FOREIGN FIRMS IN SA — SWEDISH

1986 — 1990

Swedes say increase is really a decrease

STAR 28/11/86 (70)

The Star Bureau

LONDON — Swedish subsidiaries trading in South Africa increased their turnover by 18 percent during 1985 to a pre-tax total of R22,5 million.

But Swedish socialists say the upswing is "in reality an insignificant four percent" which, seen against South Africa's 13,25 percent inflation "amounts to a decrease".

Swedish-owned subsidiaries — Alfa Laval, Atlas Copco, Bahco, Esselte, Fagersta, Johnson & Co, Sandvik, SAS, SKF, Skega and Transatlantic — have a total share capital of R15,36 million in South African companies— a reduction on 1984 figures by R7,14 million.

This is in line with the Swedish government's determination to end trade links but the increased turnover must have been an unwelcome surprise.

Atlas Copco won't quit

29/5/86 STAR

70

By Stan Kennedy

Atlas Copco president Mr Tom Wachtmeister has told the annual meeting in Stockholm that the group will stay in SA.

He said that workers of all categories had appealed to the group to stay, as they considered themselves as part of the international family.

"It is my firm belief that we are doing good in South Africa, not only for the 500 employees but also for their families and our clients," he said.

"Our policy of never leaving a market or abandoning customers and employees applies even in areas where the political climate is unstable."

Bus. Day 6/6/86

Swedish and SA trade war grows

(70)

HAMISH McINDOE

SWEDEN'S cold trade-war with SA is set to intensify with a government edict requiring all goods used in bilateral trade to have licence permits from July.

Social Democrat Prime Mimister Ingvar Carlsson yesterday in parliament proposed further trade moves against SA, which have the full support of opposition parties, a government spokesman in Stockholm told *Business Day*.

But Sweden has not severed trade ties with SA, despite contrary reports.

Economists pointed out yesterday the threatened Scandinavian trade boycott would hurt Norway, Sweden and Denmark more than SA, reports GERALD REILLY.

SA imports from Scandinavia totalled R593 966 356 for the whole of 1985, compared with exports to the three countries totalling R289 681 135.

Sweden was the biggest exporter to SA — R287 945 761 — followed by Norway with R190 327 044, and Denmark R115 693 551.

Denmark was the only one of the three countries which imported more from SA — R175 009 329 mostly in minerals and coal — than it exported, R115 693 551.

SA Agricultural Union economist Koos du Toit said total agricultural exports to Scandinavian countries were insignificant in terms of rands and cents.

Swedish firms exporting to SA will have to apply for a government licence before landing their goods in SA. The same applies to SA exporters. The move follows the gazetting last Friday of the licensing of all Swedish imports to SA by Trade and Industry (DTI) Minister Dawie de Villiers.

But a DTI spokesman said the permits were an administrative measure to monitor the type of Swedish goods being imported to SA. He said the permits were in line with measures allowed by the General Agreement on Tariffs and Trade, of which SA is a signatory.

On Tuesday, the Swedish government announced it would establish a public register of local firms trading with SA in a crackdown on bilateral trade.

Swedes slow to cut ties with SA

5/9/86 (70)
BUDAM

STOCKHOLM — Voluntary restrictions on Swedish trade with SA have not had as much impact as expected.

The A-Pressen news agency, affiliated to the ruling Social Democratic party, said official figures due to be released shortly showed a 29% drop in exports to SA in the first six months compared with the same 1985 period.

It said this compared with a 40% decline in Norwegian exports to SA.

Sweden's Central Bureau of Statistics declined comment.

Swedish government officials have in recent months expressed confidence that curbs introduced last winter, including the licensing of all exports and imports, would help cut trade with Pretoria by 50%.

A-Pressen said the figures could increase pressure on Prime Minister Ingvar Carlsson's government to join Norway and Denmark in announcing an all-out ban on commercial ties with SA. — Sapa-Reuter.

Cape Times 9/9/86 (70)

Bomb blasts ANC office

STOCKHOLM. — A powerful explosion yesterday ripped through a building here housing the office of the African National Congress (ANC).

The blast caused extensive damage but no injuries, police said.

The Swedish Foreign Minister, Mr Sten Andersson, who arrived at the scene soon after the blast, called it "an act of madness".

He said he would personally apologize to the ANC's leadership in Lusaka "that such a thing could happen in Sweden".

Mr Andersson told reporters outside the building, which also houses the office of Sweden's tiny pro-Soviet Communist Party, that the ANC was entitled to increased security in Sweden.

"This attack could after all have caused many victims," he said.

Asked whether the explosion meant South African "agents" were at work in Sweden, he said: "This is the act of a madman and it is for the police to find out who did it."

The bomb was apparently placed on the door leading to the ANC office in the attic of the building. The force of the blast knocked the heavy wooden and metal doors flying into the street and shattered many windows.

But the four people in the ANC office were not wounded and nobody else in the building suffered any injuries.

Police said no organization had so far claimed responsibility.

This was one of the few acts of political violence in Sweden since the unsolved murder of Prime Minister Mr Olof Palme in February.

Mr Andersson said he would call ANC leader Mr Oliver Tambo in Lusaka to report on what had happened and to apologize on Sweden's behalf.

Sweden, which has long campaigned against apartheid, supports the ANC financially, but the government is resisting strong pressure from Sweden's Nordic neighbours to join in a trade boycott of Pretoria.

Sweden has the largest investments in South Africa of any country in the Nordic region and the Social Democratic government's position is that it can only go along with mandatory sanctions approved by the UN Security Council. — Sapa-Reuter

(352) (70) (280) BUSDAY 28/1/87

Asea move 'opens doors'

HAMISH McINDOE

SWEDISH electrical group Asea's sale of its SA operation to Powertech puts the strategic power-transmission industry firmly under local control.

Asea will continue with technology updates and licensing agreements after Powertech's R11m buy-out of Asea SA earlier this week.

A spokesman for the Swedish Legation in Pretoria yesterday warned, however, that a complete trade boycott against SA by the Nordic group of five countries may be enforced during the first half of this year.

Powertech now effectively controls 75% of Asea SA and intends buying the minority shareholdings of Amic and General Public.

Deputy chairman Neill Davies of Powertech's parent, Altron, said a R4/share offer or an exchange of Powertech paper would be made for their Asea holding.

Takeover talks had already started with Amic, while General Public still had to be approached.

Asea SA MD Murray Coutts-Trotter stressed no retrenchments would result from Powertech's acquisition of the company. He said: "But the move does open up opportunities for rationalisation and product development."

Asea would not comment on its reason for selling its 24,9% stake in the SA operation when it announced its withdrawal on Monday.

Davies said, however, political pressure was a factor.

He did not expect Stockholm to impose new anti-SA laws affecting licensing agreements and technology transfers.

There is no Swedish ban on technology transfers at present.

Buy-out team aims to resurrect Leyland

LEYLAND products will continue to be sold in South Africa in spite of a sales plunge from nearly 23 000 units in 1964 to only 788 last year. Continued supply of Leyland vehicles is assured after a management buy-out by South Africans.

Details of the buy-out have not been disclosed, but the new management team comprises six directors — non-executive chairman of Leyland SA Ellis Rhodes-Harrison, deputy chairman Francois Jacobs and financial director John Dean.

The other three, all directors of Leyland Vehicles, are Mike Elsberry, Meiert Grootes and Jack Massardo.

It is expected they will pay cash in a multi-million rand deal for Leyland SA and Leyland Vehicles.

Leyland SA's wholly owned parts subsidiary, Unipart, is also expected to be taken over by its management -- marketing director Ken Parr, senior manager Eddie Brown, Jack Visser, a former director of Leyland SA and a senior member of Putco, and Bernard le Roux, a director of Leyland's trading arm, Associated Automotive Distributors.

Leyland SA's managing director Brian Fuller ascribes the decline and

By Don Robertson

fall of Leyland to the UK parent's shortage of cash to finance new models.

Other motor observers say Leyland problems in SA are similar to those which have displaced it in international markets. It was whipped by German and Japanese competitors.

The long slide started in the bad old days before Michael Edwardes and John Egan moved to restore Leyland and Jaguar respectively. Quality problems were legend in the late 1970s when the German and Japanese assault on world markets gathered momentum.

Fragmented

In 1964, the SA company, operating under the Leyland, BMC and Rover names, had 11,96% of a fragmented car sector with sales of 17 172 in a market of 143 373.

Its commercial vehicles held 10,6% of the market with sales of 5 609 out of a total of 52 618.

By 1970, the share of the car market had fallen to 7% and commercials to 6,95%.

But the crunch came in 1980 when car sales fell to 4 364 units for a 1,58% market share. The commercial stake fell to 2,74%. The total car market in 1980 was 277 058. Commercial-vehicle sales were 127 708.

The 1982 number of employees tumbled from 3 500 to the present 641. The labour force will be halved to about 300 after the buy-out.

In 1983, the company stopped making cars in SA.

Last year's car sales were only 34 for 0,02% of the market. Commercials, including the Land Rover, were only 754, or 0,84% of the market.

The sale and import of luxury Jaguar and Daimler cars was transferred to Lindsay Saker last October. Industry sources say Leyland has been losing money since 1973 and that accumulated losses have reached R50-million. Last year's losses are estimated at R15-million.

Mr Fuller, who is on secondment from the Rover group, says the problems arose in the 1960s and 1970s when the parent company ran into difficulties in the UK and had insufficient funds to finance the production of new models. The introduction of increased local content programme added to the cost of tooling in SA.

"As a result, we lagged behind with product and had no chance of rejuvenating the models. The same thing happened in the commercial sector.

"At that time we had a virtual monolopy in the bus sector, but we became slack and lazy."

Mr Fuller says the company had been losing money for several years and a decision was taken in December to reorganise the group.

"After the reorganisation had been shaped, the management team saw what impact it would have and decided to make the buy-out offer.

"They believe they can have the company running profitably by the end of the year."

The commercial range was revamped in 1984 with the introduction of T45 heavy trucks and the company hopes to sell between 250 and 300 trucks and buses this year.

Built to order

The company had a 6,4% share of the truck and bus market in 1985, but it rose to 7,2% last year although volumes were down in line with the market. Losses were cut by half in 1986, says Mr Fuller.

The new company will concentrate on heavy trucks and buses, but will continue to tender on smaller trucks, although these will be built to order only.

It is intended to offer all remaining staff a share in the new company.

Mr Fuller will remain in South Africa until the second half of the year to ensure the new company gets off to a good start, to recruit a new managing director and assure customers of continued support from the UK.

Swedes plan trade boycott of SA

(70)

SMH 2/3/87

STOCKHOLM — Sweden's new leaders this week plan to propose a trade boycott of South Africa — to contribute towards assassinated Prime Minister Mr Olof Palme's prophecy that apartheid is destined for the "trash can of history".

Mr Palme's successors marked the first anniversary of his death yesterday with solemn pledges to carry on his fight against violence and injustice all over the world. In particular, they promised action to increase South Africa's isolation.

The ruling Social Democratic Party is to debate sanctions today. Tomorrow the government will outline the results to the policy-making Foreign Affairs Council.

On Saturday, Foreign Minister Mr Sten Andersson quoted Mr Palme as saying in his last speech that apartheid was an "affront to human dignity, that is doomed to end up in the trash can of history", and promised that Sweden would contribute to this.

DEPENDENT ON SA MINERALS

Mr Andersson told a torchlight rally in honour of Mr Palme's memory that Sweden would have to put Pretoria under new pressure, despite the failure of the United Nations Security Council last month to recommend sanctions.

Of all the political parties in Parliament, only the Conservatives are opposed to unilateral trade sanctions. They argue that Swedish companies in South Africa will be unfairly penalised.

Sweden stands to suffer economically from any trade boycott. The Swedish special steels industry is highly dependent on imports of South African minerals such as chrome, manganese and ferro-manganese. — Sapa-Reuter.

Sweden in new sanctions move

70 W/in 3/3/87

STOCKHOLM—Sweden's ruling Social Democratic Party yesterday gave the go-ahead for unilateral trade sanctions against South Africa, Prime Minister Ingvar Carlsson said.

Mr Carlsson told a news conference his party had decided the need to fight apartheid took priority over Sweden's traditional policy of only joining in sanctions voted by the UN Security Council.

The full extent of the trade boycott and when it would come into force was to be decided by the Government later, Mr Carlsson said.

Industrial sources said the main impact was expected to be felt by the Swedish steel industry, which relies heavily on South African mineral imports, and a handful of companies which supply the South African mining industry.

'What the party has unanimously given us is a yes to isolated Swedish action,' Mr Carlsson said.

Sweden has been at the forefront of attempts to isolate South Africa economically, having frozen investments in South Africa in the late 1970s.

Last year it ordered a licensing system for all exports to South Africa, but it has been under strong political pressure to cut all trade after neighbouring Denmark last year voted for full economic sanctions.

Norway is preparing similar legislation.

Strategic importance

In the first nine months of 1986, Swedish exports to South Africa were 29% down on the same period in 1985 at R174 million. Imports fell 71% to R35 million over the same period.

Observers say South African trade is still of considerable strategic importance to key sectors of Swedish industry.

Sweden's steel industry is an important consumer of South African nickel, manganese, ferro-chrome and ferro-manganese.

Swedish foundries and nuclear industries are also almost completely reliant on zirconium sand. Zirconium is a capping element used in steel tubes to contain uranium fuel.

Swedish companies increased their mineral purchases heavily during 1985, apparently to build up stocks. Alternative sources of supply would mean turning to the Eastern Bloc, according to Government studies.

The 10 remaining Swedish companies established in South Africa had combined assets of R178 million in 1985 and an annual turnover of R310 million. They employ 2 400 people.

In Sweden, some 2 500 workers provide goods for the South African market. Half are expected to lose their jobs, according to Government figures, although private estimates put the figure much higher.

The three biggest Swedish companies in South Africa are Atlas Copco AB, Sandvik AB and Secoroc AB. All supply drilling equipment for the mining industry.

A Government study has warned that if they are forced to withdraw, the main beneficiary will be their South African rival, Boart. — (Sapa-Reuter)

Swedish party votes for trade boycott

The Star's Foreign News Service

STOCKHOLM — The Swedish Social Democrat Party's executive has voted unanimously to boycott trade with South Africa.

The Foreign Affairs Advisory Council, which represents all the parties except the Communists, meets today to discuss the decision and the Government is expected to present a Bill to Parliament within a few weeks.

Only the Conservative Party opposes the boycott.

Prime Minister Ingvar Carlsson would not say yesterday what form the boycott would take, or whether Swedish subsidiaries would be forced to leave South Africa. But the implication is that the boycott will be fairly extensive.

Sweden was prepared to wait for the UN Security Council to recommend sanctions against South Africa, but the proposal was vetoed by Britain and the United States 10 days ago. An independent trade boycott represents a significant break with Sweden's traditional foreign policy.

The value of Swedish imports from South Africa decreased by about 70 percent in the first nine months of last year to about R33 million, while exports fell by about 30 percent.

Swedish companies which have sales and production subsidiaries in South Africa are mostly in the mining sector and include Atlas Copco, SKF, Secoroc, Sandvik, Skega, and Alfa-Laval.

SNA 3/3/87 (70)

Sweden imposes sanctions on SA

Citizen Times 13/3/87

Own Correspondent

JOHANNESBURG. — Total sanctions imposed by Stockholm yesterday may force some Swedish companies to pull out of SA.

The first secretary at the Swedish Legation in Pretoria, Bengt Herrström, says Stockholm has decided to activate a 1971 sanctions law that will cut bilateral trade and stop the foreign subsidiaries of parent companies supplying their SA holdings.

The ban excludes publications and goods that might be needed on humanitarian or medical grounds. A full report, 'Sweden may soon ban all SA trade', on page 4.

The ban takes effect from July 1 but Herrström says companies will have until October 1 to "fulfill their obligations".

The 1971 law — "Concerning Certain International Sanctions" — was used to boycott Rhodesia.

The law means unless the six Swedish companies operating in SA can switch to 100% local content they may have to withdraw. Ball bearing manufacturer SKF has indicated it could do this — "at a push" — so has Atlas Copco.

Engineering group Alfa Laval imports most of its equipment — used in the dairy and food industries — but mines supplier Skega imports nothing.

Some companies were openly sceptical that Swedish sanctions legislation would cover the international supply network of their parent subsidiaries.

It is estimated that a total Swedish corporate pullout would cost about 2 000 jobs.

Sweden slaps a total trade boycott on SA

STAR 14/3/87

The Star's Foreign News Service

(70)

STOCKHOLM. — Sweden is to impose a total boycott on trade with South Africa in a move that marks a unique departure from its traditional policies.

Swedish neutrality has previously ruled out the country's participation in any trade sanctions except those agreed to by the UN Security Council.

But following the failure of the Security Council last month to agree on binding sanctions in the face of vetoes from the US and the UK, Sweden has decided to take unilateral action.

The decision came even though Mr Sten Andersson, Swedish Foreign Minister, accepted that the boycott was a breach of the international trade law embodied in the General Agreement on Tariffs and Trade.

The embargo will come into force in October.

The Swedish Foreign Ministry said this week that the government had decided to act because of the "unique" circumstances in South Africa.

In no other country was the "systematic violation of a majority people's fundamental rights constitutionally entrenched as in South Africa".

Initially, the embargo covers goods and not services.

The government is for the moment not taking any direct action to force Swedish companies with subsidiaries in South Africa to dispose of their local operations, although continuing links will now be circumscribed.

Under previous measures, it is already forbidden for Swedish companies to invest in South Africa.

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13/3/87

Loophole leaves supply lines intact

Swedish firms can dodge ban

HAMISH McINDOE

A LOOPHOLE in Stockholm's total trade embargo will leave the foreign supply lines of Swedish industrial companies operating in SA intact.

Transatlantic Shipping Agency believes it will also be able to continue its scheduled service to Sweden, despite the bilateral trade ban.

The Swedish-owned line carries sufficient cargo from Mozambique, Zimbabwe, Malawi and Botswana to continue its direct sailings from Cape Town.

Stockholm is unlikely to shut the major export window of Frontline states to Scandanavia by banning Transatlantic from SA. If it did, it would weaken the economies of nations it already heavily supports in aid.

Says Transatlantic MD Philip Craig: "Company lawyers are studying the sanctions bill. We will know where we stand within the next few days."

It was learned yesterday that the six Swedish industrial companies in SA will be able to continue sourcing from their parents' foreign subsidiaries on condition goods are not made in Sweden.

Says Alfa Laval MD Haydn Thomson: "Even then, we believe that as long as Swedish-made goods have value added in another country they can be legally re-exported to SA. We are double-checking this."

On paper, value added can mean something as trifling as a coat of paint.

In a telex from Alfa Laval's Stockholm HQ to its SA subsidiary, the company said: "The new legislation, although stopping us from exporting goods or services directly or via third countries, does not stop supply of goods manufactured or purchased by non-Swedish Alfa Laval subsidiaries.

"Such goods are not regarded as being of Swedish origin, nor does it force us to disinvest from SA."

Alfa Laval was seen as an early candidate to pull out of SA as it imports most of its dairy and food processing equipment.

70 SMM 7/4/87

Sweden boosts aid to Frontline states to counter 'reprisals'

STOCKHOLM — Sweden has increased aid to South Africa's neighbouring states in an attempt to offset any backlash over international economic sanctions.

Swedish Foreign Trade Minister Anita Gradin presented a Bill on March 12 banning trade with South Africa and hoped this would induce other countries to take similar steps.

However Sweden has already increased aid to Angola, Botswana, Lesotho, Mozambique, Tanzania, Zambia and Zimbabwe by 33 percent in case of South African reprisals.

South Africa has warned that sanctions would most hurt its own black population and neighbouring countries which rely on South Africa's economic health.

Sweden is to give the equivalent of R700 million to the seven states, an increase of about R200 million on 1986.

The figure is nearly half of Sweden's total foreign aid. The rest goes to about a dozen countries including the Marxist governments of Ethiopia, Vietnam and Nicaragua.

Sweden is one of the few countries that meets a United Nations standard of contributing about one percent of its gross national product to foreign aid.

"We are prepared to go further to meet acute needs," said Mr Christer Isaksson of Sweden's Ministry for Foreign Aid.

"We have just decided to give several more millions (of kronor) of humanitarian aid to Mozambique, which is plagued by civil war."

Despite public pressure to pass the Bill, the Swedish government hesitated for several months before declaring the unilateral trade ban against South Africa.

Opponents of the measure argued that it would harm Swedish businesses and their black employees in South Africa and could cost as many as 8 000 Swedish jobs.

The Bill passed anyway, enhancing Sweden's role as a leader among Scandanavian nations in opposing apartheid.

Investments

Denmark was the first to impose a trade ban (last June) and Norway is considering a Bill that would stop oil supplies on Norwegian ships.

But Sweden, back in 1979, imposed sanctions against South Africa by prohibiting new investments, one of the first industrialized nations to do so.

South Africa has taken no action recently against the Frontline states but Sweden fears it might sever its black neighbours' trade and transport routes through South Africa in retaliation against international sanctions.

The idea of helping South Africa's neighbours gain economic independence has been motivating Swedish aid to southern Africa for 20 years, Mr Isaksson said.

"The aim, then as now, was to help them grow less dependent on South Africa."

Sweden also supports African resistance movements outlawed in South Africa and Namibia. It has given the equivalent of more than R30 million in "humanitarian aid" to the African National Congress and Swapo.

Swedish involvement in southern Africa dates back to 1965 and the independence of Zambia and Tanzania.

Sweden also supported guerilla movements in the 1970s in Angola and Mozambique which were struggling for independence from Portugal.

Dependence

One recipient of Swedish aid is the Southern African Development Co-operation Committee, a regional body set up in 1980 that includes the seven Frontline states plus Malawi and Swaziland.

Its goal is regional co-operation to reduce dependence on South Africa.

Sweden contributed almost R155 million between 1980 and 1985 to the SADCC, mostly for transport and telecommunications.

It has allocated another R178 million for 1986-1988 and the amount could be increased.

Major Swedish aid projects — some financed in conjunction with other Nordic nations and within the SADCC framework — include a microwave telecommunications network between Botswana, Zambia, Zimbabwe and nearby states to circumvent South Africa.

Among other projects was the rebuilding of the Tazara railroad between Zambia and Tanzania to give the landlocked states access to ports outside South Africa. — Sapa-Associated Press.

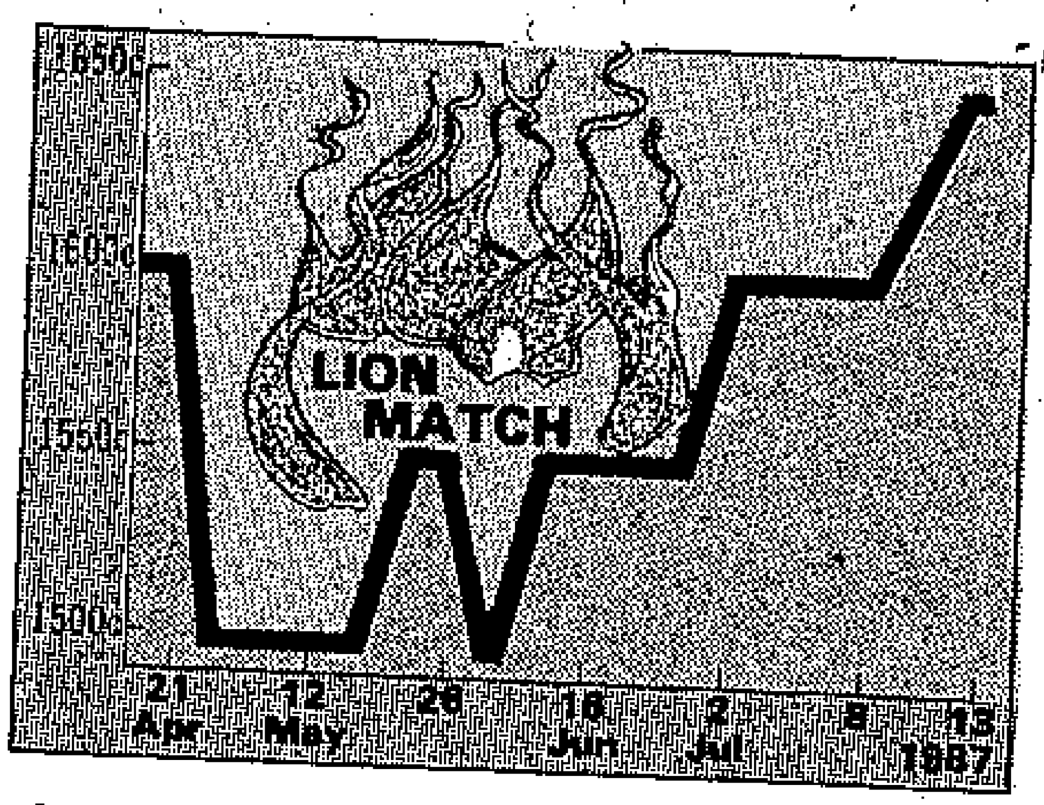
Lion Match put to sword

14/7/87 B/Day 10

MERVYN HARRIS

SWEDISH MATCH has wasted little time in shedding Lion Match, the SA operation of Wilkinson Sword, which it acquired from Wilkinson's US parent Allegheny Investments for $230m three months ago.

Lion Match yesterday issued a cautionary statement to shareholders that it is involved in talks which may lead to a



change in control of the company.

Analysts say the Rembrandt Group is the most likely candidate, with Utico also in the wings as a possible buyer.

● To Page 2

Swedish group throws away Lion Match

14/7/87 B/Day 10

● From Page 1

However, as Lion Match has diversified with more of its earnings coming from its non-match interests, the company could also attract buyers outside the tobacco sector.

The thinly traded Lion Match shares have risen from a year's low of R10 in November to a peak of R16,50 earlier this month and was quoted yesterday at a bid price of R18.

Swedish Match became the world's unchallenged largest match-maker after its take-over of the London-based Wilkinson Sword.

While the Swedish Government's ban on trade with SA stops short of ordering the immediate closure of all Swedish companies operating in SA, Swedish Match made known its intention of a swift disposal of its SA interests at the time of the takeover.

Swedish shipping link with SA ends

Daily Dispatch Correspondent

80 22/9/87

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JOHANNESBURG — Swedish shipping companies have obeyed their government's embargo on trade with South Africa by selling their shipping links with this country.

Swedish Transocean Lines has sold its entire shareholding in the Transatlantic Shipping Agency to Actmalt, a British-based company. The deal is effective from October 1.

Shipping industry officials said yesterday that Transatlantic provided a roll on-roll-off (ro-ro) service between South Africa and northern Europe.

The service is run in conjunction with the South African-Europe Container Services (Saecs) consortium.

Actmalt has bought Transatlantic's remaining ro-ro vessel, the Kolsnaren, and will continue to run it on the route.

A spokesman for Transatlantic's new South African agent, Actmalt owned Ellerman-Bucknall, said yesterday that Transatlantic would retain its services and rights to sail to the Canary Islands with South African exports. — DDC

Deadline looms for Swedish trade ban

70 NORMAN SHEPHERD B/Day 29/9/87

SWEDISH trade with SA is set to fade away from Thursday, hitting agents and subsidiaries.

In the run-up to the October 1 deadline for the implementation of a total trade ban, 10 companies have been forbidden to supply SA.

And three other Swedish companies, said to account for 50% of Sweden's trade with SA, could join the list on Thursday, said Swedish Legation Minister Jan Lundvik.

Applications for exemption from the ban have been rejected for: Nitro Nobel (for trading with Sasol), carton-paper exporter Oppboga, Tyloe Sauna, quartzite exporter Spenser Forskhame, multinational ball-bearing manufacturer SKF, Kasco Nobel (exporter of elements for emulsion explosives), axe exporter Homenf Bruk, motor saw and equipment exporter Electrolux, packing wire exporter Pacwire, and dairy equipment exporter Alfa Laval.

The three major firms whose fate is uncertain are mining equipment suppliers Atlas Copco, Sandvik and Secoroc.

Quoting the CNA news agency, Sapa reported there was speculation in the Swedish Press that the three would get exemptions from the ban because their withdrawal would strengthen SA company Boart and the government.

Swedish trade freeze

5/10/87

(70)

DD

JOHANNESBURG — Direct supplies from companies accounting for 50 per cent of Sweden's trade with South Africa have been frozen pending applications for exemption from the general trade ban.

The Swedish Legation Minister, Mr Jan Lundvik, said Atlas Copco and Sandvik had been told last Thursday not to trade with South Africa for a week until the government made a decision.

The firms asked for exemption under a clause in the ban allowing continuation of trade where prohibition would have the reverse effect of the intended purpose of the embargo.

Swedish newspapers reported the companies as saying their withdrawal would benefit a South African company — and Pretoria.

Mr Lundvik said the latest companies to get their applications for exemptions rejected were: Jegab Display, Swemac, Frigoscandia, Ahlsell Mineral and Nobel Pharma.

A dialysis equipment supplier, Gambro, had received an exemption, he said. —DDC

(90) B/day 5/10/87

Swedish firms' supplies stalled

NORMAN SHEPHERD

DIRECT supplies from companies accounting for 50% of Sweden's trade with SA have been frozen pending applications for exemption from the general trade ban.

Swedish Legation Minister Jan Lundvik said Atlas Copco and Sandvik (and subsidiary Secoroc) had been told on Thursday not to trade with SA for a week until the government decided on their applications.

However, spokesmen for the companies in SA said on Friday they had not yet been made aware of the freeze.

The firms asked for exemption under a clause in the ban allowing continuation of trade where prohibition would have the reverse effect of the intended purpose of the embargo.

Swedish newspapers reported the companies as saying their withdrawal would benefit an SA company and government.

Lundvik said the latest companies to get their applications for exemptions rejected were: Jegab Display, Swemac, Frigoscandia, Ahlsell Mineral and Nobel Pharma.

Dialysis equipment supplier Gambro received an exemption, he said.

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B/day 23/10/87

'Govt must act on economy'

DAVID FURLONGER

EAST LONDON — Assocom yesterday called for government action on economic stimulation and urbanisation. It also appealed for an investigation into enforcing competition in the fuel retail market.

The annual congress approved a motion calling for less State meddling in industrial relations and an end to racial discrimination in business.

Delegates backed four points: that business deregulation focus on elimination of racially discriminatory laws; that State interference in the collective bargaining process be kept to a minimum; the phasing-out of tertiary education based on racial or ethnic separation; and that government ease the development of business and management skills by applying President's Council (PC) recommendations on the Group Areas Act relating to restrictions of business rights for certain racial groups.

Speakers yesterday cast doubt on the effectiveness of government's urbanisation White Paper.

While welcoming the White Paper's attempts to accommodate the irresistible population shift to urban centres, the congress asked government to support a PC call for a review of the decentralisation programme.

Government is also urged to devolve to local level its authority to plan and determine urban development priorities and allow freedom of movement — including the right to live and work permanently in urban areas — to citizens of the independent homelands.

Delegates questioned whether fuel market restrictions were in line with government attempts to deregulate the economy and encourage competition.

Support was given to a motion calling on the Competition Board to investigate whether retention of a fixed dealer profit margin in the fuel price was contrary to competition policy.

The board was also asked to examine whether rules governing new petrol stations were restrictive and to examine the impact of the Service Station Rationalisation Plan on the establishment of new retail outlets, and the extent to which it interferes with natural market forces.

EAST LONDON — Britain's biggest employer body, the Confederation of British Industry (CBI), remains opposed to sanctions against SA, its president said yesterday.

Sir David Nickson, in a satellite interview with the Assocom congress in East London, said the CBI shared the views expressed by Prime Minister Margaret Thatcher at this month's Commonwealth conference in Canada.

He said: "Our view is not a political one. We are opposed to apartheid and to violence. But we are also opposed to sanctions, which are counter-productive and harm those they are intended to help. We are in the business of wealth creation."

Sir David said this week's international stock market crash had not affected Britain's industrial confidence.

"Industry here is very optimistic and we have fuller order books than we have had for years."

— Sapa-AP.

ARGUS 6/11/87

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Swedish firm out

STOCKHOLM. — Swedish engineering group Alfa-Laval AB is to transfer ownership of its South African subsidiary to a trust in terms of a trade boycott Sweden imposed on Pretoria last month. — Sapa-Reuter.

US deal could have impact on Atlas Copco SA

ANDREW BUDDEN

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SWEDISH-based Atlas Copco last week bought — for an undisclosed cash sum — the entire share capital of Wagner from its US holding company Paccar.

Wagner does not operate a subsidiary in SA, but its Hubert Davies distributing arm satisfies much of the local market for front-end loaders (LHDs) used widely in trackless mining.

Atlas Copco (SA) MD Sergio Camozzi said yesterday the local implications of the deal had not yet been assessed.

It was unlikely that a local management shuffle would follow the buyout, he said.

BDay 20/9/89

Wagner's product line was an ideal complement to the mechanised drilling and trackless equipment marketed locally by Atlas Copco, he said.

The deal may come under scrutiny of the Swedish authorities. Sweden's anti-apartheid law expressly forbids further investment in SA, although companies already operating here have not been asked to leave.

The purchase may be construed as an indirect investment in SA by a Swedish company, but Camozzi thinks this unlikely considering the way Wagner's SA interests are structured.

MANAGEMENT BUY-OUT FM 18/5/90

Value added (88/70)

Standard Merchant Bank recently structured and financed its second biggest management buy-out. The largest, in July 1986, was Transport Technical Industries, bought from Darling & Hodgson by management for R65m. The price of the latest MBO is undisclosed but thought to be R20m-R40m.

In the deal, local management bought stainless steel distributor Fagersta Steels from Interoc, part of the Swedish Uniroc group, which is involved mainly in making and marketing rock-drilling equipment.

Interoc is using the funds to strengthen the rest of its SA business. "We decided to sell to focus on rockdrilling, the major part of our business, in line with worldwide company policy," says MD Rolf Soderman.

Fagersta's new controlling shareholders are Alex Skea, an ex-employee and founder of distributor Alloysteels, and present employee Chris Visagie. Seven other employees and SMB will have minority holdings.

The company will operate under the Fagersta name and continue as major distributor for Middelburg Steel & Alloys, with which it renewed a contract on Friday. Fagersta has merged with Skea's Alloysteels to make it one of SA's three major stainless steel distributors. (189) (70)

One benefit of this MBO is that Sweden's 1976 ban on capital investment in SA will

FM 18/5/90 (88) (70)

now no longer apply. The company may, if it needs, invest in new assets.

Funding, as in most MBOs, is primarily through debt but SMB is confident the company can trade out of it soon. ■

Group Areas blocking open education, say lobby groups

Star 18/5/90 70

By Janet Heard,
Education Reporter

The Group Areas Act and other apartheid legislation would have to go if education was to be non-racial, education lobby groups said in their reaction to this week's Government announcement of a shift in education policy.

The Government announced that a single education system was on the agenda and up for discussion, but that integration would not be forced.

Step forward

The National Education Co-ordinating Committee (NECC) said in a statement yesterday that the Government's announcement was a step forward as it had recognised that the present system was unacceptable to most blacks.

However, the NECC said it was "hollow" to talk of a single education department without other fundamental changes:

"The NECC believes that the resolution of the crisis lies in the resolution of the national political crisis.

"However, during the interim (prior to the election of a national constituent assembly) the crisis can be reduced if an interim government, consisting of the main actors, the ANC and NP, is constituted as a matter of urgency."

The NECC said the proposed interim government would then be responsible for the establishment of an interim education department, whose objective it would be to resolve the crisis in all areas of education.

Ahmed Munda, vice-president of the Progressive Teachers' League (PTL) and member of the All Schools for All People Campaign, said:

"If the Government recognises the inevitability of a single department, it should negotiate with credible groupings such as the NECC."

Mr Munda said greater community control over schools in the form of parent, teacher and student associations should be introduced.

Judith Hawarden, the Transvaal chairman of the Black Sash, said the organisation was concerned that the "separate but equal" policy would continue.

"We believe that it should be a clear and unequivocal Government-stated policy that education is integrated and non-racial".

Glen Stuart, a spokesman for the Transvaal English-Medium Parents' Association (Tempa), commended the Government's initiative and stressed that parents should decide whether schools should be opened or not.

He said, however, that the proposed 90 percent approval by parents was too high.

"Whatever model emerges, there must be an attempt to ensure that there is no lowering of standards at schools," he said.

Mr Stuart said he was not totally convinced that the findings of the Human Science Research Council (HSRC) — that a majority of adults supported open schools — was an accurate reflection of parents in the Transvaal.

Afrikaners

The Afrikaans Transvaal Parents and Transvaal Teachers' Associations said that the findings did not include the views of Afrikaners in the Transvaal.

In response, Dr Nic Rhoodie, one of the researchers, said he stood by the survey, which was conducted telephonically.

"There is a limit to what one can do in a survey and we will try to analyse the data at a later stage."

Str

Swedes go soft on SA

From MADI GRAY

STOCKHOLM. — An application to invest more than four million rands in SKF's ball bearing plant in Uitenhage in the Eastern Cape was granted by the Swedish Board of Commerce last week. South 18/10 - 24/10/90

South 18/10 - 24/10/90

The decision is a major departure from Sweden's longstanding policy of prohibiting new investments in South Africa and may herald the demise of ~~its~~ sanctions policy.

Discrimination

The board justified the decision on the grounds that it is line with existing legislation because the investment is intended to increase safety and improve working conditions, not facilitate an expansion of SKF's activities.

70

SKF's South African manager, Mr Edgar Schindler, said, however, that poor turnover at the plant and the need for new machinery were the real reason for the investment.

In an interview with a Swedish metal workers' publication, Schindler said new machinery was needed at the plant.

SANCTIONS

SLOW THAW

Sweden will not lift sanctions against SA until all parties in constitutional negotiations say they believe the demise of apartheid is irreversible.

Bengt Säve-Söderbergh, an under-secretary in the Swedish Foreign Ministry, says that though Sweden accepts that SA faces enormous economic difficulties, sanctions remains the only effective weapon to remove apartheid. He is one of a five-man Swedish delegation that has been here to attend a conference with ANC representatives.

Another delegation member, Jan Karlsson, a former deputy minister of finance, says the "faster SA gets to a new constitution, the faster it can address its economic problems." He said the delegates would discuss with the ANC and UDF the Swedish political and economic experiences and "the reappraisals of a country that has been a welfare State for more than half a century."

Karlsson said he would tell the SA organisations of the Swedish experience with State ownership:

"During a crisis about 50 years ago, when we had about 23% unemployment and severe poverty, we considered State ownership on a large scale. In the end, the Social Democrats never implemented those ideas. When a rightwing government was in power from 1976 to 1982, they nationalised some industry — but the social democrats never have. The experience of State ownership in a competitive society is not good. The experience in utilities, such as electricity, is good — but

not in goods-producing industries."

Säve-Söderbergh said that despite the rhetoric of reform in SA, "on the ground, people are still subject to petty harassment. We have an impression of commitment on both sides, but there are many stumbling blocks and irreversibility will come later."

He said of all the countries he had ever visited, SA had the greatest disparity between rich and poor he had ever encountered. The delegates made it quite clear that the ANC would receive no cuts in grants from Sweden, though some aid may be directed in different ways. For example, more aid would be directed towards training ANC members to assume government and diplomatic positions.

"Of all the international causes Sweden champions, the anti-apartheid movement receives the broadest support among all Swedes." ■

FOREIGN FIRMS IN S.A

- SWEDISH -

JAN 91 - MARCH '98

Swedes set ball rolling in anti-sanctions investment

CAPE TIMES 12/1/91 70

LONDON. — The Swedish government, one of first in the Western world to express its vigorous opposition to apartheid by imposing wide-ranging sanctions against South Africa years ago, has given the go-ahead to one of Sweden's companies to invest R4,6 million in its ball-bearing factory near Port Elizabeth.

The investment by SKF, the world's largest roller-bearing company, is to improve working conditions in its Uitenhage plant, it was reported from Stockholm yesterday.

Swedish Trade Minister Ms Anita Gradin emphasised the decision was in line with Sweden's existing ban on investments in South Africa, introduced in 1979, and that it did not break her government's sanctions policy.

Sweden was a mainstay of moral, financial and material support for the African National Congress during the years it was banned in South Africa.

As an ANC "thank you" gesture, Stockholm was one of the first European capitals visited by Mr Nelson Mandela after his release.

ANC president Mr Oliver Tambo, who suffered a crippling stroke in August 1989, was treated for lengthy periods at an exclusive clinic near Stockholm in 1990 as a guest of the Swedish government. — Sapa

Sweden allows an investment in SA

ZILLA EFRAT

THE Swedish government's permission for SKF, the world's largest roller-bearing group, to invest R4,5m in its SA operation does not mean a change in its policy towards SA. B/Day 14/1/91

SKF SA MD Nils Bonde said at the weekend the money would be used to bring health, safety and environmental standards at SKF SA's factory in Uitenhage to the same level as SKF plants elsewhere in the world.

There would be no increase in capacity at the factory which produces ball bearings and employs 400 people, he said.

Bonde did not believe the move constituted a change in the policy of Sweden, which had restrictions on investment and trade against SA.

He said there was room in Swedish policy for this kind of special case.

The Swedish government had already allowed minor investment to be made in SKF SA in the same areas twice in the past, he said. (40)

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Hint to Swedes 'improper'

CT 1/9/92 (70)

STOCKHOLM. — An aide to Swedish industrialist Mr Peter Wallenberg yesterday described as "improper" hints by the ANC of favouritism to Swedish firms under a new South African government.

Aide Mr Erik Belfrage said a member of ANC leader Mr Nelson Mandela's delegation told business leaders at a May meeting here that a new South African government might help firms hurt by sanctions against South Africa.

The Stockholm daily Svenska Dagbladet said in a report yesterday that Mr Mandela had promised Wallenberg companies extra advantages.

In Pretoria, NP secretary-general Dr Stoffel van der Merwe issued a statement yesterday calling on Mr Mandela to clear up the matter.

The statement said that if reports that Mr Mandela "may be peddling influence with Swedish industrialists" were true, it pointed to corruption.

The allegation that Mr Mandela promised the Wallenberg firm Atlas Copco privileged treatment in return for R59 million in aid for the ANC, has been denied by ANC official Mr Aziz Pahad. — Sapa-Reuter

Volvo wants to return

STM 2/12/92. (70) (82)

STOCKHOLM — Sweden's largest car maker, Volvo, wants to start exporting cars to South Africa again after a 20-year boycott.

Helge Alten, president of Volvo Car International, told the Swedish news agency TT: "As soon as Sweden lifts the trade bans we are prepared to start selling cars again. We have advanced negotiations with a major South African importer."

The negotiations are with Saficon Motor Holdings, which imports luxury cars such as Jaguar and Porsche.

Volvo is not considering its own distribution network or assembly plants, as was the situation before 1972, when its sales were 5 000 cars a year.

"We still have some 20 000 Volvo owners in South Africa," Alten said.

Despite high customs tariffs, the equivalent of 110 to 120 percent of the car's value, Volvo was not interested in building its own assembly plants.

This meant that a Volvo car would cost twice as much in South Africa as in Sweden, where sales tax adds 25 percent to the cost, Alten said.

In a few years, he predicted, Volvo's sales would be 2 000 cars a year. — Sapa-AP.

Malawi detains dissident editor

JOHANNESBURG. — Malawian police have arrested an opposition editor and confiscated 20 000 copies of a new dissident newspaper due to have been distributed this weekend, sources said yesterday.

The sources said Mr Felix Mponda was arrested on his return to Malawi from Zambia.

Police have refused to say where he is being held, they said. — Sapa-Reuter (70) CT 8/1/93

Asea back in SA under new name

S/Times (Buss) 6/6/93

70

By DON ROBERTSON

THE world's largest power generation group, ABB, has gradually bought its way back into SA and plans to use it as a base for expansion in sub-Saharan Africa.

ABB represents the merged operations of Asea of Sweden and Brown Boveri of Switzerland. It operates in 140 countries, has 210 000 employees and sales of $30-billion.

Sanctions forced the Asea division of the combined group to quit SA in 1987. But Brown Boveri Company (BBC) stayed.

Changes in SA's political direction in 1990 encouraged Asea to return. It invested more than R100-million in re-establishing its presence last June.

This involved the establishment of Brown Boveri Technology, ABB Industry, ABB Ferralin, ABB Powertech and ABB Services, which had operated under the Powertech or BBC banners.

The combined group makes turbines, boilers, transformers, high-voltage switch gear and electrical systems. It is also involved in process automation and servicing.

Three months ago, ABB Sub-Sahara Africa was established in Sandton to oversee the group's operations. The office is headed by regional president Lave Lindberg.

ABB Sub-Sahara co-ordinates the operations of 11 companies in 45 countries south of the Sahara.

Mr Lindberg says about a third of the international group's taxed profit of $1,1-billion is generated in Africa. He believes that the manufacture of electrical components will double in SA in the next three to four years provided production costs are kept down and the economy improves.

"Europe does not have much time for Africa and is reluctant to become involved. SA, on the other hand, understands this market. Rather than be a multinational in Africa, we will become multi-domestic. SA will become a major supplier to the rest of Africa.

"Sales and engineering will be carried south of the Sahara, but manufacture will be in SA."

Mr Lindberg says most projects in Africa are financed by aid agencies. ABB Sub-Sahara "must improve its association with the World Bank and other aid centres".

Mr Lindberg returned to SA three months ago after eight years abroad.

He says: "Productivity is still below average, although this is probably because there has been little investment. It seems that companies merely try to stay ahead of their opposition. Customer care is also a problem."

Swedes to expand Uitenhage factory

CT 17/2/94 Business Editor (70)

THE lifting of sanctions against SA by Sweden means that SKF's Uitenhage factory can now play a larger part in the Swedish-based company's international network.

A spokesman for SKF said yesterday that it planned to spend between R10m and R15m over the next five years on new machinery which would improve productivity at Uitenhage.

He said the new investment programme "sets the scene for an intense marketing drive aimed at increasing market share from current levels of about 20% and stepping up exports, which are targeted to reach between 35% and 40% of total output by the end of this calendar year.

Quality

"This will ensure SKF (SA's) full participation in the international network of source countries for the multinational SKF organisation, which has a turnover of some R12bn and employs about 42 000 people."

The spokesman said that even though the SA factory has not had access to the latest equipment it is "ranked as a quality producer of world standing".

It was already a major supplier of seize resistant bearings to other members of the group, particularly in the UK, Australia and the US.

And it is the first SKF company, worldwide, to achieve the ISO 9000 quality standard certificate.

Electrolux to open in SA

ANLT 16/6/94 (70)

SWEDISH industrial group **Electrolux**, specializing in home appliances, is set to open a production plant in Cape Town as part of a joint venture with South Africa's Barlow.

According to an announced in Stockholm yesterday, the agreement would allow the establishment of a new company, Electrolux South Africa Sales, in which the Swedish group would have a 60 percent stake.

The new firm was expected to score sales of around R115 million in its first financial year, and employ about 230. Business would begin later this year..

The new company's ment would be in Jo. burg, but production wo in Cape Town and Bronkh tspruit (near Pretoria).

■ Steel giant Iscor will enter the titanium and heavy metals industry by acquiring Natal Mineral Sands from Shell (South Africa) and Rhoex next month.

The acquisition involves two quality mineral sands resources in Natal and Transkei.

By taking over Natal Minerals Sands and the interests of Rhoex in Wavecrest (Transkei), Iscor has acquired most of the remaining South African titanium reserves with low radio-activity levels.

The take over of Natal Mineral Sands followed the announcements earlier this year that Iscor had successfully tendered for coal exploration rights near the town of Moranbah in Queensland, Australia, had invested in the Qing- ort complex in the Peo- public of China to secure a dedicated iron ore storage facility.

■ Engineering and property group Ozz, reported a 37 percent increase in earnings a share to 95,7c (1993: 69,7c) for the year ended March.

A final dividend of 27c a share was declared, which, with the interim, made a total of 36c for the year.

Turnover for the year rose by 77 percent to R220,75 million, from which a 54 percent higher operating profit of R29,49 million was achieved.

Interest was up at R7,2 million, but was covered more than seven times. Some R3,2 million of this stemmed from a back-to-back investment in preference shares.

The interests of outside shareholders and preference shareholders were further reduced, leaving attributable profits 66 percent up at R15,6 million, which, on the increased weighted shares in issue, represents the 37 percent higher 95,7c a share. — Sapa and Business Staff;

Swedish investment in SA doubles

JOHN DLUDLU (70)

SWEDISH companies had doubled their investments in SA to R175m over the past year, signifying their confidence in the new democracy, Swedish embassy counsellor Claes Hammar said at the weekend.

Companies were showing growing interest in SA, and in the past year the number of Swedish companies with SA investments had increased from 10 to 20.

Trade between the two countries was also on the increase. Swedish exports to SA had risen 300% to R1bn in the past year, while SA exports to Sweden were up 400% at R250m in the same period.

Hammar said R10m of the R170m aid package pledged by Sweden for the 1995 fiscal year would be used to help black business in SA through management training.

Ways were being investigated of assisting black business falling outside the National African Federated Chamber of Commerce and the Foundation for African Business and Consumer Services.

Addressing the official opening of training facilities by the SA Import and Export Association in Braamfontein at the weekend, Swedish ambassador to SA Bo Heineback said the initiative was one of many concrete examples of Swedish support to business development and training of emerging business in SA.

Swedish development organisation Swedecorp was one of the financial supporters of the project.

The "encouraging" political change in SA should be underpinned with changes and new opportunities in the economic and business fields.

Now that sanctions against SA had gone, there were plenty of opportunities for SA exporters to "show what they can offer", Heineback said.

"Global markets are very competitive, but I believe SA is one step ahead of many other countries in Africa when it comes to technical know-how and production quality."

Heineback also announced that Swedecorp and other development organisations would be merged into one development body, thereby consolidating all activities in the field of trade and industry. BD 20/3/95

Funds for trade and industry support in SA would be doubled to about R10m in the next budget year.

"So things are looking good for a continued support of business development," Heineback said.

Swedish mining group finds gold in SA market

(70) ST(BT) 23/4/95

By DON ROBERTSON

SVEDALA Industri, a Swedish mining group, has secured orders worth R100-million in the five months since it began operations in South Africa.

In one of the largest investments by a Swedish group in South Africa since last year's elections, the company has invested more than R30-million in buying two companies and other assets.

Svedala is a major international supplier of crushing and screening equipment, pumps and process systems and bulk materials handling equipment. It recently bought out the pump and process divisions of Unique Engineering and Polaris Equipment for R15-million.

John Novoselac, the newly appointed managing director of Svedala South Africa, said the company was considering making further acquisitions and expanding its manufacturing operations, which could double its investment in South Africa over the next two years.

"We are presently evaluating our current level of investment and hope to secure new premises to combine our existing manufacturing operations," says Mr Novoselac.

In April last year, Svedala purchased rubber producer, Trellex. The company also plans to open up service centres in all major countries in southern Africa.

Svedala first displayed its range of products to the SA mining industry at last year's Electra mining exhibition, showing crushers, mills, compaction equipment, mineral processing equipment as well as sludge, slurry and froth pumps, under brand names such as Dynapac, Allis, Denver, Sala and Tidco Barmac.

Two months ago, the company was awarded a R17-million contract for a tandem coal train tippler and positioner for Eskom's Majuba power station.

Since then, it has received a similar order for a train tippler from Portnet for the Saldanha Bay iron ore harbour. In December it won orders for two of the largest crushers, partly built in South Africa, for the Buffelsfontein gold mine and Impala Platinum.

The $1,5-billion Svedala group has 220 branches in 30 countries and employs 8 500 people. It is the world's leading supplier of crushing and grinding equipment and is a major player in the bulk materials and mineral processing field. It is also an international leader in the supply of compaction equipment through Dynapac.

The history of mining in Sweden goes back almost 100 years when it was the major producer of silver for Europe. It is now a major supplier of iron ore.

Scania has reinvested in SA

Lucia Mutikani

BD 25/9/97 (70)

SCANIA SA had invested more than R50m through its Elandsfontein assembly plant since the company's return to the country in 1995, MD Jan Jarlhage said yesterday.

Jarlhage said although the truck assembling company, which is a wholly owned subsidiary of Scania Sweden, intended to expand its operations and increase its investment, there were no plans to open another assembly plant in the country or in neighbouring states.

The company is operating assembly plants in SA, Botswana and Zimbabwe. In SA, it has three branches in Gauteng, Cape Town and Durban.

Jarlhage said: "One assembly plant is sufficient. The Elandsfontein assembly plant has sufficient capacity to supply trucks for the company for many years."

He said the company was assembling two trucks a day.

"In March we embarked on the production of the 4-series truck range and we are beginning to see positive results. It is the latest technology that you can find in Europe," he said.

He said the 4-series trucks were selling for between R550 000 and R600 000. Scania is exporting trucks to Namibia and Mozambique.

Apart from the truck assembling, Scania was also involved in the manufacturing of chassis of coaches and buses.

"We see a huge market in rural buses and some of the growth for the company should come from this market," said Jarlhage.

He said the chassis of the buses were imported from Sweden, with local companies such as TFM and Brazilian company Marcopolo manufacturing the bodies.

Swedish companies to increase SA investment

Lucia Mutikani

SWEDISH companies operating in SA would increase their investments in the country over the next year to more than R1bn, a survey conducted by the Swedish Trade Council has revealed.

Investments totalling R140m were expected to be made within the next 12 months which would catapult Sweden into SA's top 10 investors, according to the survey. Sweden returned to SA in 1993.

The survey conducted among 24 of the 36 Swedish companies in SA found that the investment figure showed a 50% increase on the R94m invested in 1996, when the last survey was conducted.

It also found that the turnover of Swedish companies was expected to rise 48% to R4,6bn (1996: R3,1bn), while exports were expected to increase 53% to R450m (1996: R294m) in 1998, boosting Sweden's position as a major investor and SA trading partner.

The survey said job creation was poised to rise 8% with employee figures rising from 1996's 5 651 to a projected 6 108 in 1998.

According to the survey, Sweden's role as an important investor could be dramatically increased should Saab's Gripen fourth-generation multi-role combat aircraft — which forms an integral part of the British Aerospace (BAe) submission in response to SA's request for information — be chosen.

BD 24/11/97 (70)

Ericsson to invest R80m in SA

CT (BR) 18/3/98 (70)

SHERILEE BRIDGE

Johannesburg — Ericsson, the Swedish telecommunications company, said yesterday it was planning to invest R80 million in South Africa through the establishment of a microwave equipment manufacturing facility.

The facility would be backed by South Africa's microwave equipment market, which has doubled its revenues each year for the last three to four years.

Telkom, the state-controlled communications company, was the largest consumer of the equipment as it provided transmission links for cellular operators and to its own rollout programme.

More business was expected, with the South African Telecommunications Regulatory Authority awarding a third, and possibly fourth, cellular network operators licence this year.

Christer Hohenthal, the managing director of Ericsson, said the company had signed a strategic partnership agreement with the department of trade and industry last week.

This would enable Ericsson to focus on long-term operations, with respect to research and development, production and technology transfer in South Africa, that can positively contribute to Ericsson in a global context.