSE, is cautious about its prospects in southern Africa and is consequently revaluing the book value of its assets in SA and Zimbabwe.

Chairman David Marshall says in his annual review that until now, in line with normal accounting practice, Afex has carried the book value of its assets in Zimbabwe and SA at commercial exchange rates.

The board now believes it is more realistic to evaluate the book value of Zimbabwe assets only where remittance is unrestricted.

Similarly, the Luxembourg-incorporated company is now using the financial rand exchange rate to assess assets held in SA.

The change has the effect of reducing the book value of certain assets in the group balance sheet.

This change also gives rise to a write-down of the corporation's investment in Zimbabwe, reducing undistributed profits by $1,87m and other reserves by $2,1m.

An analysis of 1989 book value of tangible assets is: US $7,9m, SA $3,1m, Zimbabwe $692 000, Botswana $149 000 and UK $29 000, amounting to a total of $11,67m.

Financial fixed assets were book valued at $6,8m.

Afex's taxed profit rose to $2,4m ($1,57m) in the year to September 1989 and the corporation realised extraordinaty profits of $3,06m ($1,71m).

Diversified

The dividend was kept at 9c, costing a total of $332 200.

The corporation was left with undistributed profits of only $47 000, having made a substantial provision against its investments in Zimbabwe.

The corporation's wholly-owned SA subsidiary Sussex Securities acts as an investment holding company and holds a diversified portfolio of JSE listed shares.

Certain subsidiaries own multi-tenanted rent producing properties. Others are involved in the importing and distribution of tools and machinery and engineering supplies.

Afex maintains a holding in African Exploration Company.

The general portfolio of SA listed investments, which excludes the investment in an associated company, had a market value of R27,3m compared with a cost of R14,1m.

Gross income from the general portfolio was R1,03m compared with R708 400 in 1988.

In addition, Afex received a further sum of R3,6m in compensation for the cancellation of the right to manage certain mining properties.

These receipts are included under extraordinary items.

Its multi-tenanted properties, valued at R10,61m, produced R958 930.

The distribution division produced a pre-tax profit of R1,6m compared with R1,95m in 1988.

The SA freehold farming operation was sold at a surplus of R955 050.

Sales of its crops amounted to R693 900 compared with R174 800 in 1988.

Afex's Zimbabwean interests include holdings through subsidiary Zimcor in Falcon Mines, Olympus Gold Mines and Willsgrove Brick & Potteries.

Dividend

The company's US interests include a portfolio of leading shares and property in San Diego.

Afex is offering shareholders shares in lieu of the cash dividend.

The pyramid company Consolidated Afex Corporation (Conafex) has declared a 3c dividend and shares are also being offered as an alternative to cash dividends.

Afex is presently still in the process of negotiating for a listing on the Luxembourg stock exchange.

Enzymes SA takes over where Novo Industries left off

BUSDAY 183

72

4/12/86 Industrial Staff

A LOCAL company, Enzymes SA, has been formed as a result of the management buyout of Danish subsidiary Novo Industries' enzymes division.

The company was launched on December 1 with a buyout of stock from Novo in SA after its parent announced the enzymes division had to be ditched under Danish sanctions law.

Former Novo enzymes division manager Rodney Blower is MD and Jan van Aswegen technical director.

Sales of enzymes (used in making detergents) made up about 10% of Novo's turnover. The rest came from pharmaceutical products — such as antibiotics and insulins — which are exempt from the sanctions law.

The SA firm was launched with stock worth about R3m.

BUS DAY 21/4/86

Denmark may stop all trade with SA

(280) (72)

NEIL JACOBSOHN
Managing Editor

GABORONE — Denmark may soon become the first Western country to end all trade with South Africa.

And other Nordic countries are also to increase economic pressure on SA soon.

This has emerged from the meeting of Socialist International (SI), a world-wide alliance of social democratic political parties.

Anker Jorgensen, chairman of the Danish Social Democratic Party (SDP), official Danish opposition, told *Business Day* in Gaborone that the Danish parliament had reviewed its policy towards SA. The SDP had proposed an end to all imports from and exports to SA.

"Since the oppositon commands a majority in foreign policy matters of this nature, I am confident that Denmark will soon be the first Western country to end all trade with SA," he said.

Jorgensen is among delegates from 13 countries attending the conference under the chairmanship of SI president and former West German chancellor Willy Brandt.

Delegates from other Nordic countries also indicated their intention to toughen sanctions against SA.

Sweden's Minister for the Environment and Energy, Birgitta Dahl, reaffirmed Sweden's rejection of apartheid and said countries around the world should ready themselves to escalate sanctions against SA.

Gro Harlem Brundtland, leader of the Norwegian Labour Party, said the Norwegian parliament was now considering increased sanctions and stepped-up aid to Southern African liberation movements.

In particular, Norway was considering an outright ban on the transport of oil by Norwegian ships.

(72)

BUS DAY 23/12/86

Unions back Danish govt

COPENHAGEN — The Danish Federation of Trade Unions has decided to stop its boycott of goods coming from or going to SA, because of parliament's decision last week to outlaw all trade with SA.

And the Irish government may impose a ban on South African fruit and vegetable imports from March next year.

The Danish boycott, which was originally to have operated from November 18 to January 31, halted all handling of goods from and to SA by unionised unskilled workers, hotel and restaurant workers, metal workers and truck drivers.

The Federation of Trade Unions said in a report the "gratifying" move of the Folketing, the Danish parliament, had made it possible to terminate the boycott as of today.

The Irish ban will be imposed if a government investigation "points to the abuse of prison labour" in the production of fruit and vegetable products in SA.

The Irish government is considering implementing the ban from March 31 next year — Sapa-Reuter

SHIPPING BUS DAY 3/12/85 72

Danish ban on SA coal threatens 5 000 jobs

GEORGE YOUNG

LAST month it was the Norwegians who argued about the wisdom of cutting shipping trade with SA. This month it is the Danes.

An 11-week ban on handling SA coal cargoes consigned to the Elsam electricity utility in two ships, Elsam Fyn and Elsam Jylland, could put more than 5 000 workers out of work.

The ships, now carrying 320 000t from Richards Bay, normally discharge at Aabenraa, in Jutland, and provide considerable work for dockers, stevedores and others.

If the ships are to be boycotted for six weeks or longer, the crews may have to be paid off. And the Employer's Federation says the boycott is in breach of labour contracts and could lead to court action.

Denmark is seeking alternative sources of coal, but concedes that no overseas supplier could prove as economical as SA.

Colombia is regarded as a possibility for future supplies if, as reported, the utility stops buying SA coal in four years. However, economics, rather than politics, frequently prescribe policy, and SA coal has much to commend it for coal-fired power stations.

In addition to the two bulk carriers now approaching their destination, a third vessel on charter is nearing its discharge port and its hire may have to be cancelled if continuity of employment cannot be assured.

The Danes also plan to embargo SA fruit, but none is moving at present and the subject will be considered in March.

Meanwhile, the Norwegians are maintaining their connections with the Republic.

For ships on the Canadian route, southbound cargoes constitute a problem because the exchange rate discourages imports by SA.

EAC to keep SA interests

15-Jan '87

PETER HONEY

DENMARK'S largest privately-owned undertaking, the East Asiatic Company, does not plan to end its SA operations.

The group's presiding MD, Henning Sparsoe, says the EAC would keep its SA interests despite recent cutbacks in shipping and trade.

During a brief visit to the managers of EAC Graphics in Johannesburg, he said the closure of the Danish consulate in South Africa and the Danish government's trade restrictions and "regrettable" investment sanctions against South Africa would have a limited effect on EAC.

EAC Graphics is a leading supplier of graphic arts material and equipment to the SA printing trade.

Its turnover amounts to 5% of the group's operations worldwide.

The group has about R80m invested in South Africa.

EAC would stay while commercially viable and welcome in South Africa, says Sparsoe.

72 B. Day
3/6/85

Danes act against SA

COPENHAGEN — The Danish parliament has passed a law banning new investment in South African or South West African subsidiaries and the buying of shares in SA companies.

The law, passed last week by the largely left-wing opposition while the minority centre-right government abstained, also forbids new leasing of equipment to SA organisations.

Under the law, Danish firms with existing investments must report annually to the government on their activities in SA and SWA. — Reuter.

Star 14/12/84

Denmark to halt imports of SA coal by 1990

COPENHAGEN — Denmark's largest group of power plants decided yesterday to phase out its imports of coal from South Africa by 1990 under pressure from the Folketing, Denmark's parliament.

The board of the Elsam group, which supplies electricity to about one million households and industries in an area covering two-thirds of Denmark, said the switch to other suppliers will eventually increase the electricity bill of the average consumer household by 250 to 500 kroner (R46 to R92) a year.

The Elsam group accounts for two thirds of Denmark's annual imports of three million tons of South African coal.

A Ministry of Energy analysis concluded this week that a total halt of these imports will increase the costs of Denmark's energy imports by 500-1 000 million kroner (R92-184 million) a year.

The Elsam decision was in response to Folketing motions ordering the Danish government to make the power plants adhere to UN resolutions on economic sanctions on South Africa.

The latest Folketing motion was adopted in January last year with 85, including the opposition Social Democrats, voting for and 75, including the four parties in the centre-right coalition government, voting against.

The decision by Elsam was made under the pressure of a December 31 deadline for cancelling its so-called "evergreen" five-year contracts with African suppliers.

Elsam said it would still import two million tons of South African coal in 1985, but would have reduced the volume to about half by 1988 and to zero by 1990.

The Danish group has already signed contracts to import up two million tons of coal annually from Colombia beginning in 1986.

In its analysis, the Ministry of Energy warned that South Africa is not only the cheapest, but also the stablest coal supplier in the world.

It said other countries would move in to take over Denmark's share of South Africa's coal exports unless there is a global boycott of the nation that accounts for 30 percent of the world trade in coal for steam-generation.

Such a boycott could lead to international supply problems, and a unilateral decision not to import South African coal would make Denmark vulnerable to disruptions of supplies from other countries. — AP.

Good marks for Danish firms operating in SA

Ev Post 8/10/81

(72)

COPENHAGEN — The Danish Governmen has given good marks to Danish enterprises operating in South Africa and said they "contribute actively" to the implementation of European Common Market codes for the treatment of African manpower.

But even if the Government's assessment survey, the third since adoption of the EEC Code of Conduct in 1977, found the Danish companies on the right path, it also found that "black employees still hold jobs among the lowest-ranking".

At the same time, the number of Africans working for the only two Danish firms with a payroll of more than 20 blacks has been sharply reduced from 662 in 1979 to 179 in the period ending last June 30.

This resulted from the sale by the East Asiatic Company of its largest South African enterprise, a soap and oil plant. The other company covered by the survey was Novo Ltd, a pharmaceuticals producer.

The survey made these observations on the conduct of the two companies:

- African workers have not yet organised, but so-called liaison committees hold the same legal status as trade unions.
- There is no use of migrant labour which "in South Africa serves as an instrument for the apartheid policy".
- The majority of black employees are paid 50% or more above minimum subsistence levels.
- Despite company principles of equal pay for equal work and efforts to train black employees for promotion, the black employees remain the lowest-ranking. — Sapa-AP

Danish firms in SA praised

POM 30/9/80

72

COPENHAGEN. — The Danish Government yesterday gave two Danish companies operating in South Africa a blue stamp of approval for progress made in improving their black workers' conditions and trying to break down segregation.

Even so, the companies had to admit that, despite their efforts, black workers continued to hold the least qualified and lowest paid jobs.

This emerged from a government appraisal of compulsory annual reports by the East Asiatic Company and Novo Industry on their adherence to the EEC code of conduct, which sets guidelines for subsidiaries or affiliated companies operating in South Africa.

In the government's asessment, East Asiatic and Novo, employing a combined workforce of 1 500 blacks, contributed "positively" to the realisation of the objectives of the EEC code and, at the same time, "progress was established" in relation to previous reports by the two companies.

The government took note of the following elements in East Asiatic and Novo policies:

- Both companies were ready to accept and co-operate with black trade unions and, pending the formation of such organisations, had given union status to worker committees;
- They did not employ migratory labor — "used in South Africa as a tool of apartheid";
- Their minimum wages were more than 50% higher than the generally accepted subsistence level, and
- They had made certain progress towards moving more black workers to monthly pay and intensified efforts to promote or train more blacks for better-qualified and higher-paid work.

It also noted the introduction of pension, unemployment and accident insurance, and plans for medical aid for black workers. — Sapa-AP.

UNIVER … TOWN

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2. Demonstrated competence … fication, experience or published work in the … he proposed research.

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Examination is by thesis. … r, be required to pass a written examination in the … udy in which he has done his research; and must, in addi… other requirements as the Dean of the Faculty may dee…

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RDM 25/8/80 (72)

Danes in dilemma over SA trade links

COPENHAGEN. — A nine-member commercial delegation to South Africa would damage Denmark's reputation, the Foreign Minister, Mr Kjeld Olesen, said yesterday.

Representatives of Denmark's Wholesaler's Society left Denmark on Sunday — despite a parliamentary appeal against South African trade because of the country's Apartheid policy.

The chairman of the Wholesaler's Society, Mr Henrik Sejer-Petersen, told Danish radio yesterday that business and morality should not be mixed.

Mr Olesen said the visit would make Denmark appear more mercenary than decent in the eyes of the world.

The Copenhagen newspaper, Politiken, said on Sunday at least two Danish shipping firms were smuggling weapons to South Africa, in spite of the UN arms ban. The embargo is enforced under Denmark's penal code. — Sapa-AP.

More productivity is Asea's aim

STAR 11/3/80

72

By Jean Moon

The Asea group, which is engaged in various aspects of the electrical engineering industry, intends to strive for greater productivity this year, especially as regards the heavy investment in the past few years. Asea should be poised to resume the pattern of growth in earnings which has been established since 1974.

Following collaboration during 1978 with the Industrial Development Corporation (IDC) to establish a major project for the manufacture of power capacitors and a new generation of distribution transformers whereby Aseatac held 60 percent of the shares and IDC 40 percent, it has been decided to make Aseatac a wholly-owned subsidiary.

NAME CHANGE

Therefore Asea purchased IDC's 40 percent interest for R2m. Seco Pty was acquired during 1979 as a wholly-owned subsidiary of Astra Condensers. To rationalise activities, Astra acquired all the assets of Seco and the name was changed to African Capacitors.

The large amount of expenditure undertaken has absorbed the company's surplus funds and resulted in a temporary higher rate of borrowings. Current liabilities have risen from R16m in the previous year to R22,6m with short-term loans up from nil to R5m.

Asea took advantage of the favourable conditions on the local capital market to increase long and medium-term loan capital by R6m and equity capital by R2,5m.

Though Asea has reduced the amount of overseas borrowings, these facilities are still available and it will utilise them on a temporary basis to the extent required.

	Percentage pre-tax sales	Net profit (Rm)	Earnings (cents)	Dividend (cents)
1979	10,3	5,2	48	16,0
1978	14,7	4,5	42	11,0*
1977	11,3	3,[illegible]	33	8,2*

*Adjusted for increased capital.

F.M. 12/3/76 (77)

ASEA

Chairman's review

The year under review was not a particularly easy one with considerable uncertainty in business conditions generally, but I am pleased to report that improved results have again been achieved. Turnover reached the record level of R40,5 million for the year as compared with R31,7 million for 1974, an increase of 28%, and the after tax profit rose to R2,2 million from R1,3 million in 1974.

Net earnings per share after taxation on the increased share capital of R5,25 million were 41 cents as compared with 37 cents last year on the share capital of R3,5 million.

Dividends

At the forthcoming annual general meeting, shareholders will be asked to approve a final dividend of 10 cents per share on the increased share capital, which will absorb R525 000.

With the interim dividend of 5 cents per share paid in October 1975, the rate per share of dividend payments remained the same as that for the previous year, making a total distribution on the increased capital of R700 000 (1974 — R525 000).

Capital

During the year your directors decided to pass on to the shareholders part of the accumulated reserves by the issue of capitalisation shares at the rate of one new share for every two shares held. Accordingly, R1 750 000 was capitalised out of the R2 804 505 which was formerly the company's "share premium account" and which was transferred to its non-distributable reserves. The amount was set free for this purpose by a resolution of the directors.

Financial

The heavy electrical industry is involved, more than most, with large complicated equipment that requires long delivery times. In the present period of rising costs and unusual commercial risks, the policy of creating strong reserves has been continued, more particularly in view of the highly sophisticated nature of some of the products. In every area of the company's operations, quality assurance and cost reducing methods are constantly under examination with the object of improving and increasing production and promoting growth; mechanisation and automation receive attention to help prepare the ground for improved production. The trend towards heavier equipment and still more complicated techniques continues. The energy crisis and the growing awareness of the problems of pollution have combined further to awaken interest in the electrical industry which has a promising future.

I am pleased to report that no difficulty has arisen in financing the company's expanding business and I am satisfied that the growing strength of its financial position affords a firm foundation for future development. Your directors anticipate that in order to maintain the company's position as a leading manufacturer, a high level of investment will be necessary over the next few years.

During the year ASEA Reunert (Pty) Limited increased its issued share capital by R250 000. In accordance with the terms of a prior agreement of the shareholders of that company, your directors exercised its option to increase its financial participation. This required an investment of R185 000 and your company now holds 20% of the capital with ASEA of Sweden and Reunert & Lenz Limited each holding 40%. This company will pay a maiden dividend of modest proportions arising from its 1975 operations and the outlook for the future is promising.

As a result of the devaluation of the Rand in September 1975, imports have become more expensive and the price of certain of the company's products will increase in 1976. Every endeavour will, however, be made in terms of the manifesto published last year to contain these increases as a positive step to curb inflation.

Rosslyn

For some time your directors have been endeavouring to obtain additional vacant ground in Rosslyn where the company's new cable works has been established. Recently, the opportunity presented itself of purchasing a private limited company, I. P. A. Liebenberg (Pty) Limited, at a price of R650 000. The sole asset of this company was vacant land, measuring 7,284 hectares, having access to the company's present works in Rosslyn and it was decided to conclude the purchase to provide for the expansion which is confidently expected in the years that lie ahead.

The cable division at Rosslyn has completed its first full year of operation since the transfer from Pretoria West and good results have been achieved.

An increased production capacity has, however, developed in the cable industry, which coupled with a reduction in demand for these products will result in a temporary slackening in plant utilisation in this section of the company's operations.

Pretoria West

The facilities for the manufacture of power transformers and allied equipment have been extended and modernised. The material situation, with a few exceptions, has recovered after the difficulties experienced last year and prices have become more stable

Recently the company was awarded an order for 3 x 700 MVA generator transformers 420/21 kV for the Duvha power station. Delivery will be made between 1978 and 1980

It is pleasing to report that delays in deliveries to customers during 1975 have been substantially reduced and in the case of heavy products, eliminated. The favourable order book at the year end ensures a satisfactory production level for the company's plant for 1976.

Marketing and service

For all products manufactured by the company, increased competition has been experienced especially from abroad.

The arrangement referred to in my last report with regard to the setting up of a marketing division, has proceeded smoothly and is now in full operation. Branches have been opened in Johannesburg and Durban and steps have been taken to open a branch in Cape Town later this year. To ensure that the marketing and service functions are properly maintained, close lines of communication which have been established with customers, will be preserved at all times.

In terms of the new marketing arrangements, your company will handle all sales of power and distribution transformers in the Republic. Reunert & Lenz Limited will act as wholesaler/stockist for cables and ASEA Reunert (Pty) Limited as the sales outlet for certain of the company's products.

Outlook for 1976

At present there are no significant signs for a sustained recovery in our economy and in view of the serious inflation that needs to be overcome, the chances of an early and vigorous recovery of the domestic economy are remote. At the same time, your company has a favourable order book and if economic activity remains at its present level, it is confidently anticipated that the company's development will continue, although it will probably be at a slower rate than that of the past year.

Taking into account the effects that inflation and the devaluation of the Rand will have on the cost of labour and materials, the forecasting of the profitability of the company's operations is most difficult but I am confident that the management and staff will do all in their power to ensure that comparable results are achieved.

Personnel

Your directors are very conscious of the loyal and valuable services rendered by the company's personnel at all levels. Internal training of staff has been a feature of the company's activities in Pretoria. During August 1974, a centralised training department was created and shareholders will be interested to know that a total of 462 employees, both Whites and Blacks, attended the company's courses during 1975 Furthermore, special literacy and arithmetic training courses have been arranged and are being attended by Black employees.

In addition to the company's internal training activities, the international channels for the exchange and application of technology through the ASEA Group are available to the company in Pretoria.

Technology

I wish to pay tribute to the research and development work being done by ASEA International organisation which keeps its operations in the forefront of technological progress. Recently, the managing director and I were privileged to visit certain of the plants in Sweden, where much is being done at considerable expense and effort to create, develop and apply new and improved technologies. I am sure shareholders will be interested to know that these tools and techniques are made available to your company on favourable terms to use in its production and development of the products manufactured in South Africa.

I take the opportunity of thanking my colleagues on the Board, the Management and staff, for their valued support; the favourable outcome of the year's working is due to their combined efforts.

A. A. Q. Davies
6 February 1976

Denmark 'no' to investment ban on S Africa

23/1/79 (73) STAR

Own Correspondent

COPENHAGEN — Denmark will not introduce a law prohibiting Danish investment in South Africa or SWA/Namibia, Danish Foreign Minister, Mr Henning Christophersen, said.

Mr Christophersen said his two-party coalition would not take "separate steps" towards a ban on such investment.

The Government would rather await the United Nations decision on a Nordic proposal calling for a complete moratorium on foreign investment in South Africa.

The Foreign Minister was replying to Opposition questions whether the Government would propose legislation similar to that which the Swedish Government says it will introduce in March: a complete ban on investment in South Africa.

"AN URGING"

Last May Denmark's Social Democratic minority Government publicly urged all Danish concerns to "limit" activities in South Africa as long as apartheid policies continued there.

Mr Christopherson said this was not a decree forcing Danish business and industry to reduce activities in South Africa but was an urging that they do so "voluntarily." He added that since last May many concerns had toned down their interests inside South Africa.

Informed sources, however, have found little reduction by Danish concerns in South Africa since May.

						Total
						4 545
						4 786
		70	..	..	..	5 159
		54	..	..	..	5 408
		85	..	..	..	5 979
		81	..	..	..	6 614
		25	..	..	..	6 936
		27	..	..	..	7 148
		94	..	..	..	27 032
		4	..	..	..	28 336
		9	..	..	..	37 255
		8	..	..	..	38 114
		9	..	..	..	39 269
		1	..	..	..	41 548
		0	..	..	..	45 084
		6	..	..	..	45 439
1		4	..	..	..	47 673
1		5	..	..	..	50 103
1		3	..	..	..	54 015
1		3	..	..	..	37 153
1		3	115	129	22 324	40 565
1		3	115	129	22 324	40 565
1			146	168	22 702	43 026
1			141	157	21 354	41 660
1			1	261	21 756	42 012
1			321	826	41 800	66 760
1			158	593	31 364	55 329
1973	23 356	34 468	171	649	33 648	57 824
1974	26 128	44 122	236	663	43 223	70 250
1975	28 409	35 315	355	177	34 783	63 724
1976	31 752	41 855	486	111	41 258	73 607
1977						75 023

Netherlands 'keen to restore links with SA'

By TOS WENTZEL
Political Staff

ARG 27/6/91

72

THE Netherlands government and private sector are eager to resume relations with South Africa, the leader of a top economic and trade mission said today.

The delegation is headed by Mr F A Engering, Director General for Foreign Relations of the Netherlands Ministry of Economic Affairs.

At a press conference Mr Engering said the reform moves and President De Klerk's visit to Holland in October last year had "started the clock" of relations between the two countries again.

Mr H H M Klooster, of the Federation of Netherlands Industry, said there was a difference between trade and investment. There would be an increase in trade but in the case of investments more certainty was needed about the political system and whether it would be a free market one.

Multi-party Danish delegation for SA

(T2) CT 26/8/9

Own Correspondent

JOHANNESBURG. — A Danish multi-party delegation will visit SA next month as a precursor to Denmark dropping its veto on the lifting of EC sanctions on SA iron, steel and Krugerrands.

A decision by Denmark — the sole European country still opposed to lifting EC trade sanctions — to drop the veto hinges on Bophuthatswana releasing 166 political prisoners.

Danish embassy charge d'affaires Mr Erik Boel said at the weekend that the delegation would consist of five leading Danish parliamentarians representing government and opposition parties.

The delegation would hold talks with a range of political parties and interest groups.

SA had to scrap apartheid legislation, release all political prisoners and reach an agreement with the United Nations High Commissioner for Refugees before the Danish foreign policy committee would allow investment in SA, agree to an exchange of technical services between SA and Denmark and drop its EC veto.

Danish group eyes SA market

SEAN VAN ZYL

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A trade delegation from Denmark, due to arrive in SA later this month, is expected to make recommendations that could see the Scandinavian country's freeze on trade with SA falling away by the end of October. 5/9/91

EAC (SA) MD Niels Horn said a senior executive of the Danish parent company's management committee arrived in SA last weekend to discuss the group's expansion plans.

However, the advent of sanctions prevented EAC from expanding its interests further, he said.

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However, the international group, with sales of about 17,8-billion Danish kroner last year, had a diversified global trading network marketing world-brand products from computers to canned meat.

Horn said EAC had built a strong trading network in African countries such as Kenya, Nigeria, Malawi and Tanzania.

The Danish company would look at establishing a similar trade agency in SA to export and market local products through its network. 72

In addition, he said EAC might import world-brand products already secured by the group.

Although he would not be specific, Horn indicated EAC could inject "millions of rands" into SA through the expansion project.

Consortium's offer permitted

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Danish Chamber of Commerce members in SA are, from left: Niels Laursen, Ole Jahn, Christer Holm, Visti Andersson, Mogens Schnell, Klavs Olesen, Birgit Riemann, Jette Junget, Claus Riemann and Vagn Jensen. Picture: ROBERT BOTHA

Danish mission on SA 'recce'

(72) VERA VON LIERES

DANISH companies were laying the groundwork for renewing contact with their SA counterparts once sanctions were lifted, visiting Danish Chamber of Commerce chairman Klavs Olesen said in an interview on Wednesday. B/Day 11/10/91

Olesen is leading a 14-member Danish trade delegation on a two-week visit to SA.

The delegation would investigate the possibility of renewing contact with various companies, particularly pharmaceutical companies and those dealing in high-tech machinery, once all sanctions were scrapped.

Olesen said lifting of sanctions depended on the ANC's approval. The Danish government was inclined to lift sanctions in step with other members of the international community, but opposition parties wanted to maintain punitive measures until more progress had been made towards the ANC's goals. Denmark imposed sanctions on SA in 1986, barring all business contacts with SA.

The delegation will also meet companies and trade organisations in Durban and Cape Town.

Sanctions game is over, so Lego returns

Bday 25/5/92 (72)

GAVIN DU VENAGE

DANISH toy giant Lego will be back in SA from tomorrow, vice president Jorgen Clausen confirmed at the weekend.

Lego withdrew from SA in 1985 when Denmark applied business and investment sanctions, but with the lifting of the embargo in March it had decided to return.

Clausen said the positive referendum result had also made it possible for the company to re-enter SA.

Lego had conducted extensive market research and found SA to have a significant toy market, worth about R500m a year.

Lego was hoping to gain 10% of the local market, a margin the company held overseas. In 1985 it had between 6% and 7% of SA toy sales.

Clausen would not say how much Lego would initially spend, but it would be "quite a lot". The company would launch a campaign that included shelving in toy stores, advertising and a "toy world" exhibition later this year.

He said Lego SA would also be linked into the company's international social responsibility drive, with the backing of the Danish government. Lego would give awards for individuals or institutions who sought to improve the lives of children.

Clausen said Lego would not manufacture locally as this would make the toys too expensive. But high import tariffs would mean South Africans would still pay more than overseas buyers.

Lego costs from about R10 for the most basic set to R500 for more complex kits.

The company operates in 110 countries, and between 200-million and 300-million children have played with the colourful little bricks.

Invest in SA, business in Denmark told

SHARON WOOD

SIMPSON McKie director William Yeowart has urged the Danish business community to seriously consider investing in SA.

Addressing Danish industry in Copenhagen, he said the Danish community should not let the opportunity to invest in SA pass by.

"There are always better rewards for the first rather than the last," he told the businessmen.

A factor which should appeal to foreign investors was the significant strength, resilience and skill of SA's business community.

SA business had continued to manage with relative degrees of success despite the '80s being the worst decade for economic development in SA.

BDay 18/6/92

Huge spending on social infrastructure would increase demand for goods and products in the local market as well as a creation of jobs, which was critical in view of the unemployment situation.

"The huge benefit to social stability from a better housed, better educated, healthier population is, of course, a trigger to further economic growth."

Other good reasons for contemplating investment in SA were the quality of management at the highest levels in both the Finance Department and the Reserve Bank and the role SA would have to play in the rehabilitation of southern Africa.

Yeoart said: "There is much evidence that a European initiative is developing to rebuild southern Africa, so that at least a part of that ravished continent can be restored to productive capacity."

S/Times [Buss] 11.7.93

Affirmative action on back burner

(12)

By TERRY BETTY

MANY companies are no longer serious about promoting blacks to management positions because they think an interim government will not have the teeth to enforce affirmative action.

Renwick Management Services consultant Mofasi Lekota says most companies think they have five years' grace. That is how long they think a government of national unity will rule.

Mr Lekota says: "Half of the top companies I deal with have in the past four months ditched their affirmative action programmes.

"Positions that were previously held exclusively for the empowerment of blacks or women have been closed or opened to everybody.

"Some executives have even said the government of national unity will be powerless to implement affirmative action because it is a controversial issue not accepted by all parties."

However, Mr Lekota says there are signs from extra-parliamentary groups, such as trade unions, that pressure will be placed on reluctant employers through boycotts and consumer action.

Companies that have suspended affirmative action programmes attribute their decision to three main reasons.

They complain they could not find the right people; they had to pay a premium to attract black managers; and they could now relax because pressure had been removed.

But Mr Lekota says these companies have ditched affirmative action for the wrong reasons.

"They are obsessed by numbers. They fear a future government will pressure them through legislation.

Career

"They do not consider the quality of the black staff they hire, how suitable they are for the job. They do not look at the sense of job fulfilment black managers will have and whether there is a career path for them.

"This sort of policy is shortsighted because the company will never be able to keep black staff. Black employees will become frustrated and move."

Mr Lekota says some companies are genuinely involved in affirmative action because they see it as a means of black empowerment.

"They see it as a necessary strategy. Most management skills will have, because of sheer force of numbers, to come from the black community."

The staff composition of a company will have to reflect this.

Most of those still committed to affirmative action are financial institutions, fast-moving consumer goods companies and parastatals.

The parastatals are better at promoting blacks than the private sector because they know they will be controlled by a different government.

"They are getting in as many blacks as possible to match their expectations."

The premium companies have to pay to attract black managers is usually about 10% to 15% of the package.

Mr Lekota says it depends on the industry and the availability of black skills.

"Companies employing a black as a token gesture have to pay a fairly high premium to attract a manager. This is to compensate for the lack of a career path for the job applicant.

"Chances are great that a black person will move on quickly if he gets no job satisfaction or is frustrated by the ceiling above him."

Denmark moves in on SA

72) CT 24/8/94

Political Staff

"THE Vikings are back!"

This was the way the most senior diplomat in South Africa, Danish envoy Mr Peter Bruckner, last night described a major Danish initiative to promote links between Denmark and South Africa.

The Nordic drive will start on Friday when a Royal Danish navy offshore vessel, the Vaederen (The Ram), arrives here for a week-long visit. The public will be able to visit the ship on Saturday and Sunday.

Two trade delegations will hold workshops in the city on September 1, the fishing delegation at Piers Restaurant and the trade delegation at the Cape Sun. They are open to the public and anyone interested should contact Mr Erik Ovesen at the Cape Sun from Tuesday August 30.