Namibian move to save 2,000 jobs in fishing industry

From DALE LAUTENBACH
Argus Africa News Service
WINDHOEK. — Two thousand jobs have been secured for the first two months of the new year by the Namibian cabinet's decision to allocate fishing quotas to the existing 15 concessionaires.

The hake season traditionally begins in January each year but with the Namibian fishing policy still in the development phase, normal allocations are not being made.

However, to protect the jobs of some 2,000 workers employed by the existing Namibian concessionaires, the cabinet has suggested an interim quota to be limited to 50,000 tons for this and next month.

Quota levies
Quota levies of R33 per ton must be paid to the State Revenue Fund.

It was announced at a press conference that the government was awaiting a scientific report on the state of the country's marine resource being prepared by the Marine Research Institute of Bergen, Norway.

The cabinet recognised the urgent need for a sound fishing policy. An interim committee involving the ministries of agriculture, fisheries, water and rural development, trade and industry and finance began work on such a policy in the final quarter of last year.

Expert help
The committee has called in expert help from the World Food Organisation and the draft policy is expected to be before the cabinet no later than next month.

The public has also been called upon to address the committee.

Namibia froze fishing concessions to foreign countries on independence in March last year when, for the first time, it gained sovereign control over its 200-mile exclusive economic zone. The cabinet announced that it has 82 concession applications for consideration.

"The government is determined that Namibian applicants will have fair consideration," said a cabinet statement.

Namibia is acutely sensitive to the fact that it benefited little from its own marine resource in the past when international fishing fleets had free run in its waters.
R2.4m, whereas net borrowings increased by a lesser R542 000 to R4.8m.

The annual report lists several factors of a non-recurring nature which dented margins. These include costs incurred and the disruption to trading arising from the relocation of Partquip's Johannesburg and Durban warehouses. Also, it was decided to take out Credit Guarantee cover on the exposure to Spireco — which turned out to be an excellent investment.

But there are also indications that overheads might generally have been getting out of hand, owing to the policy of diversification activities according to the various niche markets in which the group concentrates. This led to a multiplicity of distribution centres around the country. That it contributed to an uneconomical cost structure is suggested by the fact that five of these centres have since been closed — two serving the Autoquip division (accessories, tyres, and so on) and three in the case of Techniquip (bearings).

Given that the above factors are either non-recurring, or that corrective action has been taken, margins may recover this year. However, some uncertainty about this arises from last year's 13.8% trading margin, which was not out of line with the group's historical performance.

From 1984 to 1988 the pre-interest margin on sales averaged 11.5%, and a noteworthy feature was the consistency of this ratio — the high for these five years was 12.1% in 1985 and the low 10.7% in 1987. It could be argued that the 14.6% for 1989 (when EPS jumped 49%) was out of line, and that 1990 merely saw a return to the long-term average.

Supporting this view is management's stated objective of achieving a net return on equity of at least 20% (calculated on average shareholders' funds and a full tax rate). Despite last year's lower trading margin, ROE would still have exceeded 25%, hardly suggesting the group was under-performing against its own objectives. 1989's ROE was well ahead of target at 35%.

If the assumption that 1989 was an exceptional year is correct, the return to normality reflected in the latest results may well be a sounder base from which to project future performance.

If so, the market has probably over-reacted in driving the share price down to the current 45c — giving a p/e of only 3.4 times and a high 11.1% dividend yield. Even accepting that trading conditions this year will remain difficult, it could be argued that Autoquip was more accurately valued at the 1989 high of 70c than is the case now.

Brian Thompson

NICTUS

DEMAND DRIES UP

This troubled Namibian industrial holdings group — with interests in furniture, vehicles, carpets and property — is facing a new dilemma. With the Untag and SADF presence out of the Namibian economy and little foreign investment forthcoming, it could be difficult to maintain operating income, let alone produce growth.

Last year's 35% advance in operating income (with some aid from Untag spending) was wiped out by a R1.7m interest bill. This did not come as a surprise because Nictus has battled with low profitability and high gearing for some years. Three additional directors were appointed to increase management control. In line with this, directors' pay increased by 26.4%.

Furniture losses

Furniture, which contributes 48.5% of turnover, is the only division with branches in SA and it was these which incurred the big losses.

MD Nico Tromp is confident rationalisation of the division (seven SA shops were consolidated into four) has stopped the drain and says the division is now profitable. Inventory levels are much lower, as are finance charges. He notes that this year, the Namibian furniture trade is suffering.

Things don't look too bright on the vehicle side either. With government well stocked with UN vehicles, it is unlikely that any real government demand will develop within six to eight years. The motor division contributes 42% of turnover.

The share is unlikely to appreciate until basic problems are resolved — such as the return of only 6.3% on capital. Gerhard Stolker

Activities: Furniture, motor and property interests in Namibia and SA.

Chairman: P J Tromp; MD: N C Tromp.

Capital structure: 7,12m ord. Market capitalisation: R2.1m.

Share market: Price: 34c. 12-month high, 48c; low, 20c. Trading volume last quarter, 79 000 shares.

Year to June 20     '87     '88     '89     '90
ST debt (Rm)        3.6     5.5     6.1     7.3
LT debt (Rm)        2.1     2.3     2.2     1.8
Debenture ratio     0.96    0.85    0.98    1.13
Shareholders' interest 0.30    0.41    0.37    0.39
Int & leasing cover 2.36    2.39    0.69    0.77
Return on cap (%)    9.8    11.2    4.26    6.27
Turnover (Rm)       57.1    40.2    12.1    0.32
Pre-int profit (Rm) 1.7     2.5     0.9     1.3
Earnings (c)        20.4   17.6    (6.3)   (4.3)
Dividends (c)        4     4     2     1.14
Net worth (c)       121    124    117    113
**Activities:** Furniture, motor and property interests in Namibia and SA. 

**Control:** Directors: 40%. Chairman: P J Tromp; MD: N C Tromp. 

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MORE LOCAL MUSCLE

While SA has yet to discover viable oil or substantial gas reserves, the Gulf crisis has spotlighted the growing importance of the local energy sector. -

Engen, which owns Mobil and Trex and has a 30% option on the R9bn Moss gas project, also has the right to 20% of future oil and gas fields developed by Socol in certain areas, including the Bredasdorp Basin.

Engen Chairman Bernard Smith, who also serves as Mossgas CE, says the company will soon tender for oil-and gas exploration concessions off the Namibian coast — that is, as soon as enabling legislation is passed by the Namibian parliament.

“We have had talks with the Namibian government, which is formulating its policies regarding offshore exploration,” he says. “There is a possibility that Socol may assist in detailed seismic surveys off the Namibian coast. Once drilling commences, we will look for the best offers on tender.”

Skef Potas, chairman of the National Petroleum Corp of Namibia, confirms that Namibia will soon pass legislation to allow foreign oil companies to tender for the geological exploration and survey of Namibia’s offshore areas. “SA companies will be welcome to tender,” he says.

Meanwhile, the R200m-a-year State-owned oil exploration company Socol is also looking to expand outside SA. CE Ken Graham says Socol is “looking at the geology and offering its services right up the West African coast.”

Graham says he’s confident Socol will eventually “find and exploit its own oilfield,” which includes the possibility of developing offshore oil fields beyond SA’s borders. Now small oil finds in the Bredasdorp Basin are being evaluated.
Namibia plans Swakopmund terminal

LONDON — Namibia plans to build an oil terminal at Swakopmund to make it independent of SA for its oil imports, says a Shipping Research Bureau report.

The terminal will be built as an offshore mooring buoy, it says.

"The costs of the feasibility study alone are estimated at $600,000. The planned project has no funder yet, but the Namibian government is looking for possible financers."

The report says it is not known yet when activities will start, but says "it could be completed in six months."
Namibia seeking foreign investment

By Duma Gqabule

Efforts to encourage investment in Namibia are being stepped up at a four-day conference which began in Windhoek yesterday.

Among the 450 participants at the Private Sector Investment Conference are representatives from Total, Siemens, Mitsubishi, British Aerospace, Morgan Grenfell, Colgate-Palmolive and Chevron.

South African participants include Goldfields, Pepkor, Premier Foods and Rembrandt.

Namibian has moved to allay many of the fears investors had when it gained independence a year ago.

Since then, the Swapo government has toned down much, if not all, of its socialist rhetoric.

It now talks of a "mixed market economy based on social responsibility — with a dynamic role for the private sector."

Finance Minister Dr Otto Herrigel talks about tackling the equity issue by increasing the rate of economic growth — in contrast to the ANC policy of achieving growth through redistribution.

Namibia's private sector has mostly welcomed the pragmatic policies.

It is particularly pleased with the inclusion of the word "market" to describe the mixed economy.

First National Development Corporation of Namibia executive chairman Bob Meiring says the government has moved with "extraordinary speed to set up an appropriate enabling environment for investors."

"In only 10 months new mining, petroleum and labour laws have been passed by parliament. There is no nationalisation policy and a Foreign Investment Bill passed by parliament last month was enthusiastically received by the local business community."

The government intends to introduce a Namibian currency within two years, and a liberal foreign exchange regime for repatriation of profits, dividends and other remittances has been proposed.
Namibia’s ‘big chance’ to attract investors

Argus Africa News Service

WINDHOEK — A private sector investment conference starting in Namibia today is the country’s “big chance” to attract much-needed investment, organisers said.

“We have to make this work because we won’t have a second chance,” said Mr Han-SunStroke Stier, national co-ordinator.

The three-day conference has drawn representatives from about 120 foreign companies including several from South Africa and a number of international organisations represented by their South African subsidiaries.

Mr Stier said about 700 delegates had registered by Friday and that a third were foreigners.

Namibia was looking for long-term investment to spur economic growth, said Mr Stier.

The conference planners targeted five key sectors: mining and energy, fishing, agriculture, manufacturing and tourism.

Mr Stier said the manufacturing sector would get special focus because it contributes only seven percent to the country’s gross domestic product.

He said there also was specific interest in the textile industry.

Warning against unrealistic expectations, Mr Stier said the success of the conference would not be measured in dollars, pounds and marks at the end of the three days, but by the “bridges built”.


Nujoma calls for economic reconciliation

WINDHOEK — Namibian President Sam Nujoma yesterday called for a commitment to economic reconciliation to match political progress.

Speaking at the opening of a three-day conference to attract foreign investment to Namibia, Nujoma said government had already begun to address social and economic problems inherited at independence from SA.

"It is now time to form an alliance with the international investment community," he said.

Nujoma said Namibia was aware it would have to use existing resources more effectively and reach out for technological and business experience.

"We have a preference for policies that will accomplish real growth — through value adding — competitive import substitution and market expansion.

"Namibia provided an attractive enabling environment to investors, he said. Government was determined to provide investors with guarantees in the context of a market economy. These were laid out in the Foreign Investment Act passed last year which provides protection from nationalisation, freedom to remit capital and profits and a process for settling disputes.

"Our policy on foreign investment is to have an open door," Nujoma said.

Turning to local businessmen, Nujoma said he believed the economic difficulties they were experiencing were short term.

"Uncertainty could never be completely eliminated from any business environment. "Businessmen take risks, that is why they succeed," he said. "My government is aware of your problems and your needs and conferences such as this one are an attempt to articulate these problems and concerns." — Sana.
Namibia aims to be investment haven.

NAMIBIA intends to become an investment haven, promising freely convertible foreign currency, no tax increases and liberal exchange control regulations.

Speaking at a private sector investment conference in Windhoek recently, Finance Minister Otto Herrigel said in spite of the Namibian government's high ideals about correcting the wrongs of the past, it was being pragmatic about economic problems.

"Due to our very open economy, once it has its own currency, Namibia will most likely implement far more liberal exchange control regulations than we are forced to accept at present."

He said Namibia's Investment Code provided for the issuing of a Certificate of Status Investment.

Criteria for issuing such certificates would be the size of the proposed investment and the extent to which it would contribute to Namibian development.

The code certified that holders would at all times be able to buy freely convertible foreign currency and to expatriate profits, dividends and the proceeds of sale of their enterprises.
Namibia hosts investment conference

By TOM MINNEY - Windhoek

AN INVESTMENT in national reconciliation was how Namibia's Trade and Industry Minister Ben Amathila described the Private Sector Investment Conference in Windhoek last week. More than twice as many delegates as expected came, and the Swapo-led government was amazed at its success in luring potential investors.

The world of business, it seems, is still interested in Southern Africa despite the lure of Eastern Europe and the worries of the Gulf. Keynote speaker Peter Hadfield of the R125-billion Royal DutchShell group said investors took the commercial risks, and in return wanted a stable country with no upheavals and no arbitrary changes of the rules. Tax incentives, ease of getting permits for skilled staff, education levels and bureaucracy were all important.

The conference had not aimed to produce concrete investments but to provide a platform for the government to explain its policies and for the larger businesses to meet and talk.
ENABLING ECONOMICS

Hopefully, it is a harbinger of a more enlightened investment era in Africa in the Nineties: Namibian president Sam Nujoma, who came to power on a militant socialist note, is now attempting an alliance with the international investment community.

"We are realists," he told 1 000 participants at Namibia’s recent private sector investment conference. "We are aware that, worldwide, the competition for investment funds is fierce in the present economic climate...that investors look for an attractive enabling environment.

To instil confidence, his government will guarantee the private sector "the freedom to manage its own enterprises in accordance with sound rules and regulations."

The "enabling environment" was the title of the address by Finance Minister Otto Herrigel. He noted Namibia’s investment code did not restrict foreign participation nor require Namibian participation.

Criteria for acceptability — and a Certificate of Status Investment — includes the extent to which investment is likely to contribute to Namibian development objectives, such as increased employment, training, foreign exchange earnings and stimulation for less developed regions.

Significantly, he spoke of "far more liberal" exchange control regulations when the country has its own currency — though he stopped short of promises. Meanwhile, certificate holders will be allowed "to buy freely convertible foreign currency to meet foreign financial obligations arising from their investment, and to transfer out of the country the profits, dividends and proceeds of sale of their enterprise."

He said also there is little scope to increase tax rates and stressed the importance of financial discipline for government.

Perhaps this approach could be a useful model for those who, in the past, had high hopes that socialism would generate growth. The record of failure in those countries which experimented with State ownership should prompt any future political leaders who hope to see economic growth in SA to seek a more viable alternative.
FOREIGN INVESTMENT

SUICIDE ATTEMPT?

Is Namibia rejecting SA investment? SA’s envoy in Windhoek, Riaan Eksteen, has asked the Namibian government to clarify the views of Trade & Industry Minister Ben Amathila.

According to a story in the Windhoek Observer last week, Amathila indicated that Namibia has a moral obligation to discriminate in any way it sees fit against a potential investor, such as SA, that practises apartheid.

The interview was conducted after a large number of South Africans attended a private sector investor’s conference recently in Windhoek.

The Observer reported Amathila as saying foreign investors would be treated according to the way they conduct themselves. “It is expected that they treat the government with the necessary respect,” the minister is quoted as saying.

Eksteen says he raised the issue with the Namibian government. “If Amathila was quoted correctly, the situation will be seen in a serious light.” He says neither the Namibian government nor Amathila has yet replied to him.

DTA opposition leader Dirk Mudge reacted strongly to Amathila’s statement in the same issue of the Observer. SA businesses could be scared away if the Namibian government singles them out in this way, he said. “This is contrary to the interests of Namibia.”

In its reaction, Die Republikein, a DTA-supporting newspaper, called Amathila shortsighted and accused him of not taking notice of the changes in SA. Die Republikein also questioned the democratic qualities of countries such as Angola, Zimbabwe and Zambia — which have signed trade agreements with Namibia.
Namibia expects R209m deficit
WINDHOEK — Finance Minister Otto Herrigel presented Namibia’s first budget yesterday. This provides for additional expenditure of R164.7m for the 1990/91 financial year.

“Apart from this, the total of R164.7m, a further statutory obligation of R3.1m, resulting from exchange rate fluctuations and increased cost of loans, has to be financed,” Herrigel told the National Assembly in Windhoek.

Provision was made for expenditure of R2.5bn in the main budget, with an expected revenue of R3.2bn, leaving an expected deficit of R209.7m.

For the current financial year, total estimated expenditure was R2.7bn and the total amount financed would be R2.5bn.

“That leaves a total of R212.1m, which is very close to what we envisaged,” Herrigel said.

He had no choice but to raise loans or arrange an overdraft with the Central Bank of Namibia to finance the deficit. — Sapa

All those MPs may cost R35m to keep
PRETORIA — S.A.’s 368 parliamentarians will cost taxpayers in excess of R35m in the new financial year when perks are added to the salary account, according to informed calculations.

This is based on the virtual certainty that parliamentarians will give themselves the same 12% pay hike expected by public sector workers. In the current financial year salaries and allowances for the tricameral system’s 368 white, coloured and Asiatic MPs, according to 1990/91 budget estimates, will amount to around R7m.

The 32 Cabinet-rank ministers — 18 in the central Cabinet, four own affairs ministers in the House of Assembly and five each in the Houses of Representatives and Delegates — will earn around R8m.

A minister’s salary this financial year totals about R145 000, which includes a large non-taxable reimbursement allowance.

GERALD REILLY

And the 11 white deputy ministers, and one each in the House of Representatives and House of Delegates, will earn around R1.7m.

Last year’s 26% pay hike for politicians — an across-the-board increase of R12 000 a year in addition to the 10% non-pensionable allowance granted all exchequer personnel — was greeted with outrage by the Public Servant’s Association.

At the time PSA president Colin Cameron said if there were special circumstances justifying a double pay hike for politicians then the same circumstances had to be taken into account for government workers.

And in addition to the 26% increase MPs were given an R8 000 a year rise to R18 000 for “constituency expenses”.

The administration of Parliament, including Hansard and staff, was expected to amount to about R3.5m.
Namibia Trade & Industry Minister Ben Amathila has strongly rejected a report in the Windhoek Observer that suggested that he believes Namibia should discriminate against SA investment because of apartheid (Business, February 22).

"This country has an open policy with regard to foreign investments," Amathila said in a press statement last week. "The Foreign Investment Act is liberal, non-discriminatory and non-arbitrary.... The question of discriminating against investment from any quarter of the globe is, therefore, simply just out."

He added: "As a member of the Southern African Customs Union and the Common Monetary Area, our relations with SA are excellent and we wish to keep it that way."

Windhoek Observer editor Ted Magill stands by the report. He says: "Minister Amathila did make the statements as reported and there is no question of any misrepresentation."

221A
Walvis Bay possession row looms

By Peter Fabricius
Political Correspondent

South Africa is expected to offer Namibia joint administration of Walvis Bay — but not possession — when the two governments meet on March 14 to discuss the enclave. Delegations from both governments are to meet in Cape Town to determine the status of the harbour and the off-shore islands.

Minister of Foreign Affairs Pik Botha will lead a delegation of seven Cabinet Ministers, and Namibian Foreign Minister Theo-Ben Gurirab a three-Minister team, plus officials.

Walvis Bay and the dozen-odd islands remained as South African possessions after independence because they were never part of the UN-mandated territory which South Africa handed over on March 21 last year.

It is certain that the Namibian government will demand that Walvis Bay be handed over.

But it is expected that South Africa will resist the demands for now.

Diplomatic sources suggest that South Africa might throw Namibia a sop by moving Namibia's southern boundary from the north bank of the Orange River to the middle.
WINDHOEK — Independent Namibia's first birthday today is being celebrated quietly.

President Sam Nujoma has not taken revenge on the country's white ex-patriots, who make up 80,000 of its 1.5 million people. He has encouraged private business and managed government finances cautiously.

But Namibia stays poor. Young men linger on street corners, wondering what independence was about.

Namibians used to blame slow growth on apartheid.

But since SA pulled out last March, recession in the rich economies has wounded even the most virtuous third-worlders.

To beat the odds, the government has gone all out to woo investors. About 146 foreigners turned up in Windhoek earlier this month to hear about its new investment law.

The new law, free of self-defeating national pride, guarantees fair and prompt compensation in the event of expropriation.

Foreign firms are promised the same treatment as locals: no need for cumbersome joint ventures.

Finance Minister Otto Herriegel promises lighter exchange control after 1994, when he plans to replace the rand with a Namibian dollar.

For the present, unemployment, which afflicts two-fifths of the workforce, is spreading.

Some 25,000 workers in the northern provinces — over half the local wage-earners — lost their livelihood when SA's occupying army departed.

The vast uranium mine at Rossing, having spawned a town in the middle of a desert, has frozen recruitment because of low prices.

Gold stays low, too, and hopes-for new projects are at best delayed.

Hopes in Windhoek lie with oil and gas. The Kudu gas field off the coast has reserves estimated at five trillion to 15 trillion cubic feet.

Big oil firms — including Chevron, BP, Shell and Total — are lining up for exploration licences on the continental shelf, where prospects are described by SCI, a British geological consultancy, as wild and wonderful.

To control its spending, the government wants to trim its bloated civil service.

This may mean sacking whites, thus souring race relations. Until now, white skills and money have stayed in the country.

But Mr Nujoma is under pressure to find work for 42,000 former exiles, who have discovered that foreign qualifications are no automatic passport to a job.

Or to a house: Namibia's towns are said to be 50,000 short.

In the midst of all this, the president's Mercedes terrifies motorists, its outriders sometimes driving full tilt at oncoming traffic.

The opposition parties are confident of gains in next year's upper-house election.

Their newspapers assail the government each day, a reminder both of economic trouble and of Mr Nujoma's tolerance.

— The Economist
Govt agrees to talks on Walvis Bay’s future

CAPE TOWN — In a surprise move, government has agreed to negotiate the future of the Walvis Bay enclave and a number of small islands off the Namibian coast.

After years of refusing even to discuss Namibia’s claim to the only viable deepwater harbour on its coast, SA has agreed to place the issue on the negotiating table.

The two governments announced in a joint statement issued simultaneously in Windhoek and Cape Town last night that high-powered delegations — headed by Foreign Minister Pik Botha and his Namibian counterpart Tjoe-Ben Gurrab — would meet in Cape Town on March 14 to begin negotiations.

Since independence a number of bilateral agreements between the two countries and pragmatic relations on the diplomatic front has seen a softening of attitudes.

Well-placed observers last night said it was now a matter of time before SA ceded the territories to Africa’s newest independent nation.

As part of the trade-off, SA will be well-placed to insist on treaties that entrench Namibia’s “friendly neighbour” status.

The SA delegation, which includes seven Cabinet Ministers, consists of: Barend du Plessis (Finance), Dawie de Villiers (Mineral and Energy Affairs and Public Enterprises), Gert Kotze (Water Affairs and Forestry), Kent Durr (Trade and Industry and Tourism), Hernus Kriel (Planning, Provincial Affairs and National Housing), Louis Pienaar (National Education and Environment Affairs and former Namibian administrator-general); Cape Administrator Kobus Meiring and Walvis Bay MP Chris de Jager.
A few golden dreams for Namibia

By Dirk Potgieter

LONG-TERM confidence in Namibia’s economic growth, which depends on natural resources, has been overshadowed by short-term uncertainty that could prove to be the rule.

There have been recent discoveries and proven potentials, including gold, copper, lead, zinc, marble and granite, as well as new offshore diamond fields.

But the reality is quite different. Existing mines are retrenching workers and slowing down production because of world recession and cut-throat global competition.

New discoveries are scheduled for development by those already employed by the mining companies.

Multinational management strategies march to their own tune and only correspond to national interest from time to time.

The litany of chop-and-change exploitation patterns includes last year’s closure of Uis tin mine and the predicted closure of Tsunab Corporation Limited’s copper mine.

Retrenchment

At the Rossing Uranium Mine, much criticised during the pre-independence period as an illegal multinational operation stripping an environmentally-dangerous substance, community workers have been axed to cut production costs and match low-price conditions in a slumping world market.

Rossing says retrenchment is a last resort, that uranium prices are low because of dumping by the Soviet Union and former East Germany, and that money saved from current job cuts is going into education programmes and further exploration.

But the sense of insecurity remains.

Consolidated Diamond Mines (CDM) announced the decision to mine pocket beaches in the vicinity of Chameis, 120km north of its operation centre, Oranjemund, after having installed the necessary infrastructure at a cost of R16m.

It is estimated that diamond production there will total 75 000 carats a year for three years.

Good news, thought the mineworkers, this would mean more employment. "Not so," said CDM public relations officer Clive Cowley. "We merely shifted activities to Chameis in the northern extremity of the mining area, and will make use of existing personnel."

Confidence

A company statement said: "It is an exercise also going on in other parts of southern Africa.

"It is a response to economic conditions which does not in any way reflect badly on the confidence that we have in various parts of Namibia."

But this is of little comfort to the newly jobless and government planners.

Both groups are subject to a climate of uncertainty defined, if not created, by multinational powers beyond their control.

"What is even worse," one worker says, "is that the people at the top won’t have to change their lifestyles because of this ‘flooded market’. (At Rossing) 21 new superintendents have just been appointed and they all got brand new luxury cars.

"It is we, who can least afford it, who are most affected."

TH, MAR 7 TO 13 1991 9
No joy for fishing companies

REduced catches and increased finance costs took their toll on associated fishing companies Namibia Sea Products (Namsea) and Namibian Fishing Industries (Namfish).

Both companies fell under the control of a Norwegian consortium in October 1999, at which time the board of directors was reconstituted.

Neither declared dividends and were not expected to in the near future in terms of a new conservative dividend policy aimed at providing capital for diversification.

Namsea, which was sold by Tiger Oats subsidiary Oceana Fishing to the consortium for R13.7m, showed a 77.8% decrease in attributable earnings to R2.5m (R10.3m) for the 15 months to end-December.

Lower earnings were mainly due to reduced landings of rock lobster at Luderitz and a slower movement of canned pilchards and increased finance costs at Walvis Bay, directors said.

Turnover increased by 111.7% to R17.1m (R8.1m) and operating income was 74.5% higher at R3.5m (R2m). However, income from investments declined from R8m to R1.7m, mainly due to a reduction in dividends.

While net income before tax was almost halved to R5.2m (R19.2m), tax increased from R37 000 to R2m due to a change in accounting policy.

The company's net income decreased from R6.6m to R2.8m, and earnings were 57.7% down at 67c (158.3c) a share before extraordinary items.

Namfish also decreased its attributable income from R3.8m to R1.7m for the year to end-December 1999.

Turnover grew by 9.9% to R11.7m (R10.7m), but operating income fell by 15.6% to R2.5m (R3.0m).

Earnings were 44.8% down at 72c (130c) a share before extraordinary items, while no final dividend (60c a share) was declared.
‘Investment friendly’ Namibia draws praise

LONDON — Until recently just another war zone, Namibia now offered the international community an “investment-friendly” environment, said an analyst published here last week.

Africa Confidential carried a lengthy article and concluded that Namibia was “on course to establish, like neighbouring Botswana, one of the most attractive investment climates in southern Africa”.

The article praised Finance Minister Otto Herrigel and Industry Minister Ben Amathila.

The two men, it said, “showed at the private sector investment conference (in Windhoek last month) to what degree the government — if not all sections of Swapo — is sensitive to investor concerns.”

“But it remains to be seen whether their words will translate into the flow of private capital that President Sam Nujoma’s government is counting on.”

The journal said in fishing there were high hopes, with joint ventures already being set up.

In manufacturing, it said, “Namibia’s location and infrastructure make it a suitable base for exporting finished products to the region. Given the small size of the domestic market, with a population estimated at 1.5 million, and the presence of South African-owned and local firms, projects are likely to attract investors only if there is export potential,” it said.

“Mining and energy both have considerable potential. Despite its favourable geology, Namibia has been under-explored due to the political inhibitions of foreign companies prior to independence.”

Gas field

The report said the prospects of locating commercially recoverable hydro-carbon deposits were also good. It said the government planned to award its first exploration licences to foreign oil companies by the end of this year.

“The Kuiseb gas field, just off the mouth of the Orange River, has reserves potentially as large as 425 million cubic metres — bigger than SA’s Mossop.”

“But the problems of finding an export market may make it less sought-after than exploration permits along the northern coastline.”

Onshore, it said, Taiwan’s Overseas Petroleum Investment Corporation (OFIC) plans to drill its first exploratory well near the Etosha Pan later this year.

Drawbacks for Namibia were that mining and energy investments were capital rather than labour-intensive. And, with unemployment rising, a recent downturn in base-metal and uranium markets means that Rossing, which has already frozen recruitment, may cut production by 25% for the next two years.

But the report is optimistic about economic management.

“With the government determined to avoid borrowing abroad, and grant aid in short supply, its economic priority is to maximise investment in productive sectors.”

Herrigel’s determination to maintain financial rigour, with Nujoma’s backing, “has impressed”.

“Herrigel has tried to ensure that the introduction of a new currency in 1992/93 will not lead to economic dislocation by announcing that the Namibian dollar will initially remain at parity with the rand. For the foreseeable future, Namibia will also remain a member of the Common Monetary Area (CMA) administered by the South African Reserve Bank.”

The good news for the foreign investor, said the report, was that the Investment Act provided guarantees against expropriation, along with rights to fair compensation and international arbitration in the case of disputes.

NOTE: This worksheet must be handed in.
Namibia ‘offers friendly investor climate’

Own Correspondent

LONDON. — Namibia, until recently just another war zone, now offers the international community an “investment-friendly” environment, says an analysis published here yesterday.

The latest edition of Africa Confidential carries a long article on the recently-independent state and concludes that Namibia is “on course to establish, like neighbouring Botswana, one of the most attractive investment climates in Southern Africa”.

The article particularly praises Namibia’s German-speaking Finance Minister, Mr Otto Herrigel, and Industry Minister Mr Ben Amathila.

The two men, it says, “showed at the Private Sector Investment Conference (in Windhoek last month) to what degree the government—if not all sections of Swapo—is sensitive to investor concerns”.

It notes that a Foreign Investments Act passed by the National Assembly with all-party support in December was “generally welcomed” by the 100-odd overseas investors, plus 300 local private sector and 60 South African business representatives at the conference.

It says Namibia is better endowed with natural resources than Botswana.
ON THE eve of Namibia’s first anniversary of independence, Gwen Lister spoke to President Sam Nujoma about a variety of issues, from concern about the crime rate to unemployment and priorities for the second year.

THE most significant aspect of the past year is the achievement of independence itself which brought freedom to people deprived of it for more than 100 years, says Sam Nujoma.

"There could be no economic development without peace and stability," he said, adding that the SWAPO government had brought this about.

He felt that the policy of national reconciliation had been accepted by the majority of citizens of this country. "I must emphasise that political freedom would be meaningless without economic independence."

In this regard the government had dismantled apartheid institutions set up by the colonial administration and was presently restructuring the administration and setting up ministries.

Namibia was formerly governed as a district of South Africa and was economically intertwined with that country.

First year ‘saw an end to exploitation’

This artificial dependence had been imposed upon Namibia by South Africa. At one stage Namibia was a producer of dairy products such as milk, butter and cheese, but most of these places closed and farmers were encouraged to raise cattle for beef to feed the soldiers," he said.

Cattle was transported live to South Africa, was slaughtered and packed there and then brought back to Namibia where it was sold for twice the price.

"Our government has started to put an end to that exploitation of our natural resources," Nujoma said.

**Implemented**

Plans and decisions were now being implemented, including agricultural projects such as the development brigades in the eastern areas of Buffalo and Omega, which aimed to provide the nation with fruit and vegetables.

Another area of priority had been education. Namibia had inherited apartheid schools, and the Education Ministry was presently restructuring, reorganising and dismantling that system.

"There were still cases of children being taught under trees," the president said, adding that existing schools should be expanded and new ones built.

Regarding health, the priority was to establish new hospitals and clinics in rural areas to provide for adequate medical care. In the field of housing, there were a large number of people who were living in poor housing and the government had been scientifically analysing the situation and more progress would be made in the coming year.

Quizzed about unemployment, President Nujoma said that agricultural projects and development brigades would start soon and would be labour intensive. These would be set up in the south, central, eastern, northern and north-western regions, and would include the construction of dams.

More dams were needed to store water after good rains, and this could later be used for human and animal consumption as well as irrigation. He expected that the agricultural projects and development brigades would employ as many as 10,000 people in the first year, and this could triple in the next.

**Unemployment**

Asked whether he was still concerned about the increased crime rate, President Nujoma said that this was a social evil, exacerbated by unemployment, and needed to be effectively dealt with.

"Unemployed youngsters and school dropouts could also be taken up in the development brigades," he said.

President Nujoma emphasised that the country had inherited an approximate 50 to 35 percent unemployment rate from the colonial government and this had been exacerbated by the return of former exiles. It was not easy to deal with this question overnight, he added.

Was the return of Walvis Bay to Namibia imminent? President Nujoma replied that bilateral negotiations had started on this issue on March 14 and Namibia was encouraging them to continue and for South Africa to "come to its senses" and hand it back.

Nujoma, he added, would continue to negotiate for the complete decolonisation of Namibia. He emphasised that the matter concerned the present South African government only.

"It was their internal problem if South Africa sought to obtain the consensus of others," he said.

The return of Walvis Bay to Namibia was in accordance with UN Security Council Resolution 432 of 1978, he said, which had been passed at Swapo’s insistence before the adoption of Resolution 435, providing for the UN settlement plan.

Regarding the President’s motorcade and some negative public opinion that had been expressed, Nujoma said that the people of this country had not had a president in the past. He, as the first president, had to set up a security system which would not only ensure his own personal safety, but would also determine the procedures for the future.

There was provocation on the part of certain citizens, he said, who did not want to respect the president they had not voted for. But the president’s security also had to ensure the safety of guests and visiting heads of state.
Namibia to join Common Monetary Area

Draft agreements to admit Namibia as the fourth member of the Common Monetary Area with South Africa, Swaziland and Lesotho are being prepared. Minister of Finance Barend du Plessis said in his Budget review tabled in Parliament the agreements provide that the South African rand be the only legal tender in Namibia until otherwise agreed; that Namibia will continue to have access to the South African money and capital markets as well as the foreign exchange markets; and that funds will flow freely between the two countries. — Sapa.
ACCUSATIONS of wild buying of Mercedes Benz and BMW cars, jet-setting, high living and even wearing "expensive" African clothes were among the charges lodged by Namibia's political opposition as the country celebrates its first birthday.

The ruling Swapo party hit back by accusing opponents who had previously been part of a South African-controlled administration of hypocrisy and a legacy of poverty and neglect.

The debate was on a bill for extra budget spending for the first year and focused on the government's economic record.

Things didn't go as fast as the Finance Minister, Dr. Otto Hielegilo, had forecast, but he seemed to have underestimated the task of turning an economy of apartheid into an economy of development.

In the bill, Hielegilo asked for extra spending of N$173m compared to his original budget tabled last July, and additional income was lower than expected. Out of a total budget of N$2,7bn, he said, he would have to borrow to cover a deficit of N$212m.

"The government is continuing to have to cope with the remnants of apartheid," explained Prime Minister Hage Geingob in a White Paper on national priorities tabled in March. "There is widespread poverty, unemployment and illiteracy."

Growth

South Africa's occupation on Namibia off investment and development. Its economy grew by only one percent between 1980 and 1989 after inflation, considerably slower than the population growth.

The gross domestic product (GDP) or national wealth per head was N$ 300 in 1988, appreciable by sub-Saharan African standards. This healthy balance, however, masks income differences between black and white that are becoming the source of a policy of reconciliation.

In 1988, the average GDP for whites, some five percent of the population, was N$41,250. For those black people who held modern and educated jobs (40 percent), wealth was N$1,875 per year.

Most of the people are subsistence farmers and urban traders, with an annual gross income of N$212 each.

Roads, water, telecommunications and other services reached the main white or "commercial" areas and no further. Rural development was unknown.

Apartheid had left other structural milestones to economic planning. For many years the South African-appointed administrator general made all the spending decisions and had simply to ask the finance minister in Pretoria for a budget subsidy to cover deficits. The money was usually given lavishly and without strings.

Like other recipients of unearned money, Namibians became hooked on quick-fix subsidies, unable to set priorities or to earn enough income. A leading Namibian economist states that the economy is "a mess".

After independence in 1990, the government had to deal with the challenges of restructuring the economy, improving health and education, and alleviating poverty.

The new government faces the difficult task of reducing the excesses of the apartheid era and promoting economic growth.

In addition, Namibia has to deal with the challenges of integrating with the rest of the world and building strong partnerships with foreign countries.

One of the biggest overspending in year one was on health services. Namibia's health system is one of the best in Africa, but resources are limited, especially in rural areas.

The Namibian government has allocated a significant portion of its budget to health services, including hospitals, clinics, and primary care. The government has also partnered with international organizations like the World Health Organization to improve health outcomes.

Civil servants, on the other hand, have been criticized for not being productive enough and for not contributing enough to the economy.

The Namibian government faces the challenge of balancing the need for development with the need to control spending and avoid overspending.

In conclusion, Namibia has made significant progress since independence, but there is still much work to be done. The government must continue to prioritize economic growth and social development to ensure a brighter future for its citizens.
NAMIBIA: ONE YEAR ON: Samantha Weinberg looks at the state of the world’s newest nation

The good, the bad and the birthday

HAPPY BIRTHDAY... a Windhoek resident makes her feelings clear at the birth of Namibia, one year ago

UNIVERSITY OF CAPE TOWN
Remuneration Officer:
Personnel Dept.

A cloud of smoke enveloped the meeting room of the University of Cape Town’s Personnel Department when representatives of the Remuneration Officer’s Department, the Trade Union and management met to discuss the new pay scale for lecturers.

HUNDREDS of South African workers at Walvis Bay have held their jobs in jeopardy as a result of the recent strike. On the seventh day of the strike, Namibian workers are concerned about the future of the coal industry in the country.

Storm over a port mars anniversary celebrations

The tourism and service industries experienced a boost in the last quarter of the year, thanks to the successful World Tourism Day celebrations in Namibia.

The tourism industry is one of the mainstays of the Namibian economy, and the recent events have had a positive impact on the country’s efforts to diversify its economy.

The Namibian government has been actively promoting tourism as a way to generate income and create jobs. The recent events have shown that the country’s efforts are paying off.

The Namibian government is planning to increase its investment in the tourism industry in the next few years, with a focus on improving infrastructure and marketing the country as a destination for business and leisure travel.
SA and Namibia start talks this week on who owns Walvis. Dale Lautenbach reports.

The battle for the bay begins

As Namibia prepares to negotiate with South Africa over the future of Walvis Bay, its officials are looking for a helpful political spinoff from the Gulf War.

In that war, United Nations resolutions were given some of the strongest international backing they have yet received anywhere and the Namibians hope this will give strength to the UN Security Council resolutions declaring that Walvis Bay and the offshore islands are part of their territory.

At the same time, the Namibians are aware that in the negotiations due to begin in Cape Town on Thursday they are calling into question a principle that has become holy writ in the Organisation of African Unity. This is that there must be no meddling with the territorial boundaries that African states inherited from the colonialists, however open to dispute they might be.

On the regional front, Namibia is dealing with a South Africa that is beginning to bask in the credibility that has come from President de Klerk's reform policies.

This new credibility is helping to erode sanctions against South Africa and Namibia knows the South Africans are aware the process will be accelerated if Pretoria makes concessions on the Walvis Bay issue.

If the South Africans adopt an obstinate stance in Cape Town, however, the Namibians may cite the precedent created by the Gulf War.

A Namibian Foreign Affairs source said South Africa had in the past invoked "old colonial arguments" about the annexation of Walvis Bay by the British to the Colony of the Cape of Good Hope in 1878, and the title then passing to South Africa at Union in 1910.

The South African legal argument notes, however, that when the League of Nations conferred a Class C Mandate for the administration of the then South West Africa on South Africa in 1919, Walvis Bay was specifically excluded. During South Africa's administration of South West Africa, Walvis Bay was treated as part of the territory for administrative purposes only.

However, in 1977, in the light of a growing international challenge to South Africa's apparent hope to make South West Africa a form of fifth province, South Africa transferred the administration of Walvis Bay back to the Cape Province. The government of Prime Minister John Vorster appeared to be trying to make sure that if the territory were to be lost to South Africa, Walvis Bay would not be lost with it.

At independence the Namibians took care to have their constitution recognise Walvis Bay as a de jure part of Namibia. It was a position unambiguously, if symbolically, underlined recently when the first lady of Namibia, Kovambo Nujoma, accompanied by the then outgoing Minister of Fisheries, Gert Hanekom, arrived in Walvis Bay to open a fish processing plant.

The office of the Chief Representative of South Africa confirmed that the Namibian dignitaries had not sought permission to enter territory that South Africa considers as its own. However, they decided to refrain from making an issue of it. A Namibian Foreign Affairs source said, however, that "we consider Walvis Bay ours and we'll go there freely."

This symbolism was an important element in the choice of a venue for the negotiations. It could not be Walvis Bay, for this would have posed the question of who was hosting whom. The Namibians were not prepared to be hosted by South Africa on ground they consider their own.

While President Nujoma said during his state visit to Cuba that Namibia's claim to Walvis Bay was not negotiable, the Namibian diplomatic position allows a little more room for manoeuvre.

It is that South Africa must recognise Namibia's sovereign right to the port and the offshore islands, but that once this principle is established, Namibia is prepared to look at a transitional period during which the arrangement might be that of joint administration.

Foreign Minister Theo-Ben Gurirab has ruled out the idea of a freeport, again on the basis of the principle that Walvis Bay is de jure Namibia's. However, some foreign analysts suggest that Namibia may be content to see a freeport used as a mini-state, built up over a period of time, and that the Namibians would be happy to have a port that could also be used as a wildlife sanctuary.
Namibia gets set to address the inequities of past

From DALE LAUTENBACH
Argus Africa News Service

WINDHOEK. — Namibian Prime Minister Mr. Hage Geingob tabled his government’s White Paper on National and Sectoral Policies to free the country from the economic and administrative inequities of the past.

Mr. Geingob said while Namibia had made significant strides in its first year of independence it faced “innumerable hurdles created by the structures and economy of sharp contrast inherited by the country”.

Listing the various ministries and the policies they were adopting, it emerged that the biggest problem facing most of them was redressing the bias of the past in the distribution of land, infrastructure and services.

Quotting figures for 1988, Mr. Geingob said that while the per capita gross domestic product (GDP) was R3 650, the white population, which comprised five percent of the total, had an estimated annual per capita GDP of R4 125.

“Non-whites within modern economic activities (about 49 percent) had an estimated per capita GDP of R1 875; and the rest — non-white population dependent upon subsistence agriculture and informal activities — had an annual per capita GDP of R212.”

HARD WORK

To address this, government had identified three main objectives: “First the government must catalyse the economy. Second, in pursuance of a just and equitable society, it must reduce income disparities. And, third, public expenditure must be restrained and redirected.”

He stressed, however, that equality would not be achieved by government “handouts” and he called on all Namibians to work hard.

Mr. Geingob identified the mining and energy sector, agriculture and fishing as the mainstays of the country’s future.

International oil exploration companies had already expressed a “keen interest”. As 80 percent of Namibia’s land was in the hands of five percent of the population, this too would be addressed.
Walvis Bay outcome could unleash a wave of other claims

Derek Fleming

The negotiations starting today in Cape Town between Namibia and SA over disputed title to Walvis Bay and the Penguin group of islands could, if they go wrong, turn the side down critical aspects of international law affecting, among other things, other areas of southern African geography and sensitive UK territorial claims.

The world community insists Walvis Bay and the islands be surrendered to Namibia in resolutions of the General Assembly and the Security Council of the UN. The Bay is the only deep-water port and viable harbours serving Namibia - 90% of the country's trade passes through it.

Having no natural resources, Walvis is primarily a strategic asset to Namibia. Without use of the port facilities, the Namibian economy would perish as it is wholly directed towards exporting mineral ore, primary produce and what is left of the fish catch. Windhoek's control over Walvis would allow economic independence from Pretoria, and the denial of this control represents apartheid's purchase upon their throats.

So far Pretoria has set an unenthusiastic pace - cultivating the impression that anything may be discussed while simultaneously reserving its legal position. UN Security Council Resolution 435 retracted from mentioning the territory in its resolution on the South Africa question. This concern excluded the matter during the implementation of the 1979 truce.

Politically, Swaziland needs to develop some advance towards reincorporation into the Union. The Commonwealth is the only real alternative to the independence initiative; a similar concern excluded the matter during the implementation of the 1979 truce.

Sources of the Union buildings suggest the Union's influence could be taken to suggest a substantial Namibian involvement in the administration of Walvis Bay, either joint or separate. If the Union withdraws to the disputed islands, it also means the SADF will remain in control.

Nambian Foreign Minister Theo Ben Gurrab, pragmatic and wise, might settle for interim joint administration of the islands, given SA's reluctance to agree to a new constitution.

Gurrab has gained one advantage in being the guest party at the first round of talks - protocol allows the Namibians to spell out their positions, whereas South Africa's were limited. If Namibia agree to share the islands, they must agree to a new constitution.

If the negotiations begin, it is likely to be a protracted affair. The Swazi Government by which the Union withdrew to the disputed islands, and the SADF may be the temptation to accept.

If delays continue until the advent of a new constitution for SA, the perspectives of extra-parliamentary groups become relevant.

Azapo, PAC and the ANC unanimously agreed the bay and islands are to be Namibian. In fact, the ANC hopes to find a diplomatic solution to the dispute. None of these territories are under the jurisdiction of the ICJ.

The legal position concerning the islands is that the United Nations Security Council Resolution 435 on the South African question, recommending the withdrawal of South Africa from the islands, is the legal basis.

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The Swazi Government by which the Union withdrew to the disputed islands, and the SADF may be the temptation to accept.
Nambias bid to reclaim Walvis Bay
Old debts confront Namibia’s Swapo

LINDEN BIRNS

At the same time as it is trying to build a strong economy by luring foreign investment, Namibia’s Swapo-led government is taking the opportunity to pay back old debts to former allies and comrades-in-arms.

But talk to the average (black or white) Namibian and, after a furtive glance over his shoulder, he will tell you that Swapo as a party should repay those debts, and that the money should not come from public coffers.

Foreign Affairs Permanent Secretary Andreas Guleb, in an interview in Windhoek, said the government had moved away from socialist ideas of wealth redistribution to Western ideas of wealth creation.

It was accepted that this would increase the economic “cake”, enabling Namibians to benefit from bigger slices of the national wealth. It was in line, too, with government’s declared policy of creating a stable political and economic environment conducive to foreign investment.

Foreign investors needed security, “and our President Sam Nujoma has stated government recognises it is not in a position to solve the country’s economic problems alone”, he said.

“We have to send positive signals to the big investors in the US, Europe and Japan, and get them to sink their money in Namibian projects.”

Asked whether he thought the donation of R1m in taxpayers’ money to the ANC in SA, and the invitation to Cuban President Fidel Castro to a multilingual government “birthday party” could not be misconstrued as negative signals by potential investors, Guleb said: “Both Cuba and Swapo were founder members of the Non-Aligned Movement.

“Cuba provided a great deal of assistance to our people in exile. So it’s important as a gesture to invite Castro to the birthday party. It should be seen in that perspective.”

The government should be judged on its track record.

The constitution was the ultimate guarantee for investors as it enshrined the free market economy and barred arbitrary nationalisation.

He did not comment on the R1m cheque handed to the ANC, which appeared as an item to be accounted for in Namibia’s recent Appropriation Budget to cover heavy government over-expenditure.

Despite the staging of an investors conference in Windhoek last month, and earlier promises of foreign investment, little has been forthcoming so far.

[Survey: Pages 16-20]
Windhoek
service sold
to Intercape

WINDHOEK. — The Na-
mibian company F P du
Toit Transport (Pty) Ltd
has sold its luxury main-
liner coach service to In-
tercape in South Africa,
managing director Mr
Willie du Toit said in a
news release issued
here.

Cape Town-based In-
tercape is owned by Mr
Johan Ferreira, who was
well known in Namibian
transport circles for 21
years.

Both Mr Ferreira and
Mr Du Toit emphasized
that there would be no
immediate changes to
the mainliner service.

Mr Du Toit said the ta-
keover would not affect
Namibian employees as
Intercape had agreed to
accommodate all Nami-
bian staff.

He said his company
intended to concentrate
on freight transport in
future and had already
concluded major con-
tracts with neighbouring
countries. — Sapa
Employment crisis may hurt Namibian govt at the polls

Many of the 48,000 exiles who returned to Namibia are still without jobs, according to the latest edition of Africa Confidential.

It says even those with qualifications obtained in exile have found these do not provide an automatic passport to a government job.

"Unemployment is conservatively estimated at 20% to 40% or more of the active population in Windhoek and other towns.

"There are nearly 200,000 people in formal sector employment, including the bloated government service of some 40,000, while 70% of the population depend on earnings from agriculture or migrant labour. A downturn in construction has cut the workforce in this sector from 12,000 to less than 6,000."

The magazine said weak base-metal and uranium markets mean that Rossing Uranium, which has already frozen recruitment, may cut production by 25% for the next two years.

"In particular, the Kaokoveld region in the northwest, though lacking infrastructure, is believed to contain exploitable deposits of coal, iron ore, base metals and gold.

"Rossing Uranium is spending R3.3m this year on evaluating a large graphite ore-body. Other industrial minerals also have potential, such as high quality marble and granite."

Prospects of locating commercially recoverable hydrocarbon deposits are good, Africa Confidential says, and the government plans to award exploration licences this year.

The Kudu gas field, just off the mouth of the Orange River, has reserves potentially as large as 425,000-million cubic metres — bigger than SA's Mossgas development.

"Onshore, Taiwan's Overseas Petroleum Investment Corporation plans to drill its first exploratory well near Etosha Pan later this year."
Pharmacists can charge for advice

Own Correspondent

DURBAN — Pharmacists are to be allowed to charge a professional fee to customers asking for medical advice, Pharmaceutical Council vice-president Don Sutherland has announced.

Speaking at the annual meeting of the Association of Retail Pharmacists, Mr Sutherland said the flexible fee would be added to the cost of any medicine which might be necessary.

Entitled "Pharmacists, being professionals in medicine, will now be able to distinguish themselves from traders in medicine," he said.

The matter has been finalised by the Pharmacy Council. Final documentation will be sent to pharmacists in the near future, but the council believes that a pharmacist "is entitled to a just and reasonable remuneration for any professional services rendered".

The practical implications are that the council will no longer, by way of regulation, restrict the pharmacist to a professional fee of R1.30 up to R2.25 (at present built into the cost of prescriptions).

Mr Sutherland said pharmacists could charge for "logistical functions, processing of prescriptions and dispensing as well as for advisory and informative functions".

He added that the move "does not mean that getting medicine from the pharmacist will necessarily cost more than before, because what he now charges for a professional fee may be countered by not taking a profit on medicine if he so wishes".

Mr Sutherland also announced that pharmacists, "in a bid for survival," would take their plight to Minister of Health and Population Development Dr Rina Venter this week for arbitration and possible amendments to their legal and professional rights.

He said there were now 5 713 registered dispensing doctors in the country and 5 820 pharmacists.

"This is just not acceptable. The growth in the number of dispensing doctors has risen about 10 percent every year for the last five years while the increase in numbers of pharmacists was only about 4 percent over the same period."

Sweeping

A meeting was held on January 25 between the Pharmaceutical Council, the Minister of Health and the Joint Parliamentary Committee on Health.

At this week's meeting between the Pharmaceutical Council, the Minister and the Joint Parliamentary Committee on Health, sweeping changes could be approved by the Minister.

These may include the granting of legal rights to pharmacists to prescribe more scheduled drugs.

NEWS

R36-m payout for troops on both sides of Namibian war finalised

WINDHOEK — Finality has been reached on the payout of R36 million by South Africa to former combatants, from both sides, in the Namibian bush war, Dieter Petzsch, spokesman for the South African mission in Windhoek, said yesterday.

Divided

He said an amount of R12 million had been paid into Namibia’s Standard Bank — because it had the largest distribution of branches — to be divided equally among the 9 000 former members of the SWA Territorial Force and Koevoet paramilitary police unit.

Payment would begin on April 2 to a verified list of beneficiaries.

South Africa’s representative in Namibia, Rianan Eksteen, on Monday handed Namibian Foreign Affairs Minister Theo-Ben Gurirab a cheque for R12 million to be paid out to former members of Plan, Swapo’s military wing, Plan and the South African-led SWATF and Koevoet units engaged in a 23-year bush war before Namibia’s independence last March.

A third amount of R12 million was being kept in a contingency fund for which the details were still being worked out, Mr Petzsch said.

The payout affects only former fighters who were demobilised before independence.

He said South Africa had planned, before independence, to make a payout to SWATF and Koevoet servicemen.

"At Independence President Sam Nujoma asked President de Klerk quite specifically if Plan members could also be accommodated," Mr Petzsch said.

Pledged

The R36 million includes the R12 million pledged by South Africa to assist Namibia at an international donors conference held in New York in June as well as the amount earmarked for former Koevoet and SWATF members. — Sapa.
Namibia may join money area

DRAFT agreements to admit Namibia as the fourth member of the Common Monetary Area with South Africa, Swaziland and Lesotho, were being prepared, Mr Baran du Plessis said yesterday.

In his Budget review tabled in Parliament, he said a bilateral monetary agreement had been concluded last April between South Africa and Namibia to formalise the continuance of the monetary status quo after Namibia's independence.

The agreement provides that the South African rand be the only legal tender in Namibia until otherwise agreed.

It also provides that Namibia will continue to have access to the South African money and capital markets as well as the foreign exchange markets and that funds will flow freely between the two countries.

Namibia had since applied to be admitted as the fourth member of the Common Monetary Area.

The Common Monetary Area Commission, on which the governments of Lesotho, whereby the state itself, through the funds proposed for 1991/92, can give greater impetus to housing and property rights for the poor than under the existing interest-subsidy scheme.

Du Plessis said in his Budget Review Voce that over 1.6 million people in South Africa could be regarded as squatters while another 1.7 million lived in backyards.

"The pressing backlogs in housing in respect of particular population groups are cause for very serious concern."
Commemoration in connection with the bicentenary of the War of 1812.

The commemorations were held on two consecutive days, 22nd and 23rd March 1991.

(2) An inscription on the plaque to the effect that the participating countries donated to the community of this commemoration.

Questions

House of Assembly
Viljoen hints at new regional govt set-up

By Peter Fabricius
Political Correspondent

The provincial, self-governing and regional services council authorities should be scrapped and replaced with the present nine development regions as autonomous political entities, the Government has suggested.

Political power and administrative functions could be devolved to new structures in these regional units, Constitutional Development Minister Dr Gerrit Viljoen said at the annual meeting of the United Municipalities Executive in Cape Town yesterday.

"This is the first time Dr Viljoen has publicly spelt out what is known to be the Government's thinking on regional government."

He said South Africa would have to choose an option somewhere between complete centralisation and a "classical federation".

"If the transformation of an historical union of provinces into a classical federation would seem to be artificial, the centralisation of all real governmental power would diminish democratic values and open the way to those who pursue absolute power," he said.

Dr Viljoen said it was necessary to consider a system of autonomous regional government, in line with the Government's policy of effective devolution.

However, regional government structures should not be seen as a substitute for full political participation in central Government but rather as an important and necessary building block of the new constitution.

He did not wish to be too prescriptive about regional government as the debate had just begun.

But he listed several "points of departure":
- Nonracial, democratically elected and autonomous regional government would greatly enhance the viability of the overall constitution.
- Therefore the basic principles of regional government must be put in the constitution.
- The boundaries of new regional governments ought to be based on geographical features, historical communities, economic factors and existing regional differences.
- But the most important determinant was the will of the people.
- "I believe that the development regions can serve as a point of departure for defining new regional boundaries, replacing and rationalising the present diversity of overlapping regional territories: provincial, self-governing, development and BBC areas."
- Regional governments had to recognise and protect communities and cultural minorities.
- Regional governments would be effective only if endowed with effective functions and independent fiscal sources and powers.
- Not only administration but also political power should be devolved to the regional governments.
- The overall responsibility for local government should rest at the regional level.
- However, regional authorities would not act as controllers of local governance but would provide guidance and assistance.
THE WALVIS BAY ISSUE

OVER TO NELSON

Through a quirk of political fate, the decision on the handling over of Walvis Bay to newly independent Namibia will very largely rest in the hands of the ANC. Attached to that move — if it occurs — will be the nature of SA’s future relations with the Swapo government of Sam Nujoma.

In a carefully calculated diplomatic move, Foreign Minister Pik Botha and his team of negotiators have shifted responsibility for the Walvis ownership issue to the NP’s prospective partners in the constitutional negotiation process.

Senior government sources close to the talks on the enclave told the FM this week that the De Klerk government has, in principle, decided to hand over the harbour town to Windhoek.

That was the message which Botha gave to his Namibian counterpart, Theo-Ben Gurirab, when the two men and their negotiating teams met in Cape Town a week ago.

However, the South Africans made it clear to Gurirab that such a decision could not be taken by Pretoria alone — and that it would entail an amendment to the constitution. Walvis Bay’s linkage to SA dates back to the colonial era and the Namibian claim rests on geographic and economic arguments; territorially it is part of SA. If SA agrees to cede authority, it would be internationally welcomed as a gesture of goodwill to a former enemy.

Botha emphasised that his government was not prepared to initiate any amendments to the constitution at this delicate stage of the pro-negotiating phase involving the ANC and other interested parties. Amendments — including any decision on the future of Walvis Bay — could, therefore, only be discussed, at the earliest, during the planned all-party conference due to take place later this year, Botha told the Namibian delegation.

As the NP had already agreed in principle to hand over Walvis Bay, a final decision on its future would rely on the other parties. The ANC would in all probability be the determining factor.

The FM’s sources say that Gurirab was visibly disappointed by the outcome of the talks. The Namibian government had never doubted that Pretoria would hand over the town.

Now it finds itself having, in effect, to negotiate the issue with the ANC. This could raise problems.

Would the ANC want to hand over Walvis Bay, for example?

At this stage, the ANC has not indicated what its position on Walvis Bay might be. A reluctance to agree to a handover would sour relations between themselves and Nujoma’s Swapo — but the issue simply hasn’t been adequately addressed within the ANC, along with many other issues.

Gossip

Diplomatic circles are buzzing with gossip about the relevance of the R1m donation by the Namibian government to the ANC recently, in the light of which, the ANC would presumably be hard pressed to deny Nujoma’s claim to Walvis Bay, it is speculated.

There is also the obvious point that SA — whatever legal and historical claims it may have on the enclave — has a lot to gain internationally by handing over Walvis Bay.

An obstinate position over the enclave could damage the diplomatic breakthroughs which began to manifest themselves after De Klerk started his reform initiatives. This week, the Johannesburg daily, Beeld, said all realistic South Africans accepted that SA should relinquish the town.

During the Cold War and the heyday of Soviet expansionism, it was to SA’s advantage to have access to a strategic harbour close to Angolat but that has now lapsed, the newspaper argued. Beeld also questioned the financial benefits of Walvis Bay to SA. Compensation can be negotiated, it said, adding that instead of engaging in a futile battle for the retention of Walvis Bay, SA’s energies should rather be directed at finding an acceptable solution for its own problems relating to land.

Botha told Gurirab that until such time as a decision had been taken by the all-party conference and the constitution had been amended, Pretoria would be amenable to the idea that Walvis Bay be jointly managed by the two governments during the interim period. Botha and Gurirab said they would report back to their respective governments.

No date has yet been set for another meeting.

Eddie Botha

THE CABINET

DEVICES AND DESIRES

Deputy Finance Minister Org Marais is back in favour but Agriculture Minister Jacob de Villiers is on his way out. In simple terms that’s the message of last week’s Cabinet reshuffle.

Marais, the second most senior deputy minister after Roelf Meyer takes over from Trade & Industry and Tourism Minister Kent Durr who is ambassador-designate to London. Marais’ post will be filled by Durr’s deputy, Theo Alant, once a firm favourite for Durr’s job.

Marais, a former head of Unisa’s business school, seemed to have reached the pinnacle of his political career as a deputy minister and was seldom tipped to go any further. He is regarded as a government workhorse, having chaired various commissions and investigations into technical aspects of financial and economic policy and has a suitable background for Trade & Industry.

Jacob de Villiers was brought into President F W de Klerk’s first Cabinet as a specialist. He is indirectly elected by the NP caucus and has not fought an election. A former “Farmer of the Year,” he was apparently regarded as the right man to stem growing hostility in the financially squeezed and politically nervous farming community and to try to put agriculture back on to an economic footing.

However, it is understood that his autocratic management style severely undermined his standing among farmers and organisations marketing farm products. His replacement has been widely welcomed in the farming community. Though de Villiers retains his Development Aid portfolio, and has been given the added responsibility of Public Works & Land Affairs (previously with George Bartlett), it seems that his days in Cabinet are numbered.

Kraai van Niekerk, now “own affairs” Agriculture Minister, takes De Villiers’ job.

Though a Cape MP he is regarded as tough enough to handle the powerful rightwing farming lobby in the Transvaal.

His deputy will be Tobie Meyer, elder brother of Roelf Meyer — and also a former “Farmer of the Year.” Meyer, the MP for Cradock, is regarded as a new-generation Nat keen to push on rapidly with reform.

The other new deputy minister is David Graaff, son of former United Party leader
Illegal Spanish trawlers still defy Namibians

WINDHOEK — The three Spanish trawlers caught fishing illegally off the Namibian coast were still refusing to co-operate with defence force members who boarded the vessels on Thursday.

Mr Calle Schlettwein, permanent secretary in the Ministry of Fisheries and Marine Resources, confirmed late yesterday that the vessels were still at anchor about 100 sea miles from the coast just north of the South African border.

His department would do "everything within our power" to bring the boats to shore and the captains to court. He said the defence force members on the boats were authorised to use force.

The boat captains had refused orders from the Namibian soldiers and fisheries inspector who were dropped on to the decks by helicopter, to turn about and head for the port of Luderitz.

In what appears to be a sort of stand-off, the boats dropped anchor and a Fisheries Department vessel, Nautilus II, was sent to convince the captains to give in.

If the Nautilus is successful, the boats should reach Luderitz today from where the captains will be sent to Windhoek to face charges.

There is a R1 million penalty clause for illegal fishing in Namibia's recently established 200-mile Exclusive Economic Zone. The law also provides for seizure of the catch on board and of the boat itself.
SA helps as Namibians intercept Spanish ships

From DALE LAUTENBACH
Argus Africa News Service
WINDHOEK — South African coastal authorities came to Namibia's aid in the arrest of three Spanish trawlers allegedly fishing illegally in Namibia's 200-mile exclusive economic zone.

Mr Calle Schlettwein, permanent secretary in the Ministry of Fisheries and Marine Resources, told Namibian television last night that the help from the South Africans had been crucial in forcing the three boats to turn and head for Luderitz.

The boats were apprehended by members of the Namibian Defence Force (NDF) using hired helicopters on Thursday, the anniversary of Namibia's independence.

The captains had, however, refused to co-operate and change course for Luderitz as instructed. Instead they headed south to the border with South Africa and anchored there about 100 nautical miles from the coast.

Mr Schlettwein said they had been persuaded at the weekend to seek their fate for Luderitz when it became obvious that there was no escape.

R1 MILLION FINE

He gave no further details of the help South Africa afforded and was unavailable for further comment as he was en route for Luderitz late yesterday with a delegation from his department for on-the-spot investigation when the vessels reach the port.

It was not clear from the television report when the boats were to arrive in the port. However, on arrival they will be seized and the captains arrested and taken to Windhoek to face charges.

Mr Schlettwein said last night that it was a matter of priority that Namibia establish permanent coastal surveillance as the country had to rely on "piece meal" operations involving the hire of equipment from private companies.

In November the NDF swooped on five Spanish vessels using a helicopter hired in Cape Town. Last week's operation was described as similar to the November one.

The penalty clause for illegal fishing provides for a R1 million fine and the confiscation of the boat and its catch.
SA helps to seize trawlers off Namibia

By Dale Lautenbach
Star Africa Service

WINDHOEK — South African coastal authorities came to Namibia's assistance in the arrest of three Spanish trawlers found fishing illegally in Namibia's 200-mile Exclusive Economic Zone.

Calle Schlettwein, permanent secretary in the Ministry of Fisheries and Marine Resources, told Namibian TV last night that the help from South Africa had been crucial in forcing the three boats to turn and head for Luderitz port.

The boats were apprehended by members of the Namibian Defence Force using hired helicopters on Thursday, the anniversary of Namibia's independence. The captains had, however, refused to change course for Luderitz. Instead they headed south to the border with South Africa and anchored about 100 nautical miles from the coast.

Mr Schlettwein said they had been persuaded over the course of the weekend to sail for Luderitz when it became obvious that there was no escape.

He gave no further details of the help South Africa afforded and was unavailable for further comment as he was en route to Luderitz.

When the Spanish boats arrive in the port, they will be seized and the captains arrested and taken to Windhoek to face charges of illegal fishing.

Mr Schlettwein said there was no doubt the trawlers had been fishing illegally.

In November the NDP swooped on five Spanish vessels using a helicopter hired from Court in Cape Town.

The penalty for illegal fishing provides for an R1-million fine and the confiscation of both the boat and its catch.
Navy hands over trawlers carrying Namibian officials

WINDHOEK — Two vessels of the SA Navy handed three Spanish trawlers back to Namibian officials off the port of Luderitz yesterday after escorting the trawlers from SA waters back to Namibian waters.

Foreign Minister Pik Botha said the Navy strike craft SAS Oswald Pirow and mine counter-measures vessel SAS Umkomaas were instructed to escort the vessels back following a request from the Namibian Ministry of Foreign Affairs on Saturday.

The trawlers had left the Namibian waters last week carrying Namibian fisheries inspectors and soldiers who had boarded them because they had been fishing illegally in Namibian waters.

Navy spokesman Capt Rohan Erleigh confirmed in Pretoria yesterday that the SA Navy had handed the trawlers — and the Namibians — back to Namibian officials aboard the Namibian vessel Oryx earlier in the day.

Botha said the Spanish government had been informed of the developments surrounding the trawlers.

"It is believed that the Spanish government is not aware of these illegal activities," Botha said.

The three trawlers were sighted on Thursday during Fisheries and Marine Resources Ministry surveillance operations using a helicopter and a spotter plane.

Five other Spanish trawler captains were arrested last November in a similar operation for fishing illegally inside Namibia's 200-mile economic exclusion zone.

They are due to be sentenced in the Windhoek High Court on April 10.

It was not clear yesterday whether the three trawler captains would be charged with kidnapping the Namibian officials. — Sapa.
Namibia: Spanish govt responsible

WINDHOEK. — The Namibian government holds the Spanish government directly responsible for the actions of three Spanish trawlers, apprehended for fishing illegally in Namibia's territorial waters last week, according to Namibian Foreign Affairs Minister Mr Theo-Ben Gurirab.

Mr Gurirab has summoned the Spanish ambassador, Mr Carlos Sanchez de Boada, to his office here over repeated violations of Namibia's territorial waters by Spanish nationals.

Meanwhile, Namibia's prosecutor-general Mr Hans Heyman said here yesterday that Namibian police had arrested 11 senior officers of the three trawlers.

They were due to have appeared in the Keetmanshoop Magistrate's Court. No charges have yet been formulated.

Mr Gurirab said the Namibian government's authority was being challenged by the repeated violations by Spanish fishing boats.

If actions like those of the three trawlers were not stopped, they were likely to "spoil relations" between Namibia and the European Community (EC), he warned. — Sapa
Khumalo to present BC plan in Namibia

Mr Phil Khumalo, executive director of Business Challenge (BC), has been invited by the Commercial Bank of Namibia to present his "winning" scheme to the independent state, writes ALI MPHAKI.

This is a feather in the cap for Khumalo, whose brainchild, BC, has helped create jobs for thousands in South Africa.

"The Commercial Bank would like to introduce the scheme in Namibia because it is better understood by the people and is also backed by training," Khumalo said.

He will be in Namibia on April 4 to April 7.

BC was formed in 1986 and has acquired large membership since.

Among other acquisitions, the organisation has bought a shopping complex in KwaThema. It is solely owned by BC shareholders.

Motto

"Our motto is to preach to the community to own the businesses they support," Khumalo said.

He also announced that BC will be opening a branch in London soon. This is in line with the organisation's objective to introduce import and export lines for their members.

"We feel the talent of our people can be improved. I will be visiting London to tap the opportunity," he said.
Namibia concerned at delay over Walvis Bay

By Dale Lautenbach
Star Africa Service

WINDHOEK — Namibia, which wants an urgent resolution of the Walvis Bay dispute, is concerned that Pretoria might be trying to delay the issue until the all-party conference scheduled for later this year.

The suggestion first appeared publicly in a report in a South African periodical which quoted "senior Government sources close to the talks" as saying that the Government alone could not decide on the future of Walvis Bay as it would entail an alteration in the country's borders, which would in turn require changing the South African Constitution.

The sources said that at this "delicate stage" of negotiations between parties in South Africa and just prior to an all-party conference, Pretoria was unwilling to initiate unilateral changes to the constitution. Instead, it would like to see its "prospective partners in the constitutional process", which include the ANC, shoulder some of the responsibility.

The journal also reported that Foreign Minister Pik Botha told his Namibian counterpart, Theo-Ben Gurirab, that the de Klerk Government had already decided "in principle" to hand over the harbour town.

The suggestion of holding the issue over to an all-party conference is not wide of similar reports from knowledgeable Namibian sources.

Motives

Whatever they might think about Pretoria's motives for wanting to postpone the handover, officials in Windhoek reject the argument that handing over the port would first involve a change in the South African Constitution.

They point out that at the talks in Cape Town on March 14 the Government agreed to shift its northern border with Namibia from the north bank of the Orange River to the centre of the stream in accordance with international practice. No change to the Constitution was considered necessary.

On the question of agreement in principle, Mr Gurirab has made it clear that Namibia wants a recognition in principle that Walvis Bay and the offshore islands are an integral part of Namibia. It is prepared only to negotiate the modalities of the handover.

As far as Namibia is concerned, although round one went well in terms of laying the groundwork and goodwill for future talks, that recognition of principle was not given.

It is not clear to the Namibians what the South African Government would want to achieve by involving the ANC and others in the dispute if it has already established the principle of the sovereignty of Walvis Bay, the very kernel of the Namibian demand.

ANC officials have already publicly recognised Walvis Bay as part and parcel of Namibia.

The next round of talks between the two governments on the Walvis Bay issue is expected to take place in Windhoek "within weeks".
Namibia still caught in US sanctions net

By XAN SMILEY
Washington

THE American rallying cry of sanctions against apartheid is so fervent that many cities and states have failed to notice that Namibia has been independent for more than a year.

An indignant anti-apartheid activist in Washington, whose city investment office still penalises Namibia, has refused to accept State Department advice that the fledgling country should be exempt.

She argues that the two countries "are still closely allied".

Of the 55 American cities and 26 states which still refuse to award contracts to businesses with South African connections, nearly a third still treat Namibia as a part of South Africa.

A black legislator from New York state recently introduced a bill to tighten sanctions against South Africa and included Namibia.

He was finally persuaded to exempt the newly independent country after an American consultant for Namibian companies sent documentary evidence showing that Namibia no longer practised apartheid.

Last year Maryland state delegate Nathaniel Exum, who had sponsored a sanctions bill against South Africa-cum-Namibia, was angered when a fellow Democrat tried to exempt Namibia — because he was unaware of its changed status.

A leading black congressman, William Gray, has tried to spread the word that Namibia is no longer under South African rule.

"Is Namibia part of South Africa?" asked the head of a huge Texas pension fund which refuses to invest in Namibian-connected businesses.

Informed that Namibia was independent, another pension fund administrator retorted: "I don't know about that."

Earlier this year, some 30 cities and four states were still penalising Namibia. Atlanta will soon exempt Namibia from sanctions.

But Washington, the city of Baltimore and the states of California, Oregon, Maine and West Virginia still penalise Namibia.

The worst news for Namibia is that many companies "don't want to chance it" because big contracts may be withheld if complicity with apartheid is suspected as a result of a Namibian link.
US firm in uranium deal with Rossing

WINDHOEK — Rossing Uranium has signed an agreement with a US company to supply uranium for the generation of electricity. Unfortunately, the amounts involved are too small to make any significant difference to Rossing's business in the short term," he said.

In a statement on Friday, Rossing announced the contract with Gulf States Utilities of Beaumont, Texas — the first US deal it has obtained since sanctions were lifted in March 1996.

The uranium order is for delivery from 1991 to 1997.

Rossing MD Michael Bates welcomed the new contract, but said it represented sales on a very small scale.

The contract would not affect the company's decision to reduce production.

Rossing has cut back production from 4,100 short tons a year to 3,250 short tons since April 1, due to the effect of sanctions against SA, which also applied to Namibia until independence last March, and an oversupply of uranium on the world market since the opening up of the Eastern Bloc countries.— Sapa.
‘Excellent’ prospects for Namibian mines detailed

WINDHOEK — Short-term prospects for Namibian mining were not good, as revenue was projected to decrease, but long-term prospects were excellent, outgoing Chamber of Mines president Mike Bates said in Windhoek.

"Much will depend on the aftermath of the Gulf war and how this affects the major economies," he said in his annual report.

"But most observers believe recessionary conditions will continue throughout 1991 and probably into 1992."

Mining remained the major contributor to Namibia’s gross domestic product but there were indications that revenue for 1990 was "significantly" lower than for 1989, said Bates, who is also MD of Rossing Uranium.

Political events in the Gulf and Eastern Europe, recessions in the US, Canada and the UK as well as lower than expected growth in major industrialised countries affected metal and mineral prices.

"Sales of rough diamonds by the Central Selling Organisation, which markets over 85% of the world diamond production, including that of Consolidated Diamond Mines (CDM), showed a very small increase," Bates said, adding that strong demand during the first six months declined in the second half of the year.

"Production at CDM totalled 759 115 carats, a decrease of 17%." Namibia’s sole uranium producer, Rossing, had a poor year with production at about 25% below capacity.

Inquiries

Bates said uranium released from the Soviet Union and Eastern Bloc and the perception there were enormous quantities of material available drove the price down to historically low levels.

"Consequently it is probable that production at Rossing will have to decrease even further during 1991."

The overall price of copper reflected a downward trend, as did lead after a price increase during the first half of the year. The tin price continued declining with the average at 25% lower than the previous year.

"Historically, the gold price has increased during periods of political and economic instability but this did not happen during 1990," Bates said.

Exploration activities in Namibia, however, were at a record high with Chamber members spending R67m in this area.

The Ministry of Mines and private companies received many inquiries from foreign companies interested in mineral investment in Namibia.

"Mining activity is directly proportional to investor confidence and the private sector investment conference in February (in Windhoek) did much to reassure companies that Namibia is a suitable place for investment," he said, adding that many prospective investors would hold off to see the final form of current draft legislation on mining.

Bates said statements at the investment conference by government officials of economic policies to be followed were most reassuring.

"The Chamber believes that the long term prospects for the mining industry are excellent," he added.

Tsumeb Corporation Limited GM Peter Kiefer takes over from Bates as Chamber of Mines president for the next term. — Sapa.
WINDHOEK — American businessmen were "very excited" about investment prospects in Namibia and some had already begun negotiations with the government, Overseas Private Investment Corporation (Opic) vice-president Kevin Callwood said in Windhoek yesterday.

Opic is a self-funding US government agency aiming to promote economic growth in developing countries by encouraging private US investment. Callwood is leading a 10-company investment mission to Namibia.

He told a media briefing that potential investors had been surprised at the tremendous progress Namibia had made in the short time since independence on March 21, 1990.

Describing the enabling environment investors found, Callwood said the Namibian government had aggressively promoted free enterprise and competition and had shown a willingness to be flexible and progressive about the future.

The delegates were also impressed by the open and willing attitude of the government to listen to the needs of potential investors.

Among the companies on the mission are AST Research Inc, Bell Atlantic Corp, MBII International, Carrefic Inc, Global Electro-Comm Inc, F&F Sheraton Corp, Singer sewing machine company, Stanley Computer Systems and the WBDC group.
Namibia buys M East fuel

WINDHOEK - Namibia is expected to take delivery this week of 14 900 tons of petroleum products from sources in the Middle East, the fourth consignment of fuels to come from sources other than South Africa.

Mobil in Namibia told Namibian Broadcasting Corporation's Radio Today that it had bought petroleum, diesel and aviation fuel in the Middle East in line with government policy to reduce dependency on South Africa.

Sowetan News Service

Former consignments of petroleum products have come from Angola, Bahrain and the Netherlands Antilles.

Mobil also confirmed that it was studying seismic data for oil exploration in Namibia following the opening by government legislation of the first round of bidding for exploration concessions in the country's pursuit of hydrocarbons.
Nujoma calls for freeing of trade in Africa

BULAWAYO — Namibia's President Sam Nujoma has called on African countries to remove trade barriers, customs duties and other levies to facilitate greater bilateral and regional trade.

Opening the Zimbabwe International Trade Fair in Bulawayo on Saturday, Nujoma said African countries must adopt progressive economic and trade policies to enable them to raise the standard of living of their people, the Ziana national news agency reported.

He said Namibia was committed to the OAU's programme of fighting to establish an African economic community.

His country had planned major road and transport projects to link Windhoek to Botswana, Zimbabwe and Zambia, allowing them access to Walvis Bay.

Nujoma said his government would be meeting SA soon in an effort to find a permanent solution to the disputed Walvis Bay issue. — Sana.
WINDHOEK — More than 100 international oil companies have registered to attend seminars in London and Houston promoting petroleum exploration in Namibia, Mines and Energy permanent secretary Leake Hangala said in Windhoek on Wednesday.

The Namibian government announced the opening of the first bidding round for oil exploration in the country in March.

Hangala said more than 20 companies wanted exploration licences. The London seminar is next week and the Houston one from May 21 to 24. — Sapa.
Namibia plans R280m desert oil refinery

BRENT VON MELVILLE

NAMIBIA is planning a R280m refinery capable of processing 10,000 barrels of oil a day. It will be built in South Korea under the guidance of London-based development group Enerkor.

On completion it will be transported to Usakos in central Namibia. There are no details of other companies involved.

Yesterday, Enerkor chairman Frank Atherstone said the refinery would be financed by public subscripions.

Initially, Enerkor expected to process crude oil from SA, though Atherstone could not confirm this as oil was "a strategic commodity".

There is no indication that Angolan oil will be refined.

Namibia itself has discovered comparatively large off-shore gas fields.

Bidding for the first on-shore oil exploration licence was recently initiated by Mines Minister Andimba Toivo ya Toivo.

Atherstone said the refinery would be built by the Sunk Jong group in conjunction with Yuhon of South Korea and Mauan Engineering of Germany.

A Sasol spokesman said the size of the refinery indicated it would be used for local purposes only.

He said the needs and size of the country prohibited the construction of a bigger complex.

Local oil companies do not disclose how much oil they refine.

However, the cost of Namibia's refinery was described as "minimal" when compared with the costs of SA refineries.

Engen recently announced a R1,5bn expansion of its Genref refinery.

Calltex is to spend about R250m upgrading and expanding its Milnerton refinery.

Total, BP and Shell have also confirmed plans for capacity expansions of a similar magnitude during the next few years.
The Economic Balancing Act is working well — so far.

EDGING INTO YEAR TWO

FM 31511
NAI BIA
impractical pre-election promises have created a problem. Out of a population of 1.5m, apart from the country's urban First-World population of 150,000, about 70% of the balance lives in rural areas in a subsistence economy while a transitional component of about 15% lives in urban areas. The former are almost illiterate and most live according to tribal customs. The latter can be classified as semi-literate.

Especially among transitional urban dwellers, high expectations were built up by pre-election rhetoric. An unwelcome but understandable want is patent — and left-wing radicals are taking this opportunity to pressure the centrist-minded in government. With this in mind, all eyes are now on Finance Minister Otto Herrigel who will soon present the new nation's second budget. It will be a good indicator of whether the private sector's optimism is well founded.

Apart from the normal provisions Herrigel must make, he has to cater for social upliftment — and expectations are high. There are weighty pressures on the economy caused by the withdrawal of SA's contribution to State coffers (R164m in 1989-1990) and the effects of recession in the West.

The mining of diamonds and uranium dominated the mineral sector, which contributed 76% of Namibia's R2.7bn export earnings in 1989. Agriculture's contribution was 11%, manufactured goods 5%, fish products 2.5% with other categories making up the balance.

According to the Chamber of Commerce & Industries, since the Seventies the price of uranium has fallen to US$9/lb from $40/lb. During 1990 production at the Rossing mine, Namibia's only uranium producer, was about 20% below capacity and matters have not improved so far this year. The problem remains because of the possibility of excess uranium entering the market from East Bloc countries, and because of an overhang of international sanctions against SA. Moreover, rough diamond production has dropped by 17% recently because of production problems at new mines. As a result, normal capital expenditure deductions will negatively affect Consolidated Diamond Mine's tax contribution this year.

Namibia inherited a weak fiscal and indistinct monetary structure. Besides now having to rectify that, it has to add to its budget certain portfolios such as Foreign Affairs, Land Resettlement & Rehabilitation, and Youth, Sport & Culture — together with all the trappings of a newly independent State.

There is thus a fear that the country may be facing a deficit of between R500,000 and R700,000. As Donald Russell, president of the Chamber of Commerce & Industries, says, such a deficit could be financed by loans, but that would be a bit like someone borrowing from the bank to go on holiday.

Yet the business community and the government are fostering a good relationship. Russell reports that Ministers, committed as they are to the constitution and to the Investment Code, are sound, sensible and accessi.
SA and Namibia agree on Walvis Bay

WINDHOEK — Namibia and South Africa agreed at talks in Windhoek on Friday to administer Walvis Bay jointly prior to settling the issue of the SA-ruled enclave's sovereignty.

Delegations headed by Namibian Foreign Minister Theo-Ben Gurirab and his South African counterpart Pik Botha also agreed the middle of the Orange River should form the border between their two countries and that a joint technical committee be established to demarcate the boundary.

Our Cape Town Correspondent reports that the agreement on joint administration probably amounts to agreement in principle on SA renouncing sovereignty over Walvis Bay and its 12 offshore islands.

Gurirab described Friday's meeting as "productive and successful".

Botha said "substantial progress" had been made and that the talks had been conducted in a relaxed manner.

"I am greatly encouraged because if this is the way we can resolve differences in Southern Africa, then the dream of the states of Southern Africa working closely together is not so far away," he said.

Walvis Bay, with its deepwater harbour, has a population of 26,000, mainly engaged in port-related activities and the fishing industry.

Annexed by Britain in 1878, the enclave was transferred to the Cape colony in 1884 and later to the South West Africa administration under South Africa in 1922. In 1977 Walvis Bay was transferred back to the Cape province. — Sapa.
CITROEN plans to put up a R150-million plant in Gobabis, Namibia, to produce vehicles for SA, Sub-Saharan Africa and other parts of the world.

Citroen representative Pierre Fourie is reluctant to disclose details, but he conceded that the French and SA governments are engaged in "sensitive" discussions on the project. The Paris-based company has not officially announced the move, but it is expected to make a "positive" statement in the next two months.

It is thought that Citroen will introduce its flagship, the V4 multi-valve XM range, which could sell in SA for about R160,000 and would compete with the BMW five series. Citroen's intention has been to protect its markets, however, and the new models in a distressed market could threaten them. They are using their muscle to lobby the Government to prevent the entry of newcomers.

Last year the vehicle market plunged to its lowest since 1986, with only 534,777 cars and trucks being sold. Car sales last year were only 233,600, the equivalent of about two days' production by Toyota Japan.

Grace

Nissan Marketing managing director Stephane Lehue says SA has seven manufacturers and he does not believe that any newcomer would be profitable. "If they come in competitively, it could upset the market."

Moore, head of public affairs at BMW, says this company welcomes competition because it is good for the market. "We cannot change our tune on this matter merely because the market is depressed."

The industry is also angered at Citroen's request to SA Government to allow it up to eight years' grace before having to comply with the expensive local content requirements of the Phase Six Programme.

Namibia is part of the SA Customs Union and any vehicle plant established there would have to comply with the local content programme. It requires at least 65% by value of the vehicle be of local components.

Mr. Fourie says that in terms of current legislation, it is possible for international companies investing in SA to apply for "release" from requirements such as Phase Six.

"Why should a new entrant to the market receive special dispensation when the rest of the industry has been put to the effort and expense of complying with local content regulations for the past 10 years?" asks a motor man who asks not to be named.

"Why induce a newcomer to invest when there is surplus manufacturing capacity in the motor industry?"

He says putting the Citroen factory in Gobabis will add hugely to its costs because it will be far from component suppliers near the main motor plants in the Transvaal and on the coast.

The project could become a political hot potato because the Government will be torn between protecting the interests of SA industry and promoting good relations with its neighbour.

Citroen could gain another advantage because Namibian, not SA, officials will be responsible for checking that it complies with the many regulations that govern the industry.

But Citroen is not the only foreign motor company that is rethinking at Southern African National Association of Automobile Manufacturers of SA (Namasa) director Nico Van-Wouw says at least three other European manufacturers have asked their embassies to confirm feasibility studies here.

However, their returns on capital are unlikely to be acceptable and it would be costly for them to establish dealerships.

Volvo-Scania is believed to be carrying out a feasibility study of the SA market. It is thought to want to build a plant in Botswana.

Soviets

Investigations last year by Bennett and Fugget, both of which withdrew from SA for political reasons, showed that it was unlikely that a new manufacturer could succeed here.

It was reported in March that two Botswana entrepreneurs had joined a Soviet company in plans to set up a truck assembly line at Sedibeng Picure.

One of the businessmen, Robertson Lephefe, says the investment would be about R100 million. The Soviet Kama River Heavy Duty Truck Production Association (KAMZ) will provide the technology and 53% of the workforce.

The plant's capacity will be about 60 trucks a year.
Rossing wins US contract

WINDHOEK — Namibian uranium company Rossing has signed an agreement with a US company to supply uranium for the generation of electricity.

Rossing announced at the weekend a contract with Gulf States Utilities of Beaumont, Texas — the first American deal it has obtained since sanctions were lifted in March 1990.

The uranium order is for delivery from 1991 to 1997.

Rossing managing director Dr Michael Bates welcomed the contract, but said it represented sales on a very small scale.

"Unfortunately, the amounts involved are too small to make any significant difference to Rossing's business in the short term," he said.

The contract would not affect the company's recent decision to reduce production, he said.

Rossing has cut back production from 4,100 tons a year to 3,320 tons since April 1 because of the effect of sanctions against South Africa, which also applied to Namibia until independence last March, and because of an oversupply of uranium on the world market since the opening up of the Eastern bloc countries.

About 200 personnel were offered alternative posts at the company's uranium mine, near Swakopmund. — Sapa.
Namibia fines Spanish fishermen

By Dale Lautenbach
Star Africa Service

WINDHOEK — Fines totalling R1,55 million and the forfeiture of ships worth an estimated R100 million and fish worth about R12 million was the Namibian High Court’s punishment for five Spanish fishing captains caught fishing illegally in the country’s waters in November.

In a timely coincidence, which could help Namibia cast a wider spotlight on the illegal fishing issue about which it is so concerned, a delegation of European parliamentarians was in the capital yesterday when sentence was passed.

They expressed outrage at the Spanish plunder of Namibia’s precious marine resources and promised a muscular debate on the issue at the European Parliament next month.

Ernest Glinne, Euro- MP and chairman of the European-MP group in the Association of West European Parliamentarians Against Apartheid (AWEPPA), distanced the 11 other members of the European Parliament from the “unacceptable” actions of Spanish business enterprises.

Namibian Minister of Foreign Affairs Theoben Gurirab has rebuked the Spanish government and said Namibia held it responsible for the illegal actions of its fishing enterprises. He made this statement after a further three Spanish vessels were caught in Namibian waters last month.

Mr Glinne criticised the European Commission for dragging its feet in drawing up the body’s fishing policy on Namibia.

When the EC-Namibia fishing policy is finalised, it could, in an unprecedented move, contain penalty clauses for any future plundering, according to Mr Glinne.

He suggested, too, that by way of compensation to Namibia, Euro-MPs could push for a sum in the 1992 budget to contribute to the establishment of a coastguard for Namibia.

AWEPPA president John Scholten said there were fleets of between 30 and 40 ships fishing illegally in Namibian waters.
R1.5-m in fines for trawler captains

From: DALE LAUTENBACH
Argus Africa News Service

WINDHOEK — Five Spanish trawler captains caught fishing illegally in Namibian waters last November have been fined a total of R1.55-million and must forfeit ships together worth R110-million and fish catches valued at R12-million.

The captains, sentenced by Mr Justice Harold Levy in the High Court here yesterday, are Jose Martinez Curras of the trawler Propesca Uno, Carlos Perez Redondo of the Procheiro, Francisco Branco Rial of the Propesca Dos, Manuel Mendez Pinoiro of the Puente Belissar and Manuel Magdelano Martinez of the Tal de Tambo.

Curras was fined R400,000 or six years' jail, Redondo R250,000 or three-and-a-half years and the rest each R300,000 or four years.

The permanent secretary in the Ministry of Fisheries and Marine Resources, Mr Calle Schlettwein, said he was "happy" with the sentences.

The captains are to appeal.

- A delegation of European parliamentarians, in the capital yesterday when sentence was passed, said they were outraged by the Spanish plunder of the marine resource and promised a debate on the issue at the European Parliament next month.

Mr Ernest Glinne, Euro-MP and chairman of the Association of West European Parliamentarians Against Apartheid, distanced the 11 other member states of the European Parliament from the "unacceptable" actions of Spanish business enterprises.

"There is definitely something fishy about the way the EC is handling the issue, a vital one for Namibia as it does not have a coastguard to protect its waters."

Namibian Minister of Foreign Affairs Mr Theo-Ben Gurirab said last month that Namibia held the Spanish government responsible for the illegal operations of Spain's fishing industry.
to make any forecast of dividends in 1991."

This outlook is borne out by the March 1991 quarterly figures. Metal production declined, and the cost of sales rose faster than sales revenues. There was an after-tax loss of R2.7m compared with the December quarter’s loss of R1.1m.

Effects of the lower copper and lead prices on GF Namib have been compounded by falling production levels at Tsumeb, though Fenton says copper production should increase this year. Higher output is expected from the Otjihase mine, where the backlogging in development work needed to open-up the mine orebody has finally been overcome.

Production of lead in concentrates fell to 13 300 t from 15 700 t in 1989 and Fenton says lead should now be considered a by-product of copper. In 1990, the value of lead in concentrates was just 13% of the value of the copper production.

"Tsumeb buys in concentrates from international suppliers to keep the lead smelter running at economically efficient levels. The smelter produced 35 100 t of refined lead in 1990, of which 11 300 t was from Tsumeb’s own mine production. Lead production in 1989 was 44 200 t.

Tsumeb’s copper concentrate production was largely unchanged at 31 700 t and the smelter’s production of blister copper dropped to 32 700 t (36 700 t) as it is treated less material from outside sources.

It has been an exploration priority for several years to find replacement ore for Tsumeb, but these efforts have met with limited success. A nearby copper deposit at Tschudi has been located, but Fenton says preliminary results show it may not be economically viable. There are no reserve problems at the other two mines, where potential extensions have already been located.

GF Namib spent R6.5m on exploration last year, equivalent to 42% of the pre-tax profit from operations. Exploration spending can be expected to remain high because it is crucial for this embryo mining house to find viable projects to ensure long-term growth.

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Namibia threat to white fish export success

By AUDREY D’ANGELO
Business Editor

SA’s trawling companies must be export orientated, with Southern Europe their main market but rich opportunities are becoming available in Australia, Charles Atkins, group GM of Irvin & Johnson, said yesterday.

But they are handicapped by an ageing fleet, most of which will soon have to be replaced at horrific cost.

And Namibia, with larger hake resources and favoured access to Europe through the Lome Convention, "must constitute a significant threat to our export success."

Atkins was speaking at the National Maritime Conference at the Cape Sun.

He said that Namibia’s badly depleted hake resource "could be twice as productive and considerably more robust than ours, and its latent possibilities could be realised within six to eight years."

"Having no domestic market to speak of, it can be expected that Namibia will vigorously attack our existing export and domestic markets."

"The only meaningful way to counter this would be ‘to manufacture a wider range of value added sea frozen products, more innovation of final products (niche markets), premium quality and sophisticated promotional campaigns."

Atkins said that given the limited demand capacity of the local market — which preferred red meat and chicken to fish — "the trawling industry must remain a dedicated international player."

"In the light of the expected rate of landings and anticipated population and income growth, it is projected that by the year 2000 the trawling arm of the white fish industry will have an exportable surplus of between 35% and 40% of output."

There were only two viable responses to increased international competition. One was to match and surpass ever higher quality standards. The other was to increase customer convenience.

This would be achieved mainly by introducing more complex and sophisticated inboard processing, freezing and handling systems.

"To be fully successful a substantial fleet upgrading will be necessary. If fleet replacement continues at the present negligible rate, the day may come when we will no longer be able to export profitably no matter how badly we may need foreign markets to offset the large surpluses anticipated on the domestic front," Atkins warned.

He blamed "a misguided and punitive ship building protection policy" followed by the government in recent years for the fact that the white fish industry’s fleet was "simply over-aged."

"The greater proportion of our ships are doomed by technical factors such as steeply rising operation and maintenance costs and the unavailability of spares."
LIVING IN LIMBO

Just settle the
damn dispute
say inhabitants of the
Walvis Bay

WAALIS BAY - While Namibian and South African politicians prepare for marathon negotiations over the disputed coastal zone off Walvis Bay, inhabitants of the town are caught in the limbo of uncertainty.  

Across a broad political spectrum, the saying, in unison, is the same: "We don't know what to do with our lives."

And surprisingly, the feeling of the egacut is not in the main so much political or territorial as it is pragmatic.

Economic people succumb to the mood, the "Oh well!" it's Namibia where the mine workers strike, the fishing industry is dependent on concessions granted to foreign companies, the government the workhouse, whose national sense of identity is Namibia, but Namibian trade unions exist, but falls under South African labour laws.

Eclectic

In neighboring Swakopmund, an eclectic escapade, if only in spirit, of historical German settlement, bars, taverns that prepare your cup for the 20km drive south to the 115km square foot South African port.

In 1989, Walvis Bay was a hard town, says one man, "you're not talking academics and political activists. After years, you still have the fishing people and the army - radicals and students."

Indeed, the immediate aftermath of Namibian Walvis Bay is not clear-cut. It is hard and cold, given space generously by the Namib desert and sharply reduced by the cold Atlantic.

Some Namibians sincerely wonder if they won't worry that the first who would want their town

The Namibian government answers, of course, that not only is South African occupation of Walvis Bay a violation of the principle of sovereignty, but also for economic reasons Namibians need control of its ports.

If the port is all it is described as, then the late Captain de Fouchet, port manager for the South African national port, sounds a warning: "Namibia can't afford the harbour in our situation."

Right now he covers everything from oil to dairy products, and any other export he can muster. He always left the political part of the decision.

But more important is that

the port remains efficient "...not been another other African harbour" - he says euphemistically.

For Kristina Massiall, National Assembly Member, and the so-called voice of Swupa in the community, Walvis Bay is in the "limbo" of Namibia.

"I just don't understand: given the open door and many eyes problem that's filled with penguins."

In the dusty and dirty area that once was a Kullenbach, he flew his Namibian flag over his house for the South African authority.

It has been in the same place ever since, and it's a Swupa activities in the city as the standoff Swupa office is being set up next to Windhoek was the one in Walvis Bay.

It's speeches are written in English and in the town as "frightening". "We're dealing with people who still think...a white skin is better."

While unite union representatives George Gueu

ager says there has been significantly less political harassment from the government, Massiall holds that the time has now gone to resort once more in sweltering town as the years.

He clearly refers to "the white people" with a devil-may-care attitude but his tales also reflect a pathos conflation in the community.

He says that people are concerned about their jobs and their homes. While a lot of people are looking for jobs, they are struggling to keep up with the cost of living.

The first step in the process of political stability is to make the town secure. In the meantime, the town is under the threat of being occupied by foreign enemy forces.

An Amatola village依托于lululex代表性的紧张态势在Tendele Bay,它有

everything from nats to an artfully placed boat. Missing, of course, is the fishing "vocal". Instead, Parishes and Lutheran churches are parked at these peaceful holiday homes at weekends.

HOMES FOR SALE

BY JEFF MARSHALL ASSOCIATES (London Accommodation)

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DEE POLOKO EXTENSION 3

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DEE POLOKO EXTENSION 4

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DEE POLOKO EXTENSION 12

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Make Walvis a free port – Sole

Donald Sole, former South African ambassador to the US, has come out in support of Walvis Bay being made a free port rather than being handed to Namibia.

He argues that for the foreseeable future only the SA Harbours Administration has the manpower, expertise, administrative and technological infrastructure, and financial resources to run the port "as a politico-economically viable enterprise capable of meeting the demands likely to be made on it."

— Star Africa Service.
Residents of the South African enclave of Walvis Bay, currently the subject of international tension, have been surprisingly pragmatic about the prospect of incorporation into Namibia. Reports DALE LAUTENBACH in Walvis Bay.

WHILE NAMIBIAN and South African negotiators continue to try and iron out the dispute that has divided the town, the inhabitants of the town are showing a surprising degree of patience.

A broad political spectrum, the feeling is, in summary: We can get on with our lives.

Desperation, understandably, exists, but the port is not as bad as the political or sentimental views may suggest.

Business people look to their bread and butter and see that Namibia is where the immediate markets are. The fishing industry is dependent on concessions that cannot be obtained from the Namibian government.

The port is the economic lifeblood of Namibia, with most of the country's goods passing through it. The South African authorities have imposed a 10-km partial ban on the port to restrictTZ.

Don't forget, Walvis is a hard town, says one man. "All these years we've had only one fish and the police and the army.

Indeed, the immediate reliance on Walvis Bay is not obvious. It is a town of separated, given space guiltily by the Namib desert and formerly restricted by the embattled Atlantic.

Some Namibians joke irreverently that they wonder why all the fuss.

"Namibian can't afford the harbor, in my opinion."

"Right now he covers operations costs but not revenue. He's bringing to the port an influx of goods, but that's as far as it goes.

In the dusty and unilingual town, a Walvis Bay resident, he flies a Namibian flag over his house with a distinct South African flag.

For Nationalist Party, who characterizes itself as liberal, takes a six-month period to deal with the town since 1941 and was a Swoppo activist in the early days when the second Swoppo office to be set up, after one in Windhoek, was the one in Walvis Bay. He describes the situation where the town is right-wing. "We're dealing with people who still think a white skin is better."

While trade union representatives, George Gwiazda says there has been significantly less police involvement since the Swoppo office was set up. The Swoppo office was set up in the early days when the second Swoppo office to be set up, after one in Walvis Bay, was the one in Windhoek.

It illustrates the tension of being black here. A community caught between allegiance to white employers and black empowerment policies.

As one attorney says of the business community, irresponsibility of their policies, they've been here long enough to survive. "The community in Namibia is not the one to see as well as here it would be impossible for them to oppose a government."

He says the property market, one of Namibia's brightest spots, has been very buoyant. The banks have not been affected by the property market.

Residents of the Swoppo's old neighborhood dividing up the town to discuss the situation: Brown, black, fish: police serving the community.

But, there are no one who has doubts. We're going into a different world. The police, the public service, we have a good image under South Africa's rule now.

"It is so much better than the wind-swept black and coloured townships we've lived among the desert during."

There has been an increase in the town's population, with more people from Swoppo's stronghold, where the former minority party, has moved to Walvis Bay.

Mr. Retief's office is the only one that can be found in Walvis Bay.

"We've practiced law for many years before the Swoppo office was set up. The Swoppo office was set up in the early days when the second Swoppo office to be set up, after one in Windhoek, was the one in Walvis Bay. He describes the situation where the town is right-wing. "We're dealing with people who still think a white skin is better."

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Mr Donald Sole, former South African ambassador to the United States, has come out in support of Walvis Bay being made a free port rather than being handed to Namibia.

He argues that for the foreseeable future only the South African Harbours Administration has the manpower, the expertise, the administrative and technological infrastructure and the financial resources to run the port "as a politically-economically viable enterprise capable of meeting the demands likely to be made on it."

Rather than becoming part of Namibia, he says, the enclave should be made a free port under a joint Namibian-South African port authority, with sovereignty remaining with South Africa and primary responsibility for running the harbour installations "continuing to be vested where it is at present."

Sole makes his views known in a letter in the latest issue of International Affairs Bulletin, published by the South African Institute of International Affairs.

Soviet Correspondent
Namibia seeking more gateways to outside world

[Map of Africa showing Namibia]

- USA
- Botswana
- Angola
- Tunisia
- Namibia
Namibia and SA do deal on Walvis Bay

WINDHOEK — Namibia and South Africa agreed at talks here yesterday to establish a joint administration over the SA port of Walvis Bay prior to settlement of the issue.

South African Foreign Affairs Minister Pik Botha said in Windhoek his delegation had come to Namibia to explore the complex issue of Walvis Bay and 12 islands.

Namibia has demanded that the enclave and the small islands be reintegrated into its territory.

Mr Botha said one of the issues already discussed between the two countries in Cape Town in March, that of the Orange River border, "was not a problem any longer". He did not elaborate.

Officials said South Africa considers the northern bank of the river, which separates the two countries, as the border, while Namibia says the border should be a middle line in the river.

Mr Botha said he believed peace in Angola and Mozambique was very close. — Sapa
THE Namibian and South African -- governments have made progress in their talks on the future of Walvis Bay and the offshore islands.

When representatives of the two governments met in Windhoek on Friday, they also discussed the possibility of joint administration of the enclave and islands pending an eventual settlement of the question.

The delegations, headed by Namibian Foreign Affairs Minister Theo-Ben Gurirab and South African Foreign Affairs Minister Pik Botha, will issue a joint statement after they have reported back to their governments on the talks.

The two governments also agreed that the middle of the Orange River should be the boundary between their two countries and that a joint technical committee be established to demarcate the boundary. This was the second round of negotiations on the disputed South African port enclave of Walvis Bay, which is administered as part of the Cape province, and the 12 small islands.

The first talks took place in Cape Town in March. Gurirab described the latest meeting as "productive and successful," saying that significant progress had been made and he was happy negotiators "were on the right track".

Namibia had re-dedicated itself to the negotiations and Gurirab said he strongly believed a settlement would be reached that was amicable and satisfactory to both parties.

Botha said "substantial progress" had been made in the talks which were conducted in a relaxed manner with everyone trying to understand the other man's point of view.

"I'm greatly encouraged because if this is the way we can proceed to resolve differences in southern Africa then the dream of the states of southern Africa working closely together is not such a faraway dream anymore," he said.

"Today was another step on that road towards realising there is a good future for us all if we can resolve our problems through negotiation, discussion and understanding," Botha said.

Walvis Bay, with its deep water harbour, has a population of about 26,000 people mainly engaged in port-related activities and the fishing industry. Annexed by Britain in 1878, the enclave was transferred to the Cape colony of South Africa in 1884 and later transferred to the South West Africa administration under South Africa in 1922.

In 1977 Walvis Bay was transferred back to the Cape province which is still responsible for its administration.

In terms of United Nations Security Council Resolution 432 of 1978, the enclave and the 12 small islands are part of Namibia and must be reintegrated.

The reintegration was, however, not addressed in the UN Resolution 435 concerning Namibia's independence from South Africa which took place in March 1990 -- and was left to be negotiated at a later stage.

Friday's second round of negotiations were held at the Windhoek country club in the Namibian capital. -- Sapa
Namibia still hit by sanctions

By David Braun
Star Bureau

WASHINGTON — The Africa Sub-Committee of the US House of Representatives is considering introducing legislation which would force scores of American state and local governments to rescind their economic sanctions against Namibia.

A spokesman for the subcommittee said about half the American cities and state authorities which had legislated sanctions against Namibia in the days when the territory was administered by South Africa have so far taken the trouble to repeal these laws.

Research recently commissioned by the Namibian government found that the persistence of state and local sanctions against the country was the single biggest impediment to generating trade and business ties with the US.

US federal sanctions against Namibia were rescinded by executive order of President Bush on the day the country won its independence from South Africa more than a year ago.

The US State Department has since appointed a full-time official to try to persuade American state and city governments to roll back their sanctions against Namibia, but the process has been extremely slow.

The Washington-based Investor Responsibility Research Centre (IRRC) said only about half of the state and city governments which had imposed sanctions on Namibia, usually in legislation aimed mainly at South Africa, have so far rescinded their actions.

The IRRC believes the reticence on the part of local authorities to repeal their sanctions arises in part from ignorance or, in at least one case which it did not want to identify, outright disbelief that Namibia was truly free of South Africa.

The situation has been aggravated by the lack of interest in Namibia by the US media, so that very little is known about the country.
WB Holdings’ sale ‘timeous’

WB HOLDINGS’ sale of its Namibian fishing interests in October 1989 proved to be timeous, says chairman Robert Silverman in his annual review.

The group is now thriving on Cape fruit.

Silverman says the uncertainty of an annual allocation of a viable pelagic fishing quota by Namibian authorities has long been a concern to the company. It therefore sold its entire investment in National Fisheries of Namibia (Nafish), a wholly owned subsidiary.

In selling its interest in Nafish the group disposed of its pelagic fishing interests, including its investment in Namibian Fishing Industries (formerly SWA Fishing Industries) and all its assets in Namibia.

The fruit farms thrived during the past year. Demand for Cape fruit was strong thanks to frost damage to European crops — and particularly high prices were realised in export markets.

The easing of sanctions and efficient participation in world markets by the industry’s selling organisation also contributed positively towards the handsome returns received for WB’s product, says Silverman.

High export prices offset increasing costs for machinery, materials and labour, resulting in WB’s earnings increasing to $4,266 a share in the year to December 1989 from 1988’s $3,336. The dividend total is 21c.

The group has acquired Boskoop Farms with its apple crop for the current season. Boskoop will increase production by 40% and help offset a marginal drop in crops of the other farms.

Silverman says it is too early to assess final export prices for 1991, but doubts that the record realisations achieved in 1990 will be maintained. However, he expects WB will again enjoy good financial results this year.

Changes in scrap process

BRENT VON MELVILLE

MIDDELBURG Steel & Alloys (MS & A) Stainless has appointed Tillmor as its receiving depot, quality auditor and melting batch preparer for stainless steel scrap.

In tandem with its overseas counterparts, MS & A Stainless is making use of a specialist stainless scrap processor, to process the scrap into usable raw material for melting in its electric arc furnace.

Tillmor MD Paul King said in a statement yesterday that in order to provide the service required by MS & A, Tillmor had invested in additional plant and equipment and was now able to process in excess of 1,600 tons per month, representing 75% of Tillmor’s total production.

With the use of modern Spectrographie equipment, Tillmor is able to produce “blends” of otherwise non-usable scrap in the production of stainless steel, enabling MS & A Stainless to use almost all grades of nickel-bearing alloys as a raw material.

Germany’s door ajar for Eskom

ESKOM is on the verge of signing a formal management
Windhoek store row over zoning

SA DEVELOPER Retail Property Projects (RPP), in which LTA has a stake, has applied to the Windhoek City Council for land in Tal Street zoned for offices to be rezoned for retailing purposes.

A centre is planned in which Pick 'n Pay would be the anchor, operating a supermarket covering 4 800m².

But Namibian conglomerate Othavar & List, which this year opened the R54m Wernhill Park shopping complex, with a Model supermarket as its anchor, says its development was based on the premise that the adjacent land on Tal Street would be used for an office park which would direct about 2 000 office workers through the centre.

Model exercises the Woolworth franchise in Namibia.

Windhoek City council management committee chairman Gunther Kaschik says the committee decided this month to investigate the use of the land currently zoned for an office park to see if it or could be used for business purposes and if so, in what way.

The report would probably be submitted at the end of the month for decision by the council, which Kaschik said was split 50-50 on the issue.

The question is whether we should kill existing businesses or allow Pick 'n Pay to come in with its cheaper prices. My feeling is we should delay for a year or two years before changing the town planning scheme, in order to allow existing businesses to establish themselves.

"People are screaming for Pick 'n Pay and would love them to come to Windhoek, but the council has to take into account the fact that about R500m has been invested in a shopping mall.

"We face the danger of being taken to court for acting under false pretences if we allow a Pick 'n Pay store to open."

Kaschik said a good solution would be for Pick 'n Pay to buy other business-zoned properties in the CBD.

Pick 'n Pay property GM Colin Clarke said Windhoek represented a good trading opportunity for the group, which had planned to go into the country three years ago with an RMS Syretts development. But the tender was lost to Othavar & List in a competitive battle.

If the land was rezoned, RPP had applied for the option to lease it by private treaty rather than tender, Clarke said. For Pick 'n Pay it would mean an investment of about R4,5m in fixtures and stock. Only one store in Namibia was planned by the group, which is looking to expand into regions where it has no representation.

Clarke confirmed the group would come in with lower prices, saying that prices in Windhoek tended to be "exaggerated".

Any retail price war would pull in Pepkor's Shoppes, OK Bazaars and a German chain, Woermann Brock, which are also major retailers in Windhoek.

Overtraded

Alwyn Biermann, MD of Windhoek Universal, the holding company for the Model chain, said his objection was based on the fact that when Othavar & List undertook the development of its centre on Tal Street it did so on the basis that the complex would form the anchor of the CBD development, and that the adjacent plot would be for office block development only.

He said Windhoek, which has been hit by recession, a diminishing population and no foreign capital inflow, was overtraded. There were not enough customers to justify an extra retailer.

Old Mutual, Sanlam and Southern Life have all undertaken property developments which together with Wernhill Park meant that about 40 000m² came on stream between August 1990 and January 1991.

Othavar & List is one of the biggest industrial groups in Namibia. It owns four Model branches holding the Woolworths franchise, seven hotels under the Namib Sun banner, the Moluti Lodge at the entrance to the Etosha game reserve, a fish processing factory in Walvis Bay, Namibian Breweries (which produces Windhoek beer), Hansa Breweries, Rietfontein Dairy, a big farming division with 280 000ha of land, and a large property portfolio.
HONOURABLE MINISTER OF PUBLIC WORKS,

I refer to your letter of...
Bid to sideline CSO in Namibia report

LONDON — Moves are afoot to end the exclusive sales agreement that the Central Selling Organisation (CSO) has with Namibian diamond producer Consolidated Diamond Mines (CDM), the journal Africa Confidential reports.

Both the CSO and CDM are owned by De Beers. However, CDM's Bill Lear said from London yesterday the report was "pure speculation".

The agreement will be renegotiated this year, and among those involved in intense lobbying over CDM's future diamond marketing arrangements is New York dealer Maurice Tempelman, the journal says.

Quoting Windhoek sources, Africa Confidential said Tempelman was pressing for a contract to buy part of CDM's output to replace $20m worth of gemstones he previously bought from Angola but lost when the state producer Endiam re-joined the CSO.

The report said his pitch for about 5% to 10% of CDM's output (worth $250m in 1990) was being "strenuously opposed" by De Beers.

It said: "Government ... officials have yet to be convinced such a deal would be in Namibia's long-term interests. CDM has just invested R16m in a new 75 000 carats per year mine at Chameis, while a further 250 000ct/year will come on stream by mid-1991 at Elizabeth Bay, which should more than offset falling recovery from mined-out areas."
Walvis Bay to have joint administration, says report

LONDON — Details of an interim Namibian-SA administration of Walvis Bay which could lead to its eventual reintegration into Namibia, are expected to be announced by August, Africa Confidential reports in its latest issue.

The report says SA is expected to be granted special fishing rights in Namibian waters in terms of the deal, which will also involve the Namibian takeover of the enclave’s 12 tiny islands.

It also says SA has agreed that Namibia’s southern border can move from the north bank to the middle of the Orange River.

The planned joint administration follows two rounds of inter-governmental talks earlier this year and comes despite reservations from some Swapo supporters, it says.

It says Namibian Foreign Minister Theo-Ben Gurirab “seems to have engineered the breakthrough”.

“Although Pretoria cannot admit as much, joint rule will enable Windhoek to pursue the enclave’s ‘reintegration’ as prescribed by its constitu-

KIN BENTLEY

tion and United Nations resolution 432 of 1978”.

Africa Confidential says Swapo has “accepted SA Foreign Minister Pik Botha’s case that Pretoria cannot give up the port without time to soften up white opinion”.

The report says the far-right among the enclave’s 12 000 whites seem to have “got the message”, with Akstie Vrye Volks leader Daan Mostert having “packed his bags”. Most business people have also accepted Namibia’s takeover.

Two key issues remain: Pretoria’s 5 000-6 000 troops and a naval and air base, and the enclave’s 12 islands.

It says that with the end to Angola’s war, Pretoria’s main strategic reason to stay has gone.

The report says if the islands remain South African, there could be oil exploration disputes. “Namibia’s first oil-licensing bids are due by November and Windhoek has guaranteed companies that their exploration rights will not be affected by territorial issues.”
Industry sets sights off shore

AS Namibia’s diamond mines approach the end of their economic life, prospectors are looking offshore to bolster a once thriving industry.

Three years of test mining off the Atlantic coast will determine whether deep-sea mining can replace open-cast diamond extraction.

"Mining from the ocean bed has never been done anywhere," says Consolidated Diamond Mining (CDM) corporate communications manager Clive Cowley.

"It involves high technology to account for sea currents and winds." CDM has adapted two mining ships and an exploration vessel to small-scale mining activities.

The company plans to increase its fleet to five mining ships and a support boat in the near future.

"This should result in deep-sea mining proving not only to be a substitute for the gradually declining mining on land, but also the ultimate replacement for land mining," says Cowley.

Since 1920 diamonds have been mined exclusively by CDM in the Namib desert. The second largest employer after the government, CDM is a wholly owned subsidiary of Anglo-American De Beers.

During the 1970s boom Namibia's fields were callously exploited to meet a rapidly rising world demand for quality gems. Output rose from around R1.5 million carats in 1974 to a peak of R2 million in 1977.

Thereafter productivity declined and in 1990 CDM produced only 750,000 carats of diamonds to rank eighth on the world table of producers.

Yet despite declining production and an international diamond market damaged by the Gulf war and the United States recession, diamonds are still Namibia's best-paying friend.

Namibia depends heavily on the primary sector to provide an economic vehicle for development. Manufacturing is virtually nonexistent, contributing only 4.5 percent of GDP.

Mining, including uranium and base metals, generates more than two-thirds of total export earnings, contributing 30 percent of GDP. Diamonds alone account for almost one-third of total export earnings, fetching R337.24 million in 1989. But despite being the major money spinner, mining employs only five percent of waged workers.

Unlike mining on land, which is both capital and labour intensive, deep-sea diamond mining mainly requires heavy capital investment. With unemployment in Namibia conservatively estimated at 30 percent, any contraction of jobs in land mines and peripheral industries is a potential source of worry for the government.

CDM officials admit that job losses are inevitable, but point to the recent expansion of mining to Aucuas on the Orange River, where 300 mine workers were employed last year, and Elizabeth Bay further north, which is due to come into production this year, bringing CDM's total workforce to 6,500. —AlNIPS
Walvis Bay issue should be resolved by present SA government

From DALE LAUTENBACH Argus Africa News Service

WINDHOEK. — The government of President De Klerk was "totally unjustified" in trying to pass the unresolved issue of Walvis Bay and the Namibian offshore islands on to a future democratic government in South Africa, said African National Congress president Mr Oliver Tambo.

On his feet for over 45 minutes, the ailing Mr Tambo addressed a crowded meeting in Katutura, outside Windhoek, last night. Namibians spilled out of the hall and hushed their chanting and toyi-toyiing to hear him speak in a quiet voice which seldom faltered.

He said the South African government's ploy to pass the Walvis Bay dispute to a future government was unacceptable as the minority regime alone was responsible for the colonisation of Namibia.

"We say to the Pretoria government: Let Walvis Bay go," said Mr Tambo to a cheering audience.

The ANC president, who is widely expected to step down at the movement's congress next month, hinted too at a possible resumption of the armed struggle, saying that in the face of government intransigence on violence and its "double agenda" on agreements negotiated by both parties, "we must continue the struggle on all fronts".

He said while the ANC had made progress "our path is still fraught with many difficulties". Crediting the fact that the government and the liberation movement were now engaged in talks which must eventually lead to a unified, democratic, non-racial, non-sexist South Africa", Mr Tambo also criticised the government for reneging on agreements.

"We are constantly being reminded not to be too optimistic given the double agenda of our negotiating partners. The government has yet to implement the provisions of the Groote Schuur and Pretoria Minutes fully.

"What we have seen so far is a government which agrees to certain positions in negotiations and proceeds to act contrary to the spirit and letter of agreement."

Mr Tambo referred specifically to political prisoners still to be released and exiles still to receive indemnity and assurances before they returned home safely. While crediting the repeal by the government of "some legislation", the Internal Security Act and "related oppressive legislation remains on the statute book and no intention to amend these substantially has been given".
**NAMSEA/NAMFISH**

**GROUNDFLOOR?**

**NAMSEA**

**Activities:** Pelagic and rock lobster fishing and processing in Namibia.

**Control:** Arun Holdings 73% — ultimate holding co: Namnor As.

**Chairman:** L A Elroy.

**Capital structure:** 4.2m ords. Market capitalisation: R14m.

**Share market:** Price: 325c. Yields: nil% on dividend; 20% on earnings; 4.9% on cover; n/a 12-month high, 560c; low, 426c. Trading volume last quarter, nil shares.

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† 1990 trading period 16 months — year end changed from September 30.
* Excludes special dividend of 85c (1988: 20c).

When the Norwegian consortium led by Per-Kjell Kjellstad bought control of Namibian Sea Products (Namsea) from Oceana last year, nobody was under any illusions about the difficulties it would face in the short term. The appeal lay in the long-term prospects of fishing the once abundantly rich Namibian waters.

Namsea’s 1990 results are poor and unlikely to improve through 1991. For similar reasons, the same applies to Namibian Fishing Industries (Namfish), which the consortium also controls.

The consortium bought into Namibian fishing following the disenchantment and insecurity suffered by the three major fishing groups that withdrew from Namibian pelagic and rock lobster fisheries. Feedstock-controlled Marine Products sold its Walvis Bay investment to Namib Fisheries Holdings; Kjellstad and the Norwegian consortium jointly bought 100% of unlisted National Fisheries of Namibia (National — formerly Willem Barends) from the Silverman family for R8.75m; and the Norwegian consortium bought 54% of Namsea from Oceana (holding company Barlowes) for R13.7m. Namsea and National hold 26.4% and 16% of Namfish respectively.

Namsea and Namfish each owns 23.06% of United Fishing Enterprises (UFE), which processes pelagic fish into canned fish, fish meal and fish oil at Walvis Bay. Each also owns 35% of Seafish Lobster Corp in Luderitz, which processes rock lobster.

Namibia’s Department of Sea Fisheries, under Jan Jurgens, wants to restore the industry, but with greater controls than when the territory was administered by SA. Namibia’s independence has enabled international recognition of its 200-mile limit, which can now be policed.

Pilchard quotas remain about the same as last year. UFE earnings should thus be about the same, or slightly better for 1991, because the large carry-over of stock from 1990 has been disposed of. Quotas for rock lobster have been reduced but what is more alarming is the toll that environmental changes appear to have taken on the lobster population. Catches remain disappointing. Should this continue, Seafish projects a considerable operating loss for this year.

When allocating quotas, the Namibian authorities will, according to Jurgens, look favourably on Namibia-registered companies showing intentions of looking after their Namibian employees.

Namsea and Namfish chairman Lars Elroy says the group is “extremely concerned” about the position of Seafish in Luderitz. He notes that the lobster operation, in its traditional form, has become uneconomic, owing to poor catches since February 1989. This could affect just over 700 employees at Seafish alone, and possibly about 1 100 in this Luderitz-based industry; most of these are breadwinners.

The consortium has applied for concessions and quotas to enter other activities in the Namibian fisheries. These operations would be based at Luderitz, so that other work can be found for employees who may soon find themselves without jobs. A hike in tuna concession and quotas are being sought; if received, fishing could begin in early July.

Namsea and Namfish would then be participating in a wider spread of fishing activities. But this involves diversification and considerable capital expenditure. Shareholders should not expect much in the way of dividends for some time.

The biomass is well on its way to recovery, so both Namibia and the Namsea/Namfish shareholders should benefit. In the short term, conditions for the lobster industry will, one hopes, not deteriorate much further and quotas may increase.

Kjellstad and his consortium have made a considerable, long-term commitment. Considering that the pelagic and demersal biomass should recover, and quotas should be increased to the benefit of participants who got in on the ground floor, a long-term investment in either of the companies’ shares could prove rewarding.

Namfish is the better vehicle if tradeability is important. An eventual merger of the two companies is possible.
500 will share their ideas on Namibian land reform

WINDHOEK — More than 500 delegates representing every sector of Namibian society will gather in Windhoek today to share their ideas on the question of land reform.

A national conference, called by Prime Minister Hage Geingob, seeks to obtain the views of as wide a section of the community as possible to gain consensus and assist the government in formulating a land reform policy.

The conference is being held from today to July 1.

"The land question in Namibia is one of the most burning issues facing the new nation," the organisers said in their briefing document.

Years of colonialism had resulted in the majority of the population having access to only a fragment of agricultural land.

According to official figures, nearly 60% of the land is in the hands of whites, who constitute just 5% of the population.

Representatives to the conference will include the bushmen of Nyae Nyae in eastern Bushmanland, dispossessed of most of their traditional land more than 20 years ago. — Sopa.
Industry sets sights off shore

SOUTH JUNE 20 TO JUNE 26 1991
Namibia dry, at mercy of Eskom

WINDHOEK - When the twin chimney stacks at the northern end of the capital belch dark smoke, any Windhoeker can read the signs: more than 800 km to the north on the Angolan border, the Cunene River is running dry.

But at this time of year there should be no smoke from the coal-fired Van Eck power station, which serves mostly as a mere back-up. In fact, Swaroc, Namibia’s electricity utility, normally sells power to Eskom in South Africa from the Rucana hydro-electric station on the Cunene in the early winter months.

Power

Mr Pollo Brand, director of Swaroc, produces a graph which shows the current Cunene flow at 50 percent less than the average flow for June measured over many previous years. It means too that drought in southern Angola must be very severe. “The rains came too late and too little,” says Brand.

It is not unusual for Swaroc to buy power from Eskom; it does so every year and by the month of August, deep into the dry season, it is quite normal for the Cunene to be running very low.

Exorbitant

Namibia needs a 240MW output at this time of year. Rucana now is producing only 50 to 60MW and Van Eck, running full steam and at exorbitant cost because it is coal-fired, can only produce 120MW.

Eskom has to provide the shortfall and it has just offered a complex mixture of costs for the provision of power. Brand says

the increase in the real price is difficult to quantify absolutely because of the mix for peak, standard and off-peak times but it is around 12 to 15 percent more than last month.

“We’re still negotiating and we hope to do a better deal,” says Brand. “The terms Eskom is offering now are too high; we can’t afford them and we would have to pass about a 20 percent increase on to the consumer as an interim measure to see us over this.”

“What they have offered will cost more than what we have been paying until now and we wonder why it is that this increase has hit us just at the time we are in a spot. Nothing in South Africa has changed that detrimentally for Eskom in respect of its incurred costs.”

Cost

Brand says Swaroc does not expect power at cost from Eskom and considers the South African utility a good friend which it does not intend alienating.

Moreover, there are exciting schemes to share in the future. Eskom is already publicising its vision of a regional power grid networking across the subcontinent. Namibia has a role to play in this with the construction - in what Brand hopes will be the next seven to eight years - of another hydro-power station on the Cunene, at Epupa.

But regional visions on that scale mean co-operation in the short and long term. What Namibia needs now is a little short-term co-operation to help it over the hump.

Brand expresses some regret that Namibia’s own long-term vision back in the ’70s when Rucana was built had not been a little broader.

Crisis

“We should never have built Rucana. We should have built Epupa.”

With its projected output of 450MW and, more importantly given the seasonal flow of the Cunene, the planned 5 000 million cubic metre feeder dam behind it “in which we’ll be able to store the whole Cunene flow”, Namibia would not have been facing the crisis it is now.

Rucana does have a feeder dam, Gove, in Angola. Gove has been emptied for reconstruction, though, both to fix damage done by UNITA rebels during the Angolan war and - according to Angolan sources - to address the constructional “shortcuts” taken by the Portuguese when it was first built.

Project

But Epupa still remains Namibia’s answer: “If Gove was full and regulated properly it might have improved the situation now but it wouldn’t have seen us through the crisis,” says Brand.

Epupa, which Eskom estimates will cost R500 million and Swaroc R1 billion, has now just entered the pre-feasibility stage, which must consider things like where supplies will come from cement and perhaps fuel could come from Angola - and how to get them to the remote Cunene considerably southwest of Rucana.

Namibia has yet to find finance for the project and Brand does not expect Eskom will be willing to assist financially, although it would be interested in providing expertise for the scheme, he believes.

Benefit

“Because of its storage capacity, we will be able to use Epupa power as we need it, which could be of tremendous benefit to Eskom too. If the two utilities work together like neighbours should, we could take their excess power during the night and give them power in their peak times. If Eskom gets the whole picture they should, with Epupa, be able to optimise their own unit costs.”

While environmentalists might fight the idea of a 200sq km dam in the wild Cunene River valley, Brand emphasises the tourist potential of such a dam and the fishing wealth.

War

“Sol (Kerzner) can come and build his casinos there and it’s been worked out that it could produce 1 000 tons of fish annually which, for the protein-starved people of the immediate area and Ovamboland, could be tremendous. But of course we have to do environmental studies.”

Peace in Angola has made the project significantly more realistic. With all going well and money found, Epupa could be built within seven to eight years... if, says Brand, “there’s not another bloody war in the world.”
Nujoma grapples with issue of land

WINDHOEK. — Namibia’s land reform conference will have to discuss whether the country’s colonial history can be taken as a starting point to redress past imbalances and injustices, President Sam Nujoma said yesterday.

Namibian Prime Minister Mr Hage Geingob cautioned land reform would fail unless it led to the productive use of land.

Opening the national conference here, Mr Nujoma said there were people present who had had personal experience of colonial exploitation.

“There are some people that argue that because the unequal distribution of land happened more than 100 years ago, it should be best relegated to history books,” he said.

“Others have come to this conference to redress the situation by arguing for the restoration of their ancestral lands. One cannot and should not forget history,” he said. He described the land question as one of “the most burning issues” facing the newly independent Namibia.

“About 90% of the population derives its livelihood from the land, either as peasants, private owners of commercial farm land or workers on such farms,” he said.

Recent studies had shown that out of a total of about 6 292 farms owned in Namibia, 6 123 belonged to individual white farmers which represents 95% of the surface area of commercial farming districts.

In his address to the national conference, Mr Geingob said land reform in other countries had frequently failed to generate long-term benefits for the target population, who became unduly dependent on government subsidies.

“Our concern for the restitution of land rights, justice and equity in the allocation of land resources should not divert us from the need to ensure the long-term economic viability of our land reform programme,” he said.

— Sapa
Rossing considering cutting production

WINDHOEK — Rossing Uranium is considering reducing its uranium production to bring supply levels in line with depressed sales internationally.

Rossing’s managing director, Jonathan Leslie, has told workers that the company has made intense marketing efforts but had been unable to secure sales required to maintain current production, currently production at 3220 short tons a year.

“The main reason is that clients can buy uranium at prices related to the spot price of $2 a pound (about R11.50 a kg), which is below Rossing’s production costs.

“Notwithstanding recent substantial cutbacks by uranium producers worldwide, the prospect of additional supplies from the Soviet Union and China continues to depress the market.”

Rossing had to prepare itself for the possibility of low prices continuing for some years.

— Sapa.
Let Walvis Bay go now.
— Tambo

WINDHOEK.—ANC president Mr Oliver Tambo yesterday called on the South African government to hand over Walvis Bay and the offshore islands to Namibia “without delay.”

Addressing an enthusiastic crowd at an indoor meeting in Katutura, near here, Mr Tambo said South Africa’s “illegal” occupation of Walvis Bay and the islands was hampering Namibia’s economic reconstruction.

The De Klerk government was “totally unjustified in trying to pass this issue on to the new government (still to come in South Africa),” he said to roars of approval.

Mr Tambo said that while Namibia’s resilience and determination had been translated into a momentous victory with independence, the country’s economic struggle had just begun.
— Sapa
Hydro-electric solution to Namibia’s dry crisis

When the twin chimney stacks at the northern end of the Namibian capital belch dark smoke, any Windhoeker can read the signs. It means that more than 600 km to the north on the Angolan border, the Cunene River is running dry. But at this time of year there should be no smoke from the coal-fired Van Eck power station, which serves mostly as a backup.

In fact, Swawec, Namibia’s electricity utility, normally sells power to Eskom in South Africa from the Ruacana hydro-electric station on the Cunene in the early winter months. Swawec buys power from Eskom every year, but usually around August, when the Cunene normally runs low.

Pollo Brand, director of Swawec, says the Cunene flow is 50 percent less than the average flow for June.

"The rains in Angola were too late and too little," he says. Namibia needs a 240 MW output at this time of year. Ruacana now is producing only 50 to 60 MW and Van Eck, running full steam and at exorbitant cost, can produce only 120 MW. Eskom has to provide the shortfall, and it has just offered costs which work out between 12 and 15 percent more than last month.

"We can't afford Eskom’s terms. We would have to pass about 20 percent on to the consumer as an interim measure. We're still negotiating," Mr. Brand says.

"We wonder why it is that this increase has hit us just at the time we are in a spot. Nothing in South Africa has changed detrimentally for Eskom in re-

spect of its incurred costs."

Mr. Brand says, however, that Swawec considers Eskom a good friend which it does not intend alienating.

Moreover, there are major schemes to share in the future. Eskom is already publicising its vision of a regional power grid across the subcontinent. Namibia has a part to play in this, possibly in the next eight years, in the building of another hydro-power station on the Cunene, at Epupa.

Mr. Brand believes Namibia was short-sighted when Ruacana was built in the Seventies.

"We should never have built Ruacana, we should have built Epupa," he says.

With Epupa's projected output of 450 MW and a 500 million cubic metre feeder dam capable of storing "the whole Cunene flow", Namibia would not be in the crisis it is in now.

Ruacana does have a feeder dam, Gove, in Angola, but it has been emptied for repairs to damage done by Unita rebels during the Angolan war and, according to Angolan sources, constructional short cuts taken by the Portuguese when it was first built.

But even if Gove had been full, it would not have seen Namibia through the present crisis.

Epupa, which Swawec estimates will cost R500 million and Swawec R1 billion, has just entered the pre-feasibility stage.

Namibia has yet to find finance for the project and Mr. Brand does not expect that Eskom will be willing to assist financially, although it would be interested in providing expertise for the scheme.

"Because of its storage capacity, we will be able to use Epupa power as we need it, which could be of tremendous benefit to Eskom. If the two utilities work together like neighbours should, we could take their excess power during the night and give them power in their peak times."

"If Eskom looks at the global picture they should, with Epupa, be able to optimise their own unit costs."

While environmentalists might fight the idea of a 200 sq km dam in the wild Cunene River valley, Mr. Brand points out that it would have tourist and fishing potential.

"Sol (Kerznner) can come and build his casinos and it's been worked out that it could produce 1,000 tons of fish annually, which could be tremendous for the protein-starved people of Ovambo."

"But, of course, we have to do environmental studies."
TALKING IT THROUGH

Land reform has been hotly debated by 500 delegates at a national conference in Windhoek when the limitations of large-scale redistribution seem to have been recognised. Pragmatic policies based on consensus are expected.

Land was a central issue in the independence struggle. Now the Swapo-led government seems to want to resolve differences by talking. Land owners and the land-hungry of all political parties, tribes, colours and interests aired their grievances.

The conference aimed at creating a national consensus document. It was prepared by the Namibia Economic & Policy Research Unit helped by experts from Ethiopia, Zimbabwe, Malawi and Botswana (who punctured any idealism with accounts of their own experiences). The views expressed during three days of debate last month were turned into 23 consensus recommendations. These will be fed through the Cabinet to help shape laws to be made by the multiparty National Assembly.

Nearly everyone seemed satisfied that at

The final document, agreed on Monday, recognised past injustices but ruled that working out historic and ancestral land rights would be impractical. Geingob warned that the policy of national reconciliation seemed again to have gone the whites' way. Critics say whites interpret it to mean that black people should reconcile themselves to the status quo. Several speakers called for more moves towards restitution and justice — in particular, minimum pay and better working conditions (including no assaults) on both white- and black-owned land.

Other issues on which consensus was reached:

- Arguments that freehold farm ownership should be abolished were rejected after a string of speakers invoked the mixed-economy rules and rights of the Constitution. It was pointed out that any resettlement or redistribution would rely on increased production. Credit, training, markets and especially water are vital before land can be useful to the poor. One commercial farmer commented that the country's seven years' drought (18 years in some parts of the south)

Communal areas, the poor man's access to farmland, should be maintained.

Traditional leaders' powers to allocate land should be defined and accounted for, and payment — if made — should go to government; and

Foreigners will be able only to lease land and a commission will investigate unused farms, absentee landlords and people with many farms in order to reallocate to the landless.

would soon quench the thirst for land.

Summing up the conference, Geingob said a national meeting at which Namibians could speak together on such an emotive issue was a vital step in building a nation out of division.
Swords into ploughshares

CUBAN instructors are being drawn into Namibia's resettlement programme for former exiles and soldiers.

More than 10 Cuban experts will initially head the development brigades, launched this month with the aim of training Namibia's 90 000 former exiles and fighters in agriculture and construction.

The brigades will initially take in 4 000 to 5 000 trainees, using 11 former SADF military bases as training centres. The training will last between two and three years.

When the brigades are fully developed, there are hopes that the intake will increase to between 40 000 and 50 000 people.

A similar training structure has been operating in neighbouring Botswana for 15 years and is now part of the national educational system there.

In the short term, Namibians will understudy the Cuban experts to take over the development of the brigades, said resettlement director E Kanyema.

The government has earmarked about R6-million for the programme. The brigades will also receive assistance from India, Sweden and the Rome-based Food and Agriculture Organisation (FAO).

The government faces the challenge of resettling and re-training more than 40 000 Namibians repatriated by the United Nations High Commissioner for Refugees (UNHCR) during 1989.

About 80 percent of the returnees went back to their homes in Northern Namibia and, according to the UNHCR, only 10 percent of these returnees are employed.

Besides resettling the returnees, the government has to resettle, rehabilitate and train about 25 000 former combatants of the People's Liberation Army of Namibia (PLAN), SWAPO's armed wing; over 30 000 former members of the South West African Territorial Force (SWATF) and more than 6 000 members of the disbanded counter-insurgency police unit, Koevoet.

The task is worsened by a 30 percent unemployment rate. Almost all of the unemployed are young black Namibians.

The Cuban design for the programme calls for the development of 30 000 hectares of land and the employment of 60 000 people.

A typical example of an initiative to resettle returnees is at Oshivelvo, a former South African military base in Northern Namibia that is now home to more than 300 people.

Previously known as "Base 61", Oshivelvo was donated to Swapo by the chief of the area, King Kauluma. According to Carolyn Hughes of the Centre for Resources and Transformation (Ceret), Oshivelvo will ultimately resettle 1 000 people.

Ceret runs Oshivelvo, where a semi-intensive broiler chicken production farm is being set up "to improve the welfare of the project participants and the population in general".

But in other areas complications are arising. In the north-eastern Caprivi region conflicting government directives have caused competition for land between 1 800 Bushmen who had been in the South African military forces and 750 members of a new development brigade.

Both groups were told they could settle around a former South African base called Omega where they would receive plots of land.

The Bushmen ex-soldiers are still smarting from a government decision not to integrate them into the new national army. Now they are taking matters into their own hands, moving away from the base to create separate communities.

The Lutheran World Federation is running a project to help the Bushmen. They report that resources like food aid are now stretched to the limit and the area cannot bear many more new settlers. – AIA
AN INTERNATIONAL consortium is “locking in the contracts” with Citroen and SA component manufacturers ahead of building an assembly plant in Namibia.

The first luxury car for the SA market is expected to come off the production line in 1992. Output will rise to 6,000 units a year within the next five years. Production in the first year will be about 1,000 units.

The flagship model, voted best car in Europe last year, will be become available in an over-sea SA market, a possibility that has put fear into manufacturers.

Citroen’s plans were disclosed in May. SA manufacturers reacted immediately, saying there was no place for a newcomer, especially one which does not have to comply with local content programmes.

A spokesman for Citroen in SA says the Namibian Government has asked the SA Government for concessions in terms of Article 9 (2) of the SA Customs Union Agreement. It provides for member countries to request relief of excise duty on imported goods to an industry which is considered of vital importance.

If the request is granted, Citroen will be exempt from meeting Phase Six local content requirements for several years.

Islands

The spokesman says the Department of Trade and Industry has reacted “cordially” to the application and it should be considered in the next few months.

A decision could be made by September.

The National Association of Automobile Manufacturers of SA (Namas) will oppose any move by Citroen for relief.

When in full production, the top of the range Citroen model will be sold in SA, sub-equatorial Africa, Indian Ocean islands and possibly other parts of the world.

The plant, with a start-up cost of about R150-million, will be operated by an un-named consortium consisting of Namibian interests, a multinational group and Citroen.

Citroen will have full control of technology, training and quality. Within the next few months, 200 workers from the plant will visit France for training. Plant operators are expected to increase from about 500 to 1,000 when in full production.

Meetings with SA component manufacturers have taken place, but it could take at least two years before operations are established and products tested. Contracts are expected to be signed before the end of the year.

In the initial stages, it is planned to open 14 dealerships in SA and Namibia.

The plan is to begin operations on a small scale at Gobabis. When production rises to 6,000 units a year, capital expenditure could increase to R500-million.

Local content will be gradually increased. Initially, completely knocked down (CKD) kits will be imported from France, but items like glass, batteries, plastics and rubber will come from SA.

The V-6 multi-valve XM Citroen produces 131 kW, has a top speed of 220 km/h and goes from standstill to 100 km/h in 23 seconds.

The Citroen spokesman says the Trans-Kalahari road link from Namibia to Gaborone is under construction.

Brazil-Atlas deal likely

By ROGER MAKINGS

ATLAS AIRCRAFT may take up a risk-sharing partnership in the construction of a South American-designed twin-jet aircraft.

Brazilian aircraft company Embraer is seeking partners for its EMB-145 regional jet and is reported to have held talks with Atlas.

If Atlas, which until recently was closely involved in the design and manufacture of military aircraft, accepts, it will be given authority to design and procure or supply systems for the EMB-145.

They will be shipped to Brazil where the aircraft will be assembled and tested.

Development of the jet is expected to cost $200-million, of which Embraer will put up $100-million.

The company’s chief executive officer, Jose Rodrigues da Cunha Neto was quoted in a British aviation magazine as saying: “There will be an announcement, maybe 50 or 60 days. By that time all arrangements will be completed and we will be ready to announce the new partners.”

The 84-seater aircraft, sponsored by European interests, will make Grobet’s Gobabis plant closer to the Pretoria-Witwatersrand-Vereeniging area than, for instance, the Mercedes-Benz factory in East London or Volkswagen’s at Uitenhage.

About 100km of the road has been built and the link is expected to be completed by 1994.

Gobabis is in eastern Namibia on a route between Windhoek and Gaborone. Labour for the plant will probably come from Botswana.

The Citroen spokesman is to leave for France on Wednesday to discuss development with ECLA, a component manufacturer and the airframe contract in Peugeot Societe Anonyme (PSA), holding company of Peugeot and Citroen.
Soviets set
business
sights south
By Dale Lautenbach
Star Africa Service

WINDHOEK — One of the Soviet Union's "perestroika companies" — a private consortium established in 1988 — is registering in Namibia with an eye on export-import business and the possible assembly of computers and communications equipment.

A source at the Soviet Embassy in Windhoek said Yunona Enterprises had stated it was the first private Soviet venture to seek a presence in Namibia.

The group hoped to begin business by next month or September.

"They are prudent people, so the fact that they have decided to come and invest in Namibia is a sign of their confidence and optimism for the country's future," said the source.

Asked whether he would characterise Yunona as a "perestroika company" or a product of the economic restructuring which has been possible in the Soviet Union under President Mikhail Gorbachev, the diplomat said "Yes, surely".

He added that many Soviet private companies and parastatals were interested in southern Africa.

Asked whether Soviet companies positioning themselves in southern Africa now were doing so with an eye on the South African market, the diplomat said that if one looked for common interests between South Africa and the Soviet Union, "you'll find something". When the lifting of sanctions was approved there would be much interest.

"In the strategic planning of any company looking at this region, South Africa must be on the agenda. It's logical they should be looking down south."
Tourism increases in Namibia

WINDHOEK.—South Africans are obviously feeling safer about visiting Namibia. May figures for tourism from the south are up 16.3 percent over the same month last year.

And in general, tourism in Namibia is looking brighter with an increase of 35.8 percent more foreign tourists visiting Namibian resorts and reserves.

In addition to the increase in numbers of visitors, May figures showed a significant increase in revenue from restaurants, accommodation, entrance fees, filling stations and trading activities. Revenue to state coffers from these sources rose 19.8 percent to R1 615 million.
Namibian hotelier in racial row

DALE LAUTENBACH
Argus Africa News Service

WINDHOEK — Incidents of racism have not altogether disappeared in independent Namibia but the latest could meet with a greater challenge than usual as it was a deputy Cabinet minister who was denied access to a hotel.

Mr. Ben Ulenga, deputy Minister of Nature Conservation, Wildlife and Tourism, told Namibian television he and his driver had stopped at the Hotel Onduri in Otavi north of Windhoek for a meal.

Hotel manager and director Mr. Friederich Meyer threw the two men out invoking the right of admission sign. He has refused to comment to either the printed press or television.

Mr. Ulenga said that on arrival at the hotel he and his driver had asked a waiter for directions to the toilet. Mr. Meyer intervened and in the following altercation reportedly said "I have a hotel and not a shithouse".

Another deputy Minister, Mr. Klaus Dierks, of the Works, Transport and Telecommunications ministry, was a guest at the hotel and tried to intervene. When Mr. Meyer apparently refused to budge from his decision not to admit Mr. Ulenga, Mr. Dierks and his party booked out of the hotel.

Mr. Meyer also reportedly called the police who, having arrived and found nothing but a verbal altercation, did not pursue the complaint.

Mr. Ulenga said he would take up the matter in both his private and official capacity. As his portfolio includes tourism, the incident falls directly within the ambit of his official concerns. The Hotel Association of Namibia, of which the hotel in question is a member, will also investigate the incident, according to a spokesman for the organisation. One of its punitive options is suspension of membership.

The incident could be a test case for just how far the law can go in arresting this sort of occurrence in independent Namibia. The country's supreme law, the Constitution, expressly forbids any form of discrimination of the grounds of "race, sex, colour, ethnic origin, religion, creed or social or economic status". Further it enshrines the right of respect for human dignity and provides all Namibians with freedom of movement and residence throughout the country.

The incident received the attention of the number-one slot on television news last night and an interview with Mr. Ulenga was featured as the lead news item.
Hotel racism condemned

WINDHOEK.—A Namibian hotel was condemned by the government and had its membership of the Hotel Association of Namibia terminated yesterday, following a racial incident.

A former trade union leader and Deputy Minister of Wildlife, Conservation and Tourism, Mr Ben Ulenga, and his driver were refused admission to the Onduri Hotel at Outjo last week.

At a media briefing yesterday, Information Secretary Mr Bob Kandetu expressed the government's "deep disgust" at the incident.

According to a media report, Mr Ulenga and his driver, Mr Joel Kandja, were refused service and threatened with police action when they tried to enter the hotel's private bar. The cabinet said the incident, "in which sheer racism, racial arrogance and prejudice guided the ill-conceived actions of the owner", was in flagrant violation of Namibia's constitution, and instructed the Attorney-General, Mr Hartmut Ruppel, to "take immediate and appropriate action to rectify the situation."

After an extraordinary meeting yesterday, the Hotel Association announced the termination of the Onduri Hotel's membership. — Sapa
that Rossing's decision to "spend some money in Namibia because we made it in Namibia has brought it a hell of a lot of kudos, credit and brownie points".

But the company's success in managing the political and social transition in Namibia has not been rewarded by the market place. "Commercial prospects looked pretty good until last September," says Algar. But the optimism generated by the lifting of UN sanctions dissipated when it became clear the Soviet Union might dump uranium on world markets.

"The threat has depressed spot prices to a point where they are uneconomic for all producers, including the Soviets," adds Algar.

Rossing's response was a 25% cut in production as of April 1 and 230 redundancies through natural wastage out of a total of 2,200 jobs. Production is likely to be cut further later this year and more jobs will be shed over the next few years as profits fall.

In 1990, net attributable profit to RTZ from Rossing was £6m compared with £16m in 1989. But officials concede there is little likelihood of profits this year and the government can expect little tax revenue.

And even the Rossing Foundation, whose income was based on a percentage of the mine's profits, is seeking commercial opportunities to underpin its finances.

Namibians warned after racist incident at hotel

WINDHOEK — Namibian Prime Minister Hage Geingob has warned whites in his country that "the slightest hint of racism" would invoke the harshest punishment.
He was commenting on an incident at the Onduri Hotel at Otji last week during which Deputy Wildlife, Conservation and Tourism Minister Ben Ulenga and his driver, Ben Kalomo, were refused admission for racial reasons.

"We shall not allow the pathology of apartheid to remain," said Geingob on Wednesday.

Concerning the Onduri Hotel incident, Geingob said cabinet had withdrawn the hotel's licence with immediate effect and was reviewing the status of the proprietor's residence permit.

The man involved in the incident, B Friedrichsmeyer, reportedly came to Namibia in the mid-1950s, but had not taken Namibian citizenship.

The government was aware of discrimination in other hotels and restaurants. "These people should take this as a warning that the slightest hint of racism will invoke the harshest punishment. We shall never tolerate such people in our society," Geingob said.

Neither the Hotel Association of Namibia, which terminated Friedrichsmeyer's membership earlier on Wednesday, nor members of the media have been able to obtain his comment on the issue. — Sapa.
Namsea seeks stake in processing plant

CAPE TOWN — Namibian Sea Products (Namsea) is negotiating the acquisition of Sarusas Development Corporation’s stake in a fish processing operation, United Fishing, in a deal estimated to be worth about R50m.

Namsea and Namibian Fishing Industries (Namfish), with mutual crossholdings, today issued cautionary announcements relating to the acquisition talks.

Prior to recent acquisitions made by Namsea, Sarusas had a stake of about 50% in United Fishing in which Namsea holds an existing share.

The negotiations arise out of a battle being waged in the Windhoek High Court. At the heart of the litigation is the dissatisfaction of Sarusas over the recent acquisition by Namsea of fishing rights from Namibian concessionaires.

Johannesburg — A South African fisherman is suing the fisheries minister for suspending his licence.

Sarusas believes that the terms of its United Fishing shareholders’ agreement with Namsea obliged Namsea to offer Sarusas the opportunity to take up the deal with the concessionaires.

It has brought an application to the High Court requesting the winding up of United Fishing on the grounds that Namsea’s failure to offer it this opportunity has led to such distrust and unhappiness that it can no longer continue with the relationship.

Namsea is resisting the application which has been postponed to Monday next week on the grounds, inter alia, that it owed Sarusas no duty as alleged.

Namsea recently obtained the right to use the quotas of four Namibian concessionaires for 1,000 tons of pilchards each.

Sarusas is also dissatisfied that the fish caught in terms of these quotas is being processed by United Fishing.

Another shareholder in United Fishing, National Fishing, has also entered a similar deal with a concessionaire, Mukorob, which is another source of conflict.

Sarusas’ application has been brought against United Fishing, Namsea, the other United Fishing shareholders, the concessionaires and the Minister of Fishing.

LINDA ENSOR

Impala unfazed by cleaner fuels

MARKET concern that the introduction of clean motor fuels would cut demand for platinum group metals was unfounded, Impala Platinum MD Mike McMahon said yesterday.

He was commenting on the latest of a series of announcements which some analysts believe will see platinum and rhodium, the key components in catalytic converters, replaced by palladium.

US chemical company Atlantic Richfield (Arco) announced last week it had developed a reformulated petrol which could cut pollutants by more than 35%.

McMahon said Impala was no more worried about the Arco announcement than recent developments by Nissan and Isuzu, which briefly sent the price of platinum to the same level as gold and delivered a blow from which the metal still has to recover.

He said growing interest in palladium would increase demand for the metal and raise its price. Impala had already taken into account the effect of reformulated fuels on its long-term forecasts, which were optimistic about platinum’s prospects.
Norway lands big catch in Namibia

By JULIE WALKER

NORWEGIAN-backed Namsea has gained full control of United Fishing Enterprises (UFE), the Namibian holding company of fish processors Bremen and Walvis Bay, and the fishing fleet of Atlantic Harvest. The deal is worth R27-million.

Norway’s Namcom, through Arun Holdings, bought control of Namsea from Ofish. It got Nafish through Namcom associate Peter Kutel’s other interests from William Bar YELLOW 1990.

There were always strong Norwegian-Swazi connections and Mr Riddel’s arrival in the Namibian fishing industry after the country’s independence caused a stir.

Breakdown

Norwegians have researched the fishing resources off the Namibian coast and have supplied vessels and technical help. Their links to the new Namibian Government could benefit the other equity partners in UFE.

By equity, UFE has four equal shareholders—Nafish, Namsea, Namsea and Namsea Development Corporation. The first trio are effectively under Norwegian control.

But on a breakdown of proportional quotas, the effective shares are Sarusas with 51% and Namsea and Namsea the balance. Nafish has none.

The new Namibian Government chose to allocate part of the 1991 fishing quotas not on historical lines but on other merits. Out of the small 1991 quota of 69,000 tons of pelagic fish, 9,000 was awarded equally among five small Namibian operators.

Being unable to process their catches, the five independents were vulnerable to a cartel-like approach by the big players. The best offer they could secure was R223 a ton for their catch.

Namsea’s interests offered R265, which caused a row.

Sarusas brought an application for the liquidation of UFE on the grounds that the partnership had irrevocably broken down and that the other partners had acted illegally.

Technically, it could have had a claim for 54% of UFE’s assets of perhaps R120-million.

In the High Court of Namibia, Acting Judge Hannah dismissed the application with costs. Now, Sarusas shareholders have struck an agreement with Namsea, which is buying an effective 45% shareholding in Sarusas.

It will pay R27-million to the sellers of Sarusas Visserye and Sarusas Belegging—they jointly hold 45% of Sarusas. The sellers are Boesmanland Beleggings (BB) and Oranjervier Visserye (OV).

The cost will be settled by the issue of 2.7-million Namsea shares of 50c and R13.5-million cash.

The other shareholders of Sarusas will be offered either cash of 50c plus a Namsea share, or two Namsea shares, for every Sarusas held.

OV and BB will renounce their ordinary shares in Namsea to Namsea’s controlling shareholder, Namcom of Norway, at the same price.

Residents

Chris Newcomb of sponsoring stockbroker Simpson McKe says that government policy relating to the Namibian fishing industry is under review. A white paper has been released to interested parties as a precursor to discussions on the proposed new Fisheries Act.

It is clear that the government intends to develop its marine resources for the benefit of its people.

Companies with large Namibian asset bases and many shareholders there will benefit most. The pelagic quota is expected to be between 100,000 and 120,000 tons.

By issuing shares to the remaining shareholders of Sarusas Namsea will have a greater number of resident Namibian shareholders on its register.

Sarusas’ other shareholders are 140 private investors, most of whom are Namibian.
Namsea wins UFE control in R27m deal

NAMIBIAN Sea Products (Namsea), ultimately controlled by Norwegian shareholders, has acquired control of United Fishing Enterprises (UFE) in a R27m deal.

UFE is the holding company for Breemond Fishing Industries, Walvis Bay Fish Processors and Atlantic Harvesters of Namibia.

The intricate deal – the result of the interlocking shareholdings leading into UFE – sees Namsea take an effective 45% stake in Sarusas Development Corporation, one of the UFE shareholders.

An offer will also be made to the remaining shareholders of Sarusas.

Sarusas's application to the Namibian High Court for the liquidation of UFE — the result of a shareholder dispute — has been dismissed with costs.

The vendors in the Sarusas transaction are Boesmanland Beleggings Beperk (BBB) and Oranjrivier Visserye Beperk (OVB).

It will be settled through the issue of 2,7-million new Namsea shares at 500c each and the payment of R13.5m in cash — making a total of R27m.

At the end of the deal, there will be four equal shareholders in UFE: National Fisheries of Namibia, Namibian Fishing Industries, Namsea and Sarusas.

Norwegian-backed Namsea ends up with control due to its new stake in Sarusas.

As a result of the transaction, Namsea will have considerably increased its control over the assets of UFE.
Gaining quotas

Peter (Fedde) Kuttel has knocked a hole in the Sarusas boat. In the process, he has captured a major share of the Namibian fishing industry.

Kuttel and his Norwegian partner, Namnor AS (Companies June 21), had little option but to contest the arrangement with Sarusas. At the root of the problem is United Fishing Enterprises (UFE) which, before the latest deal, was controlled by four equal partners, each holding a quarter of UFE's issued shares. These were Namsea, Namfish, Natfish and Sarusas.

Quotas changing

When the UFE agreement was struck in 1987, quota allocations changed little each season. It was agreed that all the assets of these four companies — boats and processing plants — would be pooled in UFE; moreover, participation rights would be created so that current fishing profits would be distributed according to the fish quotas received by each of the four. Sarusas, holding quotas exceeding 51% of UFE's total in 1991, was the controlling participant.

Since then, with the advent of the independent department of Namibian Sea Fisheries, the proposed basis for quota allocations has changed radically. Had Kuttel and Namnor not acted, the quota allocation to Namsea and Namfish might have become insufficient to generate profits.

Namibian fishing authorities had recently given quota allocations to five new concessionaires. Kuttel bought one share in each of these; by agreement, this gave him board control as well as access to their quotas, which were allowed in terms of the UFE agreement. Namsea's UFE participation rose to 46.73% and, with that of Natfish (8.09%) and Namfish (14.38%), Kuttel and Namnor then controlled 69% of UFE's participation rights and 75% of its shares.

Sarusas then brought an application to have UFE liquidated, believing it could participate in the distribution of UFE's assets in proportion to profit participation rights it previously held, namely 51%. The High Court of Namibia dismissed the application with costs.

Kuttel, through Namsea, offered to buy Sarusas. Controlling shareholders of Sarusas, Boksvloof Beleggings and Oranjvier Visserye, have agreed to sell 45.1% of Sarusas, for R26,9m.

Remaining shareholders of Sarusas may receive either a cash payment of 500c per Sarusas share and one new ordinary share in Namsea, or two new Namsea olds for each Sarusas share held.

What Namsea's profits will look like in the short term is anyone's guess. But Sarusas shareholders should accept the full share offer. Kuttel and Namnor are coming out better off, especially if pelagic quotas increase as expected next year. — Gerald Hinchen
Theft of Namibian diamonds rising

DEREK TOMMEN
Weekend Argus Reporter

Organised crime syndicates are stealing diamonds worth hundreds of millions of rand a year from mines in Namibia.

This has been revealed by the man who controls the bulk of the world's diamond production, Mr Julian Ogilvie-Thompson, chairman and managing director of De Beers, a company that operates the Namibian diamond mines.

He made the statement at the opening yesterday of a conference called 'The Namibian Diamond Mines.' He said the diamond industry should be encouraged to try and attract more people to the country.

The conference is being held in South Africa.

Mr Ogilvie-Thompson noted that theft of diamonds from the mines has increased sharply in Namibia in recent months.

However, the thefts are not the result of criminal actions as much as they are the result of a lack of control.

In recent months, thieves have been able to steal millions of rand worth of diamonds.

This is a result of the high demand for diamonds on the black market.

The result is that Namibia is the poorest for every diamond it finds.

The diamond industry is expected to be behind the theft of diamonds.

They draw their wealth from the diamond industry by the billions of dollars of lost profits.
Nam diamonds: ‘Millions stolen’

JOHANNESBURG. — Organised crime may be creaming millions of dollars a year off Namibia’s diamond industry, a leading diamond company executive said yesterday.

De Beers Centenary AG chairman Mr Julian Ogilvie Thompson said at the opening ceremony for Namibia’s new Elizabeth Bay diamond mine that the implications for state coffers were serious.

“We surmise that many tens of millions of rands a year might be finding their way into the pocket of organised crime,” he said.

“The value of stolen production could be equivalent to one, maybe two, perhaps even three mines the size of Elizabeth Bay,” he said in a prepared address released in Johannesburg.

Elizabeth Bay, 25km south of Luderitz, is expected to produce 250 000 carats a year at full production, or 2.5 million carats over an expected 10-year lifespan.

The R138-million mine, the second diamond mine opened since Namibia won independence in March last year, would produce mainly gem stones and was expected to contribute significantly to export earnings, he said.

It is owned by CDM (pty) Ltd, a subsidiary of the Swiss-based De Beers Centenary AG, which was set up last year to assuage the foreign interests of South Africa’s De Beers Consolidated Mines Ltd.

Mr Ogilvie Thompson said that CDM, the government and the Mineworkers’ Union of Namibia had formed a committee to propose ways of dealing with diamond theft.

“We don’t pretend flyly to understand how it is happening,” he said, adding that he expected a report from the committee soon.

— Sapa-Reuters
COMPANIES

Gem thieves ‘rob Namibia’

A COMMITTEE representing management, the Mineworkers Union of Namibia and government had been set up to make “practical recommendations on theft and other matters” at the Orange mund diamond mine, De Beers chairman Julian Ogilvie Thompson said on Friday.

He was speaking at the opening of Namibia’s newest diamond mine at Elizabeth Bay near Luderitz.

Ogilvie Thompson said “a puzzling and alarming rate of theft” was compromising operations at Orange Mund, which was already facing problems caused by variable grade and technical difficulties.

As two thirds of profits won by De Beers’ Namibia and Botswana-based company CDM accrued to the Namibian people in the form of export duties, profits and other taxes, for every rand stolen from the company, Namibia was “64 cents the poorer”.

Diamonds finding their way into the pocket of organized crime “could be equivalent to one, maybe two, or even three mines the size of Elizabeth Bay”.

Ogilvie Thompson said CDM had invested more on prospecting and test mining on land and at sea than any other investor in Namibia.

Namibian president Sam Nujoma officially opened the new open-cast mine, which will treat 4.1-million tons of ore a year to yield 250,000 carats of diamonds at full production. The mine has a 16-year lifespan.

Ogilvie Thompson said the Elizabeth Bay and Au-chab mines, and the Navachab gold operation of which CDM was a part owner, were the fruits of De Beers’ investment. The three mines represented a capital investment of R30m.

He said De Beers Marine’s sea diamond operations off the Namibian coast would account for as much as 14% of total projected production in 1991/92 — “well-deserved reward for a research effort spanning 23 years and costing R23m”.

The capital cost of starting production at Elizabeth Bay was R138m.
The recovery plant at CDM's mine at Elizabeth Bay, Namibia.

Namibian Gem Theirs Costing Millions

[Image of a plant]

By Derek Thompson 1911

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Ton of uranium stolen from mine in Namibia

Argus Africa News Service

WINDHOEK. — More than a ton of mildly radioactive uranium oxide has been stolen from Rosing Uranium Mine.

Dr Steve Kessler, general manager of the mine in the Namib desert near Swakopmund, said the uranium, in three 370kg drums, was "mildly radioactive and not dangerous as long as it is handled according to the usual procedures".

There was however a health risk if the sealed drums were opened and the substance handled. Uranium oxide was also chemically toxic, he said.

Dr Kessler was at a loss as to why the substance had been stolen as there was no open market for uranium oxide.

It had to be treated, a process which was done overseas, before it could be used as nuclear fuel.
Engen in group bidding for Namibian oil rights

CAPE TOWN — Gencor's energy giant Engen is a member of an international consortium currently bidding for the rights to explore for oil in an area off the Namibian coast.

The step follows Engen's recent £24m purchase of 27% of Gencor's 8% interest in the oil and gas exploration project in the Alba and Kilda fields in the North Sea.

Engen MD Rob Angel also said the group was "aggressively" pursuing the possibilities for oil exploration in West Africa and was looking into the feasibility of participating in refineries elsewhere on the continent to supplement its export drive.

Angel said the existence of a large gas field off the Namibian coast had been confirmed but the exploration consortium's interest was not in gas but in oil exploration.

"We are keen to get in there and are quite optimistic about finding oil because it is probable that the geology of the area where oil has been found along the West African coast extends down to Namibia."

He said the absence of a large and close industrial and domestic market for gas made it unlikely that the gas field would be developed for some time. The cost of converting it into petrol or transporting it as liquified natural gas would be prohibitive.

"We are primarily interested in oil which would serve as a back-up to Engen's refinery not necessarily by being transported there but in making oil swaps possible."

The outcome of the bid opened by the Namibian government is expected to be announced early in 1992.

Angel said the deal with Gencor, concluded on July 1, included the transfer to Engen of the management of all of Gencor's interests in the North Sea off the Scottish coast.

Angel was very excited about the deal because, apart from generating income for the group, it represented the first entry by Engen into the physical production of oil and brought credibility to the group as an international player in the petroleum industry.

Development of the Alba field, which has proven reserves of about 300-million barrels of oil, was moving ahead quickly and oil production should start at the end of 1993.

Gencor's and Engen's share of the oil produced would not come to SA because of the distance but would be traded out, Angel said.

Production of gas and gas condensate at the large Kilda field, physically located underneath Alba, had been fast-tracked because of additional reserves and condensate discovered. Whereas production had been scheduled for 1998/99, this had been brought forward to about 1996.

The cost of the project is expected to be about £155m.
By LINDA ENSOR

GENCOR's energy giant Engen is a member of an international consortium currently bidding for the rights to explore for oil in an area off the Namibian coast.

The step follows Engen's recent £24m purchase of 27% of Gencor's 5% interest in the oil and gas exploration project in the Alba and Kilda fields in the North Sea.

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Production of gas and gas condensate at the large Kilda field, physically located underneath Alba, had been fast-tracked because of additional reserves and condensate discovered. Production has been brought forward to about 1996.

The cost of the project is expected to be about £650m.
Post-Independence

Reconciliation and the mixed economy

The people of Namibia won their independence through years of hard struggle. But it was not a victory where South African control and imperialist exploitation were overturned but independence was won through a negotiated agreement between the forces that had fought each other. The spirit of independence was one of reconciliation, of trying to build harmony between enemies.

Part of the policy of reconciliation is to build a mixed economy. In February 1991 the Namibian Minister of Trade and Industry outlined the new partnership between the peoples' government and capital.

"We invite business to be partners with us in a win, win relationship in which the private sector is the key to economic recovery and growth in Namibia." Dick Mudge from the DTA said "when it comes to the economy the new government has the official opposition's full support." (Namibia Opinion, March 1991)

In another document the Ministry of Labour explained how the new relationship of retribution should extend to labour relations in the form of a social contract, “employees should not take advantage of the lack of a fair and equitable system of labour law in Namibia at this time. National reconciliation is a two way process it is important that labour and management should regard each other as social partners engaged in building a strong economy that can provide for the needs of all.” (Proposed Labour Code)

Problems

But at a May Day rally in 1991 the president of the trade union federation, NUNW warned that "reconciliation is a ticket for the employers to re-exploit us to secure their profits while blacks are getting more unemployed and re-entrenching the poor." (Namibian Worker, June 1991).

He called on the Ministry of Labour to introduce a labour code. Calls for a fair and equitable labour code have been consistently made by NUNW and its affiliates since the beginning of 1990.

The proposed draft labour code is an improvement on the present colonial Conditions of Employment Act. But it only suggests small changes within the existing capitalist market economy system. For example it offers a reduction in working hours from 46 to 45 per week and a ban on work on Sundays for farm and domestic workers. For the trade unions it proposes to give shop stewards the right to strike and provide that strikes are not committed against.

In spite of these important gains, real power is still in the hands of this big business. The privatization of most of the public transport, hospital, water, electric and broadcasting services is going ahead. The large mining companies, which control the most wealth and provide the most jobs in the private sector, are almost completely privately owned by foreign capital. For example Rosting is owned by British capital and Consolidated Diamond Mines is owned by South Africa.

To bring in new investment the government has offered attractive deals to foreign companies. But at the same time workers in the public and mining sectors go on strikes to defend themselves against attacks from the bosses. Workers have staged protest action and wildcat strikes against

- threats of mass dismissals
-renchancements caused by privatization and production cuts in the coal and uranium mines
- the racist attitudes of some of their managers.

One-way reconciliation

There is a feeling among workers that reconciliation has not been forthcoming from employers. Wages and working conditions remain areas of dissatisfaction.

Discontent already exists in the new NDF (National Defence Force). Many of the ex PLAN (armed wing of SWAPO) comrades have been integrated with the old SWATF (South West Africa Territorial Force) and the police to form the new NDF and NAMPOL (Namibian Police). But scores of ex PLAN comrades remain unemployed. Those who were inchned in the NDF earn low wages.

In October 1990 a group of soldiers staged a work stayaway around the issue of wages. In one letter to the editor of the Namibian Worker, a comrade complained that ex PLAN comrades are being discriminated against.

Inequalities remain

South Africa's withdrawal has left behind a relatively good infrastructure, but the majority of the Namibian people have not benefited from it. Gross inequalities still exist in housing, land, education and health.

For the majority, access to adequate housing, proper education and good health facilities remain a problem because of the low wages they earn. Unemployment stands between 35 and 45 percent. With control of the economy in the hands of big business and the government following a policy of privatization, it is difficult to see how these inequalities can be addressed.

Today the economy shows no signs of growth. For the majority of the Namibian workers there has been very little change. Only a small section of the black middle class, who received a formal education above matric level, are today able to enjoy a higher standard of living. And the SWAPO Minister of Information said at a NANSO congress in 1989, any talk of nationalisation and socialism is out of the question for at least the next 15 to 20 years.

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South Africa
If you build it...

SA may be letting its roads crumble, but Namibia and Botswana are pushing ahead with multimillion-rand highway projects to link the two countries through the Caprivi Strip and Kalahari Desert, which should be a boon for transport and tourism.

Construction of the 693 km Trans-Kalahari Highway between southern Botswana and Namibia has started on both sides of the border. When the road is completed early in the next century, the entire route between Gaborone and Windhoek will be tarred, saving SA truckers 400 km on the Johannesburg-Windhoek route.

The Namibian government is using its own plant and workers to build the 103 km Namibian segment and plans to have it finished by 1994. Concor Botswana has started work on the first Botswana section, a R23m, 72 km stretch in southern Botswana that it expects to complete in 18 months.

In another enormous road project, the Namibian government has awarded a R33,5m contract to Stocks & Stocks Namibia to build the second phase of the Trans-Caprivi Highway. Tenders for the third phase will be called for later this year. When that phase is completed, 200 km from Rundu east to Bagani will be tarred, with another 450 km to go before the project is completed through Katima Mulilo to Ngoma on the Botswana border.

Both roads will boost business by offering exporters and importers in SA, Botswana, Zimbabwe and Zambia a direct, quality link with Walvis Bay. Many of them will then have the choice of using the inefficient east African ports or under-used Walvis Bay.
Botswana to investigate setting up joint sugar industry with Namibia

DALE LAUTENBACH
Argus Africa News Service

WINDBERG. — The Lorho sugar project on which Na-
mibia had had sweet hopes has not proven feasible for the
young nation alone and now
neighbouring Botswana has
agreed to probe the setting up
of a joint sugar industry.

This was announced yester-
day by Minister of Agricul-
ture, Water and Rural Devel-
opment Mr Gert Hanekom.

On March 21 last year,
with the support of Namibia's
Independence day, Lorho
chief executive Mr Tiny Row-
land and Mr Hanekom signed
an agreement in principle for
the establishment of a sugar
industry in northern Namibia.

A feasibility study by
Lorho Sugar Corporation has
shown it would not be finan-
cially viable to develop a sug-
ar industry for Namibia alone,
which has sugar needs of only
46 000 tonnes a year, said Mr
Hanekom. Further, with a
weak international sugar
price, it would be difficult to
establish an export market.

The Lorho study did dis-
close, however, that an area
of land in Caprivi in northern
Namibia would be suitable
sugar country. An area of
about 15 000 ha was exten-
sively researched and it was
planned that water for the
project would come from the
Zambezi River.

Now Namibia has turned to
its eastern neighbour, Botswa-
na, to investigate the possibili-
ty of a joint Namibia-Botswana
venture for the
establishment of a sugar in-
dustry.

Mr Hanekom met with his
counterparts in Botswana last
week and the two govern-
ments agreed to look at the
creation of a sugar industry in
the Caprivi-Chobe area. Fur-
ther details have yet to be ne-
gotiated.

During the discussions
Lorho offered equity partici-
patation in the venture to the
two governments, said Mr
Hanekom. The offer would be
evaluated.
Namibia to try new seal-culling methods

By Jacqueline Myburgh

Namibian fishing authorities would experiment with alternative methods of killing seals during the current seal-culling season, permanent secretary of the Ministry of Fisheries and Marine Resources, Carl Schlettwein, said yesterday.

The SPCA National Council of Southern Africa has objected to the planned clubbing and shooting of 23,000 seals on the Namibian coast, describing the methods of killing as "cruel".

The culling season opened at the beginning of August, but none of the concessions granted had been taken up yet, Mr Schlettwein said.

Namibia was adhering to international requirements concerning culling, and the operation would be carefully monitored by "observers", he said.

"The permit-holders have to adhere to certain conditions such as the methods used to kill the seals, and the fact that the whole carcass of each animal culled must be used."

Mr Schlettwein rejected SPCA claims that the culling should be suspended on the grounds that they had no scientific basis on which to continue.

"All the conservation organisations who were interested met on August 1 and accepted the scientific data which necessitated the culling of the seals. We did agree at the meeting that the methods of killing had to be investigated."

Mr Schlettwein explained that Namibia had a population of 700,000 seals which consumed more fish than was taken out by the commercial fishing industry.

"Our seals have a much larger impact on the local fishing operations than, for example, in Canada," he said.
WINDHOEK — Namibia needs a green revolution. Most people think of the country as a dry place where little grows; they associate its scrubby savannah with beef production.

Deputy Minister of Agriculture and Water and Rural Development Dr Kaie Mbuentes challenged some of the myths underlying this stereotype in an article for the government newspaper, New Era.

He wrote that all the signs pointed to a need for increased crop production.

His article, warning against the monoculture of its agricultural sector, in which 80 percent of income was derived from livestock, was published timeously: the next day, a visiting European parliamentarian, while singing the praises of Namibia’s democratic stability and enormous potential, cautioned against pinning hopes on beef production.

Professor Vasco Garcia noted that the EC had a beef stockpile of 500 000 tons and suggested a product with which Europe could not compete, such as ostrich meat.

There were also warning signs from neighbouring Botswana where experts believed the country’s obsessive reliance on beef production was destroying the environment.

Dr Mbuentes said the problem with Namibian agriculture was not only its monoculture, but that the livestock sector was dominated by the export of cattle on the hoof.

This imbalance was encouraged in the past (under South African administration) and agronomy was actively discouraged as Namibia was forced to be “a dumping ground for South African products”.

Imbalances in the agricultural sector existed at all levels. The urbanisation rate in Namibia was 25 percent, and 70 percent of the population was directly or indirectly dependent on agriculture. This suggested an agrarian society, yet agriculture contributed only 15 percent to the gross domestic product.

Another imbalance was within the livestock sector. While all the cattle in Namibia suggested that the country should be self-sufficient in dairy products, it was not.

“The country meets its milk requirements but products such as cheese and butter are imported from South Africa,” Dr Mbuentes said.

“Some people claim that a green revolution is not possible because of the climatic and ecological factors. However, the low level of agronomic output has not been conditioned by ecological factors but by the policy of past administrations.”

*James Clarke is on holiday.*

His Greenpiece column will resume next week.
NEWS IN BRIEF

Namibia looks for port

THE Namibian government was considering using the Angolan port of Namib as an alternative to Walvis Bay if the latter was not handed over by SA "sooner rather than later", Swapo Foreign Affairs Department head Fau Ilionga said in Durban yesterday.

Speaking at an Isasa lunch, Ilionga said Namibia was considering developing a road between Namibia and Namib and, if there was any further delay about SA's continued administration of Walvis Bay, the country would develop an alternative port. He said Namibia's survival did not depend on the SA economy.
Retrenchment haunts a mining giant in Namibia

At weekends, the attractive bar, restaurant and club complex in Arandis, the town created exclusively for Rössing mine workers, is usually alive with off-duty employees and their families.

There was not a soul in the place on a recent visit at lunchtime on a Sunday.

The manager shook his head sadly.

"It's been like this since they announced further cutbacks to come. People are not spending their money." Rössing management has not yet made final announcements on the scale of the retrenchments, saying that first they must conclude negotiations with the union.

However, with a present total staff complement of a little more than 2,100, the figure being popularly bandied about is that between 700 and 900 workers will have to go.

In March this year, the first bleak sign came with an announcement of a 21 percent cut in production from 4,100 short tons to 3,250.

The mine's maximum output, reached in 1980, was 5,000 short tons.

The March reduction was explained as necessary to keep Rössing profitable and in business following the downturn in the international uranium market due to oversupply. The situation had been dramatically exacerbated by an enormous uranium stockpile from the Soviet Union and East Bloc countries.

Rössing Uranium has been one of the bulwarks of the Namibian economy — but hundreds of its workers are facing retrenchment. DALE LAUTENBACH of The Star Africa Service reports from Swakopmund.

Dr Steve Kesler, the mine's outgoing general manager, reportedly said the new cuts would mean Rössing would spend R30 million less a year.

Some employees are pointing accusing fingers at the company, others are more philosophical and appreciate Rössing's dilemma.

As one put it: "There's no such thing as handling retrenchment well. It hurts."

The company also sought to explain its crisis in March as a product of sanctions.

Before independence, Namibia was treated as part of South Africa and it was difficult to secure clients on the international market.

Rössing hoped independence would change all that and that a certain amount of international goodwill towards the newly-born nation would work to its advantage once the sanctions barrier lifted.

Those hopes did not pan out.

Rössing managing director Jonathan Leslie said that most analysts believed at the time the market had bottomed out.

"We got it wrong, but so did everyone else," he said.

Now a further cutback of about 750 short tons has become necessary and with it retrenchments.

Some senior people have already been told that they are not part of the plan being drawn up to save Rössing. Mr Leslie refused to acknowledge, however, that these were retrenchments.

Hardest hit, though, could be the semi-skilled and unskilled workers who do not have the mobility of their seniors. They are also all inevitably Namibian at this level of skill and losing their jobs will mean joining the already swollen unemployment figures in the country.

Attitude

One fairly senior Rössing employee pointed that the company's paternalistic attitude towards its employees meant that many of them did not have the skills to compete in the flooding the market.

Rössing management also acknowledged at the time that Namibia's coffers would feel the pinch and Minister of Finance Dr Otto Herrigel anticipated a R60 million drop in the mine's contribution to government earnings.

In the past, Rössing was one of the largest contributors to the Namibian economy, providing job market.

Without dramatic change and restructuring now, Rössing's very survival would be in question. Mr Leslie said.

"With restructuring, Rössing's longer-term future in Namibia is assured." In the short and medium term though, Namibia will suffer.

There are no figures yet for what the country
Namibian foes join forces

WINDHOEK — "I expected it to be more difficult. It's been easier than I imagined." That is how former People's Liberation Army of Namibia (PLAN) training officer Augustus Abisal, now a captain in the new Namibian Defence Force, experienced the blending of bush war foes into a national army.

The 7,000-strong NDF draws its members from PLAN and the South West Africa Territory Force, demobilised in April 1989.

The NDF began with the formation of the presidential guard of honour, of equal numbers of Plan and SWATF members, in February 1989 to take part in the March independence celebrations.

"Women constitute 7% to 10% of the new army and work in medical, signals and administration units.

Despite serious financial constraints, initial disciplinary problems and a poor image in the local media, the NDF has combined former foes into a committed professional force.

The shortage of funds "is seriously affecting the NDF and the morale of the troops as well," army chief of staff Gen Charles Namboloh told journalists.

While the defence budget has increased by 10% in real terms, manpower has increased by 50%. Personnel accounts for 70% of military spending and equipment less than 5%.

But what the NDF may lack in resources, it appears to be making up for in determination.

Olif Steef Oosthuizen considers the military school at Okahandja "the most professional and most disciplined unit" in the NDF from which well trained instructors will spread out to other bases.

He acknowledges that there were problems to start with when he joined in October last year.

"We are different people trained differently. And there was also a problem with reconciliation.

"But as soon as we started with parades and proper training courses it kept on getting better." — Sapa.
Uranium stolen by clandestine ring.
Strong fish demand helps Namsea reel in the profits

LINDA ENSOR

CAPE TOWN — Interim earnings of Namibian Sea Products (Namsea) to end-June increased 29% over the previous year’s nine-month period to end-June 1990, bolstered by strong demand for fish products which saw turnover rise 54%.

The greater contribution from the pelagic division offset reduced contribution from the lobster division. However, because of reduced quotas the pelagic division’s contribution to profits was maintained.

While identical factors affected Namibian Fishing Industries (Namfish) — controlled by the same Norwegian consortium that bought out Namsea from Oceans last year — the company did not fare as well. Namfish suffered a 23% decline in pre-extraordinary item earnings in the six months to end-June over the previous six month period.

Chairman of both companies, Lars Eldoy says demand for fish products remains strong. "The entire fish meal production has been sold at improved prices. The movement of canned fish products has been highly satisfactory and the considerable stock carryover from the previous trading period has all been sold."

Namsea’s turnover rose to R15m (R9.5m) and attributable income to R3.2m (R2.6m). Its reduced income from investments and interest was offset by substantially lower tax.

Despite Namsea’s performance and the expectation that total earnings would show an improvement this year, no interim dividend has been paid. As announced in the annual report, the group has decided not to pay a dividend in order to strengthen its cash position and to allow for expansion.

Namfish maintained its dividend of 20c but expects lower total earnings due to the anticipated loss by the lobster division. Its turnover rose slightly to R4.9m (R4.8m).

Of the total pelagic quota of 66 000 tons, Namsea and Namfish were each allocated 3 200 tons (4 900, 7 tons). Namsea increased its participation in United Fishing Enterprises (UFE) by securing four of the five new entrants’ quotas.

This led to a court battle with Sarusas Development Corporation, one of the participants in UFE and the subsequent purchase of a controlling stake in the corporation by Namsea.

Of the rock lobster business, Eldoy says Seaflower Lobster Corporation, in which Namsea and Namfish each hold a 35% stake, was given a 704 ton (1 212 ton) quota of the total industry quota of 1 200 tons (1 880 tons).

“Landings for the six months were substantially lower at 181 tons (281 tons) and the earnings contribution from this division was reduced accordingly. Under the present circumstances, Seaflower is budgeting for a loss for the full year,” Eldoy said.

Seaflower has been granted a 500 ton long-line hake quota for this year and is awaiting a reply to its application for concessions and quotas to enter other fishing sectors from a Luderitz base.
Arms factory set up at Keetmanshoop

WINDHOEK - Namibia's first arms and ammunition factory, Namib Arms and Ammunition, situated near Keetmanshoop in the south, is due to start production in October.

MD Andre van Wyk said yesterday the factory would produce commercial hunting and target shooting weapons and ammunition in the first phase. The company planned to manufacture weapons for the Namibian Defence Force during the second phase.

Van Wyk said there had been a lot of foreign interest in investing in and buying from the factory. "There is considerable interest in the African market right now as East Bloc producers have completely stopped making military weapons and ammunition," he said.

US arms manufacturer Winchester had arranged to visit the Namibian factory in the next few weeks, he said. — Sapa.
Namfish treads water as others confirm recession

By JULIE WALKER

COMPANY results released this week confirm the view that South Africa is still in recession. Only seven out of 19 announcing annual figures were able to improve on their previous year's performance. Three cut prices, but only three incurred losses.

The seven interim results look a little better, two companies coming out of the red and four showing handsome increases.

In the six months to June, Namibian Fishing Industries (Namfish) more or less froze water at the taxed income level.

Shade

It earned a smaller share from associates, but did not have to pay an adjustment on participation rights which was reported previously as an extraordinary item.

Earnings a Share of 43.70 were down 25%, but after extraordinary items the earnings were a shade higher. Pelagic fish did well, fishmeal, canned products and stock having been cleared at good prices.

Namish's pelagic quota was reduced by a third to 3 200 megatons. But the company expects a similar profit contribution from pelagic fish as was earned last year.

The lobster allocation was lowered for the industry and a loss is expected from Seaflower Lodestar, in which Namish has a 35% stake. Seaflower's interim landing were down 100 megatons to 181 megatons out of its 704 megatons allocation for the year.

Seaflower has applied to the Namibian Ministry of Fisheries and Marine Resources to be granted concessions and quotas in other fishing sectors based at Luderitz. It has been granted 500 megatons of long-line hake.

The directors expect reduced earnings from Namish.

Namibian Sea Products (Nanuos), which owns 28% of Namfish, earned R3.2-million in the six months to June compared with R2-million in nine months to June 1990. Its deal with Sarusas and arrangements with new pelagic quota holders should raise the year's earnings.

Masioite's manufacturing division ran at capacity in the six months to June. Cost management, returns from new capital projects and an excellent manufacturing performance resulted in improved margins.

Sales rose by 16% to R16.7-million and operating income was 25% up at R3.2-million, while earnings a share rose 50% to 62c. A strong customer base and good service helped the group to retain export markets. The directors expect maintained sales in the second half of the year.

Acquisitions last year by clothing retailer Bergers lifted turnover by two-thirds to R71-million in the six months to June.

Without the acquisitions, sales grew by 23%. The group has three trading divisions with 262 stores, having opened 15 and closed eight in the first six months of 1991. It plans to open another 15 before the year-end.

Problems included deteriorating trading conditions, robberies and shoplifting.

Consumer boycotts were prevalent outside the Pretoria-Witwatersrand-Vereeniging area and hit Bergers' Jones chain, which is being refocused. The Capri chain has been sold and seven Jones shops will be opened.

Although the directors predict a tough second half, they are confident of satisfactory growth. They say that VAT may have a negative effect on trading.

Gypsum, Eco, Sasfin and Lortorous Sugar also improved earnings.

Johannesburg Consolidated Investments (see graph) held up in the year to June. Its earnings were 3% down on the previous year.

Its shares were R49.75 in March, the same as a year ago. The 15c. dividend was paid last November and its high R53.50 two months ago.
SA got more than R600m aid in 1990

MORE than R600m in aid reached SA last year, excluding funding given to political parties, an article in the International Affairs Bulletin suggests.

The ANC and Swapo received R1.42m each in 1989 from the Swedish government alone. And the ANC would probably get that amount for several years, says the article, written by Alan White-side from Natal University’s Economic Research Unit.

The largest individual bilateral donor listed in the article is the US, which provided R20m in 1986/87 for education, human rights and black private enterprise development.

Bilateral (or single country) donors gave some R22m in 1986, of which the European Development Fund, which is attached to the EC, provided R42m.

Multilateral aid (from agencies representing more than one country or group), which is currently comparatively small, will increase dramatically beginning next year and increase steadily until about 1997 peaking at about R500m. White-side concludes that the flow of aid to SA is much greater than is generally realised.

In addition, the aid given to SA is very different from aid given to most countries as it has political rather than developmental goals.
Quayle due to meet Savimbi in Abidjan

By Dale Lautenbach
Star Africa Service

WINDHOEK — US Vice-President Dan Quayle is set to meet UNITA leader Dr Jonas Savimbi tomorrow in Abidjan.

Quayle was asked to explain why the $60 million (R183 million) American aid package to UNITA was covert, even though a peace accord had now been signed.

He was also asked why the US was choosing to be partisan in its Angolan aid during the run-up to next year's general election.

Quayle did not respond. When asked for the second time, he answered: "I do not comment on covert aid."

He said he expected the peace process in Angola to move forward, but that after 18 years of civil war there were bound to be hurdles.

"We'll jump those hurdles," he said.

Asked why his Africa tour had not included South Africa and if he would visit that country, he said he hoped to in the future.

At present, with "sensitive negotiations" in South Africa, a visit by him would have been "inappropriate".

President Sam Nujoma of Namibia and Mr Quayle signed a memorandum of understanding on conservation protection and the US donated a further $2.7 million (R7.56 million) to Namibia in the form of a marine patrol boat to monitor the country's sea resources, and an aeroplane for game patrols.

Hugh Robertson of The Star's Washington Bureau reports that Mr dos Santos's visit to the US is seen as an attempt to win friends for the MPLA in a country which up to now has been solidly behind UNITA.
Rossing to sack 700 as uranium slides

By Nell Behrmann

LONDON — Rossing Uranium’s production will tumble this year and the mine will be forced to lay off around 700 workers.

RTZ, the major shareholder of Rossing, disclosed recently that production, which had already slid to 3.250 tons in 1991 from 4.100 tons in 1990, would fall to only 2,500 tons next year.

“...the uranium market is sick,” said RTZ chairman Sir Derek Birkin.

Rossing sells its uranium under contract at prices above the free market quote of $3,75 a pound.

Competitive

But the market is terribly competitive and prices in real inflation-adjusted terms are at their worst ever, said Robert Wilson, RTZ’s chief executive.

RTZ holds 46.5 percent of the shares in Rossing Uranium.

Other major shareholders are Gencor, the IDC and the Namibian government.

By 1992 Richards Bay, in which Gencor also has a stake, will be producing 1 million tons of slag a day, said Mr Wilson.

Meanwhile the global metals and minerals recession caused RTZ’s pre-tax profits to slump by 40 percent to £286 million in the first half of this year.

Turnover

Compared with the same period last year, turnover dipped 14 percent to £2.3 billion, while net taxed profit fell 40 percent to £164 million.

Pre-tax profit in the year to December 1990 totalled £879 million, down from £1.1 billion in 1989.

“As the world’s biggest biggest raw-materials producer, RTZ cannot escape the consequences, if its customers are in the throes of recession,” said Mr Wilson.

“There is no point in wringing our hands about circumstances beyond our control.

“While we can do little to avoid declining sales volumes and falling prices, we have intensified efforts to contain costs and improve efficiency.”

In the first half of this year the giant mining group, with interests in the US, Australia, Europe and South Africa laid off 7,000 workers, or 10 percent of its labour force.

There would be further cuts in the second half, Mr Wilson said.

North American operations, notably the US copper mine, experienced the worst fall.

Compared with the first half of 1990, lead prices are down by 29 percent, zinc by 26 percent, silver by 22 percent, copper and aluminium by 7 percent and gold by 5 percent.

“Precious metals are going nowhere,” said Mr Wilson. “Just look at the market.”

Base metals had better prospects.

“But it is unlikely that there will be any early recovery in prices.

Reached nadir

“The recession in North America and the UK may have reached its nadir.”

However, while some indicators seem promising, there are as yet few signs of recovery in the group’s businesses.

“Elsewhere, in Japan and Germany, the rate of economic growth could continue to ease,” said Mr Wilson.
Namibia's PM optimistic on deal with Citroën

Argus Africa News Service

WINDHOEK — Namibia hopes to create "other concessions" to offset the high local-content requirements of the Southern African Customs Union which could chase potential investors away from the struggling fledgling economy.

In this context Prime Minister Mr. Hage Geingob has confirmed that French car manufacturer Citroën was still interested in going ahead with a R150 million assembly plant at Gobabis in eastern Namibia. The plant would provide between 500 and 800 jobs.

Citroën and other interested parties were doing further market research, especially now that Angola was emerging as a potential market for these luxury cars.

On a recent visit to France Mr Geingob met the French car manufacturer to "iron out the problems relating to the Citroën project — a project we consider to be of extreme importance to Namibia".

"All I can say at this stage is that Citroën are taking the project very seriously and there will be some movement on the implementation of the project soon."

Mr Geingob said he hoped Citroën would see fit to invest more than 10 percent of the R150 million as its intentions on financial commitment stand at present.

With regard to SACU regulations, Mr Geingob said these seemed to be there "to benefit only one member at the expense of others".

"Who else manufactures cars in the union?" he said, adding that the local-content requirement protected South African interests. "The local-content requirements are too high but we’ll make good on this by giving other concessions."
Namibia to get R220-m aid

By Dale Lautenbach
Star Africa Service

WINDHOEK — The German government has pledged a total of R220 million to Namibia since the country’s independence in March last year and reasserted it is no fly-by-night friend to its former colony.

Michaela Geiger, Deputy Minister in the German Federal Ministry of Economic Co-operation, was in Windhoek last week to review development co-operation so far and to examine future projects.

Namibia will soon begin to see the fruits of the relationship between the two countries with work on a water supply scheme for Ongongo to Oshakati, in the north of the country.

This project is one of four on which the two governments have now agreed to go ahead. The others in the wings are low-cost housing schemes, rural and agricultural development, and geological and geophysical surveys.

Mrs Geiger said Namibia remained important to Germany and that despite challenges to that country’s budget following unification last year, it did not want to be seen as a fly-by-night friend to Namibia.

About 75 percent of the R220 million is available to Namibia in the form of grants for development projects and R55 million is available in the form of soft loans.

The Namibian government has repeatedly expressed its intention to avoid loans as far as possible fearing it might be trapped as so many African countries have been in the vicious circle of loans and debt.

Mrs Geiger with Namibian Director General of the National Planning Commission Zed Ngavirue signed the minutes of the 1991 consultations between the two countries on development co-operation.

Dr Ngavirue is responsible for all foreign development aid negotiations which involve the minute scrutiny of each and every project and mutual agreement before work can begin.
Namibia plans giant hydro power scheme

Dale Lautenbach
Argus Africa News Service

WINDHOEK.—Construction of a hydro-electric power station that would create power self-sufficiency for Namibia plus a surplus for export to South Africa has been approved by the Namibian Cabinet.

A 400 to 450Mw installation at Epupa on the Cunene River downstream from the existing Ruacana hydro-electric station has long been the dream of Mr Pollo Brand, managing director of the Namibian electricity utility Swawek.

"I am considerably more optimistic now than I was a year ago," he said. However, Cabinet approval did not mean that construction would be under way soon.

Pre-feasibility studies for Epupa have just been concluded and it is estimated that, at current prices, the installation would cost between R1.5-billion and R1.2-billion.

The site is also in a remarkably remote part of Namibia on the northwestern border with Angola and for building of the dam itself to begin a supporting infrastructure of roads, telecommunications, accommodation and health services would have to be put in place.

Mr Brand said negotiations with the Angolan government, whose approval is required as the scheme falls across the border, would also have to be concluded.

The Angolans were not supportive of the Epupa scheme until recently as they were hoping to export power to South Africa from their own enormous 520Mw installation now under construction at Capanda on the Kwanza River in central Angola.

Their approval in principle has now been won by the Namibians but final agreements have yet to be signed. Mr Brand hopes this might be concluded by the end of the year but Angolan sources have indicated that their country has other priorities at the moment.

All going well, Mr Brand hopes a feasibility study, including environment and social impact studies, can begin next year. Thereafter construction could begin towards the end of 1993 with 1998 as the target for completion.

Mr Brand said the South African utility Eskom would have to be involved in all stages of the project as its undertaking to buy the excess power from Epupa was the rationale behind the scheme.

"Eskom will definitely be involved," said Mr Brand. "Without their support Epupa is not feasible."

The major hurdle still to be overcome is the raising of finance. "Money is the big headache," said Mr Brand. He had few firm ideas where the amount might be raised but mentioned the World Bank, the IMF and various countries in the international community.
Bleak outlook for Namibia

With falling mining tax revenues, disproportionately high government current expenditure, capital flight to SA and low labour productivity, the short to medium-term outlook for the Namibian economy is bleak.

This emerges from remarks made by Commercial Bank of Namibia chairman Johann Albrecht Bruckner in his 1991 annual report.

"In the absence of substantial amounts of foreign investment funds, economic activity in Namibia is unlikely to show the growth expected over the next 12 to 18 months."

Mining tax revenue is down 75% on the previous year, while individual tax-payers (62 000 in total) amount to a mere 5% of the total population. The small tax base has left the government "with little alternative" but to increase GST and introduce a petrol tax.

On the fiscal side, Bruckner regards current expenditure, up 22%, as disproportionately high, especially when repayment of debt is included.

For example, the civil service of 60 000 people - almost equal to the total number of individual taxpayers - means there is one civil servant for every 25 people in Namibia. Accelerating nominal wage increases and weaker labour productivity "bodes ominously" for Namibia.

Budgeted defence spending at R184m - 59% up on the previous year and more than 5% of GDP - is "unacceptably high for a country with no real need of a large defence force and no military threats".

The overall budget deficit of R34m, to be financed by loans, is 5.6% of GDP compared with IMF norms of 3%.

The shortage of available funds was also reflected in the total assets of commercial banks, which grew only 5% over 1989/90 compared with more than 30% the previous year.

"This slower rate is a reflection of weakening bank deposits, intense competition in a limited market and a significant outflow of capital and savings to the SA market," says Bruckner.

Bruckner calls for more commitment from government to attract foreign capital and suggests Namibia's foreign investment code is "probably not bold enough".

On the positive side, he notes that Namibia should receive "considerable benefits" from its IMF membership; more than 30 companies are interested in bidding for oil exploration licences; the fishing industry is expected to be worth R3bn within three years; and tourism and agriculture show "improved prospects".
Business ‘must move on affirmative action’

SUN CITY — Namibia’s move to establish an affirmative action framework was a lesson SA business could learn from, Shell SA public affairs GM Humphrey Khoza said yesterday.

Addressing the Black Management Forum (BMF) conference, Khoza said Namibia’s Ministry of Labour and Manpower Development, in an effort to redress the inequalities caused by apartheid in that country, had proposed that through an act of parliament the framework of an obligatory affirmative action programme should be established.

Employers, their organisations, employees, trade unions and members of the public were invited to submit their comments.

The programme is to be administered by the independent Employment Equity Commission in conjunction with the ministry.

The commission’s two main tasks were to investigate complaints of discriminatory practices in employment and to assist and advise employers who are required to develop and implement affirmative action programmes.

“The situation has a very loud and clear message for SA businesses,” said Khoza. “It is always better and easier to take the initiative than to have government impose obligatory programmes with possible quotas and time frame.”
Day after day they chip at the red rock so families will eat

By DUNCAN GUY C

"HERE you must keep down, down, down, while you walk. Otherwise you will knock your head." Clutching a candle, elderly Bedwiel Gurirab peers up into the underground chamber, entirely chiselled out by many determined hands — including his own.

One of 600 tin diggers who work on mineral claims in Damaraland, Namibia, Gurirab admits to being a loner. While the others work in teams.

Collectively, they supply the imor-owned tin mine at Uis, some 75 km away, with 10 percent of its production, which is eventually smelted at Iscor's Vanderbijlpark works.

Gurirab points to a spot in the dark: "There is plenty of tin up there. But how do I get it? I have to limit myself to working the rock that is within reach — otherwise I could slip. And if I die here, who will get me out?"

Shuffling through stony rubble at his feet, he looks for black specks in the ochre-coloured rock.

"Ja — there's some good tin in this hard stuff."

Gurirab loosens the rock by lining the walls with wood, setting it alight and keeping the blaze going for a couple of days. The cracked rock is then chipped loose with a hammer and chisel.

Outside the chamber, the last penetration of light marks the end of a tunnel built by prospectors. Until recently, it bore a "no entry" sign erected by Gold Fields of Namibia, which owns the claim.

The light outside fades. Gurirab's clothes are stained by the rock. So are his shoes, face, hair and beard. "The shop owner in the location tells me this red rock has poor tin. But if I want to eat, I must collect at least two kilograms a day."

Gurirab can exchange tin for food at the store, or sell it for cash. But he says it's best to take it to Uis himself — if he can afford the transport.

Way down at the foot of the mountain a vehicle ploughs along a sandy track. And up on the slope on the other side, little huts are dotted around holes in the mountainside as diggers hammer with chisels against the hard rock.

The "location" Gurirab speaks of is Gauntagab. It consists of scattered shanties spread out over a valley of soft sand with little grass cover.

Gauntagab has been home to a fluid population of diggers, presently numbering about 100. They come and go from surrounding areas, including the Damaraland towns of Uis and Khorixas. Some hail from Windhoek, others from Ovamboland.

Teresa Tsaraes, mother of five children, has oscillated between her traditional farm home and the tin digging community all her life. A normal day sees her on the mountainside above Gauntagab shaking a so-called "vibak" tray in the wind, separating dust from tin.

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Enthusiasm for Namibian TBs

WINDHOEK — Short-term Namibian treasury bills, launched less than six months ago, have been greeted with enthusiasm by investors, the latest issue being nearly 10 times oversubscribed.

A local newspaper said R50m was tendered for a R5m October issue.

"Tendering has been from a wide spectrum with many kinds of investors," said Erik Karlsson, governor of the Central Bank of Namibia.

He said the interest rate on 91-day TBs was slightly more than 16.5%, about five points higher than the country’s inflation rate. "The interest is obviously attractive to investors," he said.

He said the primary objective of the short-term bills was to create a money market and not for the specific purpose of government borrowing.

"We want to create a market that is prepared to serve government if they need it later on," Karlsson said. The market is currently restricted to short-term bills but a medium-term instrument was also envisaged in order to generate its own market, Karlsson said. — Reuters.
Namibia follows the path of pragmatism

SWAPO came to power in Namibia by, among other things, saying it would use nationalism to empower black Namibians economically. However, barely two years after independence, the country has moved so far from nationalisation that it is even considering revising the process and privatising some enterprises.

A City Press Special Correspondent discussed the issue with Namibian Prime Minister Hage Geingob, who, surprisingly, made pronouncements not dissimilar to those used by many critics of the African National Congress in South Africa.

The expenditure of the civil service is large because the civil service corps was enlarged. Many new people were appointed, while those from the previous regime were retained. This was done in terms of the government's preference policy in an attempt to remove the inequalities of the past.

"For that we now have to pay the price. Everything has its price - even peace and reconciliation," he said.

Geingob conceded that one of the country's biggest problems is the large gap between the incomes of those already possessing wealth and those who do not. Although this problem appears worldwide, he maintains that apartheid had caused this in Namibia.

This gap cannot be bridged by redistributing poverty. Wealth has to be created.

One of Namibia's top priorities, Geingob continues, is to get the economy moving again.

"Our main concern is to make sure that we have job opportunities. Let there be job opportunities," he said.

Geingob said, "We are trying to create a climate conducive to investment. That has to create the job opportunities. We don't want to have investors here, also from South Africa."

Other developments that the government says are priorities are the creation of a new health care system and the supply of clean drinking water, and the extension of the electricity grid to rural areas.

A problem which has surfaced since independence, and which is now receiving attention, is that of former soldiers from the years of bush warfare. They have to be brought in from the streets, trained and kept busy, or they could become a threat to peace. This could lead to a very dangerous situation.

Has he perhaps, stemming from his experiences thus far, any message for the people of South Africa?

"The people of South Africa," says Geingob, "are masters. They need to be guided."

Then he adds, "We need each other in this region. Namibia will not be able to develop properly without the economic giant of South Africa. We hope that the South Africans can speed up the process of reconciliation."

But, then he refers to President Michael Chokwena and the Soviet Union. If the process loses direction, like in the USA, where forces can begin to play a role.

"We are lucky to have South Africa as our southern neighbour, and Angola as our northern neighbour. In both cases, we are seeking our friends that nothing goes wrong. Our prime concern in the region if these forces can be woven together."

Isn't that a nice message," Geingob asks.

BRIDGING POLITICS ... Everything has its price - even peace and reconciliation, says Namibia's Hage Geingob. And even the far-right admit the country's first post-independence leader is not doing badly.
Namibian stock issue draws good response

By Dale Lautenbach
Star Africa Service

WINDHOEK — Short-term Namibian treasury bills, yielding a real rate of about five percent, have found an enthusiastic response with the latest issue being well oversubscribed.

A Windhoek newspaper reported that about R40-million in tenders was received for the R5-million October issue.

Erik Karlsson, acting governor of the Bank of Namibia, the central bank, confirmed that the issues were going well and were oversubscribed.

SA company

Invoking client confidentiality, he would not confirm the newspaper's report that a South African insurance company was among the latest investors.

He said: "Tendering has been from a wide spectrum with many kinds of investors."

The interest rate on the 91-day bills was slightly more than 15.5 percent. With the inflation rate in Namibia running at 11.5 percent according to official sources, this was a real rate of five percent for treasury bill investors.

"The interest is obviously attractive to investors."

The treasury bills, which have been issued monthly for less than six months now, were designed to create a money market in Namibia and not for the purpose of government borrowing.

"We wanted to create a short-term market and it has been going well."

Kept small

The plan was to start with short-term 91-day bills, whereafter a medium-term instrument would be introduced to create its own market.

As the government had no need to borrow at present, the amounts had been kept small for the purpose of building the market rather than anything else.

"We want to create a market that is prepared to serve government if they need it later on," he said.

According to the newspaper report the monthly issues since May have been amounts of either R5 or R10-million.
Namibian Fishing Industry Battles to Keep Afloat

By The Editor

The Namibian fishing industry is facing a significant challenge as the value of fish annual landings has dropped drastically in recent years. According to a recent report by the Namibian Ministry of Marine and Coastal Affairs, the annual landings fell by 25% in 2021 compared to the previous year, leading to a decline in revenue and employment opportunities for local fishermen.

One of the main factors contributing to this decline is the decreasing catches of sardines, a key species in the Namibian fishery. Sardines are a critical source of income for many fishermen and their families. The Ministry of Marine and Coastal Affairs has launched a campaign to raise awareness about the importance of sustainable fishing practices to ensure the long-term viability of the industry.

The Namibian government is also working closely with local communities to develop alternative fishing strategies and support the transition to other species that are more resilient to environmental changes. This includes the promotion of aquaculture and the exploration of new markets for fish products.

Fishermen have also been encouraged to adopt new technologies and techniques to improve their efficiency and sustainability. The government is providing training and equipment support to help fishermen adapt to these changes.

Despite these efforts, the fishing industry remains under pressure, and the Namibian government is seeking international support to address the challenges faced by local fishermen. The focus is on ensuring that the industry can continue to provide employment and income for generations to come while preserving the natural resources upon which it relies.

If you have any questions or would like to contribute to this cause, please contact the Ministry of Marine and Coastal Affairs or your local fishermen's association. Together, we can work towards a sustainable future for Namibian fishing communities.
They're all proud to be Namibians

TWO SLABS of chocolate are slapped down, recovered from beneath the shirt of a defiant young man. "Lady, I want you to see this. Every day it happens. Every day." He (black) is confronted by the general dealer (white). The latter is despairing. What is he to do? You can't give "them" a hiding any more and that's the only language "they" understand.

The policy of national reconciliation adopted by the government of Namibia is designed to eradicate just this "us" and "them" racial attitude that was the product of South African apartheid as extended to Namibia.

But when unemployment is about 50 percent in the south of Namibia, and when the unemployed are predominantly black, national reconciliation becomes an abstract notion in the face of economic reality.

Joachim Morawetz, a young man recently arrived from Germany, has opened a coffee bar in Keetmanshoop. His attitude remarkably racist still. If black people are at his tables, whites are unlikely to come in, and vice versa.

...Old prejudices and old fears... but more important, perhaps, there is no new attitude of resistance to black government. No talk of Boere republics here is no hint of an exodus. Indeed, among white farmers and business people, the latter predominantly still white, there is a good deal of sympathy for the government and the challenges it faces in a harsh and undeveloped land of some resources, but precious little capital.

In this dry southern region of Namibia, of which Keetmanshoop, with its population of more than about 15,000, proudly pronounces itself "capital", the white farming community has been the mainstay of the region's economy. Persistent droughts and the instability and downward trend of the Karatvl market have bitten hard.

On far-flung farms with few labourers, there has been no economic upswing or development in the region that might inspire an all-out embrace of national reconciliation.

Equally, there is also no neat line which can be drawn at the independence of Namibia to account for the region's woes. There were problems in labour relations before independence, say farmers and townsmen. There was little rain and there was crime. One hears many small-town anecdotes of soaring crime, but Chief Inspector Dekker Smit shakes his head and says the crime rate has not increased since independence.

White "us and them" persists in attitude, and while there is criticism of the Swapo government, the accusing finger does not point at the government because it is black.

Ironically, the Minister of Agriculture is white and is heavily criticised by Namibia's farmers, while President Sam Nujoma and Prime Minister Hage Geingob are widely well thought of.

"We don't blame the government," says Keetmanshoop businessman and farmer Roy Oothuisen. "There's no work, but work was always scarce."

Mr Oothuisen says a number of people - mainly those in the civil service who were given the choice and who feared the future - left the region before independence. But now it's different because in the Republic there will be a black government; Nelson Mandela will be the next chief."

John de Roux, chairman of numerous farming associations regionally and nationally, and a man who has been close to the action on policy-making, is philosophical about the notorious conservatism of the south.

"National reconciliation is a change of attitude, and that's something you can't enforce." He is one of many voices which say: "Time, give it time."

Contrary to expectations, he claims the greatest attitude change has taken place in the farming community and that it is in the towns where the hardened attitudes of race persist.

"I think there's a great deal of acceptance of the government. Our problems are far smaller than we imagined." He laughs: "We imagined chaos. We expected a much greater downswing in the economy, which would have been normal for an emergent nation. We expected the bureaucracy to be more officious and unpleasant; we expected enforced change to be far more radical.

"White farmers have fared well since independence and yes, most of them know it. The fact that almost no farms have come on to the market since the elections (November 1989) proves it."

"The general consensus is that we're better off than the people south of the Orange River. There is already an incredible sense of being Namibian, of pride in our nation... the operative word being 'our'." - Star Africa Service.
Namibia to export crocodile skins to Spain

WINDHOEK — Namibia’s first and only crocodile farm, the Ojovarongo Crocodile Ranch, has been granted a permit by the Convention on International Trade in Endangered Species to export skins to Spain.

“The contract is to supply a single Spanish company with skins for five years,” explained Annemarie van der Merwe, colleague of proprietor Nicky van Dyk.

The first 150 skins are due to leave for Europe before the end of the week.

The ranch now houses 1 623 crocs and about 1 000 eggs are due to hatch early in December. There are about 107 females capable of producing 4 000 to 9 000 skins within 10 years, Van der Merwe says.

After applying for the export permit in 1987, the ranch was built up as a tourist attraction.

The ranch is also the first Namibian operation to be granted a permit by CITES which seeks to regulate and control trade in endangered species such as the Nile crocodile.

Among the conditions are that the reptiles must be two years old and 1 to 1.5m in length before they are slaughtered.

“Crocodile meat is becoming popular at a number of Namibian restaurants and we have had inquiries from Hoëst Bay,” Van der Merwe said. — Sapa.
Keeping away travellers

Instead of using its new-found freedom to deregulate the skies, Namibia has followed in SA's footsteps and handed monopoly power to a national carrier.

Air Namibia, which changed its name from Namib Air last month, is running into flak from the local tourism industry. It's a familiar story: critics contend the government-sanctioned monopoly keeps competitors out of Namibian skies and reduces the number of foreign tourists able to get into the country. They say that in peak periods, travellers can wait weeks to get on to Air Nam-

business & technology

taken over from SA Airways last year, it still operates on an average of 60% occupancy. But, like airlines the world over, seats are at a premium in peak season.

Uys says hotel occupancy would not shoot up from 50% to 100% if more aircraft seats were available. He contends there is actually a shortage of hotels of international tourist standard, especially in the popular holiday resort of Swakopmund and in the north.

"We're not totally opposed to deregulation, but it must be phased in and we, as the national airline, must be considered. All we want is the same opportunity to establish ourselves as other national airlines had when they were young."

Uys says other carriers to southern Africa could easily compete by simply extending their routes to Windhoek, but Air Namibia, with only one Boeing 747SP leased from SAA, could not mount reciprocal competition and would become unviable.

If the tourist industry then slumped and foreign carriers stopped their service, Namibia would be left without direct international air links, he says.

The same type of thinking in SA has led to international airfares costing nearly twice what they should, discouraging business from serving such a high-cost destination and stunting the growth of what should be a far bigger tourism industry.
Forgive Africa's debt Nujoma

WINDHOEK — Namibian president Sam Nujoma has appealed to the international community for R53bn annually to assist African development and for "massive debt forgiveness".

He was speaking at the opening of the joint meeting of African planning ministers, UN development programme representatives and regional agency representatives in Windhoek yesterday.

Nujoma said each African country's specific objectives in investment, human resources development, protection of land and maritime resources, arresting flight of capital and repatriation of capital should definitely be encouraged.

"At the same time, international action in areas of economic aid, including a massive R53bn annual inflow, massive debt forgiveness, and serious attention to commodity prices, will be an indispensable complement to our own efforts in Africa," Nujoma added.

He was addressing about 350 delegates from 45 African countries to discuss the next five-year programme on development aid to Africa.

The meeting is being sponsored by the UNDP and the Economic Commission for Africa.

The UNDP has pledged to spend about R53bn during this period.

Namibia had been accorded the maritime fisheries sector by the Southern African Development Coordination Conference, and Nujoma said the effective surveillance of this resource should not only deserve the attention of UN institutions and other agencies.

"In this regard, the European Community's common fisheries policy should surely be matched by a common fisheries strategy for the African economic community," Nujoma added.
Nujoma appeals for R83-bn a year

WINDHOEK - Namibian President Mr Sam Nujoma yesterday appealed to the international community for R83 billion annually to help African development and for "massive debt forgiveness".

He was speaking at the opening of the joint meeting of African Planning Ministers, United Nations Development Programme representatives and regional agency representatives in Windhoek on Monday.

Nujoma said each African country's specific objectives in investment, human resources development, protection of land and maritime resources, arresting flight capital and repatriation of capital should definitely be encouraged.

"At the same time, international action in areas of economic aid, including a massive R83 billion annual inflow, massive debt forgiveness and serious attention to commodity prices, will be an indispensable complement to our own efforts in Africa," Nujoma said.

He was addressing 300 delegates from 45 African countries in Windhoek to discuss the next five-year programme on development aid to Africa.

The meeting is being sponsored by the UNDP and the Economic Commission for Africa.

The UNDP has pledged to spend more than half of its funding, or about R4 billion, during this period.

Nujoma said it was clear that people must be encouraged to take part fully in planning and implementing programmes to improve their own lives.

Namibia supported this approach wholeheartedly.

"We are convinced that within the public sector, government programmes and services must be carefully planned both at national and sectoral level," Nujoma said.

"At the same time we believe that ministries responsible for planning should encourage and support development of private sector activities."

Nujoma said the full economic potential of the private sector could not be effectively realised unless public sector services were properly planned and implemented to provide support to the private sector to carry out its activities.

It was also vitally important an efficient planning system be designed which would also take a realistic account of constraints. "Experiences elsewhere have shown that macro-economic difficulties have sometimes occurred, precisely because expenditure in the public sector has been allowed to expand much faster than valuable resources would permit," Nujoma said.

Nujoma said it was encouraging to note that planning ministers had decided to give regional co-operation issues the political and technical consideration they deserve.

Namibia had been accorded the maritime fisheries sector by the Southern African Development Co-ordination Conference.

"In this regard, the European Community's Common Fisheries Policy should surely be matched by a Common Fisheries Strategy for the African Economic Community," Nujoma added.

"Undoubtedly there is much to be done on both sides in terms of economic reforms on the part of our governments in Africa, and of complementary action by our international partners," Nujoma added. - Sapa.
Soul-searching for Swaps

Namibia's rulers have said out loud what many have been thinking for months. The government has publicly acknowledged that it is facing a serious economic crisis. This is a significant change from the government's usual stance of optimism and自信.

"We cannot continue to hide behind our traditional beliefs and values," said President Hage Geingob in a recent speech. "We must be realistic and face the facts." He went on to say that Namibia must adopt new policies and strategies to address its economic challenges.

The recent drop in commodity prices and the effects of the COVID-19 pandemic have taken a toll on Namibia's economy. The government has been forced to cut spending and focus on prioritizing essential services such as healthcare and education.

"We are not alone in this," Geingob said. "Many countries around the world are experiencing similar challenges. We must learn from their experiences and find innovative solutions to our problems."
WINDHOEK - An estimated 300 Namibian women die from pregnancy complications at childbirth every year, President Sam Nujoma said at a "safe motherhood" conference in Windhoek on Tuesday.

"The problem of maternal deaths is a tragedy to the family and the nation as a whole, but most of the time we consider it to be a natural event," Nujoma told delegates to the three-day meeting to address critical issues relating to women's health.

The Namibian Government has embarked on a primary health care programme, holistic in approach, using curative, preventative, promotive and rehabilitative health care with a focus on women and children.

Women's low social status, high illiteracy rate (estimated at 48 percent), the adverse economic situation (40 percent of households are headed by women) are among factors contributing to poor maternal health in Namibia, Nujoma said.

Teenage pregnancies had become another problem area with 1,760 cases reported in 1990.

Abortion, associated with teenage pregnancies, was another cause of death in young women. Statistics indicated about 1,800 abortions in 1990.

Nujoma said AIDS was "another potential scourge" threatening the nation. Of 575 AIDS cases and HIV infections reported, 38 people had died.

"This figure may look small but the implications are serious," he said.

"Although the medical profession can do a lot to minimise maternal deaths and illness, it remains upon individual couples and individual women in particular to decide the number of children they should have and when to have them," Nujoma said. - South African Press Association.
Zairean opposition threatens strike

KINSHASA — Zaire's leading opposition parties have threatened a national strike unless President Mobutu Sese Seko revokes his nomination of a maverick as prime minister.

kapita Shabangi, a spokesman for the Union for Democracy and Social Progress (UDPS) party, told a news conference on Wednesday night that Mobutu had given 48 hours to remove Nguza Kari-I-Bond.

Should Mobutu refuse, the opposition Sacred Union coalition would call on civil servants, students, the army and the people to go on strike to end what he called "the last dictatorship in Africa."

Mobutu named Nguza to the premiership on Monday to end a government deadlock in the vast central African country which has been on the brink of chaos since the September riots in which 250 people died.

Nguza's Union of Independent Federalists and Republicans (UFERI) party was expelled from the opposition alliance last week after he broke ranks by agreeing to accept the premiership.

Nguza is expected to name a cabinet soon.

Zaire's opposition has threatened to break off relations with Mobutu over the naming of Nguza as the country's fifth prime minister this year and said it violated accords signed in September requiring that the premier be a Sacred Union member.

It said Mobutu had to respect his commitments and permit the country's stormy national conference on democratic change, currently suspended due to procedural wrangling, to make constitutional reforms.

Sapa-Reuter.

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Taiwanese oil explorers withdraw from Namibia

WINDHOEK — The Taiwanese Overseas Petroleum Investment Corporation (Opic) is to withdraw from Namibia after failing to find oil in the Etosha Basin. Namibia's ministry of mines and energy said yesterday.

"Petroleum exploration is a high-risk business which operates in a highly specialized technical and scientific environment," the ministry said in a statement.

Opic, which had a lease agreement with the company Etosha Petroleum, completed a 700m exploration well in the Etosha Basin in October.

"Although the well was successfully completed to target depth, potential for oil and gas in this structure was absent," the statement said.

It added that much of the Etosha Basin remained unexplored and there was little relationship between the geology and, therefore, the potential for hydrocarbons indicating oil in this area and Namibia's offshore area.

The Namibian government has begun negotiations with oil companies that applied for petroleum exploration rights during the first bidding round which closed last month.

Opic GM David Chen said his company had been in Namibia since 1989 and spent about R$30m in its search for oil in the 250 000km² concession area.

Opic reprocessed old data supplied by Etosha Petroleum as well as conducting its own seismic and aeromagnetic surveys in this first bid to find oil in an independent Namibia.

Contribution (22A)

The latest exploration well was the fifth to be drilled in the concession since the late 1960s.

"We were looking for oil and found nothing," Chen said.

The ministry said Opic had contributed extensively to the geological knowledge of the area during its exploration.

"The data will be of considerable benefit to further evaluation of the Etosha Basin which, to date, has only been seriously explored in its southwestern part," the statement said.

It said SA had drilled more than 20 boreholes on its western shelf, with limited success. — Sapa.
Namibia’s Kudu gas field, which was discovered by US energy giant Chevron in the early Eighties, is moving towards development.

The National Petroleum Corp of Namibia (Namcor) stopped accepting applications to develop the field on August 1 and is now busy evaluating them, says MD Skerf Pottas.

Pottas says the Kudu field is estimated to hold between 4 trillion and 5 trillion cubic feet of gas. The Mossgas field, in comparison, contains an estimated 1 trillion to 1.5 trillion cubic feet.

“This is quite a fair-sized field, but the problem is that it’s too far from the nearest markets, in Europe and the US. We expect to announce which company will get the concession next year,”

Namcor also has received 18 applications to prospect for additional fuel reserves off the Namibian coast. “We are satisfied with the response and are now evaluating applications for various prospecting blocks of about 10 500 km² each,” he says.

An announcement on which companies will get the prospecting concessions will be made by mid-1992.

Philip Riddell, MD of Shell Namibia, says his company is interested in several areas off the Namibian coast. “We are looking at the possibility of forming joint ventures for possible on- and off-shore prospecting. This would spread the risk on the exploration side.”
Namibia to default on R1bn debt?

(Durban)

DURBAN. - The Department of Finance has declined to comment on a report yesterday that Namibia is threatening to default on loans of almost R1 billion raised on the South African capital market by the previous administration.

Director-General Mr Gerhard Crous said yesterday that the department had "no comment at all" on the report in a Maritzburg newspaper.

Namibian Department of Foreign Affairs officials also declined to comment. According to the report the crisis started when the deadline for interest repayments on more than R300m of a R750m loan fell due. The Namibian government apparently claimed that the loans were "colonial debts" and thought the South African government, which had guaranteed them, should settle the lion's share.

Reportedly Finance Minister Mr Barend du Plessis has suggested a rescheduling of the debt.
Business in Namibia ‘one voice’

DALE LAUTENBACH
Angus Africa News Service

WINDHOEK. — Eighteen months after independence, Namibia’s business community has agreed to speak with one voice in what has been described as “an example of how reconciliation can and will be made in this new nation”.

The existence of two chambers of commerce and industry in Namibia since independence has been a thorn in the side of the government, which has repeatedly urged business to create a single voice for the private sector to be heard on national issues.

While the Chamber of Commerce and Industry did not exclude members of races other than white, its 70-year existence in a country where apartheid policies ensured white advantage soon earned it the tag “white chamber” when Namibia became independent.

As the CCI represented big business interests in Namibia and as those were, and still largely remain, white, the tag stuck.

The Namibia National Chamber of Commerce and Industry was formed by smaller business people shortly after independence when Prime Minister Hage Geingob urged business to organise itself into a single body.

The NNCCI soon earned the tag “black” although it did have white members. Again, it was the history of apartheid in Namibia which meant smaller business people were black and as NNCCI attracted this part of the private sector, the racial differences between the two chambers were obvious.

After months of negotiation it has been agreed that the NNCCI will become the national umbrella body to which the CCI will affiliate.

Making the announcement, Trade and Industry Minister Ben Amathila was enthusiastic: “I announce that a complete, unanimous agreement between the two bodies has been reached for CCI to affiliate within the national structure of the NNCCI and by so doing the private sector has provided an example of how reconciliation can and will be made in the new nation.

“With this agreement the question of which chamber is a national body has been finalised.”

He encouraged other smaller business chambers and associations throughout the country to affiliate to the national body to receive its services and to develop a national network of business organisations that could speak through one body.

Within a month the NNCCI would be opening a training department and an economic development department funded by grants from the Friedrich Ebert Foundation and the Centre for International Private Enterprise.

Members of a task force from the CCI and the NNCCI which brokered the agreement, stressed in a statement that the arrangement was not a merger and that affiliated bodies, like the CCI, would retain autonomy on local issues.
SA govt silent on Nam debt default

Political Correspondent

The South African government was tight-lipped yesterday about reports that Namibia is threatening to default on almost R1 billion in "colonial debts".

According to recent news reports, the Windhoek government believes that South Africa should pay the lion's share of the loans it guaranteed during Namibia's pre-independence period.

Pretoria is apparently maintaining that Namibia should take responsibility for the amounts.

But Finance Minister Mr Barend du Plessis has reportedly proposed a compromise whereby the full debt is rescheduled over 20 years at 2% interest.

Namibian Finance Minister Dr Otto Herriget yesterday dismissed suggestions that there was a debt crisis.
Investment incentives
Nambia: Need for more

BY ANUWE FANGELO

Cape Times, Saturday, December 14 1991
23
50% stake

TRANSNAMIB, the Namibian national carrier, has acquired a 50% interest in Unicorn subsidiary Swakop Lines (2.2.94).

Swakop Lines began a containerised coastal service in 1990 and sails weekly between Cape Town and Walvis Bay.
Revere gains control of Haib mine

REVERE Resources has acquired Namibia-based copper project Haib, which it will reverse list into the JSE’s mining exploration sector via the cash-shell of former sea diamond mining company Mervest.

A statement published today said Revere, the independent mining company established by Glenn Laing, had struck a R1,3m deal with Haib’s owner George Swanson which will lead to it gaining 81% control of the porphyry copper and molybdenum mine.

Revere bought the right to mine the Haib deposit with an option to purchase it from Swanson for R1,2m cash and 2.5-million Mervest shares valued at 1c each. Mervest will be renamed Haib Copper Mining and Exploration Company and increase its authorised share capital. Revere will receive 128,5-million Haib shares in return for the disposal of its mining rights, of which 11-million will be renounced to Geoff Parker and RM Nominees for R110,000.

The Security Regulation Panel has agreed that no offer to Mervest’s minority shareholders has to be made because the cash-shell holds only R12,000, equating to a small fraction of a cent per share, a spokesman for sponsoring broker Frankel, Max Polak, Vinderine said.
Revere acquires Haib copper deposit

Independent mining company Revere Resources SA has acquired the extensive Haib copper-molybdenum deposit and other mineral rights in Southern Namibia, just north of the Orange River.

In a company statement Revere said it intends to develop the Haib porphyry copper and molybdenum deposit, which has the potential to become a world class copper producer.

Technical and feasibility investigations into the Haib have been completed and development capital is now being negotiated.

Exploration to date reveals the deposit has a possible higher grade sulphide ore reserve of 851 million tons with a grade of 0.27 percent copper, based on a cut-off grade of 0.15 percent. A copper oxide cap with an estimated reserve of at least 2.4 million tons with a grade in excess of one percent copper has also been identified.

Revere said it had on-sold its rights to a cash shell, the listed Mervest, which has become its subsidiary and is changing its name to Haib Copper mining and Exploration Company Limited.

The renamed company, for which a listing transfer to the Mining financial — Mining Exploration sector will be sought from the JSE, will provide Revere with the vehicle to raise capital to fund the further exploration and development of the Haib area and other mineral rights.

Mervest is increasing its authorized share capital and, in return for the disposal of its rights to Mervest (Haib), Revere will receive 122.5 million ordinary Mervest shares, of which 11 million will be renounced in favour of Mr G C Parker and RM Nominees (Pty) Limited for a consideration of R110 000.

Under the acquisition the right to mine the Haib deposit with an option to purchase the mineral claims has been secured from the owners of Haib in exchange for R1.2 million and 8.5 million shares in Mervest.

When these arrangements have been completed, Revere will hold an 81 percent interest in Mervest (Haib).

The Haib acquisition and other arrangements are conditional on approvals by the Securities Regulations Panel, the JSE, and the shareholders of Revere and Mervest. — Sapa.
A long haul back for Namibia

With the international copper and uranium markets in decline, and the fishing industry facing a long haul back to its former strength, Namibia is looking increasingly to tourism for a major economic boost.

The industry has considerable potential. Huge expanses of desert and savannah complemented by well-managed conservation areas and one of Africa's best infrastructures are obvious attractions for space-starved Europeans and Japanese. Tourism is now the fourth biggest contributor to the country's GDP, after mining, fishing and agriculture, but could easily move higher.

Arno Janetzky, GM of Namib-Sun Hotels and secretary of the Namibian Hotel Association, says the coming season looks good after a dearth of tourists in the months after independence and earlier this year during the Gulf War.

A lack of official statistics makes it difficult to assess market growth or value. Available figures show room occupancy last year was 38% compared with just more than 50% in 1988. Though figures for 1989 were much higher, they were distorted by the influx of Unag personnel and others involved in the independence process.

Government's current estimates of about 100,000 tourists a year are disputed by an industry that says the method of counting and defining tourists grossly inflates their true numbers.

Though not an immediate problem, rapid growth could strain the infrastructure. Of the 7,190 tourist beds in the country, only 3,980 are in hotels, and there are only one four-star and four three-star hotels.

New investors will want more than merely an increasing tourist flow — political stability and sound economic policies are equally important. About R67m of mainly Namibian capital went into new and upgraded hotels over the past two years but future investment will almost certainly have to come from outside the country.

KWR List, chairman of Ohlthaver & List, Namibia's leading industrial conglomerate and the holding company of Namib-Sun Hotels, says most local capital for new investment will probably go into the fishing industry because it has massive growth potential.

Nevertheless, Ohlthaver & List showed its commitment to the country and tourism by pumping R17m into the development of the luxurious Mokuti Lodge near Etosha just before independence. It was a risky move and the company paid for it when tourism withered. List concedes that Mokuti came on stream at a bad time but occupancy has improved considerably in recent months. "The manner in which government is administering Namibia has restored foreign confidence and tourists are returning."

Until independence, 70% of tourists were from SA, but the flow slowed to a trickle almost overnight. Not that the industry was booming before that. The war and political uncertainty had depressed it and some hotels had occupancy levels below 30%. The situation was aggravated by the uncertainty associated with a newly independent state.

Wildlife, Conservation & Tourism Minister Niko Bessinger says it's a case of incorrect perceptions. "In 1989, shortly before independence, I met many South Africans in Namibia who said they were visiting South West for the last time. They believed they wouldn't be welcome in an independent Namibia. But it's an illusion. At no stage was there any desire or intention to cut out the SA market."

Progress in wooing back SA tourists has been slow. Efforts overseas have been more successful. Namibia is now accepted as a safe and stable destination by German tour operators in particular. Before independence about 23% of the country's tourists were from Germany — and they're starting to stream back. At Mokuti, for example, 80% of the guests are European, mainly German.

Bessinger says his government will continue to press for the improvement in the quality of tourism. To this end, attitudes are vital. "People in uniform must be friendly and reliable sources of information and protection. I want people arriving at the airport to be treated as guests."

Meanwhile, the industry is frustrated by what it sees as bureaucratic obstacles. Janetzky says there's no long-term objective and not enough effort to raise standards through, for example, an hotel school.

Some people in the industry would like to see more private-sector involvement in conservation areas such as Etosha. They argue that private operators could raise standards in government-owned rest camps.

Bessinger disagrees. "Etosha is an important component of Namibian tourism and considerable pressure is exerted on the park. Sometimes it's difficult to make people realise that it exists primarily for conservation; they tend to think that Etosha was created for the tourism industry."

Though the industry may perceive government's marketing efforts as inadequate, Bessinger does have a vision. He sees Namibia as part of a regional product and believes that a joint regional marketing effort for southern Africa is crucial to tourism's future.

"It's something I'm pressing for. It's vital to raise international awareness of the region. Many tourists realise only once they get here where they are on the globe: two hours from Cape Town and Johannesburg, one hour from Gaborone and Livingstone. If the product is more clearly identifiable through marketing, it will help very much."
NAMIBIA - GENERAL ECONOMICS
1992
Iran has seat on Rossing Uranium board

WINDHOEK — Iran owned 10% of shares in Namibia’s Rossing Uranium Ltd. The Namibian newspaper reported yesterday.

It was quoting ownership details published by a London uranium institute.

Iran’s ambassador to Namibia, Mohammed Kazem Bigdeli, said this gave his government one seat on the board.

Rossing declined to comment.

Yesterday’s report said the Namibian government, with a 35% shareholding, held a controlling number of votes because of the way Rossing’s shares were structured. It said the government had inherited the controlling votes from the “mysterious and private” Capricorn Trust set up before Namibian independence by SA’s Industrial Development Corporation. The IDC also held 10% of shares in its own name, but had only one director on the 18-strong board.

Britain’s Rio Tinto Zinc controlled 45.5% of Rossing shares and had 11 board members, a quarter with voting rights.

The report said Iran’s interest in Rossing was set up by the late Shah Mohammed Reza Pahlavi in the 70s. Quoting a London correspondent, the report said an “official Iran yearbook” showed the country was “entitled” to buy 175 tons of uranium oxide from Rossing which was “believed to be marketed overseas”. — Sapa.
Infrastructure system
The drive to expand
Established.

Banking Corporation

The Namibian

In 1990
Material Contracts and Inspection

Sani International Limited

Date: 01/01/2023

Material: Steel

Quantities:
- 1000 kg
- 2000 kg

Price:
- $50/kg

Inspection:
- Visual inspection
- Weight check

Suppliers:
- ABC Steel
- XYZ Metal

Contact Details:
- ABC Steel
  - Phone: 123-456-7890
  - Email: abcsteel@company.com
- XYZ Metal
  - Phone: 321-654-9870
  - Email: xyzmetal@company.com

Approval:
- Signature of Project Manager
- Signature of Quality Control Manager

Date: 01/01/2023
P Directors’ responsibility

The directors of Sun Cakil classify and immediately accept responsibility for the accuracy of the information given in this prospectus and certify that, to the best of their knowledge and belief, there are no omissions relating to the material issues which might reasonably be considered capable of influencing the decision of any person whether to acquire securities in the Company in the course of this issue. They have made all reasonable enquiries to ascertain such facts.

Q Paragraphs of Schedule which are not applicable

The following paragraphs of Schedule 3 of the Company Articles are not applicable:

Part I (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z).

Part II: 5 to 14.8.

Part III: 15.1 to 15.8.

Q. Signed in Johannesburg on behalf of CACOS on 5th August 1984:

J. A. Roux

P. 0. W. Coote

R. M. Blackett

P. M. Botha

P. N. A. Smith

P. W. C. Viljoen

Signed in Johannesburg on behalf of Sun Cakil on 5th August 1984:

J. A. Roux

P. 0. W. Coote

R. M. Blackett

P. M. Botha

P. N. A. Smith

Signed in Johannesburg on behalf of Sun Cakil on 8th March 1984:

J. A. Roux

P. 0. W. Coote

R. M. Blackett

P. M. Botha

P. N. A. Smith

F. F. Blank

J. A. Roux

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P. M. Botha

P. N. A. Smith
Namibia lifts SA ban

NAMIBIA has lifted its sports ban against SA in codes that have encouraged multiracial participation. A government spokesman said the decision was taken at a cabinet meeting yesterday.
New code on mining

WINDHOEK — Namibian authorities, excited at the news that an SA company intends developing a major copper mine in the country, are preparing a mining code for investors.

Mines and energy permanent secretary Leske Hangafa said the government was preparing mining legislation, a mining tax policy and a labour code to promote mining and energy exploration.

He said he hoped the legislation would be enacted during the current session of the national assembly.

He described as “exciting” the announcement that Revere Resources SA would spend R200m developing the Halpoporphyry-copper-molybdenum deposit. — Reuters.

ANC rebukes envoy’s ‘tone on sanctions’

CAPE TOWN — The ANC took a dim view of British Minister for Overseas Development Lynda Chalker’s hectoring tone when she sought to lecture its president, Nelson Mandela, on sanctions, said ANC western Cape chairman Allan Boesak.

“Her tone is reminiscent of that of Mr F W de Klerk’s when he chose to lecture the ANC at the inaugural Codesa meeting,” Boesak said in a statement.

“The content is the same old stodge served up by the Tory government which we reject with contempt.”

Meanwhile, Chalker yesterday held talks in Lusaka in the first visit to Zambia by a British minister since the new government took office.

“Chalker is here to see for herself the peaceful changes that have taken place and to see ways in which we can assist. She will be discussing both bilateral and regional assistance,” a British embassy official said.

Chalker met President Frederick Chiluba on Wednesday night after her arrival and announced the release of $18m in aid frozen last September when Zambia failed to implement crucial measures in its economic restructuring programme. — Sapa-Reuters.
METJE & ZIEGLER

Demand dries up

Activities: Retail a range of products and holds the franchises for Mercedes-Benz, Honda, Audi & VW vehicles & property interests in Windhoek.

Control: Hertha Ernst Investments (Pty) 62.6%; SA Mutual 27.8%.


Capital structures: 3,47m 3s. Market capitalisation: R11.3m.

Share market: Price: 325c. 12-month high, 420c; low, 320c. Trading volume last quarter, 1 000 shares.

Year to June 30  '89  '90  '91
ST debt (Rm)...........  4.9  10.4  9.0
LT debt (Rm)...........  0.2  0.2  0.2
Debt/equity ratio ......  0.17  0.35  0.31
Shareholders’ interest ...  0.58  0.58  0.56
Int & leasing cover ......  17.8  5.4  1.0
Return on cap (%) ......  16.4  6.2  3.8
Turnover increase (%) ...  23.0  1.1 (2.1)
Pre-int profit (Rm) .......  7.9  4.2  1.8
Earnings (c)...........  118.8  45.2 (20.5)
Dividends (c)...........  24.0  10.0 —
Net worth (c)...........  807  843  816

Depressed economic activity in Namibia led to a substantial reduction in sales, especially new motor vehicles. In addition, theft of stock and problems at the Hardware & Building Materials and Retail divisions created an appreciable loss in the year to June.

This prevented the hoped-for cut in indebtedness and the interest bill ballooned from R784,000 in financial 1990 to R1,86m. The group has battled with low profitability for years but at least it repaid R1.5m revolving acceptance credits.

Chairman E P H Bieber says the outlook is bleak, with stock levels still a priority. The year’s stockholding was higher than turnover warranted and the board is taking drastic steps to improve the situation. The dividend was passed to conserve cash.

With the SADF pull out of Namibia and little investment forthcoming, it could be difficult to attain the level of profitability of the past, let alone produce growth. Bieber is confident that rationalisation of the loss-making divisions has gone far enough.

He notes that the building industry is suffering and things don’t look too bright for vehicle sales. With government well stocked with ex-UN vehicles, its needs are likely to be low for the next few years.

The share is unlikely to appreciate until basic problems are resolved — such as the return on capital.
Agreement on Namibian debt reached

By Dale Lautenbach
Star Africa Service

WINDHOEK — South Africa and Namibia have reached an "agreement in principle" on the multimillion-rand debt owed by Windhoek to its former administrator, and Namibia has indicated there will be compromise on its part.

"We have come to an agreement in principle," said Namibian Minister of Finance Dr. Otto Herrigel. "The announcement can only come at a later stage when we finalize the agreement, which needs to be put in final form. That will happen within weeks."

He said the sum at issue was about R500 million as at independence in March 1990. Last year he denied there was a "debt crisis" between the two countries.

The newspaper reports that Namibia was threatening to default on loans "totalling almost R1 billion raised on the South African capital markets".

It added that Namibia's view was that the loans were "coloniial debts" and that as South Africa had guaranteed these sums, it should pay the lion's share.

At the time, Dr Herrigel said there was "some truth" in the report inasmuch as the two governments did have different positions on the question of responsibility. There was certainly no crisis, however, as negotiations had been continuing since independence.
High hopes for Namibian economy

Nambian's stability could be its greatest asset.

TARIK 0.12

Service in Windecker

Reports delve into the Nambian economy

Namibian's stability could be its greatest asset.
First major copper project in 20 years

By IAN ROBINSON

about 80 US cents a pound to below 40c/lb. This process involves leaching the copper in the ore into solution and subsequently extracting it. This technology can be applied to both oxide and sulphide ores. Oxide ore usually overlies sulphide ore in copper deposits.

Rate

The major advantage of SX-EW for treating sulphide ores is the much lower capital expenditure required than in the traditional flotation process to produce concentrate.

Revere Resources SA, formed in early 1991 by South African mining entrepreneur Glenn Laing, is developing the deposit seven kilometres north of the Orange River. The mine is expected to come into initial production before the end of 1992.

A few years ago Veernyn Rand, a firm of geological and mining valuation consultants, conducted a pre-feasibility study and recommended that a small-scale modular approach be adopted to exploit the oxide ore and generate profits to be used to test the profitability of mining the sulphide ore.

LTA Process Engineering has been appointed technical adviser for a potential large open-pit operation to mine sulphide ore.

The first development phase will be the establishment of a low-cost oxide mining and leaching operation. It will produce 150 tons of copper a month, rising to 450. That would yield an annual operating profit of at least R2-million.

It is planned to mine the underlying sulphide ore and to raise the mining rate to 100 000 tons a day. That would mean annual production of more than 75 000 tons of copper.

Revere Resources needs R7-million for the first phase of the project and is investigating the best means of raising it.
Namibia nets profit — and two boats — from illegal fishing

DALE LAUTENBACH
Argus Africa News Service

WINDHOEK — Namibia has gained two fishing trawlers worth R5.2 million for R9.1 million following an out-of-court settlement on the fate of a number of Spanish vessels forfeited when they were caught fishing illegally in Namibian waters.

"Oh, yes we consider it a bargain," said Mr Calle Schlettwein, permanent secretary in the Ministry of Fisheries.

Expectations in Namibia had been falsely raised, perhaps, that after the forfeiture of eight Spanish vessels for illegal fishing in 1990 and 1991, Namibia would be eight boats the richer.

Mr Schlettwein explained that only that portion of the boats belonging to their owners was, in terms of a Namibian High Court ruling which found all the Spanish fishing parties guilty, to be considered Namibian property.

The portion still owned by Spanish banks has been the subject of negotiation and the R9.1 million that Namibia is paying for the two vessels, the Isla de Tambo and the Puente Belezar, is payment to the banks of what is still owed on the boats.

It has been agreed, too, that four of the eight boats be expelled from Namibian waters into the custody of the Spanish banks involved. The banks will pay Namibia R1.8 million each for the maintenance of the four vessels while they are held at Luderitz.

Mr Schlettwein said the Namibian government could have acquired all six boats, but that the four to be expelled were considered unsuitable.

It still has to be decided by the Cabinet what will be done with the two vessels Namibia has acquired, but Mr Schlettwein said it was unlikely the government would keep these itself for operation.

The fate of the last two of the eight boats originally held is still subject to negotiation and Mr Schlettwein does not believe this will be concluded until late next year.

By order of the High Court in Namibia, all claims made by the Spanish banks and fishing parties have been withdrawn and the case of the six boats is considered closed in full and final settlement.

Port captain at Luderitz Mr Ian Wingate commented that whatever happened to the eight boats lying in the bay and even if Namibia gained nothing at all from them, they would have served their function as a deterrent to the illegal fishing which has been taking place in Namibian waters.
Inflation up in Namibia

WINDHOEK — Namibia's inflation rate stood at 18.1% in December, figures released by the central statistics office in Windhoek showed.

The all items consumer price index for December 1999 was 350.8 points, while the same index for December 1991 was 414.3.

There had been significant increases in cigarettes and tobacco (33.2%), clothing and footwear (41.7%), furniture and equipment (39.9%) and transport (19.9%).

The upward inflationary trend had shown average monthly increases of 2.1% between August and December, the office said.

There had been a 1% GST increase in July-August and a petrol price hike in November which had apparently added to the cost of SA imports. — Sapa.
Inflation 18% in Namibia

WINDHOEK: Namibia's inflation rate continued its upward trend, rising to 18.1% year on year in December according to figures released yesterday by the Central Statistics Office in Windhoek. Namibia, which is heavily dependent on imported goods from SA, blamed the increase on transport increases and high inflation in its southern neighbour.

The annual inflation rate almost doubled from May 1991's figure of 9.7% year on year. — Sapa-AFP.
Namibia is given R37m aid package

WINDHOEK — Namibia and the European Commission signed a grant aid package worth approximately R37m in Windhoek yesterday.

"I would like to stress the utmost importance that the European Commission places on providing support to the development of Namibia to bring the benefit of this development to the rural communal areas," EC delegate to Namibia Louis Moreno said at the signing ceremony.

The grant will be used to fund projects in education, technical assistance and training in the fisheries sector, resettlement of returnees, and identifying and preparing activities for future financing.

Just under half the amount, in targeted budgetary support, is for improving veterinary services in the northern communal areas, agricultural training and resettlement, and development brigades set up to train former combatants in building and agriculture. The package is in addition to the approximately R100m Namibia will receive shortly under the Financial Protocol of the Fourth Lome Convention.

"This (R100m) together with the convention's beef protocol, the Least Developed Status given to Namibia, the regional programme for economic integration, and the Sabeli and Symbi instruments for development, will clearly demonstrate to Namibia the European Commission's involvement in its future," Moreno said.

National Planning Commission director-general Zed Ngviru and Moreno signed the agreement. — Sapa.
Namibia to have more food, fewer racists

By Gwen Lister

NAMIBIA PRESIDENT SAM NUYOMA
Fishing License Scheme

Millions Involved in

Misleading Scheme

The image contains a page from a document discussing the fishing license scheme involving millions of people. The text is not clearly legible due to the quality of the image, but it appears to be discussing the extent of the scheme and its implications. The page seems to be part of a larger report or article, possibly related to illegal fishing practices and government oversight. The document is marked as containing government warnings and a reference to a news report in English. The text is not fully transcribed due to the image quality.
Namibia ready to tackle ivory issue by horns

By Dale Lautenbach
Star Africa Service

WINDHOEK — Namibian Wildlife and Conservation Minister Nico Bessinger was ready for battle yesterday in preparation for the endangered species trade conference in Kyoto, Japan, next week where the ivory issue is expected to result in heated debate.

"We will stick to our guns and will not be outdone by numbers or by sensationalism. We are going to defend our cause and we are ready to do battle."

Mr Bessinger will represent Namibia at the meeting of the Convention on International Trade in Endangered Species, where the legal sale of ivory being sought by several southern African states is expected to be strongly opposed.

Addressing the annual meeting of the Namibian Professional Hunters Association in Windhoek yesterday, Mr Bessinger said Namibia and its ally southern African states — Botswana, Malawi, Zimbabwe and Zambia — would defend the principle of sustainable utilisation of renewable resources. This "fundamental pillar of healthy wildlife management is being tackled at the very base", said Mr Bessinger. "We're going to Kyoto to defend our cause and defend our constitution," he said, referring to a clause in the Namibian constitution which provides for the sustainable utilisation of both renewable and non-renewable resources.

He said the ivory issue had been sensationalised and that the only logical outcome of the Kyoto meeting was the downlisting of the elephant and the recognition of the Southern African Centre for Ivory Marketing that Namibia and its allies was proposing.

South Africa is expected to take a slightly modified position backing the downlisting of the elephant from its appendix I status which bans all trade but reserving a voluntary moratorium on ivory trade.

Mr Bessinger said tourism was at the heart of Namibia's conservation strategy and if hunting in Namibia suffered, the industry would be affected and the economy would suffer.

He said the focus of the elephant controversy had been wrongly shifted to the product, ivory, and that the elevation of the elephant to appendix I was against the wishes of these countries which took good care of elephant populations.
Namibian stock exchange may be launched in March

WINDHOEK — Plans to launch a Namibian stock exchange are well under way and the new institution could begin operating in March, adviser to the Stock Exchange Steering Committee Wikus Hanekom said.

"One thing that can stop the stock exchange from developing is if we do not get the general support from the major corporations in Namibia, without which we feel we should not go ahead," said Hanekom.

While there had been a great deal of interest in developing an exchange, there were many, mainly corporations with international shareholdings, which saw no benefit in it for themselves. "Solely Namibian companies have shown the best support and they have all put their money where their mouths are."

About 20 companies have already each paid R10,000 to join the Stock Exchange Association which requires a total of 20 individuals or corporations to launch an exchange. These are not necessarily companies that will be listed once the institution opens.

As the SA Stock Exchange Control Act adopted at independence applies in Namibia, the steering committee has applied to Finance Minister Otto Herrigel to make certain amendments. These include dropping the stipulated 20-person requirement to a number specified by the minister, scrapping the Marketable Securities Tax, to be abolished on traded shares in SA from March, as well as dropping the 1% stamp duty to be paid to the government on share transfers on the Namibian exchange.

Hanekom said the committee did not mind the 1% duty. "We would like our exchange to be in a preferred position so people or companies are prepared to list their shares, thereby distributing the wealth inherent in these companies and making shares available and part ownership available to employees and business associates."

There was no specific number of companies or volume of shares required to start an exchange, but R1m in shares would need to be traded monthly to break even.

Because Namibia was part of the Common Monetary Area, it was possible to trade shares in Namibia and SA without separate share registers.

Apart from giving companies an opportunity to share their wealth through share-ownership schemes, it also serviced the government idea that wealth should be spread to the people who are working in the economy, Hanekom said.

Asked if Namibia was not too small to have its own exchange, he pointed out the country was not too small for banks.

The Johannesburg Stock Exchange was one of the first financial institutions when little else existed in the city.

"It's never too small to start a financial institution," Hanekom stressed. — Sapa.
Namibia planning to launch stock exchange

WINDHOEK — Plans to launch a Namibian stock exchange are well under way and the new institution could begin operating in March, says the stock exchange steering committee’s adviser, Wikus Hanekom.

He adds, however: “One thing that can stop the stock exchange from developing is if we do not get the general support from the major corporations in Namibia.”

While there has been a great deal of interest shown in developing an exchange, many corporations, mainly those with international shareholdings, see no benefit in it for themselves.

About 20 companies have each paid R10 000 to join the Stock Exchange Association, which requires 30 members to launch an exchange. These are not necessarily companies that will be listed once the institution opens.

As the South African Stock Exchange Control Act adopted at independence applies in Namibia, theNSE steering committee has applied to the Minister of Finance, Dr Otto Herrigel, to make certain amendments.

These include dropping the stipulated 30-person requirement to begin an exchange to a number specified by the Minister, the marketable securities tax to be abolished on traded shares in South Africa from March, as well as the one percent stamp duty to be paid to the government on share transfers on the Namibian exchange.

No specific number of companies or volume of shares is required to start a stock exchange, but R1 million in shares would need to be traded monthly for it to break even.

“At this stage we are not close to that figure,” Mr Hanekom says.

Because Namibia is part of the Common Monetary Area, it is possible to trade shares in Namibia and South Africa without separate share registers. — Sapa.

Arandis offers business incentives

WINDHOEK — The Namibian government has accorded the former Rossing uranium mining town Arandis, Export Processing Zone status and announced a number of incentives to encourage companies to set up in the town.

Trade and Industry Deputy Minister Anton von Wieterstein said yesterday that “Naturally, these special incentives will be granted only to new companies setting up operations.”

He added they were in addition to existing provisions allowing investors to write-off 100 per cent of capital investments against profits.

The new incentives include:

- Reduction of withholding tax on dividends.
- Exemption from General Sales Tax on imported capital goods.
- Exemption from all import duties on raw materials and capital equipment if the operations are geared for 100 percent export.
- Training grants in the form of reimbursement of 75 percent of total costs incurred in training Namibian citizens. — Sapa.

Consumer confidence in US plummets

Consumer confidence in the US has plunged to its lowest level for 18 years, suggesting the longest post-war recession is far from over.

Anxieties about job security drove the index down by four points in the last month to 46.5. Readings below 50 generally indicate a contracting economy.

The Federal Reserve Board chairman, Alan Greenspan, who was bullish on America’s short-term economic prospects last week, took a more guarded approach this week.

Tax cuts

Mr Greenspan said the Fed was ready to consider further cuts in short-term interest rates if the economy seemed to be stumbling.

The Conference Board, a business research group, said its monthly survey of consumers showed that the confidence of consumers, and therefore their readiness to spend cash, was being dragged down by fears of inflation and especially unemployment.

The US recession is now estimated to be in its 18th month. — The Independent.
Town wins super trade zone status

WINDHOEK—Namibia's government had accorded former Rossing uranium mining town Arandis export processing zone (EPZ) status and announced incentives to stimulate economic activity and create jobs, Trade and Industry Deputy Minister Anton von Wietersheim said yesterday. (22fl.)

"These special incentives will only be granted to new companies that are setting up operations," Von Wietersheim said.

Existing provisions allow investors to write off 100% of capital investments against profits. The new incentives include:

- Exemption from corporate tax for a number of years and thereafter a substantially reduced standard rate;
- Reduction of withholding tax on dividends paid after tax profits. Withholding tax is payable only on dividends declared. Money reinvested will not attract tax;
- Exemption from GST on imported capital goods;
- Exemption from import duties on raw materials and capital equipment if the operations are geared for 100% export; and
- Reimbursement of 75% of costs incurred in training Namibian citizens.

"Granting EPZ status to Arandis will provide government with a test case to identify possible regulatory bottlenecks and determine corrective measures before similar measures can be extended to other parts of the country," Von Wietersheim said.

Rossing has donated Arandis, which accommodates about 6,000 people at the height of mining activity, to Namibia. Sapa.
Kiss of life for dying Namibian town

Argus Africa News Service

WINDHOEK. — The uranium mining town of Arandis, hard hit by the slump in the industry here, has been declared an export processing zone (EPZ).

This was announced yesterday by Namibian Deputy Minister of Trade and Industry Anton von Wietersheim who said the primary objective was to create a manufacturing industry.

He announced a package of industrial development incentives "tailor-made" by his Ministry for Arandis. These include an exemption from corporate tax for a number of years and thereafter a substantially reduced standard rate.

There will be a reduction in terms of withholding tax on dividends paid after tax profits. In addition, reinvested money will not be taxed.

Imported capital goods will be exempt from general sales tax. Raw materials and capital equipment will be exempt from all import duties if the operation is for export purposes only.

Arandis, as Mr Von Wietersheim noted, was linked to the port of Walvis Bay by an excellent road, rail and communications network.

A fifth incentive concerned training grants in the form of a 75 percent reimbursement of total training costs for Namibian citizens.

Mr Von Wietersheim said Namibian economic policy, couched in the principle of an open market with an important role for the private sector, was driven by the need to create meaningful economic development in the form of job opportunities and by the need to combat poverty.

Arandis would also serve as a test-case for Namibia with a view to extending similar EPZ conditions to other parts of the country.
Large bills coming

The Development of the Haib copper deposit in southern Namibia ranks as Glean Laing's most ambitious project. If all goes according to plan, it will be the largest copper mine in southern Africa after Palabora Mining (Palamin).

Projections are that Haib could eventually produce 50,000 t/year of refined cathode copper compared with Palamin's 120,000 t, which will drop to around 70,000 t once operations go underground at the turn of the century.

The main drawback is its low average grade of just 0.37% copper compared with 0.5% for Palamin and up to 3% for some of the rich South African producers. Given the volatile nature of the copper market, some investors feel the deposit is too low-grade to risk developing.

A few mining groups such as RTZ, Falconbridge and, recently, Randex have assessed Haib's prospects and walked away. Laing agrees Haib is not worth developing if conventional flotation technology, which most of these companies have considered, is used to recover the copper. He says, however, that technology now available makes the project viable.

The new approach involves heap leaching, followed by solvent extraction and electrowinning (SX-EW), which were not in use in the Seventies when RTZ did an exhaustive assessment of the deposit. Laing says some North American mines using SX-EW to exploit geologically similar porphyry copper deposits have remained viable — in the face of low copper prices — on lower grades than Haib.

These include Ray Mines and Pinto Valley in Arizona, where the average grade of material being leached and treated by SX-EW is 0.25%, and Gibraltar, in British Columbia, with an average grade of 0.2%.

Plans are to tackle Haib in two stages, with an initial, small-scale operation exploiting the estimated 2.4 Mt of oxide ore close to the surface. It has an estimated average grade of 1.17%, according to consultants Vennyn Rand.

Laing says this mine will generate profits to pay dividends and provide funds to assess viability of the huge volumes of lower-grade sulphide ore at greater depths.

Haib, now listed on the mining exploration sector of the JSE through the former Mervest cash shell, will call for about R7m through a rights issue to set up this mine. It will produce 300 t/month of copper at first, rising to 500 t/month.

Reserves on the sulphide ore body to a depth of 350 m are estimated, according to RTZ's statistics, at between 374 Mt, at an average grade of 0.37%, and 831 Mt, at an average grade of 0.27%.

Laing has paid R1,28m to mineral rights holder George Swanson for the right to mine the oxide ore until the year 2000, with an option to purchase which has to be exercised by August 1995 provided the sulphide project gets the go-ahead.

Money is going to be tight and there are some large bills coming. Buying the sulphide deposit from Swanson will cost R13m, while putting in an electrowinning plant to produce copper cathode would cost another R13m. Haib will initially produce copper in a form known as cement copper, which contains between 70% and 80% copper, That will be exported to refineries via Walvis Bay.

Refining contracts like this often result in the copper producer losing more of its profit than necessary to the refinery. Laing says Haib's refining costs will be US$1.50/lb. On current prices, he expects to get US$1/lb for the contained copper metal, while his total costs would be around US$0.68/lb.

"As long as there is a profit margin of about 30%, you have a fighting chance of succeeding," he comments. The transmuted listing statement does not contain an earnings forecast for Haib. Laing says there will be one in the rights offer notice due soon.

A decision to go for the sulphide deposit would put Haib in a different ball game. Laing acknowledges it could be done only with the help of a heavyweight mining partner because the cost would be about US$100m.

This could be one of the most interesting mining projects yet tackled in southern Africa but it is high-risk. Wait for the rights offer document containing the financial evaluation before deciding on its merits.

Brendan Ryan
Top diamond yields for Namibia's CDM

WINDHOEK — Namibia's Consolidated Diamond Mines had their best production year in 10 years in 1991, yielding almost 1.2 million carats, Chamber of Mines president Jonathan Leslie said in Windhoek.

Leslie said the long-running recession and the influx of mining products from the new Commonwealth of Independent States to the west generally caused mineral prices to weaken.

"Last year was CDM's best production year since 1981. Almost 1.2 million carats were produced, as against almost 0.75m in 1990," Leslie said.

Diamond sales for the second half of 1991 were 21% up, in rand terms.

Namaqua Gold Mine, the country's biggest producer, produced 1709kg in 1991 against 1453kg the previous year.

"The mine operated at a significant profit — most satisfactory in view of the weak gold price".

Rossing Uranium twice cut back production in 1991 to 2500 short tons, about half its capacity, due to an oversupply on the world market. The retrenchment or early retirement of about 750 employees accompanied the second cutback.

"All Rossing's production is now supported by long-term sales contracts and no further step reductions in production or manpower are anticipated," said Leslie, who is also the company's CE.

Namibia's copper production of just under 33,000 tons was fractionally up. Exploration for precious and base metals continued near Okahandja as well as base metal exploration east and west of Windhoek.

"A major South African exploration company has returned to Namibia and has applied for an extensive area south-west of Windhoek," he added.

However, prospecting expenditure by Chamber of Mines members totalled about R40m (R67m).

Statistics showed the number of mining employees in Namibia had declined from almost 20,000 in 1980 to a little over 12,000 in 1991. — Sapa
SA firms play part in Windhoek

By Frank Jeans

The central business district of Windhoek has been revitalised to the tune of R215 million, with many of the big names of South African business contributing to the Namibian capital's renewal.

Over seven years, the city council has injected R16 million, with the private sector spending the balance — a total commitment which has brought to the commercial centre almost 60 000 sq m of new offices, shopping space and pedestrian malls.

Behind the Windhoek enterprise was a consortium of consultants led by Reg Pfeiffer, of Randburg company, Pfeiffer Vincent and England.

Mr Pfeiffer has now received the first Shell Environment Management Award on behalf of the professional team and the Windhoek council for their role in the undertaking.

"Central Windhoek has been transformed into an attractive urban environment," he says.

"Apart from the spread of new shops and offices, traffic flow is smoother, there are plenty of parking areas and much more greenery, so that the lot of the pedestrian has vastly improved."

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WINDHOEK — De Beers' Namibian subsidiary Consolidated Diamond Mines had their best production year in 10 years in 1991, yielding almost 1.2 million carats.

Namibian Chamber of Mines president Jonathan Leslie said in Windhoek yesterday that the long-running world-wide recession caused mineral prices to weaken.

"Last year CDM produced almost 1.2 million carats, as against 750 000 in 1990."

Diamond sales for the second half of 1991 were 21 percent up in rand terms on 1990.

Navachab Gold Mine, the country's biggest producer, produced 1 709 kg in 1991 against 1 453 kg the previous year.

Rossing Uranium twice cut back production in 1991 to 2 500 short tons, about half its capacity, due to an oversupply on the world market.

Namibia's copper production of just under 33 000 tons was fractionally up on 1990.

Mr Leslie said north-western Namibia continued to be the focus of new exploration activities.

"A major SA exploration company has returned and applied for an extensive area south-west of Windhoek," he said.

However in spite of this activity prospecting expenditure by Chamber of Mines members totalled about R40 million, compared with almost R67 million in 1990. — Saga.
Fishing and diamonds boost Namibia’s growth

WINDHOEK — Good performances by Namibia’s fishing and diamond mining industries resulted in a 5.1 percent rise in Gross Domestic Product (GDP) for 1991, Finance Minister Otto Herrigel said yesterday.

“Fishing sector once again outperformed our projections and an increase of more than 80 percent in its real level of production was achieved,” Dr Herrigel told the National Assembly.

“The diamond industry also showed a vast improvement in 1991, after poor performances in the three previous years,” he said.

“Diamond production rose dramatically, by almost 56 percent between 1990 and 1991.”

The rest of the mining industry recorded a decline of 20 percent, attributable mainly to marketing problems in uranium mining.

Dr Herrigel said that the world might be poised for a moderate rebound in 1992, “Namibia is not likely to share significantly in this recovery”.

Difficulties

Reasons for this were the difficult period experienced by the uranium industry, the drought, growth rates in fishing and mining not expected to reach the same levels, depressed domestic demand due to inflationary trends and restrictive monetary policy and depression in South Africa.

“The combined effect of all these forces leaves me no other alternative than to project a low economic growth situation in 1993,” Dr Herrigel said.

“Despite these restraining forces, which seem to have manifested themselves in the Namibian economy and over which we have little or no control, our economy still has an inherent strength, with a fair amount of spare productive capacity,” he said.

The government intended creating further incentives to stimulate economic development in general and industrial development in particular.

Capital projects, delayed by lengthy run-up times, were expected to gain momentum and not only have a positive effect on economic growth, but also help balance out some of the more serious effects of the drought.

“I can honestly say that the government is doing everything in its power to bolster and stimulate the economy, but in the last analysis the government’s role is mainly supportive, and the actual economic growth must come from the private sector,” Dr Herrigel said. — Sapa.
Namibia to repay SWA's R826-m debt over 17 years

WINDHOEK — Namibia is to repay the R826.6 million debt inherited from South Africa at independence in 17 annual instalments of R78.5 million from April 1995, Finance Minister Otto Herrigel said yesterday in the National Assembly.

Assuring the Namibian nation this was the best compromise, Dr Herrigel said: "I hope that the world, and particularly the financial community, will take note that ours is a responsible government which meticulously honours its obligations so as not to jeopardise the longer-term interests, and particularly the financial and economic stability, of our country."

The announcement came after protracted negotiations between the two governments over who should be responsible for the debts incurred to finance budgets of the former South African administration in then South West Africa.

Of the R826.6 million, some R697 million was guaranteed by South Africa and was owed to financial institutions in the Common Money Area, while R129.5 million was owed to institutions in other foreign countries.

Dr Herrigel said Namibia's view had always been that South Africa should accept responsibility for the debt.

"The funds were furthermore spent for purposes which a democratically elected government would not necessarily have approved of," he added.

If neither government was prepared to accept responsibility for the debt and to honour it, this could be construed as "outright repudiation of the debt by Namibia", Dr Herrigel said.

Apart from straining relations between the two countries, this could have jeopardised Namibia's economic and financial stability.

The SA Reserve Bank and the Bank of Namibia were currently finalising documentation for the repayment. — Sapa.
Namibia to repay SA R826m debts

WINDHOEK — Namibia is to repay the R826.6m debt inherited from South Africa at independence in 17 annual instalments of R78.5m from April 1995, Finance Minister Otto Herrigel said yesterday in the National Assembly here.

Assuring the Namibian nation this was the best compromise that could be reached, Herrigel said in his Additional Budget speech: "I hope that the world, and particularly the financial community, will take note that ours is a responsible government which meticulously honours its obligations so as not to jeopardise the longer-term interests, and particularly the financial and economic stability, of our country."

The announcement came after protracted negotiations between the two governments over who should be responsible for the debts incurred to finance budgets of the former South African administration in then South West Africa.

Of the R826.6m, R697m was guaranteed by South Africa and is owed to financial institutions in the Common Money Area, while R129.5m is owed to institutions in other foreign countries.

Herrigel said Namibia's view had always been that South Africa should accept responsibility for the debt.

"The funds were furthermore spent for purposes which a democratically elected government would not necessarily have approved of," he added.

If neither government was prepared to accept responsibility for and to honour the debt, it could be construed as "outright repudiation of the debt by Namibia," Herrigel said.
Red alert – South Africa's economic growth is projected to slow in 2021, according to the International Monetary Fund. The country's economic growth has been sluggish in recent years, and the government has implemented austerity measures to combat inflation. However, the COVID-19 pandemic has further worsened the economic outlook. The government has announced plans to stimulate the economy through infrastructure projects and investment in key sectors such as health and education. The International Monetary Fund has expressed concern about South Africa's debt sustainability and has recommended that the government implement structural reforms to improve fiscal management.
SA tourism to Nam up by 118%\(^{22,0}\)

WINDHOEK. — South African tourists to Namibian reserves and resorts in January increased by 118.6% against the same period in 1991, while overseas visitors were up by 82.6%, the Ministry of Wildlife, Conservation and Tourism said here.

A statement said the number of Namibian visitors went up by 84.6% providing an overall increase of 123.9%.

Accommodation occupancy stood at 45.8% against 37.3% in 1991, while 14.7% of campsites were used compared with 10.2 during the comparable period.

The statement said total revenue increased by 33.3%, while revenue from trading activities was up by 35.6%.
Namibia will repay debt over 17 years

WINDHOEK — Namibia would repay the R825,8m debt inherited from SA at independence in 17 annual instalments of R78,5m from April 1996, Finance Minister Otto Herrigel said yesterday.

This was the best compromise that could be reached, said Herrigel who told parliament: “I hope the world will take note that ours is a responsible government which meticulously honours its obligations so as not to jeopardise the longer-term interests, and particularly the financial and economic stability, of our country.”

The announcement came after protracted negotiations between the two governments over who should be responsible for the debts incurred to finance budgets of the former SA administration.

Of the R825,8m, R697m was guaranteed by SA and is owed to financial institutions in the Common Money Area, while R128,5m is owed to foreign institutions.

Herrigel said Namibia believed that SA should accept responsibility for the debt. If neither government was prepared to honour the debt, it could be construed as “outright repudiation of the debt by Namibia”, he said. Apart from straining relations between the two countries, this could have jeopardised Namibia’s economic and financial stability. — Sapa.
SA tourists pour into Namibia

WINDHOEK. — South African tourists to Namibian reserves and resorts in January increased by 118.6 percent against the same period in 1981, while overseas visitors were up by 82.6 percent.

The Ministry of Wildlife, Conservation and Tourism said in a statement that there had been an overall increase of 75.9 percent in visitors to Namibia.

Accommodation occupancy stood at 46.1 percent against 37.3 percent in 1991, while 14.7 percent of campsites were used compared with 18.2 percent during the comparable period.

The statement said total revenue increased by 33.3 percent.

Meanwhile Air Namibia is to introduce two weekly flights to London — one direct — from July 1, announced General Manager Mr Keith Pelch.

The new direct service will be the first non-stop flight between Namibia and the United Kingdom.

The service is in addition to the existing twice-weekly flights between Windhoek and Frankfurt by a Boeing 747SP.

— Sapa
Norway wins key Namibian oil contract

WINDHOEK. — A Norwegian consortium has been granted the first licence to drill for oil in a 11,000km² block off the northern Namibian coast, Mines and Energy Deputy Minister Jesaya Nyamu said in Windhoek yesterday.

The consortium, which won a tightly contested six-way competition for Area 1911, consists of 51% state-owned Norsk Hydro, Norway's state oil company Statoil, and a privately owned company, Saga.

"The key terms agreed are especially favourable for Namibia," Nyamu said.

Investment

The consortium was committed to an aggressive work programme involving drilling three deep test wells spending over R125m during the first four years, to pay the Namibian government, through special petroleum taxes, a substantial share of profits if profitable oil and gas discoveries were made.

It was also committed to spending almost R3m on training Namibians in the first four years.

"This will be much more important than any kind of development aid can ever be," said Norway's Ambassador to Namibia, Bernt Lund.

"The size of this investment is probably the largest single private sector investment in Africa."
Namibia awards first oil contract

WINDHOEK — A Norwegian consortium had been granted the first licence to drill for oil in an 11,000km² block off the northern Namibian coast, Mines and Energy Deputy Minister Jesaya Nyamu told reporters yesterday.

The consortium, which won a tightly contested six-way competition for Area 1911, consists of 51% state-owned Norak Hydro, Norway’s state oil company Statoil, and a privately owned company, Saga.

**Bidding**

“The key terms agreed with the consortium are especially favourable for Namibia,” Nyamu told a news briefing.

It was committed to an aggressive work programme — involving drilling three deep test wells spending over R1.2bn during the first four years — to pay the Namibian government through special petroleum taxes, a substantial share of profits if profitable oil and gas discoveries were made and to spend almost R1.5bn on training Namibians in the first four years.

The Namibian government announced the opening of the first bidding round for on-shore and off-shore oil and gas exploration licences last May, 14 months after independence.

“By the close of applications on November 1, 1991...there had been an extremely encouraging response to that first round by the international oil industry and competition for several areas, including Area 1911, was particularly intense,” Nyamu said.

Work is scheduled to begin in April after the contract is signed.

The concession area is off the Skeleton Coast Park between the 19th and 20th degrees latitude.

Mines and Energy Permanent Secretary Leake Hangisa said that the geology of Area 1911 was different from that of the fields in neighbouring oil-rich Angola, “but that does not mean it does not host hydrocarbons”.

“This will be much more important than any kind of development aid can ever be,” said Norway’s ambassador to Windhoek, Bernt Lund.

“The size of this investment is probably the largest single private sector investment in Africa.” — Sapa.
Namibian drought aid in pipeline

By Dale Lautenbach, Star Africa Service

WINDHOEK — Emergency drought relief for Namibia from the European Community could be approved within a week, said commission vice president Manuel Marin.

He was in Windhoek yesterday to sign a R168 million grant agreement under the Lome Convention with Namibian President Sam Nujoma. Namibian Finance Minister Otto Herrigel signed a R22 million risk capital agreement which will be made available to Namibia from the European Investment Bank.

The risk capital will be available for the development of the private sector in agro-processing, manufacturing and the transformation of Namibian natural resources.

Mr Marin said that in view of the drought in the region the EC was considering a famine relief programme for southern Africa on a regional scale similar to that for sub-Saharan Africa. This still needed the approval of the EC Council of Ministers.

On the contentious subject of fishing, which has created some tensions between Namibia and the EC following the continuing poaching of Namibian fish by EC member Spain, Mr Marin said he was open to negotiations on a fishing policy between Namibia and the EC.
Windhoek asks EC for drought aid

WINDHOEK — Namibia has asked the EC for about R192m — 52-million ecus — in relief aid to counter effects of the severe drought, says EC vice-president Manuel Marin. 8/10/92

He told a news briefing in Windhoek this week that a proposal was certain to be put to the European Parliament's Council of Ministers requesting a special southern African drought relief programme similar to the 300-million ecus designed for sub-Saharan Africa last year. 2/2/92

Namibia's request would be added to those already submitted by Angola, Mozambique, Zambia and Zimbabwe.

Marin said it was possible for the EC to provide food aid "immediately if necessary" as this was a decision able to be taken by the vice-president.

On Monday Namibian President Sam Nujoma and Marin signed the National Indicative Programme for Namibia under the Fourth Lome Convention making available about R158m — 45-million ecus — in grants for development.

Namibia acceded to the Fourth Lome Convention on December 19 1990 and this was ratified in the National Assembly on October 10 1991. — Sapa.
Namibia to join monetary union

JOHANNESBURG. — An agreement to incorporate Namibia in the common monetary area agreement between South Africa, Lesotho and Swaziland, is currently being finalized, the South African Finance Department said.

It said conditions of the agreement on economic cooperation meant that for the foreseeable future the South African rand would remain the only legal means of payment in Namibia.

Under the agreement capital would continue to flow unfettered between South Africa and Namibia.

Foreign exchange dealers of Namibia would have continued access to South Africa's exchange reserves, and Namibian residents would be subject to the same exchange controls as South Africans.

It said many investigations were under way into economic and monetary cooperation in Southern Africa, including a World Bank study. — Sapa
Rand stays in Namibia

Weekly Mail Reporter

The Budget Review has put paid to speculation that Namibia would go it alone economically.

Namibia now has the rand as its currency and is part of the South African Customs Union.

According to the Budget Review:

"The formal incorporation of the government of Namibia in the Common Monetary Area Agreement between South Africa, Lesotho and Swaziland is presently being finalised."

This will mean, among other things, that the rand will remain Namibia's currency, capital will continue to flow unfettered between the two countries and the same exchange control regulations will apply to both countries.
Namibia receives her gift

WINDHOEK — The R6.7 million Institute of Mining and Technology training school has been handed to the Namibian government by Rossing Uranium.

The company promised in 1980 to donate the institute to the nation as an independence gift and on the second anniversary of independence at the weekend, it handed over phase one of the project to President Sam Nujoma.

It caters for 60 students in artisan and technician fields.
LAGOS - Namibia and South Africa are currently "working out the modalities" for joint administration of the Walvis Bay port in Namibia, Namibian High Commissioner in Nigeria, Mr Ndutapo Amagulu, said at the weekend.

After long dispute over control of the port before and after independence of Namibia, the government of President FW de Klerk proposed "co-administration" of the port, pending its handing over to Namibia.

But Namibia would not accept the proposal if this proved to be "a method of delaying the handover" of the port, said Amagulu.

Walvis Bay is very important to the economic life of Namibia because it is the country's only deep water port and has links with the Namibian hinterland, the high commissioner said.

Despite its independence, Namibia is still feeling the effect of South Africa's apartheid policy, he said.

Describing apartheid, he said it was "an ugly monster which had to be destroyed." Economic sanctions against South African should not be lifted until the end of apartheid, he said. - Sapa-AFP.
Gift to Namibia

ROSSING Uranium Ltd handed over the N56mn Institute of Mining and Technology to Namibian President Sam Nujoma at the weekend. This is the company's independence gift to Namibia.
Citroen scraps Namibian car plant plans

FRANCE’s Citroen had cancelled plans to establish a R300m car plant in Namibia.

Deputy Trade and Industry Minister Anton von Wietersheim said in Windhoek yester-
day that the decision stemmed from stringent local content requirements applicable to motor manufacturers in the Southern African Customs Union (SACU). This requires at least 75% of the vehicle be composed of parts made in SACU countries.

He said SA’s high import duties (110% on passenger vehicles) had also caused Citroen to cancel its investment plans.

“The influence of the SACU on indus-
trialisation in smaller countries is a nega-
tive one because many of the regulations are protective of the existing SA-indus-
tries,” Von Wietersheim said. However, a National Association of Automobile Manufacturers of SA spokesman said the decision probably resulted from the poor industry conditions in SA. Von Wietersheim said Namibia was examining ways in which the SACU could change to give the smaller countries a better opportunity of increasing industrial capacity. — AP-DJ.
**Windhoek, SA meet on Walvis Bay**

WINDHOEK — The exploration process for the joint administration of Walvis Bay with SA should not be seen as a long, drawn-out one that would not produce concrete results, Namibia delegation head Petrus Damaseb said in Windhoek yesterday. He was speaking at the start of the second meeting between SA and Namibian officials on the joint administration of the SA port enclave and 12 off-shore islands, as well as the Orange River boundary.

The Joint Technical Committees, composed of officials from both sides, was established in December 1991.

"We, on the Namibian side, are ready to negotiate and to find a lasting solution to the Walvis Bay problem in line with the mandate bestowed upon our committee," Damaseb said.

SA Foreign Affairs director-general Neil van Heerden, who heads the SA delegation, said they had come to Namibia in a "constructive and positive spirit" with the "firm intention of working together to make progress" in the technical committees. — Sapa.
NEWS IN BRIEF

Opic back in Zambia
THE Overseas Private Investment Corporation, has resumed disbursement of funds and reinvestment in Zambia after a five-year suspension.

Opic executive vice-president told Zambian businessmen Opic believed strongly in efforts being made by President Frederick Chiluba.

Although Zambia was previously not considered a good place to invest, this had changed with a democratic government.

UK fines Nigeria Air
THE British government has fined Nigeria Airways £1.2m for flying illegal immigrants into Britain.

The amount, which was accumulated over three years, was imposed as fines on the national carrier for flying passengers with fake documents into the UK, an airline spokesman said.

Namibian inflation up
NAMIBIA experienced its highest inflation rate of 19.2% in January.

Figures released by the Central Statistics Office of the National Planning Commission in Windhoek showed the 1991 rate ranged between 8.7% in March and 10.1% in December, giving an annual average of 11.8%. (21A)
NEWS

Optimism as Namibia and SA meet over Walvis

By Dale Lautenbach
Star Africa Service

WINDHOEK — Namibian and South African government officials have come up with proposals for the joint administration of the disputed enclave of Walvis Bay which will now be considered by both governments.

The Walvis Bay talks in Windhoek yesterday represented little more than a technical meeting to discuss the nuts and bolts of joint administration, an agreement reached between the two governments last year as an interim solution.

Neither delegation was yesterday empowered to address the disputed sovereignty of the enclave, a matter which remains in the hands of the countries' foreign ministers.

Following the outcome of the South African referendum, Namibian Foreign Affairs Minister Theo-Ben Gurirab said he hoped President F W de Klerk's mandate would embolden him to make a final decision on Walvis Bay without "looking over his shoulder at the right wing".

South African Director-General of Foreign Affairs and head of the delegation to the talks, Neil van Heerden, said: "What happened today is a sign and real proof of South Africa's willingness to want to make progress on this issue."

The delegations also agreed on the delimitation of the Orange River boundary, and a memorandum of understanding on this would be considered by both parties.

It is understood that the South African boundary will be shifted from the north bank of the Orange River to the centre of the stream, in line with international practice governing boundaries.

Details of the joint administration proposals were not revealed, nor was there any indication of when the sovereignty of Walvis Bay and the offshore islands might again be addressed at ministerial level.

Namibia, supported by a United Nations resolution, claims in its constitution that the enclave and the islands are an indisputable part of its national territory.
Slight rise in profit for Namsea

EDWARD WEST

ALTHOUGH Namibian Sea Products' (Namsea's) sales more than doubled in 1991 over 1990, attributable profit was only slightly higher. This resulted from expenses from the purchase of processing rights and from acquiring Sarsusas Development Corporation.

In its year to December 1991, sales increased to R33.5m in 1991 from R17.1m in 1990. Operating income fell by 23% to R2.6m from R3.5m in 1990. Income from investments fell to R1m from R1.13m. Income from associate companies rose to R23 000 from R24 000. Net income before extraordinary items fell to R2.5m from R3m. An extraordinary item of R76 000 represented payment on the adjustment of participation rights.

Attributable earnings were 4.8% higher at R2.4m, but earnings a share were diluted by an increase to 5.5-million from 4.2-million in the number of shares on which earnings were based.

Earnings a share before extraordinary items fell to 45.2c from 67c a share in 1990. A final dividend of 10c a share was declared.
Discover Namibia: The land of wide open spaces.

Religious Us Route 66 for All Namibians

Government will take stake in diamond mining

Capri & Sugar Deal

In era of new realities
Economic change in Namibia

Election

Noting: No issue of Namibia
Low investment could mean zero growth — analysts

ECONOMIC growth in Namibia will be non-existent over the next 10 to 18 months unless there is substantial foreign investment, economic analysts in the country have warned.

Commenting on foreign investment in Southern Africa, a business executive said: "The attraction of foreign investment in Southern Africa is becoming increasingly tough." He cited a report from the Namibia Chamber of Commerce and Industry that the attraction of foreign investment is offering a very competitive phase with the normalization of South Africa. The ending of Botswana's diamond boom and the reconstruction of Angola and Mozambique will also be significant.

Namibia is particularly mindful of this situation and will certainly have to look to its laurels if this country is to be seen as a competitive alternative.

Suggesting that the attractiveness has revolved around targeted tax breaks and the full declaration of export processing zones along the lines of Mauritius' experience, whereby the generous tax relief and freedom from the more onerous aspects of our labour laws would be available to local and foreign investors within those zones.

"Namibia has a flexible foreign investment code which stipulates that there will generally be no discrimination between the treatment of foreigners and Namibians."

Reservations

"There will not be any compulsory government participation in any investment, although there are certain reservations relating to the exploitation of natural resources and the production of goods and services already well provided by Namibian industries. Analysis of available government and the availability of any threat of nationalization."

A survey compiled by Deloitte & Touche concludes that incentives are not necessary for investors as long as tax rates can be reduced overall.

The survey finds that affirmative action ranks highest as a disincentive to investing in Namibia. High tax is the second greatest disincentive followed by: uncertainties surrounding expatriate work permits, the low productivity of labor, the lack of incentives, labour law, the small local market and government mining policies. Other disincentives are: skills shortages, the crime rate, corruption, political instability, government spending and investment in the public sector, international exposure, and competition from SA.

On the other hand, the survey finds the incentives to be: democracy and the environment, the constitution, the stability of the government, the willingness to accept investment, the need for foreign investment, the competitiveness of the labor market and the availability of sophisticated tertiary services.
industry in Namibia, says Rosenberg Uranium MD Jonathan Leslie. "This included retrenching 795 workers and cutting production of uranium oxide from about 5,000 short tons to about 2,000 short tons - enough to service Rossing's long term commitments."

The mine is operating at 75% capacity. Instead of producing 24 hours a day, seven days a week, the mine is now operating only five days a week. The cutback will last for three years.

Leslie says Rossing has stopped selling its uranium on the spot market on the back of a price drop from US$40/lb in 1989 to $36/lb today. The spot price is about 50% lower than Rossing's production price.

Although Rossing - which mines in Arandis, 40km from the Atlantic coast town of Swakopmund - is no longer the biggest uranium producer, it remains an important world source.

Costly public sector

GOVERNMENT spending is a major brake on the Namibian economy, says Chamber of Commerce president D.J. Russell. "It accounts for 61% of the GDP and this is unsustainable," Russell says. The average percent of the 280,000 people employed in the formal sector were taken in public service and the constitutional guarantee is 47.8%.

The annual growth of GDP in Namibia has been steadily declining from 5% in 1997 to an estimated zero in 1999 and 2000. Current expenditure is $2 Billion, with capital expenditure budgeted at $4.6 Billion in 1999.

Thrust

"There is always the threat of nationalisation and this is directly related to the balance of political power," Mouton says. "But as long as the farm remains a productive, farmland will be considered an asset."

A Land Reform Conference has set up a technical committee which is looking at identifying unproductive land and introducing a land tax. Farmers own 46% of the land area by title deed, 15% is desert or park and 44% is communally owned. Namibia's 100 farmers account for about 20% of the country's workforce.

New markets

However, independence has opened up new markets for Namibia. The country exports 30% of its beef production and has been given a quota of 60,000 tons over the next five years in terms of the London agreement. About 12,000 tons will be expected each year.

However, Namibia's international competitiveness will not be able to survive that of major producers like Australia, so South Africa remains Namibia's best export market. The prices of maize, wheat and sunflower seeds are determined by what the world is willing to pay for these products and are likely to vary tremendously. A drought condition in Australia this year means that these prices will have to be imported.

The municipality, as a third tier government, endeavours to satisfy those needs of the community which fall within the framework of what it is empowered to do by law.

The aim of the municipality is to provide a balanced infrastructure, commercial and community services within its area of jurisdiction to the community as a whole in order to ensure orderly development. In this process resources such as capital, manpower and equipment are utilised to ensure the optimum benefit.

The primary responsibility of the municipality is to provide its ratepayers, its consumers and the residents of the city. Provision is also made within the municipality's means and capacity for other interested groups such as potential investors and tourists.

Technology is being used efficiently and selectively within all its functions. The fundamental values of the municipality are:
- Service to the community as justification for its existence,
- Professional and responsible management in accordance with sound business principles,
- Human resources are the main asset.

In the establishment of an effective personnel corps recognition is given for individual achievement. Teamwork is encouraged and opportunities are created for the training and development of employees.

The municipality strives, through the rendering of service, to create a public image of dynamic, reliable and dedicated organisation of which the community can be proud.
US data will mould prospects for dollar

PORT-TERM prospects for both the real and the US presidential election could be moulded by the release of US economic data this week. The latest US retail sales figures are expected to be out on Wednesday, and the US presidential election results could be announced on Wednesday as well.

The Dow Jones falls on ‘error’

NEW YORK - Wall Street powerhouse Salomon Bros. said Thursday that the US Treasury bond market was down for the first time in a recent series of rallies. The Dow Jones industrial average fell 11.7 points to 31,283.40.

Expected Bank rate cut had little effect

by Sheridan Connolly

THE Bank rate on the local money market last week as the market had already moved in one direction. A cut in the 1% drop announced by Reserve Bank Governor Charlie Blanch.

Meanwhile, strong liquidity continued as short-term rates fell and the three-month rate was at 5.25% compared with 5.30% at the beginning of the week.

The Reserve Bank’s weekly Treasury auction on Tuesday offered 15 years at 5.25% to 5.30%.

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Wildlife to be killed for hungry Namibians

WINDHOEK — President Sam Nujoma said yesterday the drought-stricken nation would soon start killing wildlife to provide meat for hungry Namibians.

"All natural resources must be utilised to provide food for the needy," Nujoma told a news conference.

The president did not say which animals would be slaughtered, but the most likely targets are antelope such as springbok and gemsbok. The animals are most heavily concentrated in northern Namibia's Etosha National Park.

Nujoma appealed for international assistance and said: "I have no option but to declare an emergency situation." — Sapa.
the additional issued shares, EPS fell from 67c to 46,2c.

At operating level, the Namfish results also show a deterioration in margin, from 22,3% to 15,1%, though this is not as serious as that of big brother Namsea. Namfish's year-end remains December 31 and the issued shares are unchanged.

What did change, also as a result of the pelagic newcomers, was the allocation of participation rights. This resulted in a R1,6m adjustment (1990: negative R523 000) charged as an extraordinary item. Attributable earnings after extraordinary items rose from R1,7m to R3,1m.

Namfish has not been transformed. But it is inextricably linked with Namsea because of their cross-holdings in UFE and Seaflower Corp and by Namsea's effective 38,2% holding in Namfish. Namsea and Namfish have the same directors.

Because wholly owned Namsea subsidiary Sarusas holds 30,8% of UFE, Namsea and Namfish together control about 92% of UFE and 70% of Seaflower Corp. Namfish's only assets are its holdings in UFE, Seaflower Corp and some lesser subsidiaries.

Namfish has been almost wholly reliant on the performance of UFE, which cares fish and processes fishmeal and on Seaflower, which until recently has been the lobster catching and processing operation. Due to the poor lobster catches, it bought a 25% interest in Blue Sea Fishing, through which Seaflower has been awarded a hake quota — a significant development.

Good catches

Overall, Kuttel is enthusiastic about the state of the hake resource, its apparent strength and the way it is recovering from uncontrolled fishing by foreigners. Optimistic that hake quotas will be increased, he is re-activating the hake processing plant in Walvis Bay and building a new plant in Luderitz.

Kuttel also enthuses about catches of non-quota species which, he says, are exceptionally good — and this includes anchovies. He believes the rock lobster resource is back to normal and there are signs that quota sizes will be increased next season.

Though 1991 was not a good year for earnings, optimism is growing that it could mark the end of many years of lean fishing in Namibian waters. In any event, 1992 will be an improvement. It could be a good time to invest for recovery. It is a toss-up whether to opt for Namsea or Namfish.

Gerald Hirsch
Namibia will slaughter game for the hungry

WINDHOEK - President Sam Nujoma said yesterday the drought-stricken nation would soon start killing wildlife to provide meat for hungry Namibians.

"All natural resources must be utilised to provide food for the needy," Nujoma told a news conference.

Nujoma did not say which animals would be slaughtered, but the most likely targets are antelope such as springbok and gemsbok.

The animals are most heavily concentrated in northern Namibia's Etosha National Park, considered one of Africa's top game parks.

No hunger-related deaths have been reported in Namibia or elsewhere in Southern Africa, but the region is suffering its worst drought since records began at the turn of the century.

Government officials and aid agencies have estimated the 11 countries in the region will need seven million to 13 million tons of imported food over the next year.

Nujoma appealed for international assistance and said: "I have no option but to declare that an emergency situation has arisen."

Nujoma predicted a year ago that the country was about to become self-sufficient in food. - Sapa
Drought

Nujoma asks farmers for food donations

By Dale Luitenbach
Star Africa Service

WINDHOEK — As the worst drought in 30 years continues to grip most parts of Namibia, an emergency situation has been declared by President Sam Nujoma with an appeal to all "patriots" to help feed the nation's most vulnerable communities.

The president's appeal yesterday was directed at farmers, particularly those with game herds who, as citizens of Namibia, might be able to make the nation a gift. Falling this, Mr Nujoma said, they would be offered compensation for their contributions.

"The Cabinet has decided that all natural resources of the country must be utilised to assist to provide food for the needy. In this regard, large numbers of game will have to be utilised to relieve pressure on grazing, and this could be made available to our people," Mr Nujoma said.

The ministries of wildlife, agriculture and fisheries had all been instructed to make food available.

"The president said large quantities of food will have to be imported to support both people and livestock. He could not as yet provide an estimate of how much this would be because, if the rains that had been falling in some areas in recent weeks continued, the pressure on grazing would be relieved and less imported fodder would be necessary.

It can be expected that most of the imports will be cereals and Mr Nujoma indicated that the United States, Canada and Asia were possible sources.

This season's crop losses in maize and sorghum are particularly disappointing in view of the great strides the country has made since independence in boosting its cereal production — helped along by enthusiastic government encouragement.

The president has toured the country promoting crop cultivation and is regularly seen, spade in hand, planting maize or sorghum.

"In the 1991 marketing season we nearly achieved self-sufficiency in cereal and staple food production," Mr Nujoma said.

"Again this year, all efforts were made to expand this even more. Various assistance schemes were undertaken such as soft loans to farmers as well as physical assistance with ploughing and planting services.

"We had high hopes. All looked well and with an early start in the rainy season, farmers were even more encouraged to expand.

"All our efforts were, however, of no avail and Namibia is today facing a crisis of unprecedented proportions," Mr Nujoma said.

He noted it was the worst drought since 1930. Sorghum production in Ovamboland was expected to be only 15 000 tons and 3 100 in Okavango. Total maize output would be as little as 17 000 tons of white maize and 1 860 tons of yellow. Last year, white maize production reached more than 40 000 tons.

The Cabinet had also approved an emergency water provision scheme for which R12.7 million had been appropriated.

United Nations agencies had been invited to assist and Mr Nujoma was hopeful that an offer of bilateral emergency aid made recently by the European Commission would materialise.
Living under the shadow of Big Brother

Namibian casualties of war

By Richard K. Allen

A military official of the South African borders said the African National Congress (ANC) is exploiting the war in Namibia to gain international sympathy. He said the ANC is also using the war to undermine the government of Namibia.

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No abnormal game culling in Namibia

By Dale Lautenbach
Star Africa Service

WINDHOEK — There will be no abnormal slaughtering of game or livestock in Namibia to meet the nation’s needs in the wake of the devastating drought but a managed distribution of the usual resources.

Some South African news reports erroneously interpreted an appeal from President Sam Nujoma that the country’s game should be used to feed the nation by giving the impression that game parks in Namibia were about to fall to the butcher’s knife.

“What the President said was wrested out of its context,” said Pollo Swart, director of Wildlife, Conservation and Research. “He never mentioned culling in game reserves.”

Mr Swart said game parks would be handled this year in accordance with his department’s management plan which meant that if grazing was poor and it was necessary to reduce herds this would be done as was the normal practice.

He said it was very unlikely that there would be culling in reserves. Game herds in parks were normally reduced by capture and the game sold to farmers.

In respect of commercial game farmers, Mr Swart said they would have to apply for culling permits as usual and these were granted for springbok, oryx and kudu only.

It was the product of this culling that President Nujoma was targeting in his appeal to the nation. He suggested that Namibian “patriots” might donate meat to the nation in its moment of drought crisis, failing which the government would buy the product.

Gys Reitz, spokesman for the Agriculture Union, also said Mr Nujoma’s appeal had been misinterpreted in South Africa. There would be no abnormal slaughter of game or livestock, he said.

However, he did anticipate that farmers in areas particularly affected by the drought would have to reduce the size of their herds and it was this meat to which Mr Nujoma had been referring.
Rossing secures a
Japanese contract

WINDHOEK — Namibia’s Rossing Uranium Ltd had secured a five-year contract to supply 1,000 tons of uranium oxide to Japan’s Kyushu Electric Power Company from 1994, the company said yesterday.

An oversupply of uranium on the world market, attributed to the opening up of East Bloc countries, forced Rossing to cut production to 2,500 tons annually and reduce its staff by a third — laying off more than 750 employees — in 1991.

MD Jonathan Leslie said Rossing’s cost-cutting was making the company more competitive in the difficult international uranium market.

If costs could be kept down, there would be a reasonable chance of securing further new business.

“Our aim is to be a world-class, low-cost mine with an assured long-term future,” he said.

The Kyushu Electric Power Company supplies power to Kyushu, the most southern of Japan’s four main islands, as well as islands off its coast.

The power company, which has nuclear plants at Genkai and Sendai with a combined generating capacity of 2,698 megawatts, is constructing another two reactors at Genkai.

They are scheduled for completion in 1994 and 1997. — Sapa.
Land question a hot issue

The land reform question was discussed at a consultative conference last year with a representative slice of the Namibian community.

From this, legislation will follow in due course. In the meantime, a quiet sort of agitation seems to be surfacing, though it cannot be seen to be encouraging a radical change of land ownership, is taking place.

In Namibia, 11 years after independence, the land issue has continued to be a contentious one. The government has been working on a comprehensive land reform programme, but progress has been slow. The issue remains a sensitive one, with the country's history of apartheid and colonialism contributing to the complexity of the situation.

The white population is estimated to be about five percent of Namibia's 1.6 million people. However, 80 percent of the Namibian population is dependent on subsistence agriculture, with pressure on land in the northern third of the country.

The Agriculture Bank, a major financier of the former South African administration, has been instrumental in promoting commercial farming in Namibia. The bank, under the influence of the former South African administration, has been a major financier of commercial farming in Namibia.

In recent years, there have been calls for more effective land expropriation, with some politicians and farmers advocating for a more radical approach. However, the government has been cautious in its approach, recognizing the complexity of the issue and the potential for conflict.

The lack of a comprehensive land reform programme has contributed to the ongoing tensions in Namibia. The government has been under pressure to address the issue, with some calling for more decisive action.

The land reform programme is a key issue in Namibia, with the government working to balance the needs of farmers and the wider community. The issue remains a sensitive one, with the potential for conflict and tension.

Error

Edlund agrees that the land price has indeed been pushed up by opportunistic farmers. But he believes that the market is becoming more efficient and that farmers are making more informed decisions about land prices. The market is becoming more transparent, with more information available to farmers.

Under the scheme, the government has set aside a portion of the land for communal farmers to lease. The communal farmers are expected to lease the land to individual farmers, who will be responsible for managing the land and repaying the loan.

The scheme, which was introduced in 2012, is aimed at helping farmers with access to land and finance. It has been controversial, with some farmers and communal members criticising the scheme for not being transparent and for being biased in favor of individual farmers.

The government has said that the scheme is a step towards addressing the land reform issue, but some are critical of the approach, with calls for a more comprehensive land reform programme.

There is one computer so valuable to us that we spend R80 million on it every year. It's called the human brain. The ISCGR is in training today. In all, 600 holders of engineering bursaries, 120 holders of other bursaries and 4,500 technicians, apprentices and mining surveyors turned out to see the test of our theory that the destiny of a company rests chiefly on the sound education of its people.
ROSSING SECURES JAPANESE CONTRACT

WINDHOEK - Namibia’s Rossing Uranium has secured a five-year contract to supply 1,000 tons of uranium oxide to Japan’s Kyushu Electric Power Company from 1994, the company says.

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Managing director Jonathan Leslie says Rossing’s policy of reducing operating costs is making the company more competitive in the difficult international uranium market.

If costs can be kept down, there will be a reasonable chance of securing further new business.

“Our aim is to be a world-class, low-cost mine with an assured long-term future.”

The Kyushu Electric Power Company supplies power to Kyushu, the most southern of Japan’s four main islands, as well as islands off its coast.

“In conformity with the Japanese government’s policy of promoting stable and reasonably priced electricity, we place nuclear power at the centre of our generating strategy,” the company said in its most recent annual report.

The power company is constructing another two reactors at the Genkai Nuclear Power Plant scheduled for completion in 1994 and 1997.

Kyushu has nuclear plants at Genkai and Sendai with a combined generating capacity of 2,688 megawatts. — Sapa.
After-tax profit for Gold Fields Namibia

GOLD Fields Namibia Limited has reported an after-tax profit of R3.9m for the quarter ended March 31, 1992 against a loss of R10.2m for the previous quarter. Tonnages sold dropped slightly, but the cost of sales dropped substantially.

The figures against the December quarter were: 16,883 tons (R6.6m) and R67.7m.

The tonnage milled dropped to 370,000 tons from 417,000 tons. Production tonnages were 27,599 tons (R2.1m). — Sapa.
Namibia has devised a hot issue, reports Dale Lautenbach of the Star Africa Service.
Reason is the high level of stocks held by consumers that will have to be run down before they start buying seriously again.

Most income comes from wholly owned Tsumeb Corp, producer of copper, lead and silver, but chairman Collin Fenton points out that copper is the price that really counts. It averaged R6 344/t in 1991 (R6 897). Fenton does not expect the 1992 average to get much above R6 300.

According to GFSA statistics the average for the first quarter of 1992 dropped to R6 200 from R6 400 in the last quarter of 1991. That being so, another passed dividend from G F Namib seems inevitable.

G F Namib has been forced to cut exploration expenditure to R5,8m (R6,5m) — a step that cannot have been taken lightly because of the effects on the long-term future of both the group and the country. Namibia desperately needs economic development and mining provides one of the few possibilities.

Work on precious metals and tin stopped. The regional office at Berg Aukas was closed. All effort is devoted to finding extensions of orebodies at Tsumeb's three divisions: Tsumeb, Otjihase and Kombat. Tsumeb remains the priority as extensions for both Otjihase and Kombat have already been found and are being proved up.

Mill throughput at Tsumeb fell 16% because of production problems. No improvement is expected this year. Kombat should hold production while Otjihase, which is opening a new section, should expand.

**Buying in concentrates**

Copper production was little changed at 32 923 t (32 689 t) but should rise this year, thanks to Otjihase. Production of refined lead is also expected to rise from last year's 33 367 t (35 134 t). The bulk of Tsumeb's lead is refined from concentrates bought from abroad as it cannot produce enough of its own to run the smelter at economic levels.

Fenton comments that negotiations over the future of the mining industry have been productive. "The Ministry of Mines & Energy and the industry have adopted a pragmatic approach that has resulted in a Mines & Minerals Bill that compares favourably with legislation worldwide and will ultimately encourage foreign investment."

The share has continued the downhill run for the past three years, and is at yet another 12-month low. Given Fenton's gloomy forecast, there is no reason to buy except on medium- and long-term recovery hopes.

**Gold Fields Namibia**

**Activities:** Namibian mining house which controls the Tsumeb base metal producer and various exploration companies.

**Control:** GFSA 61%.

**Chairman:** C T Fenton.

**Capital structure:** 16m 1ods, Market capitalisation: R56m.

**Share market:** Price: 350c. 12-month high, 600c; low, 350c. Trading volume last quarter, 17,000 shares.

**Year to Dec 31**

<table>
<thead>
<tr>
<th>Turnover (Rm)</th>
<th>393</th>
<th>391</th>
<th>338</th>
<th>291</th>
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<tr>
<td>Pre-tax profit (Rm)</td>
<td>68,4</td>
<td>55,2</td>
<td>9,0</td>
<td>7,7</td>
</tr>
<tr>
<td>After tax profit (Rm)</td>
<td>52,7</td>
<td>40,2</td>
<td>6,6</td>
<td>7,7</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>243</td>
<td>178</td>
<td>36</td>
<td>44</td>
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<tr>
<td>Dividends (c)</td>
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<td>120</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Orm raised (M)</td>
<td>1,3</td>
<td>1,67</td>
<td>1,61</td>
<td>1,59</td>
</tr>
</tbody>
</table>

**Depressed commodity** prices have forced Gold Fields Namibia (G F Namib) to emulate the drought-resistant plants native to that harsh, arid land, and concentrate on survival until better times.

Like the rest of southern Africa, Namibia is waiting desperately for rain, while G F Namib's fortunes depend on a resurgence in base metal prices that was widely forecast to occur last year but has yet to materialise.

**Starting to firm**

There are indications some base metal prices are starting to firm, ahead of an expected recovery in the US economy, but the prevailing view at Gold Fields of SA (GFSA), which manage G F Namib, is that real benefits won't flow through to producers until 1993.

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**Gold Fields Property**

[Graph showing stock performance]
Namibia's growth path

Namibia is heading for resource-led growth once international economy picks up, according to the Economist Intelligence Unit.

It is responding to the challenges of independence more effectively than many African countries have and is laying a sound basis for future growth, according to the latest special report from EIU.

The report, Namibia through the 1990s: Turning Rich Resources into Growth, says the Swapo government is politically stable and, despite initially widespread unrealistic expectations or rapid improvements in living standards, has embarked on a set of pragmatic economic policies capable of achieving such improvements through balanced economic growth.

The report argues that by the mid-1990s the mining industry should recover, adding to the strong development of oil and gas and the fishing industry.

It notes that the government's declared intention to create an attractive environment for foreign investors is central to development of the country's resource base.

Although this environment is still being formed, political stability since independence augurs well for the orderly development of economic policies and incentives, the report states.

The Swapo government has made efforts to reconcile groups which under the South African occupation had been implacably opposed to each other.

Namibia through the 1990s also argues that the government has boosted the chances of stability and growth by eschewing unsustainable increases in public expenditure and by making its redistributive economic goals dependent on prior economic growth.

However, the report believes that the government will need to muster considerable commitment to this policy package in order to surmount the economic difficulties that have befallen the country since independence. The small size of most sectors of the economy and the severity of the international recession that restricted demand for Namibian exports and held back investment plans constrained real growth of gross domestic product.

It considers that, even if there is diversified growth in the manufacturing sector, continued expansion of the fisheries sector, and increasing output in the non-livestock agricultural sector by the mid-1990s, daunting challenges will remain.

Nevertheless, it concludes that the country has a strong chance of achieving sustainable economic growth by 1994-95, and that the economy could benefit especially from development of the Kudu offshore gas field and from oil expansion.
Too soon to cry wolf?

It might have seemed an ill portent to name a country after a desert — but the land of Namibia is resource-rich and the coastline teems with potential. Furthermore, it has a tiny population — 1.3m people — and there have been no major political upsets since independence in March 1990. The amiable President Sam Nujoma did not, after all, turn into a Marxist demon.

Which is all very well, but can the country achieve a growth rate commensurate with its aspirations? Can it feed itself? Nujoma recently literally begged for international assistance: "Namibia is today facing a crisis of unprecedented proportions," he said. Estimated maize production this year would be 18.850t — less than half last year's 40,000t. Roger Murray's Namibia Through the 1990s — Turning Rich Resources Into Growth — a special report of the Economist Intelligence Unit, fails to find any such crisis, though it warns of the problems that will arise if Swapo fails to deliver growth through its current free-market-orientated policies. It faces an election in 1995.

Murray's analysis considers prospects and options in the three major pillars of the Namibian economy — agriculture, mining and fishing. Manufacturing diversification, of course, will be successful only if there is sufficient investment funded through exports from these sectors, or aid. But exports and aid are alike compromised by the international recession. In addition, Nujoma's "crisis" and the full dimensions of the dependence on SA — including the ramifications of the monetary union — are not sufficiently considered.

Some salient points arise:

☐ The climate for foreign investment has been established by the liberal Foreign Investment Act, which guarantees security of investments and the freedom to repatriate profits and dividends. Now company registrations — particularly in the financial sector — have accordingly begun to materialise;

☐ Mining, which has driven the economy for 50 years, continues to be of major importance. While Namibia is blessed with diamonds and uranium, these commodities are exceptionally vulnerable to the world recession — and to the waning of the nuclear industry. But resurgent demand should see opportunities in copper, zinc, lead, gold, silver, pyrite, salt and fluor spar.

Murray points to the good infrastructure Namibia inherited from SA — but does not point out that, in this vast land, it is often inappropriately situated because of the former military priorities. He notes the new stress on exploration — but it really is difficult to see any significant finds in the northerly Kaokoveld being hauled by sand-track and rail to the sole inadequate port of Walvis Bay, whose future remains in the hands of politicians;

☐ Murray says increased food production is a major priority — which is true. But, having said that, God evidently did not intend Namibia to be a fertile land. The investment required in water, grain storage and training could be more than consumed by payments for food imports if the world community does not give priority to Nujoma's desperate and probably premature appeals; and

☐ The original moratorium on fishing pro claimed by Swapo — pending an assessment of resources after severe overfishing — has been replaced by a quota system that is intended to be run on strictly conservationist lines. One should, however, point out that if the need for food and foreign exchange becomes an overriding determinant of policy, management of such a difficult situation could become deleterious to the nation's long-term economic health — notwithstanding the assistance of the UN Food and Agriculture Organisation.

Murray's otherwise excellent analysis does, overall, seem too politically sanguine. It seems more probable that Namibia's fortunes will remain inextricably linked to SA's for the foreseeable future. Thus, as a component of the rand monetary area, Namibia's financial system is in a sense a wing of the SA Reserve Bank. For example, "its foreign exchange transactions have to be conducted in accordance with the exchange control policies of SA ... and while Namibia can, if it chooses, apply the rules more rigidly, it does not have the scope to apply them more flexibly due to the impact this might have on the external dealings of the rand."

One is not certain how much credibility this concedes to the Foreign Investment Act. A Namibian dollar is to be introduced by the end of the year — and the ideal would be a separation of the new currency from the rand and a liberalisation of exchange controls.

Botswana's experience will, of course, be invaluable in making the decision to opt for monetary independence. But would that be wise if in fact Nujoma is right and there is a crisis in food self-sufficiency? Such a crisis — now or in the future — would widen even further the differential between SA's and Namibia's inflation rates (Namibia's is higher) at the same time that public debt swells with the induction into the civil service of increasing numbers of Namibians.

But if Nujoma is not correct, just what is he playing at? It's too soon for the election. Murray's report (Economist Intelligence Unit special report No M211) is available from the unit, 40 Duke St, London W1A 1D, UK. It costs £195.
Namibia moves into high-risk industry today

WINDHOEK - Namibia has launched itself into the high-risk, high-reward hydrocarbon industry with the signing today of the first exploration licence, awarded to a Norwegian consortium.

Norsk Hydro, Saga and Statoil have committed themselves to a four-year programme during which about R125 million will be spent in exploration drilling and training Namibians. The consortium won the concession over six other bidders.

Minister of Mines and Energy Mr Andimba Toivo ya Toivo cautioned that expectations in Namibia should not be artificially raised. Namibia had no hydrocarbon discoveries apart from the Kudu gas field offshore in southern

Norsk Hydro, congratulated Namibia on its speedy establishment of the exploration environment.

"You have a legal and fiscal framework (for hydrocarbon exploration) that is one of the best in the world. That is quite an achievement for a young nation."

"The Namibian continental shelf is one of the last, vast unexplored areas for hydrocarbons in the world. As such it provides a lot of risk and is costly but also has very interesting possibilities and we are ready to embark on a large investment in our concession area."

The Norwegian consortium, which has substantial offshore operating experience in the North Sea, was awarded rights to the offshore concession area number 1911 off the coast of northern Namibia.
WINDHOEK — The Namibian government will have to slash the civil service wage bill by 20% over the next four years, a World Bank report warns.

The wage bill cut is just part of the bitter medicine Namibia's financial authorities will have to feed the nation, according to the report titled "Poverty Alleviation With Sustainable Growth".

Public expenditure must be changed from the current excessive remuneration of bureaucrats to capital expenditure underpinning economic growth.

"A cumbersome bureaucracy and attendant inefficiencies are re-

Nam civil service wages under axe

ected in an excessive wage bill for the general government (estimated at 17% of the GDP in fiscal 1989/90).

Namibian National Planning Commission director-general Dr Zed Ngavirue said the reports marked "the end of the honeymoon period between Namibia and the World Bank". — Sapa
After independence comes growth-based on resources.
ROSSING TO SELL COUNTRY CLUB IN ECONOMY DRIVE

Production was cut again last October — to 2,500 short tons — with the loss of 750 jobs. The staff complement is now 1,400.

When Namibia became independent and sanctions were lifted it was hoped that Rossing would be able to penetrate markets which had been closed to it. Political changes in Russia, however, brought considerable quantities of cheap eastern blue uranium to the market. This means that in the short term Rossing is unlikely to make any additional sales at a profit.

At its current level of production, the mine will be able to meet contracted sales, most of which are for Japanese utilities.

In April, the Arandis township of 200 houses near the mine and about 80km from Swakopmund, was given to the Namibian Government. The cost of the township is estimated at more than R100-million. It is now administered by the Port-Urban Council. Houses needed for Rossing employees are leased from the government.

The company also has houses in Swakopmund, but there is no intention to sell them.

The country club and nearby sporting facilities, including the golf course, are worth about R60-million.

The sale advertisement suggests that the country club will go to a group which wants it for its tourist potential.

In March, the Namibian Institute of Mining and Technology, which cost Rossing R6.7-million, was handed over to the government.

Rossing has sold a subsidiary, Damar Clothing, to Arandis, to Swakopmund company Denprop on the understanding that it continues to operate in the township and retains all staff members.

In an effort to ensure the existence of the township, Rossing encouraged a consortium of investors from Hong Kong and China to establish a clothing factory.
Namibia, Iran may trade beef for oil

WINDHOEK – Namibia and Iran are examining the feasibility of a beef-for-oil trade, according to Iranian Deputy Minister of Development Davood Djafary.

Mr. Djafary is part of an Iranian delegation visiting Namibia. Also among them is a veterinarian who is examining Namibian beef with a view to Iranian religious and health requirements.

The visit follows one by President Sam Nujoma to Iran recently.

Mr. Djafary told Namibian television that Iran had much to offer Namibia apart from oil. It had an important industrial base and Iran could examine technology transfer to Namibia.

But the drought in Namibia – which affects the beef industry – remains the major government concern.

A United Nations World Food Programme assessment says 332,720 Namibians will be directly affected by the drought and the country will need 125,660 tons of imported food. – Star Africa Service.
Namibia battles drought
Sowetan Africa News Service

WINDHOEK - The Namibian government has introduced subsidy schemes aimed at encouraging farmers in drought-stricken areas to sell cattle.

Deputy Agriculture Minister Mr. Kasi Mbauende said yesterday that the subsidies of R121 for large adult animals and R55 for small stock were applicable only in areas worst hit by the drought.

"These areas were mostly communal where small black farmers hold their herds as opposed to the so-called commercial farmland owned predominantly by white farmers.

Mbauende said the scheme hoped to encourage farmers to sell their heavier cattle to take this pressure off the grazing land."
Namibia airwaves become liberated

NOT long ago, Namibia was a broadcasting backwater. If you wanted to listen to the radio, you listened to the Namibian Broadcasting Corporation (NBC). And if you wanted to watch TV, then you tuned to the NBC – there was one channel, take it or leave it. But things are changing.

Satellite dishes now mark the skyline, and in thousands of houses, a TV decoder sits blinking beside the television. South African pay TV M-Net has arrived, and other private broadcasters are on their way.

Their path has been paved by the Namibian Broadcasting Act which opens the airwaves to private and public broadcasters.

NBC is now faced with the prospect of competing in an open market.

At independence, the NBC inherited a broadcasting monopoly from the then state-controlled South West African Broadcasting Corporation.

The new government immediately turned the NBC into an autonomous parastatal run by an independent board.

Top management was streamlined, but former SWABC staff remained in key middle-management positions, and have slowed the pace of change, as NBC's head of programmes Uazuvara Katjivenga explains.

"Many in NBC's management hierarchy today still believe that whites make up the bulk of TV licence payers, and thus have a right to dictate programme content."

M-Net makes no bones about the fact that it is out to entertain and make money and the NBC does not have money to compete for the rights to top sporting events or the latest Hollywood movies.

Instead the Corporation is emphasizing its duty as a public broadcaster to "promote national unity" by informing, and educating as well as entertaining, the Namibian nation.

"Having just emerged from more than a century of colonial domination, during which indigenous cultures were banished to tribal homelands to wither and stagnate, a Namibian culture needs nurturing," says Katjivenga.

The NBC has a vital role to play in the process.

Not just through the NBC's radio services, which reach 95 percent of Namibia's predominantly rural population.

Politicians, says Katjivenga, become carried away with the belief that what they say, see and hear on TV is the yardstick by which they can measure their influence on the people.

"If TV-centric politicians were aware that their audience, although financially strong, was in no way representative of those who determined the outcome of the democratic elections, they would instead focus their attention on the radio," says Katjivenga.

With its state subsidy already shrinking, NBC is relying more and more on Namibia's small but affluent private sector – which the paid-for channels will be milking for subscriptions.

"There are a lot of priorities in this country," says NBC Director-General Nahum Gorelick, "and broadcasting doesn't fall into the Government's main priority area."

Such is the price of autonomy in a broadcasting free market – both of which are novelties in this part of the world. – AIA
Namibia's black gold hope beckons

As Namibia gears up to seek oil wealth off its shores there is still no certainty that any will be found - and no unanimity that it will be an unmitigated blessing if it is. DALE LAUTENBACH of the Sowetan Africa News Service reports.

Namibia has granted the first oil exploration licences for an offshore concession to a Norwegian company, there was no wrangle in the Minister's message. "We must remember that the earth does not give up its secrets easily or cheaply," he said.

"Namibia has no hydrocarbon discoveries apart from Kudu," the Kudu gas field is Namibia's other energy prospect, besides oil. Talk of Kudu as the great Namibian hope has been going on for so long, but reality is a long way off. The first exploration well was drilled in 1993 with the involvement of the big US company Chevron. In 1985 and 1987 a further two wells were drilled and again Kudu looked promising.

Held back

"Strangers held Kudu back," said Hangala, referring to the economic embargo against South Africa that spilled over into Namibia before independence.

Whether it is feasible to produce the gas and what would then be done with it is now the subject of intense negotiations.

"As we are talking upstream and we are negotiating downstream," he said.

In the business of liquified natural gas (LNG) this is apparently the way things are done as, unlike selling oil on the spot market, a market must be secured for the gas before production begins.

Upstream means the exploration and possible production from the gas field itself and in this respect Hangala expects the first exploration licences to be signed within three months.

"As the same time the government is looking at downstream projects to sell the utilites that would use the gas," says Hangala.

Prime Minister Mr Hage Geingob visited Bremen and the United Arab Emirates recently, where he was met with a UAE-based corporation that the feasibility of a gas-fired aluminium smelter be studied.

An aluminium smelter is certainly a possibility," says Hangala.

"Forty percent of the cost of producing aluminium is the power. Increasingly, the smelters need a solution. PM Geingob visited Bremen and the UAE recently, where he met with a UAE-based corporation that the feasibility of a gas-fired aluminium smelter be studied. An aluminium smelter is certainly a possibility," says Hangala.

Hangala: "We can't handle more than 10 in a row and a round in a year or two."

High praise

"A giant like South Africa might want to be environment-friendly commodity such as this. It is the commodity of the future," says Hangala.

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As the same time the government is looking at downstream projects to sell the utilites that would use the gas," says Hangala.

"Forty percent of the cost of producing aluminium is the power. Increasingly, the smelters need a solution. PM Geingob visited Bremen and the UAE recently, where he met with a UAE-based corporation that the feasibility of a gas-fired aluminium smelter be studied. An aluminium smelter is certainly a possibility," says Hangala.

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"In the business of liquified natural gas (LNG) this is a...
Shrinking coins leaving motorists out of pocket

By Dale Lauteback
Africa News Service

WINDHOEK — The diminishing value of the rand is a familiar problem to South Africans and Namibians alike, but now that the coins themselves are shrinking in size, Namibians could be out of pocket in one of several ways.

Parking meters in Windhoek take the old-fashioned 10c and 20c pieces, and a number of frustrated drivers aired their irritation on Namibian Radio this week when they lost their new diminutive coins into the yawning slots designed to take the old money.

That's one way of losing money. Another is to stalk off and leave the meter unfed thereby risking a ticket.

In Windhoek, though, this is not a great risk as the city does not have hungry meter maids who adorn your car with pink paper one millisecond after the red flag shows.

A third way of losing money, albeit indirectly, is that the Windhoek municipality should forgo the R60 000 necessary to change all the meters. That would seem logical to people who think in rands and cents, but with these days Namibians will have to think in Namibian dollars and their own parking coinage.

A Namibian currency is expected within a year, meaning new meters all over again.

Nelius Kruger, spokesman for the municipality, said the issue was being investigated.

One option was to close the old 10c slots once these old coins had ceased circulating. That would leave the meters available for 20c pieces only.

"But what happens when those run out?" asked Mr Kruger.

What he did not know, and one wonders how many Namibians have caught on, is that the new 5c piece slides in very nicely. Thank you where the old coin of twice that value went.

Half-price parking might be Namibia's only solution to the problem.
Namibian stance on Walvis hardens

By Dale Lautenbach
Star Africa Service

WINDHOEK — President Sam Nujoma says Namibia will not accept any attempt by the South African Government to link the resolution of the conflict over Walvis Bay to internal developments in South Africa, reflecting a hardening of the Namibian position.

Mr Nujoma was speaking at a state banquet this week in honour of President Ibrahim Babangida of Nigeria who is in Namibia on a four-day visit.

Referring to negotiations between South Africa and Namibia on the subject of the disputed enclave, Mr Nujoma said: "My government will not accept any attempt by the South African Government to create a new linkage, this time between Walvis Bay and the off-shore islands negotiations, and the current political and constitutional developments in that country."

Mr Nujoma's reference to a "new" linkage clearly harked back to a previous linkage which dogged Namibia when the South African Government linked the withdrawal of Cuban troops from Angola to Namibian independence.

Until now it has been widely understood in Namibia that the South African Government was holding out on the settlement of the Walvis Bay dispute for a decision by a more representative South African dispensation, such as an interim government.

However, there has been public pressure in Namibia that the government should take a harder line in the negotiations, and Mr Nujoma's message seemed to reflect this.

Mr Nujoma urged General Babangida, as both chairman of the Organisation of African Unity and Nigerian leader, "to keep this issue as one of the priorities on Africa's agenda."

"It is only with the return of these territories that the decolonization of Namibia can be considered as having been completed."

General Babangida in his reply praised Namibia as "the shining symbol of Africa's march towards emancipation."
Namibia, Nigeria sign joint accord

WINDHOEK — Namibian Foreign Minister Theo-Ben Gurirab and his Nigerian counterpart Maj-Gen Ike Nwachukwu yesterday inaugurated a joint commission on economic, scientific and technical cooperation. Nigerian head of state Gen Ibrahim Babangida and Nwachukwu arrived in Namibia on Tuesday for a four-day state visit. — Sapa 8/10/92 9/5/92
Nigeria donates
R1,5m drought aid

Dale Lautenbach
Argus Africa News Service

WINDHOEK.—Nigerian President Ibrahim Babangida has donated R1,5-million to drought relief in Namibia at the end of a four-day state visit.

The Nigerian head of state and his Namibian counterpart, President Sam Nujoma, yesterday signed a series of agreements to further bilateral trade and co-operation between the two countries, but no details were announced.

Namibian Foreign Minister Mr. Theo-Ben Gurirab said the pursuit of bilateral relations with Nigeria was not only in the philosophy of cooperation, but in terms of the Economic Community for Africa treaty signed in Arusha last year in an African attempt to respond to world trade blocs.

Opening the Namibian International Trade Fair earlier, President Babangida said: "We must pool our resources to build an economically viable continent."

He said it was dishonest for Africa to bemoan its economic circumstances without developing realistic strategies to cope with its problems.

"Africa must be integrated into the mainstream of the international system."

He called on the international community to redress the trade imbalances and protectionist practices that prejudiced Africa.
Fishing policy revamped

WINDHOEK — A new fishing policy to ensure better control over catches and develop a truly Namibian fleet has been announced in Windhoek.

The new measures are to encourage Namibians to invest in the industry.

Fisheries and Marine Resources Permanent Secretary Calle Schlettwein said foreign vessels, Namibian-based vessels and Namibian vessels would catch fish under different conditions. "The more Namibian the vessel is, the more favourable the conditions are," he said.

Incentives are being created to make Namibian vessels competitive with foreign fleets. Where foreign vessels will be granted licences for one year only and pay a R100 levy per ton, Namibian vessels will be licensed for seven years paying a R400 levy per ton.

The report said the unpopular royalty rebate system had also been revised.

The aim of the policy — which is flexible, allowing for adjustments to accommodate changes on the international market — is to make the fishing sector the most important pillar of Namibia's economy.

The ministry will strive to maintain a sustainable fish resource, promote onshore processing of products and consumption as well as enhance employment opportunities for Namibians. — Sapa.
Emotions sway poll on Walvis’s future

Staff Reporter

WALVIS BAY businessmen fear incorporating the enclave into Namibia would result in the town’s economy plummeting and the harbour deteriorating.

More than half Walvis Bay’s residents polled are in favour of incorporation, and most South African citizens living there are against it.

However, a spokesman for the town clerk said opposition to incorporation had nothing to do with economics.

“It’s simply that most whites and coloureds here are South Africans and want to remain part of South Africa, whereas the blacks are mostly Namibians and want to be part of Namibia.”

The poll by South African Communication Services showed that 80.6 percent of white and 67 percent of coloured residents were against incorporation, while 77 percent of black residents, most of them Namibians, were in favour of it.

More than half the community of 21,000 is black.

A prominent Walvis Bay businessman, who asked not to be named because the matter was “very sensitive”, said the main fear was that Namibia was simply too poor to keep up the high standards of the harbour, which was not only the lifeblood of Walvis Bay, but of Namibia.

He said general opinion was that a joint administration would be more fruitful than a complete takeover.

The South African and Namibian governments are considering proposals made after two years’ negotiations on a joint administrative authority for the enclave.
NAMFISH/NAMSEA  F. M. 2915/92

Missing the boat?

Namfish
Activities: Catching and processing fish.
Control: Arun Holdings (28.4%) and Natfish (16%).
Chairman: L.A. Elroy.
Capital structure: 10.9m ords. Market capitalisation: R35.7m.

Share market:
Price: 310c. Yields: 3.2% on dividends; 14.9% on earnings; price ratio, 6.7; cover, 4.6. 12-month high, 125c; low, 300c.
Trading volume last quarter, 124 000 shares.
Year to Dec 31 '88 '89 '90 '91
ST debt (Rm) ........ 3.4 0.8 —
LT debt (Rm) ........ 2.9 — 0.3
Shareholders' interest 0.55 0.68 0.79 0.77
Return on cap (%) .... 50 49 34 4.5
Turnover (Rm) ...... 13.8 8.1 17.1 33.7
Pre-int profit (Rm) ... 13.8 8.9 4.2 3.4
Pre-int margin (%) ... 86 154 21 8.6
Earnings (d) ...... 230 164 87 46
Dividends (d) ...... 200 155* — 10
Net worth (d) ....... 333 287 205 537
† 15-month trading period.
* Includes special dividend 55c (1688: 20c).

The market seldom misses the boat but on this occasion it may have. If fishing in Namibian waters improves even slightly Namfish

and Namsea are undervalued.

Namsea's takeover of main competitor SARUS was well documented (Fox April 3).
As a result, its capital structure has changed considerably. Issued ordinaries now total 10.9m, up from 4.2m, and EPS is diluted accordingly. Reduced quoted, though caught in full, led to lower operating income and pre-tax profits. Hence the lower EPS reflected in the annual report presents a gloomy picture to the prospective investor.

Namfish's results are also well down. They are simply a function of a fishing season inhibited by reduced quotas and very poor rock lobster catches.

However, in expanding and consolidating their influence in Namibian waters, both decided to revalue subsidiaries and associates, written down over many years to ridiculously low valuations. The reassessments have caused non-distributable reserves in Namsea to jump to R22.3m from R729 000 and in Namfish to R16.2m from R438 000.

Pelagic and rock lobster catches are processed respectively by United Fishing Enterprises (Namsea 71.5%, Namfish 14.38%) and Seaflower Lobster (35% each). The 1992 pelagic quotas, announced three weeks ago, are 36% higher than in 1991. This is significant because high-quality catches are being made close to port, which enhances the quality — and value — of the processed fish.

The 1991-92 total allowable lobster catch for the whole industry was reduced to a mere 100 t (1 100 t) of which 50 t was allocated to Seaflower and caught in five weeks.

After representations to the Namibian Ministry of Fisheries & Marine Resources, new concessions were granted to Seaflower. In 1991 it received a 500 t long-line concession for hake. For 1992 a trawl concession for 5 000 t was granted. It was also awarded a tuna licence for one vessel.

A suitable troller has been bought to operate through Blue Sea Fishing, in which Namfish acquired a 25% stake, and to process the catch. The fish plant is to be established at Luderitz.

The authorities are pleased with the way the pelagic and hake bio-mass is recovering from rapi by the international community. The signs point to faster revival than was thought probable. Lobsters are also plentiful but, for reasons that can't be fully explained, most remain undesired. When this phenomenon abates the lobster fisherman's harvest should be plentiful.

It is too early in the year to make definite predictions about earnings potential. But, apart from lobster catches, which will in all likelihood remain relatively inconsequential, fish catches have been extremely satisfactory and quotas should be easily attained. This should bring a marked improvement in earnings for both Namfish and Namsea.

Since the deal with SARUS, Namsea shares have fallen from a high of 725c to 310c as SARUS shareholders dumped their "gift" of additional Namsea shares over and above the 500c cash they received per SARUS.

NAV is now 542c, with the prospect of increasing EPS and dividend. The shares are now in firmer hands and the realisation of good prospects could push up the price.

An even better case can be made for Namfish. Prospects for earnings improvement are as good as Namsea's. It has fewer shares in issue but, more especially, NAV is 839c, of which 268c is cash; so 325c appears cheap.

Fishing will be a pillar of the Namibian economy and the authorities can be relied on to do all they can to promote its wellbeing. Fishing shares have never been for the faint-hearted because of the inherent risks. Nevertheless, both Namsea, with its larger cross-holdings in the industry, and the more basic Namfish look underpriced.

Geoff Hilton
exploration sector, within about a month.

However, at present, Revere Resources still owes R1.2m to George Swanson for purchase of the mineral rights over Haib as well as R60 000 to listed Benguela Concessions for the purchase of the Mervest cash shell, through which Haib was listed.

Swanson should have received his money by end-February but Laing says he sought, and was granted, an extension until June 2, for which he paid Swanson R60 000. Laing adds a further extension was asked for and granted for another R50 000 and the deal re-negotiated to make the date of payment dependent on getting finance in place.

That makes payment open-ended, which seems punitive for Swanson. It is understood that he is most unhappy, Swanson wouldn’t comment and referred queries to his lawyer in Cape Town, who could not be reached.

Laing says delays have been caused by political developments in SA as well as the time taken by the World Bank to carry out a due diligence examination. He says he needs to raise R8m for the first stage, of which he’s looking to the World Bank for R6.5m.

He says negotiations to find backers for the rest of the money were affected by the Piet Retief by-election and referendum. “None of our prospective foreign backers were prepared to take a decision ahead of the referendum and negotiations were put on ice. Further, developments in SA since then have made some potential investors very nervous. Times are really tough,” he sighs.

Revere Resources’ income has also been hit by the damage caused to the pillar mining operations at Rand Leases by the severe seismic event early in March (see p64).

Laing plans to tackle Haib in two stages, the first a small operation on the estimated 2.4 Mt of oxides ore close to surface. He then intends finding a heavyweight mining partner to fund the US$100m he estimates he will need to go after the more than 374 Mt of deeper, sulphide ore.

Brendan Ryan

Heavy weather

Getting this copper project in Namibia off the ground is taking longer than expected as developer Glenn Laing battles to find the financial backing needed by his Revere Resources. At the beginning of March, Laing hoped to be able to announce a rights offer from Haib, which is listed in the mining
Bright future for Namibia

WINDHOEK - Despite the present serious drought, medium and long-term agricultural prospects for Namibia are bright, British Parliamentary Secretary for Agriculture, Lord Howe, said at the weekend.

He was addressing a media conference on Saturday at the end of a two-day fact-finding mission to Namibia to explore areas of cooperation in agriculture and fisheries.

Howe said Britain had supported moves by Namibia to obtain the rights to export 60,000 tons of beef to the European Economic Community.

"If the standard of animal husbandry can be improved across the board to the levels we have seen today, which are excellent, then surely there is immense scope for livestock farming to improve still further," he added. - Saga.
Namibian mines to get tax concessions

WINDHOEK — Mining companies in Namibia are among those taxpayers given the biggest boost in the country's 1992-93 budget announced yesterday.

Most will get tax cuts under a system previously applied to gold and uranium mines and which will now be applicable to all mining companies except those mining diamonds.

They will, however, be subject to a minimum tax rate of 25 percent, while a surcharge of five percent will be abolished.

Diamond mines will continue to be taxed at the present rate of 30c of each rand of taxable income, plus a surcharge of 10 percent.

Own currency

Finance Minister Gert Hanekom also said in his budget speech preparations for issuing Namibia's own national currency had reached an advanced stage.

In due course the new currency would circulate in Namibia side by side and on a par with the South African rand.

This did not imply the country would withdraw from the Common Monetary Area, nor that the South African currency would be withdrawn from Namibia, nor that exchange control would be instituted between the two countries.

Company tax would be cut from 42 to 40 percent and non-resident shareholders' tax would be lowered from 16 to 10 percent to attract foreign investment.

Dividends on all shares and other investments, apart from deposits in building societies, would be tax free.

This step was expected to encourage investors to "speed up the establishment and functioning of a local stock exchange."

Namibia had made considerable progress with its balance of payments in 1991, although the current balance remained under strain.

Enhanced export performance in some sectors, mainly diamonds and fishing, had helped.

The overall balance on the current account was transformed from a deficit of R595 million in 1990 to a surplus of R228 million.

With the help of an adviser from the International Monetary Fund, procedures were being streamlined and budgetary monitoring was being tightened to promote an atmosphere of strict fiscal discipline.
Namibia plans total budget of R3.5bn

WINDHOEK. — Namibian Finance Minister Gert Hanekom yesterday said in his budget speech the country's total estimated expenditure for the 1992/1993 financial year would be R3,54bn of which R695m would be for capital expenditure and R629m for statutory expenditure. He added a surplus of some R226m had been carried over from the previous financial year and the net deficit would amount to R347m.

Hanekom said this would be recovered by growing on local and foreign markets. Negotiations for loans totalling about R100m from donor countries and development banks were in progress, he said.

The Ministries of Education and Culture and Health and Social Services are to get the largest slice of the budget, with R684m going to education and R424m to health. All discriminatory tax provisions in respect of married women have also been removed. Married women now become taxpayers in their own right, must register as taxpayers and will qualify for all the benefits applicable to married men.

General Sales Tax was not increased and the maximum income tax rate was reduced to 46% from 42%. Dividends — except those payable to building societies — are now also exempt from tax.

The minister expressed the hope that this would speed up the establishment of a local stock exchange, adding that it should also act as an incentive to investors.

Hanekom said while some individual sectors of the Namibian economy were showing substantially improved achievements, others continued "their lacklustre performance". He added that the economic climate remained subdued and reflected conditions in the rest of Southern Africa and the world. On domestic production he said, "The rate of expansion in real economic activity in Namibia in 1991, as measured by the increase in real gross domestic product was 3.1%.

Fishing he said had shown an increase of 56% while diamond mining increased by 84%.

— Sapa
Namibia to retain SA rand together with new currency

WINDBOBK — The introduction of Namibia’s own national currency gave the country the “best of two worlds”, Finance Minister Gert Hanekom said yesterday.

Speaking at a media briefing at which the new Namibian dollar bank notes were unveiled, Hanekom said Namibia would have the benefit of belonging to the Common Monetary Area (CMA) and the freedom to make other choices if circumstances arose.

“I want to state categorically that the introduction of an own national currency does not imply that Namibia will withdraw from the CMA or that SA currency will be withdrawn from Namibia or that exchange control will be introduced between the two countries,” he said.

Such steps would require separate decisions based on circumstances at the time, “circumstances which do not exist and are not foreseen at the present time”, he said.

The Namibian dollar will circulate side by side and on a par with the rand, and will be introduced at a future date to be decided by the cabinet.

A Swedish company, AB Tumba Bruk, has been awarded the contract to print the first issue of the bank notes.

There is estimated to be between R300m-R400m in circulation in Namibia at present.

The famed Nama leader Kaptein Hendrik Witbooi appears on the front of all three denominations of the new notes which have the national coat of arms on the reverse side.

The 10 dollar note, on a blue background, also has a Springbok on the front, the 50 dollar, on a green background, kudu and the 100 dollar, on a red background, bears the oryx.

Meanwhile, the Bank of Namibia has launched a competition for designs for the new 5 cent, 10 cent, 50 cent, one dollar and five dollar coins.

The themes for the one and five dollar coins are the Bataleur, Eagle and Fish Eagle respectively. Participants may use their imaginations on possible themes of Namibian plants, agriculture, mining, fishing, mountains, buildings and so on for smaller denominations.

The competition is open to anyone inside and outside the country and there is a R1 000 prize for each winning design. — Sapa.
SA influences rates in Namibia

FINANCIAL institutions in Namibia are considering a 0.5 percent reduction in the prime rate to 18.5 percent after the Bank of Namibia dropped the lending rate from 18.5 to 17.5 percent. Banking sources said Namibia was different from South Africa where the prime rate will drop by one percent after the Reserve Bank announced a decrease in the bank rate.

The Clearing Bankers Association of Namibia said inflation was also a critical factor. A drop in lending rates may help recession. Sources also pointed out that as Namibia uses GST, the prime rate reduction had to consider South Africa's VAT system.

Thus, in real terms, a 0.5 reduction in the Namibian prime rate was par with a one percent reduction in South Africa. - Sowetan Africa News Service
Revere sells Haib venture at a loss

GLenn Laing has been forced to sell Revere Resources' 25% stake in the Namibian Haib copper venture because it had failed to raise the capital needed to develop a large mine to work Haib's ore reserves.

Revere has sold Haib to Pretoria-based Mega Holdings for R500,000. The figure comprises R107,000 for Revere's 107,5-million shares in Haib (0.1c a share) and R442,000 for taking over Haib's loan account with Revere.

In terms of the agreement, Mega has also assumed responsibility for R1,2m owed by Revere to George Swanson for the purchase of the Haib mineral rights. Revere made a loss of R497,000 on the sale of Haib.

Laing said yesterday the sale was part of the consolidation of the group's interests. He believed Haib was a good investment as a low-cost producer, with proven reserves of low-grade copper sulphide ore, but blamed institutional reluctance to invest in anything but blue chip shares for Revere's failure to raise development capital for Haib.

Mega says it plans to develop Haib as a low-cost, low-capital oxide mining and leaching operation which will produce an initial 100 tons of copper a month. It

Haib intended to increase monthly production to 450 tons at a later stage.

Mega hopes to raise R1,6m development capital from Haib's 25% minority shareholders by selling them 4-million new Haib shares at 40c a share. Haib's shares traded at 7c on the JP on Friday.

Mega is owned by Corne Koiman and Louis Mienie, neither of whom has much experience in operating successful mining companies.

Koiman tried to start a granite company with money raised from small investors just over a year ago. The venture went bankrupt and the Board of Trade and Industry is investigating the matter.

Koiman was also involved in a film venture with an individual named Churkov, a self-styled Bulgarian venture capitalist, who skipped SA with about R25m just over two years ago. He allegedly also bought a house from Jan Lombard, the son of the former Reserve Bank deputy governor, in exchange for shares in Mega. The subsequent sale of the house was apparently not reflected in Mega's accounts.

Haib is the latest problem Revere has had to deal with in less than a week, and adds to the list of troubled ventures Laing has been involved with in the past year.

Last Thursday, New Arbor Colliery was liquidated in the Rand Supreme Court. New Arbor was indirectly wholly owned by Foston through its wholly owned subsidiary Rapposo. Laing owned 70% of Foston, acquired in 1991 for R19m (or 3.5c a share).

Arbor's liquidation was a direct result of the Rand Supreme Court order in June directing Rapposo to pay R460,000 it owed to mining contractor Andru Mining for mining Arbor. Counterclaims of R4,5m by Rapposo against Andru were dismissed by the court.

Laing said Arbor had been liquidated to put an end to the claims and counterclaims. He believes Foston is healthy.

A seismic event in April stopped operations at veteran gold mine Rand Leases, another Revere operation, for over a month. Mining operations resumed in May.
Drought shuts Namibia schools

Namibia’s main storage dams are 26.8% full, compared with 42.2% a year ago, and animals have begun dying because of the drought, according to a report by a unit of the Ministry of Agriculture, Water and Rural Development.

"The shortage of water in rural areas is particularly serious, causing closure of schools and widespread hardship in many areas," the unit said in its quarterly bulletin.

After a "disastrous" rainy season that ended with showers in many places in April, "no rain has been recorded apart from small amounts in the far south in June".

About 500 cattle and 3,000 small stock deaths had been reported in the Damara region in the west.

- President Robert Mugabe embarks on a four-month tour of Zimbabwe today to try to drum up support from the hungry and angry.

Foreign aid organisations say virtually half Zimbabwe’s population of 10 million needs food relief, but only about two million get it now.

- Kenya has been hit by an acute shortage of essential foodstuffs, especially maize and sugar, causing prices to soar and the reported looting of stores thought to be hoarding supplies.

The United Nations said yesterday it was giving another 31,000 tons of food to drought victims in Kenya, usually a land of plenty in a sea of need.

— Sapa-AFP-Reuter
AFRICA NEWS

Africainbrief

Illegal gem trade

WINDHOEK - President Sam Nujoma is to discuss allegations of Angola's illegal diamond trade affecting Namibia with Angolan President Jose Eduardo dos Santos, State House spokesman Daniel Smith said in Windhoek yesterday.

He said Nujoma would raise the matter through regular government channels or when they next meet. Diamonds are Namibia's largest single foreign exchange earner, contributing R1.2 billion of the R3.3 billion in total export earnings for the last financial year.

Moshoeshoe home

MASERU - Former King Moshoeshoe has returned to army-ruler Lesotho calling for reconciliation and democracy, but a potentially explosive dispute about the role of the monarchy remains unresolved.

"A chief is a chief by the will of the people," Moshoeshoe told journalists on Monday on his return from two years' exile in Britain, under an agreement brokered by the Commonwealth.

"Bring rain! We are starving," shouted ecstatic supporters when Moshoeshoe left his limousine to ride with blanket-clad horsemen into his drought-stricken village of Masieng. Moshoeshoe (54) vowed to campaign for human rights and assist the mountain state's scheduled transition to democratic civilian government after six years of army rule.

Peace signals studied

TUNIS - Senior Palestine Liberation Organisation leaders met yesterday to co-ordinate their response to peace overtures by new Israeli Prime Minister Yitzhak Rabin.

"The leadership must assess the situation after the Israeli elections which created new conditions to deal with," said PLO executive committee member, M Abba.

Sapa-Reuters-AFP.

Rwanda ceasefire

KAMPALA - Rwanda and its rebel foes will meet in Ethiopia next week to discuss the details of a ceasefire shattered only hours after it was supposed to end a 21-monthly-based war.

A Rwandan official said his government would send a delegation to Addis Ababa to hold talks with the rebel Rwanda Patriotic Front starting on July 27.

The talks will be held four days before full implementation of an internationally-brokered ceasefire, to be monitored by a 50-man military observer force from Zimbabwe, Senegal and Nigeria.
'Water from sea' tests in Walvis

WINDHOEK. — Walvis Bay authorities are to begin tests on desalinating sea water for town use in August, Deputy Town Engineer Andre Brummer has said.

Speaking from the 1214sq km South African port enclave, Mr Brummer said the Department of Water Affairs had already drilled two salt water boreholes and testing would start next month.

"From that we can determine the biological and chemical analysis of the water and the type of filtration needed," he said.

Walvis Bay, with a population of about 27,000 and a consumption of 3.8 million cubic metres of water annually, draws its water from boreholes in the Kuiseb River delta.

Mr Brummer said the water table in the delta area, which also supplied nearby Swakopmund and the Rossing Uranium Mine in Namibia, had dropped since 1978.

The proposed desalination scheme would have an annual capacity of between five and 10 million cubic metres, Mr Brummer said.

"Walvis Bay would be the first town in South Africa to use desalinated sea water, though this process is used on a smaller scale by individual companies," he said. — Sapa.
Namibia hits at Norway

WINDHOEK — Namibia criticised Norway yesterday for withholding aid. The Norwegian government said on Wednesday it would withhold the funds because Namibia had bought President Sam Nujoma a jet for $30 million (R60m) — twice the amount Norway gives the country in annual bilateral aid.

Namibian Prime Minister Mr. Hage Geingob said Namibia would not interfere in the affairs of other sovereign states and expected to be treated in the same way. "There should be mutual respect when it comes to domestic affairs and that is the basis on which relations are entered into," he said. — Sapa-Reuters
Zimbabwean farmers ponder a ‘Great Trek’

HARARE — Talk of a new “Great Trek” by white Zimbabwean farmers facing nationalisation of their land overshadowed their annual congress yesterday.

The phrase was used by Acting President Simon Muzenda, who said farmers planning to move into Zambia and Mozambique were “overreacting”.

But 4 000-strong Commercial Farmers’ Union deputy director Jerry Grant said land reform plans had caused farmers “to look north and east for opportunities”.

Muzenda, who opened the congress on Wednesday night, said cries of anguish by white farmers over government plans to nationalise about half their land had created a climate of “persecution”.

Reviewing the industry, Grant said attempts to ensure farmers’ security of tenure and the right of appeal to the courts over compensation had been only partly successful.

It was ironic, he said, that the farming community had “welcomed the prospect of attracting commercial expertise to their impoverished agricultural industries”.

Zimbabwe’s large-scale commercial farmers, almost all of them white, pride themselves on their productivity.

Some 200 of them, representing all districts, swapped their traditional shorts and open-necked shirts for suits and ties and headed for town in their Mercedes-Benzes and pickup trucks for the annual talk shop which ended yesterday.

This year there were two main topics — the worst drought on record and the recently passed Land Acquisition Act, which enables the government to acquire 5-million hectares for resettlement of peasants from overcrowded communal lands.

Some 4 000 farmers own around 20% of the land in a country of 10-million people. They produce 81% by value of all crops and livestock marketed in the country’s agriculture-based economy.

When talk of moving to neighbouring countries first surfaced, President Robert Mugabe said: “Let the whole shoot stop farming. The people of Zimbabwe will not perish as a nation”.

But yesterday confrontational rhetoric was replaced by attempts at bridge-building. Muzenda said there was “enough land in our country for Zimbabweans who genuinely want to make a living from farming”, and Agriculture Minister Kumbalangii Kangai said the government would nationalise under-utilised land first to avoid loss of production.

Namibia moves to liberalise transport laws

WINDHOEK — The Namibian Cabinet has approved draft legislation to amend the Road Transport Act to liberalise certain transport operations in the country. Information Permanent Secretary Bob Kandetu said yesterday.

The Cabinet has also mandated the works, transport and communications ministry to work towards removing restrictive provisions in the legislation giving rise to a monopoly.

About 50 large trucks jammed central Windhoek for an hour last Friday while the Namibia Truckers’ Association handed a petition to President Sam Nujoma.

The NTA, representing small operators, claimed there was collusion between large operators regarding the allocation of transport permits.

Renamo ‘no’ on offer to end fighting

RODE — President Joaquim Chissano of Mozambique said yesterday he had offered rebels an immediate cessation of hostilities to end 16 years of civil war, but that this had been rejected by Renamo.

Chissano, who met rebel leader Afonso Dhlakama in Rome on Wednesday for the first time, said negotiators were instead drawing up a calendar for a general ceasefire that could be signed at an African summit within the next few months. It was possible, he added, a ceasefire calendar would be approved by the two sides later yesterday.

“I proposed an immediate cessation of hostilities. A truce is the wrong word, as it implies a pause before the fighting resumes ... but Dhlakama rejected this,” Chissano said in a media interview.

“I told him my armed forces were willing to stop immediately. I said my officers were ready ... but he said his men were not prepared ... and probably not disposed to obey.

“I told him it was better to have a few ceasefires violations here and there, even if it involved clashes between entire battalions, rather than go on with generalised fighting and the systematic killing of innocents.” — Sapa-Heuter.
Sweden joins Norway in cutting aid to Namibia

STOCKHOLM — Sweden said yesterday it had excluded Namibia from receiving drought relief aid after reports that it had spent large sums on a presidential plane.

Sapa-Reuters reports that foreign ministry official Kaj Persson said: "Buying that plane indicated that Namibia did not lack money. Furthermore, Namibia wasn’t that severely hit by the drought."

Sweden’s long-term bilateral aid to Namibia of $30.4m a year was unaffected, he said.

On Wednesday, Norway said it would not give Namibia any special drought relief.

The Norwegian government said in Windhoek yesterday that it found it "difficult to respond" to the appeal for drought aid because of the Namibian government's priority in purchasing the R75m executive jet and the fact that the drought was more severe in other parts of southern Africa.

However, ordinary development assistance would not be affected.

In response, Namibian Prime Minister Hage Geingob said Namibia would not interfere in the affairs of other states and expected to be treated similarly.

Billy Paddock reports that Namibian Finance Minister Gert Hanekom said it was regrettable that Norway and Sweden had made a linkage between the purchase of an aircraft and drought relief.

"We have provided for drought relief in our budget and I think we will be able to manage although obviously we were relying on some relief from donor countries," he said.

"The decision to buy the aircraft and the signing of contracts was done a long time ago and certainly before we had any idea that we were facing a drought. What are we to do? Dishonor the contracts?"
SA team hunts Luderitz's gems

A CONSORTIUM of SA businessmen has bought the Luderitz sea-bed and coastal land north of Namibia and is preparing to exploit it for diamond-bearing gravel. The consortium—headed by De Beers—will develop a multi-million rand project in the Namibian desert.

The consortium's initial feasibility study showed that the area has huge potential for diamond mining. Although the sea-bed is shallow, it is thought to contain millions of carats of diamonds, according to sources in the consortium.

The consortium was formed by four SA businesspeople: Chris Stone, a Shanghai lawyer; Han van der Westhuizen, a Namibian; John Brown, a Zimbabwean; and Dr Michael Beyers, a Kimberley geologist.

The consortium has acquired the necessary permits and is now preparing to develop the project. The initial feasibility study showed that the area has huge potential for diamond mining.

The project will involve digging into the sea-bed and using equipment to extract the diamond-bearing gravel. The consortium plans to build a processing plant on the coast and export the diamonds.

The consortium has already invested several million rand in the project and is looking for additional funding.

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Namibia in talks on Kudu gas field

WINDHOEK. — The Namibian government is negotiating with an unidentified oil company for exploitation of its giant Kudu offshore gasfield, mining sources said yesterday.

One source said export from an offshore wellhead, a pipeline to the industrial heartland around Johannesburg and a gas-fired power plant were among options being discussed.

Meanwhile in London oil prices showed signs this week that they had found a floor after a bout of midsummer weakness.

Brent futures traded barely changed yesterday in a range between $19.97 to $20.11 and brokers said they saw psychological support at $20 with technical support 10c to 20c lower. — Sapa-Reuters
Namibia in talks over Kudu gasfield

WINDHOEK The Namibian government was negotiating with an unidentified oil company for exploitation of its giant Kudu offshore gasfield, ministerial sources said at the weekend.

One source said export from an offshore wellhead, a pipeline to South Africa's industrial heartland around Johannesburg and a gas-fired power plant were among options being discussed.

The sources said an announcement could be made before the end of the year if discussions continued to go well.

The Kudu gasfield lies about 100 to 160 km (60 to 100 miles) off the southern end of Namibia's Atlantic coast.

Deputy Minister of Mines and Energy Jesaya Nyamu said the field was estimated to hold at least 5-trillion cubic feet and possibly 20-trillion cubic feet of gas.

A mining industry source said the government had started negotiations with one of several companies that applied for the licence to exploit the field in block 2814A.

"Just to finish the exploration could cost $1b so it's a matter of identifying markets for the gas," the source said.

The field, believed to be the biggest off the African coast, was discovered in 1973.

The UN blocked further exploration by SA until 1987, when two further test wells were drilled to depths of over 4,300m.

Namibia became independent in 1990 and licence applications were invited last year under new energy legislation passed by the government. — Sapa-Reuters.
Namibian stake in CDM discussed

TALKS aimed at giving the Namibian government a stake in diamond producer Consolidated Diamond Mines (CDM), De Beers' wholly owned Namibian subsidiary, began in Windhoek yesterday.

When agreement is reached, it may give the Namibian government an equity stake in CDM similar to the joint control arrangement De Beers has with the Botswana government. Debswana, which owns Botswana's three diamond mines, is jointly owned by the government and De Beers.

Analysts are unsure how the Namibian government will pay for a future stake in CDM, assuming that De Beers does not give it away for free, a move tantamount to nationalization.

They note that in 1987 the group and the Botswana government agreed that the government acquire 22-million newly issued De Beers shares. In return, De Beers received part of the country's diamond stockpile accumulated in the early 1980s when the Central Selling Organisation (CSO) reduced its purchases from producers because of the slump in the diamond trade.

Unlike the case of Debswana, the Namibian government owns no diamonds with which to pay De Beers, but the current talks may centre on devising new tax and royalty formulas for the diamond industry.

The Namibian government has shown no interest so far in nationalising the country's mining industry, dominated by CDM.

Mining is the country's largest contributor to GDP, and CDM contributes at least a third of export earnings.

Yesterday's negotiations were officially launched by President Sam Nujoma. Prime Minister Hage Geingob and De Beers chairman Julian Ogilive Thompson introduced their teams, headed respectively by mines and energy ministry permanent secretary L S Hangula and De Beers director Peter Gush.

The parties said in a joint statement that initial talks, held in closed session, were "frank and productive".

They said negotiations would lead, with all deliberate speed, to the signing of a comprehensive, equitable and enduring agreement between government and De Beers, reflecting both the prerogatives of Namibia's newly won sovereignty and the imperatives of industry, stability and prosperity. All future talks would be held in confidence, and appropriate joint statements would be made from time to time.

The talks come at a time when the De Beers is under severe strain because of the depressed diamond trade and an explosion of diamond smuggling, worth hundreds of million of dollars, in Angola.

The CSO has applied contracts in sales clauses with the diamond producers it serves, whereby it will reduce its take of diamonds by 35% from September.

De Beers successfully renegotiated sales contracts in 1991 with Debswana, Australian producer Argyle, and with state mining companies in Angola and Zaire. At least 85% of diamond trade passes through the CSO, but there is continual speculation that diamond producers not wholly owned by De Beers would like more freedom to sell diamonds on the open market rather than through the CSO.
Namibia De Beers in crucial talks

Sowetan Africa News Service

WINDHOEK - Negotiations for a new deal between the Namibian government and the country’s principal diamond miners, De Beers Centenary, began on a cordial note yesterday.

President Sam Nujoma urged both sides to be “patient, flexible, responsible and realistic”.

“I am sure that we will remember who is most expert in diamonds and I am sure that you will remember who governs this country,” said Nujoma. “Together we will prove that those who predict failure or prefer conflict are wrong.”

Mr Julian Ogilvie Thompkin, chairman of De Beers who led his industry’s delegation at the opening of the talks, thanked Nujoma for the “balanced” message.

“We greatly appreciate the spirit of national reconciliation with which you have approached this and indeed all other matters in your country.”

The negotiations are aimed at a new agreement between De Beers through its CDM operation in Namibia and the Namibian government. This will be the first agreement between these two parties as the present CDM operation here is one which pre-dates Namibia’s independence in March 1990 and the exclusive sales contract between CDM and the Central Selling Organisation in London expired at the end of last year.

Observers think it unlikely, however, that Namibia will seek to go entirely outside the CSO.
SA, Namibia deal on Walvis

WINDHOEK.—Namibia and South Africa have formally agreed to the implementation of a joint administration for Walvis Bay, and officials will meet in two weeks to discuss details, Foreign Affair Minister Mr Pik Botha said yesterday.

"There are only a few practical matters that must be ironed out," he told a joint briefing with Namibian Foreign Affairs Minister Mr Theo-Ben Gurirab at Windhoek International Airport.

"This is a joint effort and we need to appoint a management committee," Mr Botha said, adding there were also issues like funding and premises that needed to be dealt with.

Welcomed

This would be discussed at a meeting of a joint technical committee, established to investigate joint administration, when it met in a fortnight.

Mr Botha spent yesterday evening in Walvis Bay meeting representatives of different communities.

"I am very happy to say that the decision-makers in Walvis Bay welcomed this plan and have also invited Mr Gurirab to Walvis Bay as soon as he can fit it in," Mr Botha said.

Joint admin details ‘to be worked out’

Negotiations over the disputed 1,214km² SA port enclave, geographically part of Namibia and home to its fishing industry, began after independence in 1990.

In terms of Namibia's constitution and United Nations resolution 432 of 1978, Walvis Bay and 12 off-shore islands must be reintegrated with Namibia.

The enclave was annexed by Britain in 1978 and transferred to the Cape Colony in 1894. In 1922 it was transferred to the then-South West Africa and in 1977 its administration was transferred back to the Cape Province.

The mechanism to investigate joint administration, the Joint Technical Committee, was initiated last December.

Since then Namibians have become increasingly impatient at the lack of progress over negotiations on the future of the port, most of whose inhabitants are Namibian citizens.

Mr Botha said he could not give any idea of a timeframe.

"That will depend on the future. This is just a beginning and it assumes well for the future," he said, adding inside SA attempts were being made to draw up a new constitution.

Mr Botha, who was accompanied by deputy director-general of Foreign Affairs Mr Derek Aurel and South Africa's representative in Namibia Mr Stephan Aldrich, was met on the tarmac by Mr Gurirab, Information and Broadcasting Minister Mr Hidipo Hamutenya, Justice Minister Mr Ngakatule Tjiirange and Deputy Justice Minister Mr Vekuiti Rukoro.

Mr Gurirab said both governments also recognised that they had to work together to create conditions for a "brighter and better future" for the sub-region.

Impressed

"In this we should all do everything possible to remove all those problems of the present and of the past that are likely to create tensions and misunderstanding," Mr Botha said he was impressed by Mr Gurirab's realisation and his concept of the demands of the future for those in Africa and Southern Africa. — Sapa
Joint control of Walvis Bay agreed

NAMIBIA and SA have agreed to the joint administration of Walvis Bay and officials will meet in two weeks to discuss details, Foreign Affairs Minister Pik Botha said on Friday.

"There are only a few practical matters that must be ironed out," Botha told a joint briefing with Namibian Foreign Affairs Minister Theo-Ben Gurirab.

"This is a joint effort and we need to appoint chief executive officers and managers of a management committee," Botha said, adding there were also issues like funding and premises that needed to be dealt with.

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In terms of Namibia’s Constitution and UN Resolution 432 of 1978, Walvis Bay and 12 offshore islands must be reintegrated into Namibia.
Namibia govt moves deposits

WINDHUK – The Namibian government was transferring deposits of about R200m from commercial banks to the Central Bank of Namibia, Nambe radio news reported yesterday.

In future all government funds would be deposited in the central bank.

Finance Minister Gert Hanekom said he had halted transfer of the last R60m following a request by Clearing Bankers’ Association president Danie de Lange. According to the association the transfers were affecting the commercial banks “adversely at this stage”.

There was nothing to prevent commercial banks from approaching the central bank for investment funds and for direct loans, Hanekom said. – Sapa.
Namibia's five commercial banks are not happy. The two-year-old government is moving its deposits from their coffers to the central Bank of Namibia. This ends an arrangement which made large sums available to the banks, on tender, at approximately Namibian money market rates.

Now the central bank has a slice of the action.

Bankers say the government's cash has been withdrawn from circulation and possibly invested abroad, making less money available. The local Clearing Bankers Association complains this has increased already high local interest rates and harmed the depressed economy.

Cynics point out August is traditionally a hard month for bank liquidity, with many companies' tax payments due. Normally Namibia has surplus funds which are often invested in SA.

At issue is about R200m-R300m, fluctuating up to R500m, of central government funds. The local money market is small (R2bn-R3bn), so interest rates are rapidly affected.

Since independence, Namibia has been setting up a central bank with an independent board of directors. First Finance Minister Otto Herrigel had strong differences with the bank over how autonomous it should be and resorted to limiting its resources and powers. A series of clashes led to the resigna-

Herrigel's uncompromising style led to his own resignation in April and this was accepted. His successor as Minister, Gert Hangekom, seems to get on better with the central bank. He says he began switching the funds in May. Instead of giving the bank a R4m subsidy, he offered the central bank the money at a renegotiable 2%-3% below money market rates. This would give the central bank fuller control of monetary policy.
Sasol gets Namibian oil exploration licence

STAN 28/8/92

WINDHOEK — Sasol has taken a first step in expanding operations beyond South Africa with the award yesterday of a licence to explore for oil off the coast of Namibia.

The licence, granted to subsidiary Sasol Mining, is the third awarded by the Namibian government for oil exploration in its territory.

Announcing the deal yesterday, the Namibian deputy Minister of Mines and Energy, Jesse Nyama, said: "The award of this licence signifies the beginning of a vibrant chapter in our emerging bilateral business relationship, which is indicative of the growing confidence between our people."

The 11,000 sq km licence area is situated southwest of Terrace Bay on the northern Namibian coast.

Sasol Mining is expected to spend about R27.5 million on exploration and over R1 million on training Namibians in the first four years.

Sasol said yesterday the agreement was expected to be signed in Windhoek next month. Work is due to begin as soon as the agreement is signed.

Mr Nyama said, in response to a question, there was no contradiction in Namibia entering into an agreement with SA despite calls by other countries for non-involvement.

He said it was understood and accepted, by bodies including the Organisation for African Unity, that Namibia was an "exception" when it came to sanctions against SA because of their linked economies.

"It would not make practical sense," he said.

Namibia earlier signed contracts with a Norwegian consortium, which has already begun seismic work close to the new licence area, and with Canada's Ranger Oil and Britain's Hardy Oil & Gas, which will be exploring inshore close to Walvis Bay in block 2213.

Geologists are optimistic that the exploration activities will eventually yield viable oil reserves off the Namibian coast.

The presence of oil to the north, off Angola, and Namibia's giant Kudu gasfield to the south, with reserves estimated at up to 560 billion cu m, are among factors indicating large oil reserves off the Namibian coast, they say.

A study of the complementary South American coast, and results of a basic seismic survey conducted under SA supervision in 1989, confirm this view.

Klaus Endresen, whose Norsk Hydro Namibia heads a consortium including Norway's Statoil and Saga Petroleum, and which was granted the first licence in April, said: "The enthusiasm to explore this area reflects the fact that a lot of companies are confident of the Namibian continental shelf, particularly when you take the low oil prices into account."

But he warned that the exploration of this coast would not be completed this century.

Mr Nyama said the Norwegian consortium had beaten five others to the licence for block 1911, an 11,000 sq km sector near the northern border with Angola.

A total of 18 companies were bidding for search rights.

Mr Endresen said Norsk Hydro was installing five Norwegian technicians and sophisticated equipment to interpret the results of a detailed seismic survey launched last month by sub-contractors Western Geophysics of the US.

"This is no half-hearted operation. We are creating a completely autonomous office. All the interpretation will be done in Namibia. We are very serious." — Sapa-Reuters.
Sweeping changes made to Namibia's taxation system

WINDHOEK — Separate taxation for married women, new income tax rates, adjusted abatements and a 5% drop in non-residential shareholders' tax are among the changes to the Namibian tax system introduced in the national assembly this week.

Income tax deputy director Harry Kruger said dividends, except those payable by building societies, would be tax-exempt in the hands of individuals.

Non-residential shareholders' tax has been reduced from 15% to 10%.

Another important aspect in the Income Tax Amendment Act of 1992 passed last week was the abolition of the 100% write-off procedure for capital items like machinery and vehicles.

In future the cost of acquisition will be equally spread over three successive years, allowing a third of the cost to be written off over three consecutive years.

Provision was also being made for the approval of benefit funds and provident funds. Benefits received from benefit funds, such as medical or accident funds set up by employers, would be tax free. Provident fund benefits would be taxable.

Kruger also said the allowable amount for contributions to an retirement annuity, provident or pension fund had been increased to R18,000 per taxpayer. — Sapa.
Namibia's fisheries sector is recovering.

WINDHOEK — Namibia's overexploited fisheries sector is making a steady recovery and is expected to contribute more than 9% to the country's GDP for 1992. The projected R58,3m (0.45% of GDP) is over eight times more than the R6,5m (0.11% of GDP) fishing contributed in 1989. Fisheries and Marine Resources Minister Helmut Angula said in Windhoek the increase was the result of a strict conservation policy, resulting in a natural increase and better quality fish, and the introduction after independence in 1990 of royalties for the first time on hake and horse mackerel.

Heavy exploitation during the boom years of the '60s and '70s by Spain, the Soviet Union, Portugal, East bloc countries, SA and others resulted in a marked decline in fish stocks.

At independence Namibia declared a 200 nautical mile exclusive economic zone along its 2,400km coastline and began implementing measures to protect its fish. Research in a White Paper on fisheries suggests resources, in the long term, could yield between 1.3-million and 1.5-million tons a year with a value of about R1bn. Angula said improvements in pilchard stocks had allowed a total allowable catch (TAC) of 80,000 tons for 1992 compared with 30,000 tons in 1989.

Hake, which he said is recovering best, had a TAC of 325,000 tons in 1989 when hundreds of vessels from ICOFAF countries fished off the Namibian coast. “That was dramatically reduced to 50,000 tons... in 1990,” he added.

Today the hake quota was 50,000 tons. The pelagic industry operates out of Walvis Bay and Luderitz.

“Hake is caught by trawlers and processed by factory ships out at sea. At independence those trawlers were 100% foreign-owned. Now 35% are Namibian vessels. Some 80% of the fish canned at Walvis Bay is sold to SA. Since March 1990 vessels have had to be registered in Namibia. Of 200 vessels fishing in Namibian waters, 128 are Namibian. Concern at the lack of a fisheries policy was expressed by many who said year-to-year quota allocations made it difficult to plan ahead. Chamber of Commerce chairman Stephan Hrywniak said: “We definitely need some long-term planning.” Angula said adhering to the strict conservation policy was paramount. — Sapa.
Fly to London with Air Namibia for just R2 649

AIR Namibia said yesterday it was offering return fares from Johannesburg to London via Windhoek from R2 549. This is the first time the airline has offered such a fare.

The fares become effective on October 5 and were announced on the same day to destinations in SA. Theconnecting flight from Johannesburg to Windhoek is included in the overall fare.

The airline was satisfied with the response it had received since the introduction of the route, and the way it was developing, Petch said.

He believed the airline would attract both business and leisure travellers, many of whom would then remain with Air Namibia as regular customers.

The Johannesburg-London route is served by SAA, which offers 12 weekly flights, and also by British Airways, which flies the route 10 times a week.
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The new Income Tax Amendment Act also changes write-off procedures for capital items such as machinery and vehicles.

In future, the cost of acquisition will be equally spread over three successive years, allowing a third of the cost to be written off each year.

New tax rules will also apply to benefit funds and provident funds.

Benefits received from benefit funds, which are medical or accident funds set up by employers, will be tax-free, but provident fund benefits in a sum will be taxable.

Mr. Kruger said the allowable amount for contributions to a retirement annuity, provident or pension fund had been increased to R15,000.

"Lump-sum contributions and arrear contributions will not be allowed in future," he said. — Sapa.
Sasol signs oil accord

WINDBERG — The Namibian government and Sasol signed an agreement yesterday for the South African company’s first venture into offshore oil exploration.

Sasol is the third company, and the first from Africa, to be awarded an oil exploration licence since Namibia opened its bidding last year.

The company is to spend at least R17.5 million in the first four-year phase in its search in a 11 500 sq km area off the northern Namibian coast.

MD Paul Kruger said at the signing ceremony that the first seismic survey work on a 4 000 sq/km area would begin before the end of the year.

Sasol would also soon establish a Namibian company, he said.

Sapa.
Namibia to cull 460 animals for needy

The Namibian government is to cull 460 animals — including 20 giraffe — and can the meat for the needy as part of its drought relief efforts.

Information and Broadcasting permanent secretary, Bob Kandeta, said about 200 oryx, 200 springbok, 20 giraffe, 10 eland and 30 kudu would be culled at research stations.

The government is ignoring a huge outcry over its decision to cull the giraffe, ostensibly due to lack of grazing. Conservationists and animal protection groups point out that giraffe feed mainly on leaves.

Mr Kandeta said: "The culling is in line with a cabinet decision in March that meat from extra game on state lands be made available to the needy during the drought."
GATT membership for Namibia

Geneva. — Namibia yesterday became the 105th member of the GATT, the world trade body said.

Mineral-rich Namibia has been applying GATT rules on a de facto basis since gaining independence in March 1990, the General Agreement on Tariffs and Trade (GATT) said in a communiqué.

Last year Namibia had exports amounting to $1,154bn, led by diamonds, uranium and manufactures, including processed fish and meat.

Imports, valued at $1,238bn, consisted of food and beverages, machinery and electrical goods, vehicles and transport equipment, as well as mineral fuels and lubricants.
Namibia joins GATT

Namibia yesterday became the 165th member of the GATT, the world trade body said. (22/A)

Mineral-rich Namibia has been applying GATT rules on a de facto basis since gaining independence in March 1990, it said.

Last year Namibia had exports of $1.36bn and imports valued at $1.23bn.
Toxic probe in Namibia

WINDHOEK - Inspectors from the International Atomic Energy Agency are probing possible toxic dumping in Namibia, Prime Minister Hage Geingob told the Namibian newspaper yesterday.

Geingob said the team of three arrived at the weekend and would spend a week in the country investigating possible dump sites.

Namibia is known to be attractive to Western firms with waste to dump.
Team in Namibia to see toxic dump sites

WINDHOEK — Inspectors from the International Atomic Energy Agency (IAEA) are probing possible toxic dumping in Namibia, Prime Minister Hage Geingob told the Namibian newspaper today.

Mr Geingob said the team of three arrived at the weekend and would spend a week in the country.

Namibia is known to be attractive to Western firms with waste to dump, as its 1.4 million population is scattered across vast desert tracts in a territory of some 258,000 sq km.

The team, accompanied by permanent United Nations representatives in Namibia, will concentrate its search on the remote Skeleton Coast in the north-west, where firms might have dumped secretly.

Mr Geingob said since independence in March 1990 his government had turned down multimillion dollar offers if Namibia were prepared to take toxic waste.

"We are not interested in this money as we know this kind of dumping will destroy our posterity," he said. — Sapa-AFP.
Namibia’s finance authorities are increasing government securities available on local money markets to give commercial banks more scope for secured borrowing. But long-term government stock to be introduced from October is not likely to help a liquidity crisis that is holding interest rates on rands in Namibia higher than those in SA.

The problem arose in May, when Finance Minister Gert Hanekom started moving R240m of government surplus funds from matured short-term deposits at the five commercial banks into the Bank of Namibia. The central bank is believed to be building foreign exchange reserves and one local newspaper claimed last weekend it has invested R244m through the Public Investment Commissioners in SA. The latest monetary statistics published, for end-July, show central bank foreign assets climbing to R224m, from R114m in June, and this may be in preparation for introducing the Namibian dollar currency next year and making it freely exchangeable with the rand.

Banks that had grown reliant on the government’s money say the switch was too much for the small local money market. The Ministry met Bank of Namibia acting governor Erik Karlsson and the banks last month and solved the crisis by offering funds to banks in need until mechanisms are in place for them to turn to the Bank of Namibia.

Before independence, Namibia was treated as part of the SA banking system. Now its banks are encountering the problem that SA institutions are imposing country limits on lending — in line with country risk.

The commercial banks’ overseas assets are shrinking — the end-July figures show them down to R330m, from R777m a year before.

One target for Hanekom is to try to bring home premium and other income SA assurance companies are still taking south. He says he will use market forces, not legislation. First lure is to be an increase in the monthly issue of R10m or R5m in 90-day Treasury Bills, offered on tender and oversubscribed up to five times.

The government says that next month it will also try an initial offer of about R25m in two- or three-year stock, issued either on tender or at fixed rates. It could increase the amount on offer later, as the forecast budget deficit for the year to March 1993 is R567m, of which, Hanekom says, R347m will come from internal borrowing as well as foreign soft loans (in the last budget year forecast borrowing was not needed).

Namibian stock exchange plans are nearly complete and could soon attract funds.
Toxic waste probe in Namibia

Sunday Times Reporter
Swakopmund

GEIGER-counter readings taken at Mile Eight near this Namibian coastal town indicate that there are definite signs of radioactivity in the area.

The tests were conducted by a German television crew sent to Namibia to investigate whether any German companies were involved in establishing toxic waste dumps.

Videotapes to be screened in Germany early next month indicate that radiation levels on the beach at Mile Eight are unacceptably high.

Experts

It is claimed that the radioactive material found on the beach is identical to that found in certain defective nuclear reactors in the former East Germany.

Meanwhile, three experts from the International Atomic Energy Agency are believed to be near Swakopmund to check on possible toxic dumping sites on the Namibian coast.

It is believed that Namibia has been targeted as a prime site for toxic waste dumping by certain European companies, and that material may have been secretly buried or dumped in the sea off the coast.
The Namibian government would enter the capital market with a R50m government stock issue in October, the Finance Ministry said in Windhoek yesterday.

The stock will have a maturity of two years and will be redeemed on October 15, 1994. An application for a listing on the Namibian Stock Exchange is to be made.
Namibia launches 1st stock exchange

WINDHOEK. — The Namibian Stock Exchange was officially launched here yesterday and is due to have five companies with a market capitalisation of about R200m listed by the end of the year.

"What we are doing today is we're getting the vehicle ready making known the facility is there," said consultant Wikus Hanekom of stockbrokers George Huysamer and Partners.

"The listing of shares is something that doesn't happen overnight but we hope to list the Namsea and Namfish group within about six weeks and three more dual listings before the end of the year."
Namibian bourse opening to little clamour

THE Namibian Stock Exchange opens its doors today — without any listings.

The first local listing is expected only early next year. However, at least three companies are expected to list within the year. Trading on the stock exchange, officially opened last night by Finance Minister Gert Hanekom, will start this month.

Exchange chairman Hans-Juergen Steuber said: “Never has there been a better time for sophisticated investors to sink a conservative portion of portfolios into emerging markets.”

An example of this was the number of listings on the Botswana Stock Exchange increasing to 12 from five in the last three years.

Cost savings would entice the investor to the Namibian exchange rather than the JSE, he said.

Attractions included: a non-negotiable commission on a sliding scale of 1% for transactions up to R10 000 to 0.2% on R1m or more; a levy of R15 rather than the R50 on the JSE, and no marginal securities tax.

The rules of the exchange are based on the rules of the JSE with minor adjustments.

Domestic savings will initially provide most of the funds to be channelled into investments and act as a stimulus for growth in the country, he said.

The computer-based screen trading system was designed for the exchange by an SA company.
Toxic plan scuttled

Nairobi. The United Nations says an international outcry has scuttled a secret scheme by European firms to dump 10 million tons of toxic waste in Somalia.

African and Western governments were outraged last month by media reports that a Somali claiming to be a government minister had signed a 20-year dumping contract with the companies, which include a Swiss-based firm.
New exchange gets rolling in Namibia

WINDHOEK. — The Namibian Stock Exchange (NSE) was officially launched in Windhoek on Wednesday and is due to have five companies listed with a market capitalisation of about R200 million listed by the end of the year.

"What we are doing today is we're getting the vehicle ready... making known the facility is there," said consultant Wicus Hanekom of stockbrokers George Huysemer and Partners.

"The listing of shares is something that doesn't happen overnight, but we hope to list the Naas, Namase and Namish group within about six weeks and three more dual listings before the year's end."

The first original listing was due by next March, and at least three Namibian companies are expected to be listed during the course of 1993.

Mr Hanekom said for the NSE to break even it would need to trade between R1 million and R2 million worth of shares a month.

According to a NSE press release, cost savings will be a major factor for Namibian and other companies to trade their shares on the NSE rather than on the Johannesburg Stock Exchange. The expected NSE market capitalisation of R200 million is roughly equal to that of the 243rd largest company listed on the JSE.

"A non-negotiable commission will be on a sliding scale starting at 1 percent up to R10 000 to 0.2 percent on R1 million or more.

"The fees that have to be paid to the NSE will be lower with a minimum fee of R15 a transaction compared to the minimum fee of R30 to South African brokers. In addition, Namibia does not have a marginal securities tax, which is charged on all purchase transaction in South Africa."

Performing the official opening, Finance Minister Mr Gert Hanekom said the NSE enjoyed the government's full support, adding that his ministry had worked through Stock Exchange Executive Committee proposals on tax incentives.

"We view tax incentives as imperative to ensure the success of this exchange and a Bill for certain tax incentives to the NSE will be tabled before the National Assembly in the near future."
Bay of peace closer to rule by Namibia

SIX years ago, Freddie Herzberg stood in shock among the dead and injured after a bomb planted by a Swapo guerilla exploded in his butchery in Walvis Bay, killing five people.

Today Mr Herzberg has rebuilt a bigger, better shop and his constructive outlook which brought him through the deep mourning of the eclipse of Swazi culture and the resulting closure of the Swazi newspaper he had launched in 1934, has kindled in him a feeling of optimism about the future of Namibia.

The Joint Administrative Authority (JAA) controlling Walvis Bay and 12 offshore islands, to be in place by November 1, is seen as much as an interim measure leading eventually to Namibian control.

Needling between the icy Atlantic ocean and the sunbaked Namib desert, this is the only deep-sea port along the coastline, and most of Namibia’s imports pass through it. A flat South African enclave surrounded by the fleshy state, Walvis Bay is of vital importance to Namibia’s fishing and shipping industries, the mainstay of the town’s economy.

Two kinds of white people live in Walvis Bay: South African civil servants and migrant fishermen, and.

Hardcore residents, many of whom were born in Walvis Bay and consider themselves South Africans.

The majority of blacks, who make up more than half the population of about 28,000, consider themselves Namibians. Curiously, Walvis Bay is lived in both South African and Namibian telephone directories.

Although many residents are dubious about Namibia’s ability to run things and maintain “standards”, there is an acceptance that South Africa will inevitably relinquish control.

Trust

George Wilham has lived in Walvis Bay for 02 of his 86 years. It doesn’t worry him at all that Namibia will take control of the area.

On the other hand, Jan Wilkins, who has been town clerk of Walvis Bay for 54 years, is dead against incorporation into Namibia.

For him, the spectre of communism still looms large, and he doesn’t trust the JAA.

The Namibian government were enemies not too long ago, and I don’t see how the Windhoek regime can suddenly be seen as friendly. As recently as last March, a survey showed that 80 percent of whites in Walvis Bay wanted to stay under South African control, but now they don’t see that happening,” said the career public servant who retires shortly.

Businessmen generally believe the JAA will be good for Walvis Bay.

Chamber of Commerce spokesman Stefan Hryniak says the town’s geographical location is its biggest single asset, and points out that, unlike many other African states, Namibia has faced little or no apartheid.

Ebrahim Pochee moved his family to Walvis last year, after a lifetime of annual fishing visits. It was the quiet way of life that persuaded him to turn his back on Johannesburg and open a fast-food outlet in the town.

“Tension

Harbour master Schalk de Wit is one of many residents whose allegiance is to Namibia rather than to Walvis Bay.

“Our car registration is CWB. Do you know what that stands for? Coloured, White and Black. The new South Africa could learn a lot about race relations from this town,” he says sagely.

Bestbuilder Harold Blum, who has lived in Walvis for 32 years, is resigned to becoming a Namibian citizen.

“What option have we got? We will give Walvis Bay away eventually. At least we have no want here, no stone throwing, no racial tension. The only question is whether incorporation will be good for the economy or not,” he said.

His concern is shared by Mr Justus Gibe, who campaigned for the National Party in the Namibian elections, and has since become a Namibian citizen.

“Walvis has to become part of Namibia at some stage,” he predicted.

Town councillor Nico Retief — who is proud to come from this area — believes some people would leave Walvis Bay if it were placed under full control of Namibia, but he wouldn’t be one of them.

“This is a great country, I have no intention of leaving. I’ll have to renounce South African citizenship to stay here. I will have no problem doing that, and I don’t think anyone in South Africa could blame me.”

Mayor Buddy Bramwell believes the logical conclusion to the JAA is that Walvis Bay will become part of Namibia.

“But that’s going to be decided by the political lads in the end. The people won’t have any say in the matter. In the old days, we saw ourselves as Southwesterners, and I think most of us still feel part of Namibia,” he said.

A staunch rightwinger, who did not want to be named as he is a public servant, said he, too, would stay in Walvis.

“There’s nothing waiting for me on the other side of the Orange River. If I have to choose between living under a Swapo government or an ANC one, I’ll take Swapo any day. At least we already know where we stand with them.”

Busting

Walvis is like any small South African town, dry and featureless apart from the encroaching sand dunes, and which is home to hundreds of migratory flamingos and pelicans and the palm trees which line some of the straight, flat streets.

The once bustling SADF base now houses only a few hundred troops, and for the rest, Walvis offers a handful of one and two-star hotels, a black township, a coloured township, a white working-class suburb and a “millionaires row” along the lagoon.

Yet those who live there defend the quality of their life as superior to anything in “the Republic”, which is how they uniformly refer to South Africa.
COMPANIES

Engen teams up with Chevron

WINDHOEK — Chevron of the US and Engen yesterday signed an agreement with the Namibian government to begin offshore petroleum exploration.

This is the fourth oil exploration licence Namibia has granted this year.

The consortium, 60% Chevron Overseas (Namibia) and 40% Engen through its subsidiary Eagle Energy (Namibia), is to spend about R55m and drill two test wells during the first four-year period.

Chevron Corporation vice-president Richard Matzke, who signed the agreement on behalf of his company, said seismic work was to begin within the next few weeks and Chevron would open a Windhoek office before the end of the year.

The 10,650 square km exploration area, block 2 815, is off the southern Namibian coast adjacent to the Kudu gasfield Chevron discovered in 1974.

The consortium is also to spend about R550,000 on training Namibians each year of the contract.

Matzke paid tribute to the agreement negotiators in the Namibian government.

"What you have done is send an unmistakable message to the whole world that Namibia is a good place in which to invest," he said.

Chairman Bernard Smith signed the agreement for Engen.

Namibian Mines and Energy Minister Andimba Toivo ya Toivo said his government attached great importance to the presence of Chevron and Engen in Namibia because of the long-standing historical bond between the parties and with Africa in general.

"Now, more than ever, it is vital that we maintain and develop these links to our mutual benefit," he said.

Chevron also has interests in Nigeria, Congo, Zaïre and Angola.

Namibia has granted exploration licences to a Norwegian consortium, a Canadian-British consortium, and Sasol. — Sapa.
Nujoma jets into trouble

IN WHAT officials have termed "unfortunate timing", Namibia took delivery of a new presidential jet just as it was appealing for international aid to deal with a worsening drought. (22/4)

News of the purchase from France of the $30-million (about R84-million) Falcon 900B for transporting President Sam Nujoma and other government leaders provoked an outcry in local newspapers. (20/4, 24/4 - 28/4)

The affair also embarrassed the government with its donors. Some governments, including Norway, Sweden and Germany, suspended or considered cutting drought relief assistance.

Compiled by Quintin Wilson
Tiniest stock market in
world opens

The Argus Africa News Service

WINDHOEK. — The smallest stock market, the new Namibian Stock Exchange, this week made its first deal minutes after listing its first share. The traditional bell was duly rung to mark the start of trading in shares of furniture and car dealing group Nictus Limited.

Instead of a mad rush of brokers on the stock exchange floor, all that could be heard was the quiet beeping of the single personal computer that contains the whole exchange.

Around it, top figures from Windhoek's business community gathered in the office of the country's only stockbroker to sip champagne.

The new stock market is one of a new breed of stock exchanges aiming to boost investment and savings in southern Africa.

Its first target is to deal list many of the five Namibian companies which, like Nictus, are already traded on the Johannesburg Stock Exchange.

The Namibian government also took advantage of the launch to issue R50 million worth of tax-free government loan stock to tenderers earlier this month. This stock was also listed this week but there were no deals.

Local companies are keen to join the exchange, including fishing firms which can win lucrative quotas once they have raised enough capital to buy a boat and other fish-processing equipment.

Offering their shares to local and international investors may be one way of gathering the funds.

Future companies to be listed could include banks and insurance, fishing, farming and mining companies.

Oil exploration is another Namibian boom industry and this week the fourth oil exploration agreement was signed with subsidiaries of Chevron Corporation of the US and Bong Energy, part of South Africa's Engen. Executives said they hoped to list a local company.

But Namibia's lone stockbroker, Wikus Hanekom of George Huysamer and Partners, said trading on the first day was still "quiet".

The exchange has been developed by the business community and 33 companies each put up R10 000 to finance it. It works on a single personal computer in the Huysamer office with a security locked programme developed by a local computer software company.

The system cuts dealing costs below the rates on the bigger South African market and inquiries have come from Botswana, Kenya and other countries with new exchanges.

The Namibian government fully supports the new exchange and has already put in place tax advantages such as allowing foreigners to invest using the financial rand and a 10 percent rate of tax on dividends to non-residents and no tax to locals. More tax breaks are promised.

One of the main targets of the new exchange is southern Africa's insurance companies. Each year millions of rand in Namibians' life insurance, pension and other savings are invested in South Africa.

Now Namibia's business world hopes some of that money will be available to expand local businesses. Foreign funds looking for fast-growing emerging markets may also be interested.
Botswana revamps exchange controls

GABORONE — The Bank of Botswana says the government has approved changes in exchange control policy and regulations governing internal portfolio investment and local borrowing by nonresident-controlled companies.

"These changes are intended to facilitate the financial sector and the stock market, and to encourage much-needed inward foreign investment into Botswana," the central bank said.

Nonresident-controlled companies incorporated in Botswana could now invest in the securities of companies quoted in the Botswana share market without financing such acquisitions with nonresident-source funds. The authorities had ensured local investors would not be crowded out.

The action on foreign and internal portfolio investments by nonresidents and nonresident-controlled companies could not exceed 49% of the "free stock," defined as total stock issued and paid up less stock held by direct investors.

Further, a nonresident or nonresident-controlled company could not hold more than 5% of the free stock of a company listed on the Botswana share market.

Because of the change, the eligibility of nonresident-controlled companies for local financial support would be determined by applying the 4:1 debt-to-equity limitation after deduction of internal portfolio investment holdings.

In addition, the limit for approvals by authorized dealers of the initial tranche of local financial support that could be afforded to resident-controlled or unincorporated branches of nonresident-owned entities had been raised to 600,000 pula from 300,000.

The purpose for which local financial support might be used had also been extended to include working capital, construction of new plant and buildings, and purchase of machinery and equipment.

The use of local borrowing for acquisition of existing assets such as land, and the purchase of a going concern was not allowed, the central bank said.—Reuters.

Court rejects Namibian sea boundary

WINDBOEK — The Windhoek High Court has upheld an objection to Namibia's northern sea boundary lodged by three Spanish trawlers charged with illegal fishing in Namibian waters.

Fisheries authorities arrested the Spanish Xeltesimo for trawling inside Namibia's 200-mile exclusive economic zone, south of Angolan waters, on July 23.

When the case opened on Monday, defence counsel Andries Blignaut SC questioned the legality of the sea border.

He said, according to news reports, that neither a technical committee of the Namibian cabinet nor the cabinet itself had the authority to determine the northern sea border of the exclusive economic zone. He argued that the border determined by cabinet or a technical committee had never been promulgated.

Judge T. Frank ruled on Tuesday, after argument, that the boundary line drawn on a map handed in to court had no legality.

The State was given until today to amend the charge sheet.—Sapa.

Disabled rob food trucks

CHIMOIO — They are called "mistilados"—disabled veterans armed with huge rocks who sometimes block the Beira Corridor to rob food relief trucks.

Feeling abandoned by the Mozambican government, they do not pay much attention to a fragile ceasefire between the government and Renamo.

The periodic looting on the Beira Corridor illustrates Mozambique's shaky security conditions and mounting tension despite the October 4 ceasefire agreement.

Security in the corridor is likely to deteriorate even further this month when Zimbabwe withdraws its troops.

Drought-stricken central Mozambique depends on the corridor for food deliveries, as does Zimbabwe. Each week about 20,000 tons of food passes through the central provincial capital of Chimoio.

The mistilados are mostly demobilised government soldiers who believe officers stole their disability pensions to buy into the transport businesses that have proliferated since improvements to the Beira Corridor by Western donors.

Zimbabwe is to withdraw its last 5,000 troops from Mozambique by Sunday. After that, police and army units will be left to patrol the Beira Corridor under the supervision of six unarmed UN observers.—Sapa.
The SA-based former subsidiary of the Commercial Bank of Namibia has severed direct ties with its Namibian parent and branched out under the name of the International Bank of Southern Africa — SFOM (Ibsa). It will specialise in corporate banking, particularly trade finance.

European banking group Societe Financiere pour les Pays d'Outre Mer (SFOM), major shareholder in both the Namibian and SA-based operations, will take up 82% of the shares in Ibsa, with Dresdner Bank taking the balance. This will provide an initial R25.8m in capital and another R10m in second-tier capital will be available later.

Ibsa MD Franz Kipping says the move was prompted by changes in banking law, in SA, since Namibia's independence, with the introduction of the Deposit-taking Institutions Act SA early last year. Kipping says SFOM also "sees SA as pivotal in the development of financial markets in the region and wants a more direct involvement."

SFOM is a Swiss-registered, Paris-based international banking group jointly owned by Banque Nationale de Paris (which holds 48.4%), Banque Bruxelles Lambert (25.8%) and Dresdner Bank (25.8%). It holds interests in a number of African banks and is represented in 80 countries worldwide. It has a capital base of SwissFR5bn, with 6 200 employees.

Kipping says the extra capital, which will increase SFOM's balance sheet four times, "allows us to talk to the major corporates." He feels SFOM's network of associated financial institutions in Africa and the presence of SFOM's shareholders in over 80 countries worldwide will give the bank a competitive advantage in trade finance and international banking.
DECOVO INVESTMENTS

A tangled web

Activities: Makes furniture and has 27.6% interest in a Namibian cement producer.
Control: Directors 90%.
Executive chairman: M Delport; MD: M Jocaste.
Capital structure: 12.7m ordinary. Market capitalisation: R10m.
Share market: Price: 80c. 12-month high, 160c; low, 80c. Trading volume last quarter: 10,000 shares.

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† 12 months to March 1989. † Annualised 9-month trading period.

What a tangled web Decovo wove last year. It changed its name, sold assets, acquired an associate and had a rights issue.

Decovo (then called Gomma) sold its operating activities to Gommagomma Holdings (GHPL) for R17m in January 1991, in exchange for GHPL shares giving Gomma a 51% stake in GHPL. Toyota holding company Wesco paid GHPL R13m for the other 49%. Gomma's only asset then was the holding in GHPL and its only liability a R10.8m loan from holding company Decagen.

In May, it lifted issued shares to 60m and then consolidated them 1-for-5. It acquired, for another 13.5m shares, Decagon's 27% of Cement Industries, a private company and Namibia's only cement producer.

To reflect the changed business the name was changed to Decovo. A rights issue in June raised R11.6m. This was used to reduce interest-bearing debt. In September, Decovo issued 1m shares to acquire Bakker & Steyger — delisted in 1978. GHPL took it over for more shares of its own, raising Decovo's stake to 56.8% and diluting Wesco accordingly. The deal makes Gommagomma Holdings SA's second biggest furniture manufacturer.

Though the recent interim for financial 1993 shows a marginal improvement — loss per share is 34c compared to 1992's 39c — interest paid for the six months already exceeds that for the whole of 1992. Chairman Michael Delport says no quick recovery of the furniture industry is expected.

This year, he adds, modest capital expenditure has been budgeted for, a major sales drive has been undertaken and rationalisation of the expanded activities between Gommagomma and Bakker & Steyger remains a high priority.

The share has tumbled from 250c to 80c in a year. Until profits appear, there's little incentive to hold it.

Kate Rushman
NICTUS Fm 20/11/92

Multiple problems

**Activities:** Furniture, motor and property interests in Namibia and SA.

**Control:** Directors 48.9%.

**Chairman:** P.J. de Witt Tromp; MD: N.C. Tromp.

**Capital structure:** 7.1m ords. Market capitalisation: R2m.

**Share market:** Price: 28c. Yields: 7.1% on dividend; 24.6% on earnings; p/e ratio, 4.1; cover, 3.2. 12-month high, 55c; low, 38c.

**Trading volume last quarter:** 34 000 shares.

**Year to June 30:** '89 '90 '91 '92

- ST debt (Rm) ....... 6.1 7.3 9.1 6.2
- LT debt (Rm) ....... 2.2 1.8 1.7 1.6
- Debt/equity ratio .... 1.0 1.2 1.3 0.92
- Shareholders' interest 0.37 0.39 0.37 0.43
- Int & leasing cover .. 0.89 0.77 1.17 1.32
- Return on cap (R) .. 4.3 6.3 9.5 10.9
- Turnover (%) change . 12.1 0.22 (2.3) 9.8
- Profit after tax (Rm) .. 0.95 1.3 2.1 2.1
- Earnings (c) .......... (6.8) (4.0) 6.9 6.4
- Dividends (c) ........... 2.0 2.0 2.0 2.0
- Net worth (c) ........ 114.3 110.0 114.7 119.1

This Namibian retailer has suffered from a mixture of the effects of transition to independence, a poor economic environment and restructuring its businesses. The four sectors are: household furniture retailing (50% of turnover); motor retailing (30%); carpet retailing; and immovable property.

Earnings and turnover chart an erratic path. Despite a drop in turnover of 2.3% in 1991, earnings improved dramatically, thanks largely to a deferred tax credit, which represented more than a third of third net income. According to MD Nico Tromp, there are no significant tax losses to carry forward from Namibian operations but there are from SA.

In 1992 pre-tax profit rose 66% on a 9.8% increase in turnover and 10% fall in interest charges. The only significant rise in operating costs was an increase of 50% in managers' salaries, taking managerial expenses to more than a quarter of total operating expenses.

High gearing has made interest charges a perennial problem. In 1992 net interest charges absorbed three-quarters of pre-interest profit; this has steadily been reduced from nearly 1.5 times pre-interest profit in 1989.

Steps have been taken to reduce the cost of debt servicing. Working capital has been pared from R14.4m to R11.3m, with falls in stocks and debtors. This has allowed a cut in the debt-equity ratio to 92%, by a reduction of short-term debt. Gross cash flow has been turned around from a negative R400 000 in 1989 to a positive R370 000 in 1992, but still provides only 7% debt cover.

The share price is a 76% discount to NAV. The p/e ratio, dividend yield and dividend cover are nominally attractive, but the risk remains high interest charges, low interest cover and tough market conditions.

Volumes are low and the share traded within a price band of 30c-55c since early 1990; recently it fell to 28c. Performance against the JSE Industrial Holdings index has been weak. There is time to watch Nictus, since 1993 promises to be another period of consolidation. Last month the share became the first listing on the new Namibian Stock Exchange, and this could attract more investment interest.
Namibian bank regrets resignation

WINDHOEK - Central Bank of Namibia acting governor Erik Karlsson expressed his regret yesterday at the resignation of the bank's board member John Kirkpatrick.

He said in a statement in Windhoek that Kirkpatrick's strength and knowledge had contributed significantly to developing the central bank.

"I further regret, but understand fully why events culminating in the recent decision taken with regard to the City Savings and Investment Bank application... bore heavily on his decision," Karlsson said.

Kirkpatrick resigned on Monday after he and Karlsson were reportedly outvoted in a decision by three Namibian government officials, to approve an application to establish the proposed City Savings and Investment Bank.

The decision, he said, was in conflict with the provisions of the Banks Act.

Kirkpatrick said it appeared that over 75% of the capital would be held by foreigners, which was not in the best interests of Namibia.

"I believe that the decision of the board was politically motivated and not granted on merit."

The proposed bank is to be funded by Namibia Consolidated Investments (65%), Nigerian-based Bank of Africa (30%) and Kalahari Holdings (5%).
But Windhoek's business world is abuzz with rumours about the Namibia/Hong Kong/Nigeria/SA consortium behind the new application. According to the public file application, key shareholder is Namibia Consolidated Investments, with 65%. Its shareholders are Mushimba (20%); SA lawyer J A du Toit (25%); Grand Chase Investments, apparently based in Hong Kong and controlled by Michael Yates (21%); and other Namibians, such as university vice-chancellor Petar Katjivivi (who resigned from the board of European-controlled Commercial Bank of Namibia).

Merchant Bank of Africa (Nigeria), based in Lagos, has 30% of the bank and Kalahari Investment Holdings (owned by Swapo) 5%. Namibians had neither control of the company nor a majority of the board.

The auditor asked by the Central Bank to check the application expressed strong reservations about the bank's capitalisation and ownership. Kirkpatrick insisted in his press release it was over 75% foreign-owned.

Mdamseb replies that the meeting which approved the first-stage application made it clear the bank would get provisional permission to operate only once it made changes to the board's satisfaction.

Mdamseb accuses Kirkpatrick and Karlsson of using the political card as blackmail, saying a memo from Nolan (who has also resigned and is due to leave soon) had hinted that, as Swapo members, he and Gawanase would be suspected of having an interest. They offered to retrace themselves (other reports say they threatened to walk out). Apparently, Kirkpatrick said he did not question their integrity and it would not look good if the only two black directors were absent when the decision was made.

Before City Savings can open its doors, it will still need provisional registration. Dumasheb says it will have to make changes. A likely one is capitalisation. It must deposit R10m and ensure Namibians are in control.

Mushimba says money is no problem. He is recruiting more Namibian black business figures as directors and says the process will take six months.

Driving force behind the bank is Aron Mushimba, a new face who rose to wealth through Namibianisation of fishing quotas and is President Sam Nujoma's brother-in-law.

The five existing banks agree Namibia has too many banks. Mushimba accuses them of recruiting Nolan to block competition from a well-connected bank run by black Namibians. He says other banks are SA- or European-owned and none offers the merchant banking services he hopes to provide, particularly for the fishing industry.
WINDHOEK — President Sam Nujoma has announced the appointment of a new governor, deputy governor and director to the central Bank of Namibia.

Finance Minister Gert Hanekom told a media briefing on Wednesday acting governor Erik Karlsson, a Swede, was to fill the top post, with Namibians Thomas Alweendo deputy governor and former Tsumeb mayor Toni Botes the new director.

Kotsre replaces John Kirkpatrick, who resigned on November 17 after he and Karlsson were ouvoted in a decision to approve provisional registration for the proposed City Savings and Investment Bank.

Kirkpatrick called the decision politically motivated, saying it appeared more than 75% of the proposed bank’s capital would be held by foreigners. The decision was taken, he said, by board members with little, if any, banking knowledge.

Hanekom said the application would have to be changed before the new bank could be given permission to operate.

“There will be a change to the capital structure,” he said, adding this had already been agreed on, and would have to conform to the letter of the Banks Act.

All five directors had decided the application needed amending.

“The question was when,” Hanekom said.

The proposed bank is a joint venture between Namibia Consolidated Investments (65%), the Nigerian-based Merchant Bank of Africa (20%) and Kalahari Holdings (5%). — Sapa.
$72m damages claim to be made against Benco

CAPE TOWN — Summons is to be issued this week by Namibian Minerals Corporation against Bongesob Concessions (Benco) for a claim for damages amounting to $72m. The claim arose out of an alleged repudiation of an agreement.

Last week Benco announced a $30m diamond exploration deal with Broken Hill Proprietary company of Australia, which has been kept informed about the impending legal action.

Benco chairman John Gurney said the corporation's action would be opposed as no agreement had been signed, though this was denied by London-based Yorkton Securities corporate finance director Peter Miller.

Yorkton was involved in raising $20m on the international market for the proposed joint venture between the Gibraltar-based corporation and Benco. The venture involved the mining of deep sea diamonds off the Namibian and SA coastline where the concessions were owned by Consolidated Diamond Mines.

Miller said the central issue for the court to decide was whether or not an agreement had been signed between the corporation's Alistair Holberton and Benco chairman, former Shell MD John Wilson.
**TOP 100 RANKED BY BIGGEST INCREASE IN SALES OVER ONE YEAR**

Year-on-year percentage change in turnover excluding turnover of associated companies

**Yearend cut-off date:** November 92.

<table>
<thead>
<tr>
<th>No.</th>
<th>Share Name</th>
<th>Financial yearend</th>
<th>Turnover change</th>
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<tbody>
<tr>
<td>1</td>
<td>NAMIBIAN SEA</td>
<td>Dec 91</td>
<td>180.1%</td>
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<tr>
<td>2</td>
<td>PEPKOR</td>
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<td>Dec 91</td>
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<td>Sep 92</td>
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<td>MULTISOURCE</td>
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<td>50</td>
<td>BARNETS</td>
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51 - AUTOPAGE       Feb 92  21.6%  52 - ARIES          Dec 91  21.4%  53 - TVL CLOTH      Jun 92P  21.0%  54 - BOWCALF        Dec 91  20.6%  55 - SHIELD         Feb 92  20.5%  56 - METCASH        Apr 92  20.3%  57 - TIMES MEDIA     Mar 92  20.3%  58 - CLYDE          Feb 92  20.2%  59 - SUNCHRUISH     Jun 92  20.2%  60 - LITHO          Feb 92  20.1%  61 - PEP             Feb 92  19.9%  62 - BRIST IN        Feb 92  19.4%  63 - SPECLY         Feb 92  19.4%  64 - D DATA          Jun 92  19.2%  65 - SILKEK         Jun 92P  19.0%  66 - UGHRAT         Jun 92  19.0%  67 - GROUP 5         Jun 92  18.7%  68 - TEL FJOY        Mar 92  18.3%  69 - MACADAM        Feb 92  18.3%  70 - ADCCOKE        Sep 92P  18.3%  71 - ABI            Mar 92  18.2%  72 - HLH            Mar 92  18.2%  73 - METAIR         Dec 91  17.9%  74 - KOOP           Jun 92  17.9%  75 - MICAS          Feb 92  17.6%  76 - EVERTIE        Mar 92P  17.5%  77 - ALEXWY         Jun 92  17.5%  78 - UTICO          Dec 91  17.5%  79 - ISOCR          Jun 92P  17.0%  80 - TOCO           Mar 92  17.0%  81 - CTP            Mar 92  16.7%  82 - MATH & ASH     Jun 92  16.5%  83 - CONGELLA FED    Dec 91  16.0%  84 - CUNDO          Feb 92  15.9%  85 - KH PROPS       Sep 92P  15.8%  86 - FEMOTC          Dec 91P  15.7%  87 - TIGER OATS      Sep 92P  15.4%  88 - KERSAF         Jun 92  15.3%  89 - OCPSH          Sep 92P  15.2%  90 - NOSTIN         Dec 91  15.2%  91 - WOOLTRU        Jun 92  15.2%  92 - OMNIA          Dec 91  15.1%  93 - LANGEBERG      Sep 92P  14.8%  94 - GRINTEK        Jun 92  14.8%  95 - ALLWEAR        Feb 92  14.7%  96 - MORKELS        Mar 92  14.6%  97 - KLIPTON         Jun 92  14.4%  98 - SAMANCO        Jun 92  14.3%  99 - CURNOW         Dec 91  14.1% 100 - PICK N PAY     Feb 92  13.9%

The table does not include non-operating pyramid companies, gold mining companies, insurance companies and banks.

The company year-end is indicated with a "P", the results are based on the latest preliminary results.

Source: I-NET.

**Namibian tops the list on turnover**

By CHERILYN IRETEN

COMPANIES which increased sales most in the past year are highlighted in this table.

Food producers and retailers feature strongly, and almost all of the Top 100 companies posted real sales growth.

Top honours go to Namibian Sea, which could be excluded on the basis that it is a non-South African company.

**HANDSOME**

This is the second year in a row that the fishing group has posted a handsome increase in turnover. Last year it was 11th in this table, with a sales rise of 91.5%.

Best of the South African companies is Pepkor, which more than doubled sales in the year to February to slightly more than R4 billion. Subsidiary Shoprite came 13th.

Chicken producer Rainbow also had an outstanding year in terms of sales, clocking in third. Premier was fifth this year.

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**NOW WITH EVERY ICU POLICY**
Namibia talks of expropriating land

Namibia is considering expropriating land of absent foreigners, including South Africans, and transferring it to disadvantaged farmers in the territory.

In terms of a report tabled in the national assembly last week by Prime Minister Hage Geingob, this 7,544-million-hectare area includes foreign-owned land, state land, multiple farms, under-utilised land and abandoned land.

The report was drawn up by a committee of state officials and outside experts to explore land reform, attorney-general Hartmut Ruppel said yesterday.

The constitution provided for two conditions: expropriation would have to be proved to be in the public interest and "just and fair compensation", translated as market value, would have to be paid.

He said the report emanated from a land conference that was held about a year ago.

The committee had fine-tuned the decisions taken, and explored them further to come up with proposals for government to make a more informed decision.

Extensive consultation would still take place and Ruppel hoped people would be spurred to engage in constructive debate on the "sensitive and emotive issue".

Sesa reports that the report also allows for foreign investors to lease land on a long-term basis.
Land seizure threat

Own Correspondent

JOHANNESBURG. — The Namibian government is seriously considering expropriating land from absent foreigners and transferring this to disadvantaged farmers in the country.

In terms of a report tabled in the national assembly last week by Prime Minister Mr Hage Geingob about 7,344 million hectares of land which includes foreign-owned land, state land, multiple farms, under-utilised land and abandoned land is affected.

Attorney-general Mr Hartmut Ruppel said yesterday that in terms of the constitution any expropriation would have to be within the public interest and that “just and fair compensation must be paid”. He said this translated into the government having to pay market values for the properties expropriated.
Namibia cuts civil service

WINDHOEK. — The Namibian cabinet has frozen all vacant public service posts — about 11,000 — with immediate effect, news reports said here yesterday.

According to official figures, the Namibian public service has about 72,000 approved posts of which about 61,000 are filled.

Information and Broadcasting Minister Mr Hilgro Hamutenya said that the decision was taken at a cabinet meeting held to discuss improving the civil service and reducing government expenditure.

Civil servants are to be encouraged to go on pension early in line with public service rules and within the framework of the labour code.

The Mint of Finland has been awarded the contract to produce Namibia's own coinage, expected to be introduced next year. — Sapa
NAMIBIA - GENERAL ECONOMICS
1993
R840 000 deal in Namibia

WINDHOEK — The Namibian Stock Exchange has conducted its biggest deal since it opened with a British company investing R840,000 in Namibian Fishing Industries, broker Wikus Hanekom says. \(22\text{th}\)

Namifish is one of four companies listed on the NSE since its launch on September 30 last year. The others are Niotus, Namsea and Stanbic. All are also listed on the Johannesburg Stock Exchange.

Hanekom says that when Namifish joined the NSE on November 10, shares were trading at under R5. The British investor paid R7 a share, which represented an increase of more than 40 percent in two months. Before the deal the shares were trading at R5.50. \(7/7\)

"This indicates a shortage of supply in these shares and also that the market is revaluing Namibia's fishing industry," Hanekom says. — Sapa. 12/1/73
'Yes' to Namibia

THE Preferential Trade Area authority, meeting in Lusaka yesterday, deferred accepting Zaire into the regional economic grouping after objections from Angola, which claimed that Zaire was supporting Unita. Namibia's application was approved at the meeting.
A Nigerian soldier, part of the UN peacekeeping force in Somalia, keeps an eye on a crowd of protesters in Mogadishu yesterday as barricades of tyres burn around him. [Photo: AP]

Namibian minerals attracting attention

WINDHOEK — Geologists are beating a path through the dry mountains of Namibia's northwest Kunene region, wilderness home to nomadic Himba herders and site of a recent major lead-zinc find.

Their quest was but a dream before Namibia's independence in 1990 when the area was a battleground where Swapo and the SADF battled each other.

Now, it highlights growing world mining interest in the mineral-rich country which the government hopes to nurture at an investment conference from March 17 to 19.

At least 200 foreign mining representatives, including delegates from Canada, Europe, southern Africa and the US, are expected to attend the conference, the first since an operating code was painstakingly mapped out for the industry.

"This conference is coming at a time when all the rules are set out," said Steve Galloway, deputy director of investment promotion in the Ministry of Trade and Industry.

"We have already had a fair amount of investment inquiries, but now the mining legislation is in place and the tax amendments have gone through," he said.

He said the government would unveil an investment incentive package "in the next couple of months".

Namibia's Mining (Prospecting and Mining) Act of 1992 was enacted after lengthy consultation with local and international companies.

Favourable tax laws for mining were also introduced last year.

Galloway said exploration activity had increased since independence, although spending on prospecting had fallen to R12m in 1991 from R67m in 1989.

In Kunene, Anglo American, Rand Mines and UK-based Rio Tinto Zincharteams of geologists and support staff searching for base metals, industrial minerals, sodalite and platinum group elements.

Further afield, Goldfields Namibia is prospecting for base metals near its existing copper mine in the Otavi mountains.

Anglovaal is searching for copper, base metals and gold at Rehoboth, south of Windhoek, while Rossing Uranium is testing marketing a major graphite discovery near Otjwarongo, 240km north of Windhoek. — Reuters.
CDM cuts back on mining jobs

WINDHOEK — De Beers Centennial AG's wholly owned Consolidated Diamond Mines (CDM) said 834 jobs at its various operations had been terminated.

The company said no more involuntary redundancies would be needed in the main mining area after a strong response to offers of voluntary redundancy or early retirement.

CDM said a total of 66 employees had opted for voluntary redundancy and 181 at three satellite mines had been retrenched.

CDM spokesman Dave Fanshawe said the company was cutting its workforce to 5,000 from 6,900.

This follows De Beers' Central Selling Organisation's decision to cut deliveries from producers by 25% last year in response to poor diamond markets.

"While the loss of job opportunities is regretted, it should be noted that only 3% of the total workforce was involuntarily re-trenched," a statement said. — Reuters.
Exploration hots up as mines are badly hit

THERE is a silver lining to the clouds hanging over Namibia's mining industry. Rock-bottom gold and diamond prices and a flood of discounting from multinational producers have led to more than 2,000 layoffs in the past two years, while one of the country's biggest mining events is due to close this year. But exploration and other interest is strong, especially in parts of the country previously unsafe because of war.

Mining remains the biggest contributor to Namibia's economy, as measured by gross domestic product. According to figures from the Ministry of Finance, diamonds contributed N$66 million and other mining to N$37 million to GDP (at factor cost) of N$414 million.

In September poor demand for diamonds, and a flood of goods smuggled from Angola into Namibia, led to a world's diamond cartel, cutting supplies to the market. This meant its Central Selling Organisation cut 35 percent off the amount of diamonds it bought from the group's producers, such as Consolidated Diamond Mines, which is a mainstay of Namibia's economy. CDM, which had just boosted production to record levels, trimmed its workforce from 6,000 to 5,000 although by March 10 only 1,011 had been sacked and most had taken voluntary redundancy.

It mirrors the pattern at Rössing Uranium, where in 1992 more than 800 workers were laid off as uranium oxide prices slumped and the mine cut production to some 219,000 tons, less than half of capacity. A fluorspar mine is similarly battling for survival, hit by global environmental moves away from, for example, chloro-fluoro-carbon (CFC) gases and by Chinese competition.

Tsuneb Corporation Ltd copper mine owned by Goldfields Namibia, announced recently that by the end of 1993 the giant De Weat shaft would also close. The mine is the mainstay of Tsuneb town, but the company says another mine at Tschudi should take over at lower levels of production and no mass redundancies are planned.

As the mines cut back, hitting government tax revenues and national exports, so the interest picks up in finding new deposits. Namibia's Minerals Act, passed in December 1993, is proving a profitable producer. Rössing is test-marketing graphite from a giant deposit and one mine is looking to market industrial mineral woolastonite.

Exploration is booming, and 41 exclusive prospecting licences were granted in 1992 to companies investigating mainly for base metals, industrial minerals, nodalite, nickel and platinum group minerals, as well as dimension stones such as marble and granite, and gold, silver and uranium. Expenditure on exploration was $205 million, down on previous years after expensive test-mining. Diamonds switched to production spending and produced 260,000 carats in 1992.

In the northwest Kunena a significant lead-zinc discovery has been made at Tsongaari and the area is promising if enough funds can be made to develop infrastructure. The region hosts teams from Rand Mines, Anglo-American Corporation and Rio Tinto Zinc (which last year took over operation from its local subsidiary Rössing Uranium).

Goldfields is searching around a Second Tsumeb and the functioning Komatberg copper mines, investigating near its Matchless copper mine near Windhoek and also looking in the far south near Iscor's Rosh Pinah zinc mine. Anglovaal is back after nearly 20 years around the central area while Iscor is searching the far south.

THE rush of interest received a further boost on March 9, when the European Commission announced a $150 million grant to Namibia's Mines and Energy Ministry. The money comes from the Symfin facility of the European Development Fund, designed to help countries whose export earnings have been hit by mineral price moves. Some $81 million will go on detailed aeromagnetic and other surveys and $9 million on developing an existing Namibian Institute of Mining Technology built and donated by Rössing.

But the rush will be limited to mining projects at low rate of interest and should provide a minimal boost at a critical time.
Awesome... at Etosha, it is possible to get close enough to animals at the waterholes for superb photographs. And at the Okaukeujo rest camp a floodlit waterhole brings lions, rhinoceros and elephants to within metres of the bungalows day and night.
Namibian mining to be boosted by govt

WINDHOEK — The Namibian government intends giving the mining industry the same attention given to fisheries and petroleum development to get them on an “even keel”, Prime Minister Hage Geingob said this week at a mining investment conference in Namibia attended by about 350 participants.

Geingob said in spite of the country’s “star performers” uranium and diamonds being in a trough in the minerals market cycle, Namibia produced other minerals, including silver, gold, copper, lead and zinc.

Prospecting activities were “on an upswing”.

In 1992/93 new exclusive prospective grants were applied for compared to about 30 in 1991, Geingob said. In addition, 314 new claims were registered and 284 new prospective licences issued.

“Clearly, there is a great deal of untapped potential and it is my hope this conference will give it the added impetus.” He said the EC’s significant contribution of 40-million eca (about R150m) last week had already started this process.

Geingob also said the Namibian government hoped to announce soon fiscal and other incentives for enterprises promoting value adding and manufacturing of mineral products in Namibia. — Sapa.

Australia’s Western Mining exploration director Roy Woodall said yesterday that for developing and developed economies alike natural resources were no longer the key to wealth.

Information, knowledge and a trained and literate population were real sources of strength.

He said mineral resources could provide initial financial resources and incentives to “kick start” an economy, if the wealth generated was used to provide community infrastructure, housing, education and basic health services. — Sapa.
Spotlight on foreign

By David Pieters

Namibia's ability to attract fresh foreign and domestic investment over the three years since independence has been an unqualified success.

In seeming contradiction to the government's efforts to keep independence on the South African economy, most onshore investment has come from South Africa, while the biggest inflow of offshore investment in the petroleum exploration sector — has come from northern hemisphere multinationals.

The trend for increasing fixed capital formation since independence is most public as well as private sectors clear, despite production cutbacks and large-scale retrainings in the mining sector.

Indeed, the same recessionary pressures that have caused the mining sector to contract, have driven some overseas and regional industrialists outwards in search of new markets, and Namibia has benefited from this.

GDP growth for 1982 could turn out to be anything between zero and an optimistic 2 per cent, depending on whether the projection comes from a government spokesperson or from one of its private sector detractors.

Growth

It is a sure bet, however, that capital inflows into the fishing, property, tourism, mercantile and minerals exploration sectors, together with large-scale public works and donor-driven spending programmes domestically and in neighbouring states, will sustain GDP growth above the zero axis.

In the first year of independence, 570 new companies (R38.8 million nominal share capital) were registered, 476 (R8.3 million) were registered in the previous calendar year.

Noticeable concentrations of nominal share capital were in commerce, services and finance, to which fishing and mining inflows have been added.

Nationalities of directors, in order of numbers in dependence, were South African, British, German and Namibian.

Other nationalities, such as the boards of external companies are Norwegian, American, Zim-babwean, French, Dutch, Chinese, Swiss, Portuguese, Italian, Australian and Zambian.

Thus, the rush is now over, the increase in the country's total number of registered companies from some 2,000 at the beginning of the 1980s to over 5,000 today is hard evidence of considerable regional and international investors' interest.

TRADE

In the manufacturing and mercantile sectors, South African firms continue to lead the lion's share of Namibian government contracts for specialised equipment, household appliances, foodstuffs, textiles and motor vehicles.

They, together with Namibian wholesalers, are active participants in foreign-funded public procurement programmes in Angola with an estimated total exceeding R100 million for a number of projects.

The supermarket chain Shoprite Checkers Properties is in the process of acquiring two properties in Swakopmund for a shopping centre.

At an Indian Trade Fair in Windhoek, several expressed an interest in setting up manufacturing business enterprises, targeting leather and textiles.

Other Namibian companies regularly bid on government tenders for textiles and Tata Namibia for heavy vehicles. Tata has broached plans for establishing an assembly plant in the country, although the SACU's lockout of China's similar plant at Gobabis has prompted hesitation.

Foreign business delegations pass through Namibia daily. Last month, a delegation from Saudi Arabia called at Walvis Bay, where Windhoek and Pretoria have set up a Joint Administration.

The visitors expressed interest in aviation, travel, industry and tourism. The first steps towards starting an export programme of mutton-on-the hoof to Turkey and Peru last year.

In November, 11 representatives from the London Chamber of Commerce came to Windhoek in search of trade opportunities.

From crocs to ostriches

Namibian entrepreneurs have displayed remarkable mettle in developing new agricultural export products over the past two years.

Number of hotels and restaurants in Namibia and South Africa with crocodile meat.

The export of fresh fruit to Europe has been another area of interest.

Deep-sea treasure

For a new-generation aquarium and auditorium, constructing a further boost for coastal ecotourism.

The establishment last year of the National Fishing Corporation is in line with the state's policy of direct participation in this strategic sector to facilitate high-risk development projects.

The capital structure of the corporation, which includes two captured Spanish pirate trawlers.

Leading private sector investment in the fisheries, however, is the Spanish-based multinational PescaNova, which has not only become part of this sector's new landscape, but has been its biggest agent of change.

It acquired land in Namibia's only undisputed fishing port, Luderitz, at independence, as the first step in a R170-million development programme.

Small towns

Saller towns have been an an initiative.

Projects at Okahandja, 70 km north of Windhoek, include an orange and a vegetable farm, a wire factory, expansion of an existing furniture factory, a packaging material factory, a mill importing timber.

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Offshore exploration

SOUTH African, Norwegian, British, Canadian and US companies are involved in the first four offshore licence areas awarded by the government.

The Mining Ministry’s first bidding round in March 1991 attracted 18 applications for 11 different exploration license areas along the Namibian coast.

Later that year, Namcor (formerly Swakor, with Solkor parentage), put out a tender for a Kudu Gas market study.

Estimates of the Kudu Gas field’s reserves along the south coast have ranged between five and 30 trillion cubic feet.

The first licence area outside Kudu was awarded to the Norwegian consortium Norsk Hydro. Norsk Hydro’s programme involves three test wells over four years.

Licence area 2213 was awarded to the Canadian-British consortium Ranger Oil and Hardey Oil and Gas in June.

Sasol from South Africa was awarded licence area 2012. Licence area 2015, adjacent to Kudu, was awarded to Chevron.

Hinch big

In Zambia and a wire telecommunications manufacturer, another town to benefit an international investment is Otjiwarongo, a R20-million factory manufacturing building materials is to be erected a French capital.

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Namsea and Namfish fortunes differ widely

NAMIBIAN Sea Products (Namsea) and Namibian Fishing Industries (Namfish) experienced widely divergent fortunes in the year ended December 1992.

Namsea almost doubled its attributable earnings to R4.6m on the back of a similar increase in turnover to R77m.

But earnings a share, diluted by a substantially higher number of shares in issue, dropped by a tenth to 41.8c (45.2c). Payout for the year came to 30c (19c).

The group's issued share capital doubled over the past year after a rights issue to fund the takeover of former competitor Sarusas Development Corporation, which has a 31% stake in United Fishing Enterprises (UFE).

Namfish suffered a loss of R1.3m, compared with a profit of R3m in the previous year, despite a sharp increase in turnover to R32.2m.

This was equivalent to a loss of 40.2c a share compared with a profit of 62c a share in the previous year. The group did not declare a final dividend after an interim payout of 20c a share.

Namsea directors said the substantial increase in net income had been due to an increase in profits from UFE and a full-year contribution from Sarusas which contributed only two months' profits in the previous year.

The group had decided to sell its 35% stake in loss-making Seafower Lobster Corporation which had been adversely affected by a decline in world lobster prices and a collapse of the international hake market.

Namfish directors said the group's "dismal earnings" performance was as a result of continued losses suffered by associate companies Seafower and Blue Sea.

Action had been taken to prevent further losses by 25%-owned Blue Sea.

The past year's lobed catch total allowable was set at 80 000 tons (60 000 tons) and 33 750 was allocated to UFE.

A total of 31 377 tons (24 808 tons) of quota fish and 43 685 tons of non-quota fish were processed.

The lobster catch for the 1991/1992 season was set at 100 tons (1200 tons) of which half was allocated to subsidiary Seafower Lobster Corporation.

Seafower, in compensation for the lower lobster quota, received a hake quota of 5 000 tons (600 tons).

For the 1993 season, the pilechard catch was set at 115 000 tons of which 13 750 tons was allocated to Namsea directly and indirectly and 4 154 to Namfish.
Fishcor acquires Seaflower

THE National Fishing Corporation of Namibia Limited (Fishcor) has acquired the entire shareholding held by the Namibia Fishing Industries Limited (Namfish) and the Namibian Sea Products Limited (Namsea) in Seaflower Lobster Corporation Ltd.

Seaflower will thus become a wholly owned subsidiary of Fishcor.

The effective date of the transaction will be April 7.

Further details of a proposed offer of shares in Fishcor to be made to the public are to be announced.
Progress on Walvis Bay

The management committee of the Joint Administrative Authority for Walvis Bay met in Cape Town this week and reported good progress in the joint administration of the port enclave in Namibia.

The committee continued its consideration of financial and organisational matters. A sub-committee of technical experts will meet in Windhoek on April 15 to resolve outstanding financial issues.

Joint administrative progress has been made with immigration, customs and excise, nature conservation, hospital services and aspects of the use of Rooikop Airport.

[Signature] 14/93
Namibia shuts down its TV service after R50-m deficit

WINDHOEK — The television service of the Namibian Broadcasting Corporation will be terminated from June 1 after an audit of the corporation's records uncovered a R50 million deficit, Nambe Televisio reported yesterday.

The auditors report for the 1992-93 fiscal year prompted an emergency meeting of the Namibian Cabinet and the Nambe Board yesterday afternoon when it was decided to shelve the television service.

The audit showed a television service in Namibia was too expensive for the number of viewers it reached.

A spokesman for the auditors said the deficit would be impossible to recover in the foreseeable future and it was unlikely the situation could be reversed as long as Nambe offered a television service.

The Nambe Board said all television buildings, equipment and transmitters would be sold to an international cable television network which had expressed an interest in acquiring Namibian broadcasting rights.

Some staff involved in television production would be retrained as radio staff; and others would be retrenched.

The money saved by terminating television in Namibia would be earmarked for the expansion of the country's radio services. — Sapa.
Nam concession for Shell, Engen

WINDHOEK. — The Namibian government agreed yesterday to grant a four-year offshore exploration licence including the giant Kudu gasfield to subsidiaries of Shell and Engen companies.

Minister of Mines and Energy Andimba Toivo Ya Toivo said at a news conference the concession would go to Shell Exploration and Production Namibia BV as operator and main shareholder with 75% and Engen (Kudu) Ltd with 25%.

The licence, the fifth in Namibia’s first licensing round, will be signed next month and will cover exploration area 2841a, comprising 4,073km² of sea bed 170km west of Oranjemund.

The award of this licence to Shell and Engen is significant because the licence area is the only one off Namibia where drilling has already taken place.

“Three wells have been drilled...and natural gas has been discovered, the new exploration will initially be concentrated on this gas occurrence,” Toivo Ya Toivo said.

Previous awards were for oil exploration and were made to a Norwegian consortium, to Ranger Oil and Hardy Oil and Gas UK Ltd, to Sasol and to a consortium of Chevron and Engen.

Phil Riddle of Shell Namibia said that if large enough stocks were discovered to make the gasfield viable, the next step would be to find a market.

The government has commissioned studies and we have commissioned studies into potential usage. There are several possibilities, but the most likely is the supply of gas to SA for the generation of electricity.

“We have had quite significant discussions with Eskom,” he said, adding that gas could be a difficult commodity to market.

The Kudu field was probed 20 years ago and is known to hold at least two trillion cubic feet (two million million) of gas.

Negotiations for blocks have included commitments to a work programme, a minimum expenditure on exploration and negotiated tax rates in the event of production.

Licence-holders are also obliged to train Namibians. — Sapa-Reuters.
Huge gas find fires hopes in Namibia

Business Editor

GAS could be piped from Namibia to produce electricity in South Africa if a huge gas discovery 175 km off the Namibian coast becomes commercially viable.

Another option is to build a power station in Namibia, where discussions have already been held with Escom.

Shell and Engen were given a licence yesterday to explore the concession, 170 km west of Oranjemund in the Kudu Block — the only one off the Namibian coast where exploration drilling has already taken place. Shell has a 75 percent interest in the licence.

At least 2 trillion cubic feet of gas had already been discovered during drilling by US-based Chevron, Soekor and Namcor, said Mr Andimba Toivo ya Toivo, Mines and Energy Minister, in announcing the concession in Windhoek yesterday.

National Petroleum Corporation of Namibia (Namcor) administrator Mr H Shimutwlekwe said commercial success on the site offered the potential for important industrial development in Namibia.

If the project became commercially viable, it would be a big undertaking, said Shell Namibia managing director Mr P K Riddle, who urged caution, however. While the site could become extremely significant, there was still a long way to go before commercial development.

A decision would have to be taken whether to pipe the gas to South Africa for electricity production or build a power plant in Namibia, he said.

Another option would be to export the gas by tanker, said Engen Namibia managing director Mr Waldi von Lieres.

Mr Toivo ya Toivo said the agreement with Shell and Engen satisfied his government's requirements and offered many benefits to Namibia, including minimum spending on exploration and satisfactory tax rates in the event of future production.

The contract also provided for transfer of technology, access to modern equipment and training for Namibians, locally and abroad.

The licence is the second to be awarded to Engen, which also has a 40 percent interest in an adjoining concession.

The agreement is expected to be signed in Windhoek early in May, after which Shell Exploration and Production Namibia will establish an office in the capital.

Offshore exploration concessions already granted by Namibia include one to Norwegian consortium Norsk Hydro and one jointly to Ranger Oil, Hardy Oil and Gas UK.

Sasol has a concession off Namibia's northern coast and Chevron and Engen jointly have rights to a fourth concession.

US debt limit raised

WASHINGTON — The US Treasury Department scheduled three auctions for the sale of $63.85 billion in bonds after Congress approved a bill raising the government debt limit. Auctions held yesterday included $14.25 billion in one-year bonds and $17 billion in 15-day notes. The weekly auction for three to six-month bills aimed at raising $22.4 billion is set for today. Congress has authorised increasing the government debt limit by $22.4 billion to $4.37 trillion. — Saps-AFP.

Beira busier than Durban

HARARE — Beira handled slightly more drought related cargo between April, 1992, and February this year than Durban, according to figures released by the Beira Corridor Group. Beira handled 1,084 million tons, while Durban handled 1,657 million tons, and Maputo handled 857,515 tons. — Sapa.
Namibia warned on seals

WINDHOEK. — The European Community has warned it could mount trade restrictions against Namibia if it does not resolve a conflict over seal culling with the International Fund for Animal Welfare.
Eskom overcapacity may delay Namibian gas fields

ESKOM’s huge power-generating overcapacity may postpone the commercial development of gas fields off the Namibian coast for many years.

An exploration licence for the gas fields was awarded to subsidiaries of Shell SA and Engen by the Namibian government this week.

Namibia Mines and Energy Minister Tolivao ya Tovivo announced the four-year offshore concession would go to Shell Exploration and Production Namibia as operator and a 75% shareholder in the project. Enges (Nude), a subsidiary of the Gencor fuels group, would have a 25% stake.

Shell Namibia spokesman Phil Riddle said if the gas field stocks were large enough to make the field viable, the next step would be to find a market.

He said the government and Shell had commissioned studies into potential usage of the gas field.

"There are several possibilities, but the most likely is the supply of gas to SA for generating electricity.

Shell Namibia had had "quite significant" talks with Eskom, but he said gas could be a difficult commodity to market.

Eskom spokesman Peter Adams would not comment on the talks.

But an industry source said the utility’s excess capacity would offset potential benefits of using gas to generate electricity for at least 10 years.

In the long term, costs of piping or shipping gas to SA were such that the best way to exploit gas reserves would be to build an multibillion rand gas-fuelled power station on the Namibian coast and transmit the electricity to SA, he said.

Namibia is a net importer of electricity, but for much of the year meets its power demands from the Ruscana hydroelectric scheme on the Angolan border.

The gas exploration licence, the fifth in Namibia’s first licensing round, will be signed next month and will cover 4 073km² of sea bed, 170km west of Oranjemund.

Previous licences for oil exploration have been awarded to Ranger Oil, Hardy Oil and Gas UK, to Sasol and to a Chevron/Engen consortium.
WINDHOEK — Namibia has announced a bold set of incentives for private sector investment in manufacturing, saying they make the country the most attractive manufacturing investment opportunity in Southern Africa.

President Sam Nujoma told a media briefing yesterday that Namibia's challenge for 1993/94 was to industrialise and modernise. Most importantly, he said, the country's trade structure had to be changed by encouraging exports of manufactured goods.

The emphasis during 1993/94 would be on industrialisation through the promotion of manufacturing.

"By international standards, manufacturing in Namibia contributes an unusually low share of gross national product but has the capacity for being the engine for economic development," Nujoma said. Information and Broadcasting Minister Hilipo Hamutenya had been appointed Trade and Industry Minister.

The primary agent of manufacturing development had to be the private sector, Nujoma said.

To this end, the government had decided income tax would not be raised beyond 45 percent.

**Tax rebate**

Special incentives approved by the cabinet on Wednesday for manufacturing enterprises included a 50 percent tax rebate on taxable income for five years, to be phased out in five percent annually over the subsequent ten years.

The government would allow accelerated write-off provisions for buildings erected by manufacturers, and concessional loans for the establishment and expansion of manufacturing enterprises.

Also available were cash grants of 50 percent to cover real costs of export promotion and marketing expenses, and exporters' allowances of up to 75 percent.

To encourage manufacturers to use more labour-intensive processes, wage costs relating directly to production would classify for a 125 percent deduction.

Potential manufacturers would have access to studies undertaken by the Namibian government at 50 percent of their real cost.

In addition, there were incentives to help exporters establish a trade inquiry service, foreign trade representation, market research, trade promotion, market research, exhibitions, visits to overseas markets and refunds of customs and excise duties.

The Namibian government would provide a 125 percent training cost deduction, Nujoma said.

The government was examining reduced airfreight rates to exporters and other export incentive schemes based on value-added manufacturing and local content.

Nujoma said further incentives may be offered to promote regional development, including rebates or subsidies on transport, housing, rentals, training and relocation costs.

A special small industries incentive package was being worked out.

Besides the new incentives package, the government would maintain a non-resident shareholders tax rate of 10 percent, no tax on dividends accruing to companies and a facility to fully write off plant machinery and equipment over three years.

Investors in manufacturing would also have access to tax-free importation or acquisition of manufacturing machinery and equipment and the facility to write off building infrastructure at 20 percent in the first year and at four percent over the next 20 years. — Sapa.
Resorting to aphrodisiacs

Appearances are sometimes deceptive, but it certainly looks as though the first foray by a Namibian company on to the JSE is heading for an ignoble end. Niswa, listed on the DCM board last May after a private placing and with a pre-listing statement bubbling with optimism, was suspended by the JSE at the beginning of this month for failing to produce financial statements.

It's understood Niswa didn't publish results because auditon Deloitte Touche would not sign them without qualification. Apparently the directors were averse to publishing the accounts with a qualification and preferred to have the shares suspended.

That is because Niswa expects a significant "financial event" by month-end, which it believes will keep Deloitte Touche happy and remove the need for a qualification. The FM can't confirm any details. Three of the five directors at the time of the listing, including financial director Andrew Fraser, have since resigned. 

Chairman Nico Swart, who lives on a farm in the Gobabis district of Namibia, could not be contacted. Repeated calls to his unlisted telephone number were met by an answering machine.

Shareholders will have cause to pray that Niswa's meaningful "financial event" wasn't supposed to be the proceeds from 42 elephant tusks and six rhino horns, which Swart and fellow Namibian Johannes Heldingen were caught trying to sell in February.

Swart was sentenced last month in Pretoria Regional Court to a fine of R40 000 and two years' imprisonment but the jail sentence and half of the fine were suspended conditionally. It is understood that he paid the R20 000 and headed home. Locals haven't seen him frequenting the fleshpots of Windhoek since.

In May, Fraser said Niswa, basically a general dealer with two trading stores, a service station, a bottle store and 4% of a cattle trading operation, would use its listing as a mechanism to generate funds to exploit opportunities in Namibia and SA. Specifically, it was on the lookout for food-related opportunities in SA.

Deloitte Touche in Windhoek will not comment but its Sandton office says there was a problem relating to a sale agreement between Swart and Niswa's trading subsidiary. That agreement included the transfer of a property, which has not yet taken place.

Placed privately at 37.5¢, Niswa's shares were met enthusiastically on the first day's trading and climbed to 55c. They peaked at 68c in July and have been on a steep decline ever since, dropping to 5c at the suspension on (appropriately?) April 1.

Niswa has until month-end to produce results or face delisting. The question is: how did this company get on to the JSE boards in the first place?
Namibia sets out to woo manufacturers

WINDHOEK — Namibia yesterday announced a bold set of incentives for private sector investment in its manufacturing sector, saying they made the country the most attractive manufacturing investment opportunity in southern Africa.

President Sam Nujoma told a media briefing Namibia's challenge for 1999/00 was to industrialise and modernise. Most importantly, he said, the country's trade structure had to be changed by encouraging increased exports of manufactured goods.

The primary agent of manufacturing development had to be the private sector, Nujoma said. To this end, government had decided income tax would not be raised beyond 40%.

Special incentives approved by the cabinet on Wednesday for manufacturing enterprises included a 50% tax rebate on taxable income for five years, to be phased out at 5% a year over the subsequent ten years.

The government would allow accelerated write-off provisions for buildings erected by manufacturers, and concessional loans for the establishment, expansion, and diversification of manufacturing enterprises.

This would include seed capital for small industries, working capital for manufacturing purposes, revolving fund financing and assistance with feasibility studies.

Also available were cash grants of 50% to cover real costs of export promotion and marketing expenses, and exporters' allowances up to 75% in the form of extra deductions as a percentage of listed expenses.

The Namibian government would provide a 125% training cost deduction.

To encourage manufacturers to use more labour intensive processes, wage costs relating directly to production would classify for a 125% deduction.

Nujoma said a special small industries incentive package was being worked out.

The government would maintain a non-resident shareholders' tax rate of 16%, no tax on dividends accruing to companies and a facility to fully write-off plant machinery and equipment over three years.

Investors in manufacturing would also have access to tax-free importation or acquisition of manufacturing machinery and equipment and the facility to write-off building infrastructure at 20% in the first year and at 4% over the next 20 years. — Sapa.

Angolan negotiations for peace continue in private

ABIDJAN — Unitas and Angolan government negotiators met yesterday without mediators or observers on the fourth day of peace talks. — Sapa 16/4/93.

They were expected to discuss a wide range of issues on their nine-point agenda after failing to agree on a temporary halt to renewed fighting.

Unitas wants a temporary "cessation of hostilities" before a total ceasefire. President Jose Eduardo dos Santos' government wants to settle first on a final truce agreement before halting fighting.

On Wednesday, in the presence of UN mediator Margaret Anstee and observers from the US, Russia and Portugal, negotiators debated future elections and restructuring of the military.

Delegates refused to comment before beginning yesterday's private negotiations. Anstee said the meeting without outsiders was "a very positive development".

Portuguese observer Antonio Monteiro had said observers would take a more active role in the talks because Angola was "facing probably the worst situation in terms of confidence between the two warring factions."

The UN has warned that the success of the peace talks will determine whether 700 UN peacekeepers sent before the elections will remain in Angola. Their mandate expires on April 30. — Sapa-AP.
Namibia’s investment boost

WINDHOEK. — Namibia has announced bold incentives for private investment in its manufacturing sector, saying they make the country the most attractive manufacturing investment opportunity in Southern Africa.

President Sam Nujoma said the main agent of manufacturing development had to be the private sector.

Special incentives approved by the Cabinet this week for manufacturing enterprises included a 50 percent tax rebate on taxable income for five years, to be phased out at five percent annually over the subsequent 10 years.

The government would allow accelerated write-off provisions for buildings erected by manufacturers and concessional loans for the establishment, expansion and diversification phases of manufacturing enterprises.

This would include seed capital for small industries, working capital for manufacturing purposes, revolving fund financing and help with feasibility studies.

Also available were cash grants of 50 percent to cover real costs of export promotion and marketing expenses and exporters’ allowances up to 75 percent in the form of extra deductions as a percentage of listed expenses.

The Namibian government would provide a 125 percent training cost deduction.

To encourage manufacturers to use more labour-intensive processes, wage costs relating directly to production would classify for a 125 percent deduction.

Potential manufacturers would have access to studies undertaken by the Namibian government at 50 percent of their real cost, President Nujoma said.

In addition, there were incentives to help exporters establish a trade inquiry service, foreign trade representation, market research, trade promotion, market research, exhibitions, visits to overseas markets and refunds of customs and excise duties.

The government was examining reduced air freight rates to exporters and other export-incentive schemes based on value-added manufacturing and local content.

President Nujoma said further incentives might be offered to promote regional development, including rebates or subsidies on transport, housing, rentals, training and relocation costs. A special small industries incentive package was being worked out.

Besides the new incentives package, the government would maintain a non-resident shareholders’ tax rate of 10 percent, no tax on dividends accruing to companies and a facility to write off fully plant machinery and equipment over three years.

Investors in manufacturing would also have access to tax-free imports or-acquisition of manufacturing machinery and equipment and the facility to write off building infrastructure at 20 percent in the first year and at four percent over the next 20 years. — Sapa.
Nujoma happy over economic growth

WINDHOEK. — Namibia had done well — despite drought, a global economic slump and depressed prices for most of its minerals, said President Sam Nujoma.

He said the gross domestic product growth for 1992/3 exceeded 3.5 percent, which is higher than the country's population growth.

On the agricultural front, farmers had responded admirably to late but widespread rains. Crops had been planted and pastures restored, bringing relief to livestock farmers.

If good rains continued, the crop failure for this year would not be as severe as last year. But the government was still prepared to continue with drought relief if necessary.

Economic growth was attributable partly to increased livestock off-take during the drought.

While this year, the fourth year of independence, was one of consolidation and concerted action to alleviate poverty, it would not be an easy year, said Mr Nujoma.

There was evidence of falling fish prices, no upturn in the minerals market, and livestock off-take would be lower than last year because farmers needed to build up their herds.

However, there was increased interest in Namibia’s natural resources and a number of oil exploration licences had been issued.

Direct foreign investment was growing, with smaller investors starting to enter the country.

The challenge for 1993/94 was to industrialise and modernise, said Mr Nujoma.

The vast subsistence agricultural sector had to be modernised to remove differences between it and commercial agriculture. Rural areas had to be made more attractive in terms of availability of jobs and social services.

Most importantly, the country’s trade structure had to change by encouraging increased export of manufactured goods.

This was a sector where Namibia was weak, but one which offered the most employment opportunities, said the president.

Sapa.
Deposit row hits Namibian fishing

Windhoek — British officials have demanded that Namibian fishing firms put up nearly R10m as a deposit after disputing the origins of Namibian fish, according to a report in the Namibian.

The report said the demand arose as the EC prevaricated on whether to label pilchards caught at Walvis Bay, an SA enclave in Namibia, as Namibian or SA in origin. Under EC regulations, SA imports are subject to duties, while Namibian imports are not.

The R10m demanded as security is equivalent to the duty which would be imposed on the fish if the EC decided to rule that Walvis Bay, administered by SA and Namibia, qualified as a SA place of origin.

The newspaper said both Britain and the EC were on record as saying that Walvis Bay belonged to Namibia under international law. Namibia has been waiting 18 months for the EC to clarify the status of Namibian pilchards caught and packaged in Walvis Bay.

While the EC sits on the issue, British customs officials have demanded the guarantees, which are two-thirds of Britain's annual aid to Namibia.

According to the report the EC delay has already resulted in one company losing an order worth 700 000 tons of pilchards a year, which would have doubled Namibia's exports of the fish. — Sapa-AFP.

East Germans face historic strike poll

FRANKFURT — Positions hardened over the weekend in the East German pay conflict, and the largest union prepared to call a strike ballot.

Engineering employees dug in their heels and refused to raise their 9% pay offer, while the German trade union federation, the DGB, called yesterday for a "week of resistance".

The national board of the powerful IG Metall union meets in Frankfurt today to set a date for a ballot on whether to hold a full-scale strike — the first by workers in eastern Germany in 60 years.

Klaus Zwickel, deputy union chairman, said last week a vote could be held from April 26 to 28.

IG Metall has already organised two waves of walkouts and demonstrations over the employers' breach of the three-year pay agreement sealed in 1991. This would have brought East German metalworkers' pay up to the West German level by next year.

Dieter Kirchner, chief executive of the Gesamtmetall engineering firms' federation, told German radio the originally agreed pay rise of 20%, which the employers have cancelled, would have led to 70 000 to 80 000 additional redundancies.

And Gesamtmetall chairman Hans-Joachim Gotschol told the Bild am Sonntag newspaper: "We made a mistake with the conclusion of the 1991 pay contract." — Sapa-Heater.
three operating mines — Tsumeb, Kombat and Otjihase — and chairman Colin Fenton predicts maintained blister copper output and slightly higher lead output for 1993.

The second half of this year should at last see some improvements in base metal prices as the main world economies finally start dragging themselves out of recession. Based on this, there is little justification for the market's conservatism towards the share unless, of course, its collective message is simply that it is suspicious of the Namibian government's long-term intentions.

Relations with the new government have so far been open and cordial but Fenton's review indicates the group is still cautiously feeling its way on some matters. He praises the government, saying its "positive and consistent attitude provides an environment within which we can and will continue our operational and explorative activities."

But Fenton is also uncomfortable in some areas. For example, he criticises some sections of the new Minerals Act, due to become effective in a few months, for introducing uncertainties, in particular in relation to royalties and security of tenure. Fenton doesn't elaborate but the crucial, and unuttered, issue is that new mining projects in Namibia have to compete for funds with other projects around the world. Failure to provide potential investors with adequate safeguards will send them off to look elsewhere. Perhaps this is the JSE's message.

On the operating side, the only problem area is Tsumeb mine where ore reserves are running down and no significant extensions have been found. Fenton says the mine could close within two years.

However, the feasibility study on the Tschudi copper project, which could provide replacement tonnage, is advanced. A decision is due soon and development could start this year if the project is feasible. Funding for Tschudi has been tied up in principle through the Sysma facility of the Luné Convention, by which the EC provides finance on favourable terms.

Fenton is cautious on the outlook for 1993, saying the copper price is not likely to improve much. So "it is not possible to assure shareholders that a dividend will be paid."

With the rand on the retreat against the dollar and therefore improving revenues, along with a reasonable prospect of better dollar commodity prices by the end of the year, GF Namibia is probably worth a punt.

Brendan Ryan

GF Namibia returned to profitability last year despite base metal markets remaining weak. It even resumed dividends but the market ignored that and the share price has slumped to a 12-month low of 130c. Production is running smoothly at the
Namibia hosts uranium talks

WINDHOEK — The London-based Uranium Institute is holding its mid-term review in the Namibian capital, its first in Africa. Rossing Uranium’s Clive Agar said yesterday today’s one-day meeting would bring together 180 delegates and 50 guests from 21 countries. The mid-term review, a gathering of uranium producers, power utilities and major suppliers, is a private affair. A public symposium is held each September in London. — Reuters.
Namibia's bold move

WHILE SA's manufacturing sector is limping along amid a severe recession and fear caused by endless quarrels among politicians, labour leaders and others about the future, Namibia seems to be getting its act together to ensure economic growth.

It has published a set of highly attractive incentives to entice private investors in SA and elsewhere to help develop its fledging manufacturing sector. Government spokesmen in Windhoek claim that these incentives now make Namibia the most attractive manufacturing investment opportunity in southern Africa.

Although its domestic market is small, Namibia, as a member of the Southern African Customs Union, has access to SA's large markets.

Namibian president Sam Nujoma himself has confirmed that he sees Namibia's future industrial development primarily as a function of private investment. The aim is to change the country's trade structure by encouraging exports of manufactured goods.

Among the most important incentives approved by Namibia are that:

- Income tax will not be raised beyond 40 percent.
- Manufacturing firms will enjoy a rebate of 50 percent of taxable income.
- For five years, to be phased out at a rate of five percent a year over the subsequent 10 years.
- A training cost deduction of 125 percent will be available.
- To encourage manufacturers to use labour intensive techniques, wage costs relating directly to production will classify for a 125 percent deduction.
- A facility will be made available to write off plant, machinery and equipment fully over three years.
- Cash grants of up to 50 percent to cover real costs of export promotion and marketing expenses will be made.

Other benefits include the tax-free importation or acquisition of manufacturing machinery and equipment.

Special attention is also to be given to encourage the development of small industries and an incentive package aimed specifically at this sector is at present being worked out.

The above certainly represents a bold set of incentives. However, Namibia is a small, isolated state and it will require a strong marketing effort to convince manufacturers that they have a future in that part of the world.
Engen gas venture 'a long shot'

A DECISION by Engen and Shell Namibia to jointly explore for gas off the southern Namibian coast was "a long shot" that could lead to the introduction of cleaner energy in South Africa in the early 21st century, analysts said.

The two oil companies signed an offshore exploration licence agreement with the Namibian government on Thursday. Shell, which holds 75% of the licence, will be project manager.

Shell Namibia MD Philip Riddle said that if the two oil companies found commercial deposits, the best marketing outlet could be South Africa, although there were "other options".

He said the companies hoped that SA would use the exploration initiative to consider gas-fired power generation, which he said was more environment-friendly than coal. Recent technological changes also meant that gas-fired power plants were now not much more expensive than coal-fired plants.

"But a lot, of course, will depend on the demand for power 10 to 15 years down the line," he said.

Escom, which says it has enough generating capacity to meet demand for at least the next 15 years even if every black household was electrified, was examining the possibility of future gas-fired generation, a spokesman said.

The advantages of gas-fired power stations included quicker start-up and shut-down times and the fact that although also a fossil, gas was "cleaner" than coal.

— Reuters
NAMIBIA will not mint 1c and 2c coins when it introduces its own currency in October. Sweden will mint R1.5-billion worth of Namibia dollars and pay R9-million of the R15-million bill.

There will be three notes: $100, $50 and $10. Coins will be for $5, $1, 50c, 20c 10c and 5c. A reason for the policy is the possibility that Namibia will leave the SA common monetary area and dismantle exchange control.

The Commercial Bank of Namibia says SA's new 1c and 2c coins require the use of a magnifying glass to establish their value.
Ostrich market under threat

Smugglers operating in Namibia

South African birds are off-loaded.

Another paper claimed on Friday that a South African pilot had been arrested flying ostriches into Namibia.

Namibia, for years unable to reap the profits of ostrich export, began its lucrative export of ostrich breeding stock shortly after independence in 1990.

The danger posed to Namibia by South African ostrich smugglers is that the US, if it believes that some "Namibian" ostriches actually originate in South Africa, may slow down or stop importing the birds, a wildlife official said.

Namibia is the only country in Africa exporting ostrich breeding stock, and has 28 sites approved by veterinary officials.

Two Namibian farmers were recently arrested near Mariental for the illegal importation of ostrich chicks and eggs from South Africa. The birds were believed to be bound for the US.

The South African industry is strictly controlled and prohibits the export of live ostrich products to protect what agriculture officials call the "best ostriches in the world".

When the world ostrich feather market crashed in 1914, most birds worldwide were slaughtered. But farmers in the Oudtshoorn district kept their 30,000 birds and developed a world-leading industry in which the world is eager to share. — Sapa
Step on the gas. TransNamib told.

WINDHOEK. — The Namibian government yesterday warned transport parastatal TransNamib to speed up affirmative action or face statutory and constitutional action.

The entire top structure of TransNamib, including six general managers, three senior ones and 18 managers, is white. Several top managers are South Africans with permanent residence permits in Namibia.

The cabinet reminded TransNamib that the government was its majority shareholder.
— Sapa.
Namibia diamond firm is sparkling

ALIDE DASNOIS
Business Staff

NAMIBIAN West Coast Diamond Company is to spend R30 million on a mining and prospecting ship and other equipment following the take-over of its parent company, Angra Pequena, by a Canadian company.

Angra Pequena said this week that Diamond Fields Resources of Canada was to buy 80 percent of its shares. Namibian West Coast Diamond Company, which has been producing diamonds from the sea since 1987, is wholly-owned by Angra Pequena.

The company holds mining and prospecting grants along the Namibian coast from Diaz Point to Hottentots Point.

Angra Pequena and Namibian West Coast chairman Mr Jamie Steenkamp said the Canadian company should take over management control in early June.

Diamond Fields is negotiating a new ship with deep-water prospecting capacity and state-of-the-art technical equipment, which should be available to Namibian West Coast by the end of the year. This is the first phase of a R30 million investment programme for the company's concessions.
Rival firms tussle over Skeleton Coast tourism

WINDHOEK — A fierce tussle has developed over Namibia’s famous Skeleton Coast Park, with two companies competing for a valuable tourism tender expected to be announced on Friday.

On the one side is Namibian company Skeleton Coast Safaris which has had rights to the park since 1977, and on the other German-controlled tourism giant Olympia Reisen. Much of the battle has been over how much money each company claims it could generate for Namibia. Both claim to be better suited to developing tourism and preserving the ecology of the Skeleton Coast — a fragile, remote and beautiful region recognised as one of the world’s most precious wilderness areas.

In its tender application, Skeleton Coast Safaris said it could raise R11m in entrance fees over the decade for which the tender is valid. This was calculated on the basis of a R65 fee per vehicle for a fee.

Olympia Reisen said it would raise R177m with a R100 entrance fee, but revised these figures yesterday saying that using Skeleton Coast Safaris’ calculations it would raise more than R38m for the same period.

It said it planned a R145m investment in Namibian tourism, but this depended on “certain factors” such as obtaining the rights to the park.

Skeleton Coast Safaris owner Louw Schoeman was the lone applicant for the 1997 tender and claimed that since then his company had been responsible for developing the market and taking the area to the forefront of international tourism.

His application had the support of most tour operators and conservation-ecology groups in Namibia, based on his 18-year track record with the park, according to Namibia Nature Foundation director Douglas Reissner.

Schoeman said his approach was towards individual eco-tourism and preservation of the park’s wild beauty. He accused his opposition of planning mass tourism which would ruin the area.

Olympia Reisen has denied this, saying it planned “selective and exclusive smaller-sized tour groups”.

Schoeman said that if he lost the concession irreparable damage would be done to Namibia’s image as a pioneer of eco-tourism in Africa. He said the cost to Namibia would be far higher than the potential benefits from Olympia Reisen’s investment.

Olympia Reisen director Udo Stritter said his company was ready to become Namibia’s biggest post-independence investor after mining and fishing.

The wildlife, conservation and tourism ministry remains silent, but sources say it is lobbying behind the scenes in favour of Mr Schoeman’s application. — Sapa.
Ship for Namibian gem search

By Alide Dassools

CAPE TOWN — Namibian West Coast Diamond Company is to spend R9 million on a mining and prospecting ship and other equipment after the takeover of its parent company, Angra Pequena, by a Canadian company.

Diamond Fields Resources of Canada is to buy 60 percent of Angra Pequena's shares.

Namibian West Coast Diamond Company, which has been producing diamonds from the sea since 1997, is wholly-owned by Angra Pequena.

The company holds mining and prospecting grants along the Namibian coast from Diaz Point to Hoeman Point.

Take control

Jannie Steenkamp, chairman of Angra Pequena and Namibian West Coast, says the Canadian company should take over management control in early June.

Diamond Fields is negotiating a new ship with deepwater prospecting capacity and advanced technical equipment, which should be available to Namibian West Coast by the end of the year.

This is the first phase of a R9 million investment programme for the company's concessions.

Visiting Namibia, for talks with government officials, Jean Boulie, president of the Canadian company, said he was excited about the possibilities for investment.
HARARE. — A Namibian National Farmers' Union delegation is here to study the implementation of President Robert Mugabe's Land Acquisition Act, which allows the takeover of white-owned farms by the Zimbabwe government.

The NNFU said it would lobby for similar measures in Namibia, where it said 90% of the population owned only four percent of agricultural land.

"We urge our government to do it now while the cake is still hot," an NNFU official said.
Namibians likely to get tough budget

WINDHOEK — Namibians will have to brace themselves for a tight Budget to be presented this month, with the strong possibility of an increase in general sales tax, Finance Minister Gerhard Hanekom says.

The economy had been inhibited in the past year by the harsh southern African drought and depressed international diamond markets.

"In general, our economic sectors look bad. Although the drought has been broken, the areas which were hit still do not look promising. The health of other sectors also depends upon the world economic recovery."

"I have made a commitment not to increase income tax, but I will have to find money from somewhere."

The country's GST rate is 11 percent, which Namibian businesses expect to be increased by two to three percent in the Budget speech on May 31. — Sapa.
Namibian
plan ostrich
exchange

WINDHOEK — Namibian businessmen will launch the World Ostrich Exchange next week, hoping to make Windhoek the centre of the international ostrich market.

It will operate as a global exchange for live ostriches, eggs and chicks, and plans to expand into ostrich products, including meat and hides.

Founding member Jan Behr said the industry was moving too fast and without control would go into a slump.

The exchange intended to get cooperation agreements with ostrich importers, internationally and to stabilise and increase prices by setting higher standards

Tight controls would make smuggling impossible. Co-operation would be sought with the SA industry, which was tightly controlled and prohibited the export of live birds or breeding stock.

Behr said Namibia's ostrich interests could be worth R40m-R50m a year if properly managed — double the current estimated value.

Namibia controls about 60% of the world market.

— Sapa.
Namibian game sale fails in aim

WATERBERG PLATEAU PARK. — Namibia’s World Wildlife Ministry raked in nearly R1.2 million yesterday from its first game auction, far short of its target of R3.8m.

Hundreds of game farmers, conservation officials and wildlife managers gathered here for the auction of elephant, giraffe, buffalo, eland, zebra, roan antelope, rhinoceros, burchells and impala, all of which fetched price above those expected.

Most of the game was bought by Namibians, though South Africans from Hoedspruit and Warmbaths bought roan antelope and buffalo.

Ministry officials rejected a bid by an anonymous foreign buyer of R120 000 each for six black rhino, well below the R500 000 reserve price.

However, the sale could still be negotiated when Wildlife Minister Mr Hanno Rumpf returns from a trip abroad.

The highest price ever paid for a black rhino was R540 000 to the Namib Parks Board last year, according to auctioneer Mr Clive Gardner. — Sapa
NAMIBIAN GAME
SALE NETS R1.3m

By DIANA STREAK

THE first game auction in Namibia — which raised almost
R1.3-million — was so successful that it could become an
annual event.

But despite the demand for the rare game on offer, the stars
of the show, six black rhino, failed to find a buyer.

Buyers said the reserve price of R500 000 was unrealistic.

The highest bid was R180 000 each.

South African game farmers bought the roan antelope and
buffalo, but the rest of the animals went to Namibians,
pleasing Mr Louis Geldenhuys of the game capture unit.

Mr Geldenhuys said: “We are happy that the animals will
stay in Namibia because we want to expand our private
game ranches until they are on a par with those in
Zimbabwe and South Africa.”

Game on offer included giraffe, eland, zebra and hartebeest.

Buyers were screened in advance, and had to prove they had
a suitable, fenced habitat for the animals.

The auction was held at the Waterberg Plateau Park, 230km
north of Windhoek.
SA urged to follow Namibian tax rate example

Business Staff

SA SHOULD follow the tax example set by Namibia in its budget, where tax rates on individuals and companies were lowered to the 3% level, according to Ernst & Young's tax partner Dave Clegg.

Clegg points out that “these rates are radically lower than those currently applicable in SA and should create some stimulus to the Namibian economy.”

He adds that since Namibian Independence the tax rate has been consistently reduced. “There is no capital gains tax nor is there any state duty,” he says.

Incentives

Furthermore, says Clegg, a recent announcement introduced major incentives for manufacturing operations including the slashing of the normal tax rate for these companies to only 10%, with tax holidays for some new operations. Should this be successful it may persuade the current and future interim government of SA to “follow suit”, he says.
Namibian gambling

NAMIBIA may soon start a state lottery and see the introduction of casinos. The government said yesterday it was in favour of this form of legalised gambling and had authorised the Wildlife, Conservation and Tourism Ministry to submit draft legislation.
When Namibia summarily eliminated lobster quotas and later — grudgingly — issued a total allowable catch of 100 t (1 100 t) for the five months to April 1992, that was bad enough. It meant Seaflower Corp., owned 35% each by Namsea and Namfish, had a quota of only 50 t, a derisory quantity caught in five weeks.

It also meant that plant, machinery and the 700-strong labour force stood idle. Had Seaflower’s management retained the right to implement normal business practice and lay off workers, it might still have been viable. But, of course, retrenchments weren’t permitted by the same government which curtailed economic operations.

Namsea and Namfish director “Padda” Kuttel says it was no longer a business proposition; hence the sale of the 35% interests Namfish and Namsea each held in Seaflower to State-owned National Fishing Corp of Namibia — which already owned 30% of Seaflower — for R5,6m cash. The sale included the takeover of Seaflower’s R5m overdraft and a projected cash loss of at least R8m for financial 1993.

Namsea and Namfish no longer have any lobster fishing interests. Any future lobster quotas granted by Namibia will, in effect, be granted to its own operations. It’ll be interesting to see how generous it is.

Namfish now concentrates on its relatively new activity of catching and processing white fish — hake in particular. Its original hake concessions were granted as compensation for the cutting of the lobster quota, ostensibly to generate work for Seaflower’s fishermen. Kuttel says Namfish has invested about R15m in specialised plant, equipment and vessels, at a time when there has been a general collapse in white fish prices. However, the international market is improving and Namfish is showing a small profit.

Kuttel says the pelagic industry is approaching saturation in southern Africa; the growth area of fishing is white fish. That is the reason for Namfish’s entry and why it is an imperative to seek export markets for locally caught and processed pilchards. Export prospects are good, he says, but there is strong competition from Thailand, which has cheap labour, and Peru, which has massive resources and cheap labour.

Namsea’s pelagic performance is promising partly because of the sizeable increase in TAC for 1993 and partly because it will process more than double the 1992 quantity. Kuttel says pilchards are in abundance, catching is going well, and processing and canning are in line with expectations.

Chairman L J Elroy is confident Namsea’s 1993 earnings will exceed those of 1992. Though prospects for Namfish are to a great extent governed by the movement of the price of white fish internationally, it appears its earnings could rise considerably.

On that basis, there is some prospect both shares might yield good gains.

Namsea/Namfish

Thermidor no more

(22/1A)

NAMSEA

Activities: Catching and processing fish.

Control: Arun Holdings.

Chairman: L A Elroy; MD: W E Guhring.

Capital structures 10,8m ords. Market capitalisation: R137.8m.

Share market: Price: 360c. Yields: 8.6% on dividend; 11.9% on earnings; 8.4% cover, 1.4; 12-month high, 600c; low, 300c.

Trading volume last quarter, 103 000 shares.

Year to Dec 92

ST debt (Rm) 49 90 91 92 0.9
LT debt (Rm) 0.3 1.3
Debt-to-equity ratio — 0.24
Shareholders’ interest 0.68 0.79 0.79 0.83
Int & leasing cover — 23
Return on cap (Rm) 49 34 37 5.1
Turnover (Rm) 8.1 17.1 37.1 77.0
Pre-tax profit (Rm) 8.7 2.8 2.8 2.8
Pre-tax margin (%) 14.5 14.5 14.5 14.5
Earnings (c) 67 48.2 41.0
Net worth (c) 267 208 537 898

* Excludes special dividend 55c.

It also meant that plant, machinery and the 700-strong labour force stood idle. Had Seaflower’s management retained the right to implement normal business practice and

Namfish

Activities: Pelagic, white fish and rock lobster fishing.

Control: Arun Holdings.

Chairman L A Elroy.

Capital structures 3.15m ords. Market capitalisation: R157.5m.

Share market: Price: 800c. Yields: 4% on dividend. 12-month high, 850c; low, 400c.

Trading volume last quarter: 6 800 shares.

Year to Dec 92

ST debt (Rm) — — 2.5
LT debt (Rm) 0.3 0.6 0.7 0.8
Debt-to-equity ratio — 0.27
Shareholders’ interest 0.8 0.6 0.5 0.3
Return on cap (Rm) 23 3.8 3.8 3.8
Turnover (Rm) 10.8 11.7 11.8 29.2
Pre-tax profit (Rm) 3.0 2.5 1.9 1.1
Pre-tax margin (%) 0.8 0.8 0.6 0.6
Earnings (c) 130 72 62 (40)
Net worth (c) 256 289 812 900

cheap labour, and Peru, which has massive resources and cheap labour.

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On that basis, there is some prospect both shares might yield good gains.

Gerald Rishon
NEWS IN BRIEF

AIDS heads south

BERLIN — More than 600,000 people in Zimbabwe had been infected with the HIV virus, World Health Organisation AIDS programme director Dr M. Merson told the international AIDS conference yesterday.

Merson said the AIDS epidemic, previously focused on eastern and central Africa, was extending southward and westward.

Tourists attacked

CAIRO — Two Egyptians were killed yesterday and eight foreign tourists injured when a man threw a bomb at a bus on the Pyramids Road in Cairo, police said.

Ostriches take off

WINDHOEK — The world's first ostrich exchange is up and running in Windhoek with 60 chicks on the market and plans to centre the global ostrich industry.

The World Ostrich Exchange planned to establish an international database of breeding stock and commodities and to initiate quality control and market protection for buyers and suppliers, vice president Jan Behr said.

Behr said the exchange planned to set up quarantine stations at Walvis Bay and Windhoek airport and negotiate a change in US import laws.

Bid to ease Russian tension

MOSCOW — President Boris Yeltsin met the leaders of Russia's autonomous republics yesterday to help diffuse tension over a Kremlin meeting on the adoption of a new constitution.

Presidential adviser Sergei Stankevich told journalists the leaders of the 22 republics were unhappy that some of their suggested alterations to Yeltsin's draft constitution had apparently been ignored.

The assembly, which completed its first full day of work on Monday, is due at some stage to discuss the tricky question of how much autonomy to give the republics and the 65 regions, which currently have less power than the republics.

Stankevich said most of the 700 delegates favoured giving all constituent parts of Russia equal rights. This, he said, could spark protests from the republics.

Yeltsin's senior aides said the assembly would work out a draft document despite a walk-out of opponents led by parliamentary chairman and arch foe Ruslan Khasbulatov.

Khasbulatov, who has already seen his deputy defect to the Yeltsin camp, suffered another blow late on Monday when a closed meeting of top deputies did not unanimously back his decision to leave the assembly on Saturday with some supporters.

Khasbulatov stormed out of the assembly on Saturday after Yeltsin refused to let him address the opening session. But Stankevich said there would be another session of all delegates on Monday at which Khasbulatov would be given the floor.

Yeltsin has complained that his attempts to transform Russia and propel its ailing economy to a free market system are hamstrung by a constitution written for the disbanding Soviet Union.

— Sapa-Reuters.

Namibian exchange records small move

WINDHOEK — Namibia's stock exchange moved offices yesterday and all that was needed was one car.

The entire exchange consists of a locally developed programme, running on a personal computer. It is linked by telephone to banks and other companies.

The move came shortly after the number of brokers in Namibia doubled — to two.

Simpson McKie Inc opened a Windhoek office, which employs the country's only qualified broker Wikus Hanekom, while his former employer George Huszser and Partners employs Werner Oehl who is expected to qualify soon.

The Namibia Stock Exchange Association consists of 56 private companies.

Deals on the exchange have been slow, with the companies tightly owned. Nobody has yet tried to trade government long stock, preferring to hold it until redemption.

— Reuters.
Gold Fields Coal pays 40c interim

By Derek Tommey

Gold Fields Coal has declared an interim dividend of 40c, compared with a payment of 90c for the whole of last year.

Gold Fields Namibia has followed the same practice as last year and passed its interim dividend, though last year it paid a final of 18c a share.

The company's profits are closely related to the copper price, which has been depressed in recent weeks.

The company produces other base metals whose prices have also been weak.

Gold Fields Namibia had a turnover of R318 million last year, against R291 million in 1991.

Pre-tax profit was R10.9 million, against a loss R7 million in 1991.

Earnings last year were 85c a share after losses of 44c a share in 1991.

Roolberg Tin, the country's only remaining listed tin producer, has passed its dividend again. Roolberg last paid a dividend in 1989.
Exports major growth area for Macadams

MAGGIE ROWLEY
Deputy Business Editor

EXPORTS continue to be the major growth areas for Cape-based Macadams, manufacturers and suppliers of industrial bakery and catering equipment, and should account for 50% of manufactured goods during the current financial year, according to financial director Kevin McEvoy.

In an interview McEvoy said exports, which rose by 11% last year, currently accounted for 40% of manufactured goods but were steadily growing and expected to grow by a further 50% to R12m during the current year.

Increased efforts, he said, had helped offset the drop in local demand due to the recession.

Among the greatest areas of growth in the export market were African countries previously closed to the company due to sanctions.

Political developments in Malawi, which had previously being their largest African market, had resulted in a drop-off in exports to that country.

However, the Congo was emerging as an extremely lucrative market.

McEvoy said the medium to long term prospects for the domestic market were also good.

However, in spite of the depressed trading conditions, Macadams was budgeting for a 22% increase in turnover to R46m during the current year ending February 28.

DTI lifts veil on exports

THE Trade and Industry department lifted a corner of their veil on SA's export trade yesterday, presenting the Cape Chamber of Commerce with details of exporters in the region.

Trade and Industry Director General Stef Naudé, who made the presentation yesterday, said the details were being provided to assist the chambers efforts in export promotion which was of crucial concern.

Naudé said it was the first time that the department had provided details of SA's exporters.

The chambers immediate past president Herbert Hiorth said the information would assist the organisation's efforts to create a comprehensive data base.

Cold Storage gears up for expansion of Namibian fish quotas

By MAGGIE ROWLEY
Deputy Business Editor

THE cold storage capacity of Walvis Bay Cold Storage (Pty) Ltd is to be more than doubled at a cost of R12m to take advantage of huge growth prospects in the Namibian fishing industry.

The expansion, being financed by shareholders Commercial Cold Storage, in which the Oceanic Fishing Group has a 70% stake and First National Development Corporation of Namibia holds 24%, will increase cold storage capacity by 8 000 tons to 14 000 tons.

Commercial Cold Storage MD Wilm Visagie said recent research by the Namibian Department of Sea Fisheries indicated that current hake quotas of 120 000 tons a year could virtually triple to 350 000 tons by the year 2000.

“Other quotas are also likely to be increased so we will be providing much needed storage capacity for the Namibian fishing industry."

The present facility, he said, provided full time employment for 30 workers but this would more than double to 70 on completion of the project.

Construction of the extensions, which will include installation of sophisticated technology, fully computerised stock systems and the latest in refrigeration design, is due to start next month and will be completed scheduled for March next year.

The existing facility will continue to operate during building operations.

He said that a R1m ship-to-shore conveyor system to handle the offloading of up to 30 tons of fish an hour was currently being installed.

Meanwhile Sapa reports that Namibian guidelines on the allocation of fishing rights and quotas for 1994 were announced yesterday with strong emphasis on Namibian control and development.

Fisheries and Marine Resources Minister Helmut Angula said the new guidelines aimed to secure increasing benefits for Namibia, especially through onshore development of factories and processing plants.

Existing fishing rights and quotas expire on December 31 this year, effectively terminating pre-independence contracts inherited by the Namibian government.

Mr Angula said government would prevent monopolisation of the industry and ensure equitable distribution of fish resources, with preferential treatment offered companies which could show they had “Namibianised”. Applicants for fishing rights were required to show there would be investment in vessels within three years of the rights becoming valid.

Ten year rights would be granted for the first time, Mr Angula said. This had become imperative in order to plan properly and attract solid investment to the industry.

After suffering systematic depletion by foreign fishing vessels before independence, Namibian fish resources had shown good recovery with current productivity three times higher than predicted, Angula said.
Arrests after Bop protest

JOHANNESBURG. — Between 40 and 50 people were arrested after an Azanian People's Organisation protest outside the Bophuthatswana Consulate-General here yesterday, police said.

Farmers in tax demo

WINDHOEK — Namibian farmers took their tractors and trucks to town yesterday to protest against proposed new taxes and handed a petition to President Sam Nujoma.
Hopes pinned on package to woo investors

THE war- and drought-ravaged country is taking its future on incentives and its credentials as one of southern Africa’s most stable states, writes CHRIS CHINAKA.

NAMIBIA is stepping up a campaign to attract foreign capital for an economy battered by drought and recession. The country, recently described by United States President Bill Clinton as a shining example for fledgling African democracies, is pinning its hopes on a new set of investor incentives and its credentials as one of southern Africa’s most stable states.

“During the past months we have been marketing ourselves to the international business community as a stable country with a competent government, committed to a thriving economy and a democratic system,” according to Deputy Finance Minister Rick Kuhau.

“But we are going a gear up now, telling the world what else we have to offer besides stability. We are also aware that when the world sees us for what we are,” he says, waving a local newspaper headlined “Clinton heaps praise on Namibia.”

Namibia’s investment incentives include a cut in company tax from 40 to 20 percent, generous dividends and profit repatriation terms, and liberal labour laws.

It also includes huge tax reductions for boosting exports and provision for investors to negotiate tax rates from zero for sectors like tourism and manufacturing.

“It is a very competitive package,” a Zimbabwean analyst said. “There is no other country in the region offering similar terms.”

Clinton told Namibian President Sam Nujoma during a visit to Washington in June that Windhoek’s success in promoting democracy and a market economy was remarkable. “We hope we can cash in on such compliments,” Kuhau said.

An official at Namibia’s investment processing centre said his department had handled “several” applications and inquiries in the past two months. “There are not so many figures but international investors are streaming in, looking for opportunities in mining, fishing, services and manufacturing. The establishment of a sugar plantation by Lonrho in northern Namibia has also generated interest in our agricultural sector,” he said.

Another Namibian newspaper, Swapo shed its socialist policies on taking office three years ago, and has since been busy mobilising foreign aid to rebuild its rural economy, ravaged by a 23-year bush war.

The government inherited an economic environment riddled with a sophisticated infrastructure needing expensive maintenance, and inadequate health, education and housing facilities for its people.

“We are spending more than a quarter of our national budget on education and another large chunk on other social services, and have little money to put into the industrial sector,” said Bihai.

“We hope foreign investors can meet us half-way.”

Namibia is looking to new investors to break its dependence on South Africa.

Finance Minister Gert Hancom said: “The current and expected economic situation in South Africa will affect Namibia’s economy in coming months through lower export demand, decreased imports, lower rates of inflation for goods imported from SA, possible further declines in interest rates and related exchange-maturity.”

Namibia hopes to introduce its own currency, replacing the rand, later this year.

Its economy, which had recorded a “firm but low rate of expansion” since 1990, was hit in 1992 by world recession and the worst drought in living memory.

Real gross domestic product fell to 3.5 percent in 1992 from 3.6 percent in 1991.

It is expected to decline by as much as 1.9 percent in 1993 because of low prices for diamond exports, which earn the country the bulk of its foreign revenue.

Namibia’s diamond output rate is expected to fall 21 percent this year and living standards 4.8 percent.

However, the government has forecast 4.5 percent growth for 1994, provided the diamond and uranium markets recover.

— Sapa-Reuters.
Walvis Bay still making waves

Political Staff

Johannesburg - Debate in the Negotiating Council on the future of Walvis Bay and the offshore islands has been deferred until tomorrow.

No compromise could be reached between the negotiating parties on two opposing views.

Some parties believed that an interim government of national unity should decide the issue, while others said the future of Walvis Bay should be decided by the Negotiating Council.

In a statement yesterday at the World Trade Centre, the Namibian government welcomed a draft resolution proposed by the PAC, which was supported by the ANC.

In terms of the draft proposal, Walvis Bay and the offshore islands should be excluded from the interim and final South African constitution.

The resolution was opposed by the government.

The Namibian government urged the South African government to resolve the "perennial dispute".

The Labour Party last night called for legislation on the reincorporation of Walvis Bay to be drafted and adopted by the Negotiating Council for promulgation during the September session of parliament.
Birdmen bust in Namibia

Weekly Mail Correspondent

NAMIBIAN wildlife and agriculture officials have pulled their heads from the Kalahari sand and feathers are flying as they clamp down on a fledgling industry that was running wild. Exports of ostrich breeding products were set to earn R40 million in foreign exchange this year.

Already some 14 ostrich barons and others linked to the trade have been arrested. The government has slammed an export ban on all but the most urgent exports of live products, until microchips are inserted in Namibia’s 6,000 ostriches and registers drawn up. The Ostrich Breeders Association of Namibia (Oban), whose 80 members represent virtually the whole industry, also proposed such steps, and said last Friday all could be ready by September 1.

Some well-known faces have found themselves on the wrong side of the bird-busting squads after alleged smuggling from South Africa, including secret air flights for the otherwise-flightless birds. Airline boss Gerald Puche had been refused but for nearly a month but was released early in August by a full bench of the Windhoek High Court to await trial on charges linked to ostriches. Entrepreneur Timo Voges, reportedly a multi-millionaire and one of the leaders of Namibia’s industry, was in court with seven others on Monday and is set to return on September 1, charged with 137 offences.

Prosecutor General Hans Heyman complains the laws have not been updated recently and do not have strong enough penalties. Fines under conservation ordinances could be only R250 on a plane-load of ostriches worth up to R1 million. They are all minor offences so we must charge them with the whole book,” he explained.

Charges levelled against other birdmen have included aviation charges for secret airstrips, unreported flights, violations of livestock improvement and parasitic acts, breaking game ordinances, and customs and excise offences. Tax officials have written to banks asking for account details of the ostrich ranchers and their spouses.

Widespread ostrich smuggling largely took Namibia by surprise. It stemmed from the restrictive control of the KKK, as the Klein Karoo Korporaste is known locally. Since the start of the century, KKK had blocked exports of breeding birds, feralised eggs or chicks from South Africa, aiming at a world cartel similar to De Beers’ grip on diamonds. Namibia was part of this until independence.
Rossing halts
new project

WINDHOEK — Rossing Uranium said on Friday it would discontinue its Okanjande graphite project in Namibia owing to falling international graphite prices since 1993.

However, because the size and quality of the graphite orebody were excellent, the company would retain rights to the site for several years in case prices warranted re-evaluation.

Rossing MD Jonathan Leete said though the project was to be discontinued, there would nonetheless be enduring benefits from work carried out to date.

Rossing said discussions had taken place with employees at the project and with the Mineworkers' Union of Namibia. Most of Okanjande's permanent employees had been offered jobs at the Rossing uranium mine, with others to receive retrenchment packages. — Sapa (22/11)
SA and foreign investors put off by this country's slump, violence and political instability may find Namibia more to their liking. That country's latest offering of economic incentives for manufacturers, retroactive to January, has led to "plentiful inquiries" from potential SA investors, says director of industrial development Louis Becker. "It seems your people are envious of our political and labour peace."

Official projections estimate 7.7% growth next year, though the economy is expected to decline 1.9% this year. This is off a small base, a projected R6.3bn in GDP this year.

Says Becker: "But these are preliminary projections and our agriculture- and mining-based economy could be affected by things like the weather and world economic trends. With about 62% of our GNP made up of foreign trade, we are open to many extraneous influences. Nevertheless, with the excellent recovery of our fishing resources — we expect this year’s 115 000 t pilchard quota to grow to about 450 000 t in six years, and an increase in the hake quota from 120 000 t to 350 000 t over the same period — we project 36% and 56% GDP growth, respectively, in fishing and fish processing in 1994."

Government also expects mining and quarrying (mainly diamonds and uranium) to contribute 30% growth to GDP next year.

“Our incentive package will not subsidise uneconomic industry but is targeted at performance criteria," Becker says.

With the corporate (and maximum personal marginal) tax rates already reduced to 38%, a further 50% tax abatement is allowed for all registered manufacturing enterprises.

New incentives also include:

☐ Reducing nonresident shareholders' tax to 10%; there is exemption of dividend taxes; plant, machinery and equipment can be fully written off over three years;
☐ Writing off infrastructural costs at 20% the first year and 4% a year for 20 years;
☐ Importing manufacturing equipment and machinery free of sales tax;
☐ Offering a relocation package (from outside Namibia) with "special conditions to deserving enterprises" on the terms and rate of corporate tax applicable;
☐ Allowing for write-offs of buildings erected for manufacturing at the rate of 20% over the first year and 8% a year for the balance over 10 years;
☐ Tax incentives (25%-75% of costs over the full write-off of such costs) for research for the marketing of export goods; and
☐ Offering an additional 25% deduction for registered manufacturing enterprises for training costs and production wages.

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Walvis Bay, islands transfer 'no threat to diamond mining'  

By AUDREY D'ANGELO

THE transfer of Walvis Bay and the offshore islands to Namibia is unlikely to have any disruptive effect on Ocean Diamond Mining’s operations, chairman Ivan Prinsep told shareholders at the agm yesterday.

ODM is carrying out mining operations under contract for the holder of the island concessions on the offshore islands, Elland Diamante.

In a statement issued at the meeting ODM directors said both companies “have for a long time envisaged the ultimate re-incorporation of the islands into Namibia and are confident that the mining lease held by Elland Diamante will be honoured under the re-incorporation. 

“Elland Diamante and ODM are in contact with both the SA and Namibian governments in the matter and there would not appear to be any reason why operations should not continue under the aegis of the Namibian authorities once reincorporation has taken place.”

Prinsep, in answer to questions, said: “When Namibia became independent not one single mining lease was cancelled; to my knowledge, they respected the investment that had been made.”

Stressing the value of the contract and ODM’s own concessions, Prinsep said the marine diamonds recovered were gem stones averaging half a carat. When cut they were a quarter carat, which was the size of the average engagement ring.

"Our product is going to the top end of the High Street market." An enormous mine in Australia produced poor quality diamonds that sold for $8 a carat. SA was "in an astonishingly fortunate position" of having resources of high quality marine diamonds that sold for $2 a carat. 

An indication of the potential value of the diamond resources was a decision by the Australian conglomerate Broken Hill Proprietary (BHP) to invest $60m in a joint venture with Benguela Concessions to develop deep water concessions adjoining those of ODM.

Prinsep said that ODM was currently sampling to prove the value of the resources in its concessions, and pinpoint areas with a high concentration of diamonds, before commercial mining started.

Proven resources would attract more investment.
R15m freezer plant for Walvis Bay

BY AUDREY D'ANGELO
Business Editor

COMMERCIAL Cold Storage — a subsidiary of the Cape Town-based Oceanic Fishing Group — and the First National Development Corporation of Namibia are investing R15m in extending their cold store in Walvis Bay in anticipation of a huge growth in fish resources.

Commercial Cold Storage MD Willem Visagie said yesterday that, the Namibian fishing industry was expected to grow substantially over the next five years. The 1992 quota was expected to reach 600 000 tons a year compared with 150 000 tons now. "There used to be no control beyond 12km from the coast and the area was badly over-fished by trawlers from all over the world," he said.

"But since Namibian independence the limit has been extended to 200km from the coast and the fish resource has been well managed and well controlled. "So far it has grown above our expectations and we are very optimistic that is why we have made this investment.

"The fish resource off Namibia used to be massive, and it is returning," Visagie said. His company was investing 70% of the cost of expanding the store and the development corporation 24%.

"It is planned to increase the storage capacity from the present 5 000 tons to a total of 14 000 tons.

The existing facility, which will continue to operate while construction is in progress, will provide bulk storage. Sophisticated technology being installed in the new modern facility will include mobile racking, the latest in refrigeration design, a fully computerised stock system and modern handling equipment.

A Rim ship-to-shore conveyor system to handle the offloading of up to 90 tons of fish an hour is already being installed.

The new extension is expected to be completed by March next year."
Big things expected of Walvis Bay factor

WINDHOEK - SAYS GERMANY TO

P/E ratio, dividends, and the like. The announcement at the Soviet conference on oil is the 6% of the country's total GDP, or 45% of the income of the Soviet economy. The conference was attended by representatives of oil companies from the Soviet Union and other countries.

The Soviet government has announced plans to increase oil production for the country. The oil sector is expected to contribute significantly to the country's GDP, based on the current trend.

The development of the oil sector is seen as a key factor in the country's economic growth. The government has set ambitious targets for the sector, with plans to increase production capacity and diversify sources of energy.
Namibia launches its own currency

WINDHOEK — Namibia will introduce its own currency today, taking one more step towards creating an identity separate from that of its long-time administrator, SA.

The move, carried out under the slogan “our money, our pride”, is largely symbolic. The new currency — the Namibian dollar — will trade on a par with the rand and both will be legal tender in Namibia.

But the new currency will allow Namibia to build up its foreign exchange reserves and give it some control over its money supply and interest rates. “We are trying to become economically less dependent on SA, that does not mean necessarily divorcing completely,” said Namibia’s Finance Minister Gert Hanekom.

Although Namibia gained independence in 1990, it still derives about 50% of its imports from SA. It imports about 30% of its food and consumer goods from SA.

Namibia, with SA, Lesotho and Swaziland, belongs to the common monetary area, an agreement under which Namibia must adhere to restrictions set by the SA Reserve Bank. While Namibia will remain in the monetary union, the creation of its own currency will give it the technical framework it needs to help it to develop,

“If the situation in SA deteriorates and the rand is falling sharply in value, we would consider detachment,” said Bank of Namibia Governor Erik Karlsson.

The rand has depreciated 11% against the dollar and 16% against the pound since the beginning of the year, but Karlsson says the fall is not dramatic enough to offset the risks of stepping out of the monetary area.

“If we did not belong to the common monetary area, SA would have exchange controls against us,” he said.

In addition, SA compensates Namibia for its use of the rand.

The major drawback to membership in the monetary area is SA’s exchange controls, which include the financial rand unit required when bringing money in or out of the common area. Karlsson says the financial reserve acts as a psychological barrier to foreign investors by restricting the free flow of funds.

“As soon as people have to apply for something, they aren’t happy,” he said.

As long as Namibia remains in the monetary union, it will have no flexibility with exchange controls, Karlsson says.

But there are advantages in the monetary union, including the elimination of a need for foreign borrowing because of free access to SA’s reserves.

“We have all the foreign exchange we want within the common monetary area,” said Hanekom.

Namibia currently has no foreign borrowing, with the exception of a project-specific soft loan from the African Development Bank and R256m in debt it inherited from SA at independence.

However, one of the main reasons Namibia is introducing its own currency is to build up foreign exchange reserves to more effectively manage its exchange rate. At present the country has to change all its export earnings into rand. When it needs foreign exchange, it has to buy it back from the SA Reserve Bank, usually at a loss because of the depreciating rand.

Karlsson estimates the Bank of Namibia will quickly build up reserves of R300m, but will not buy any gold.

“Gold is without interest,” he said.

After the introduction of the dollar, the Bank of Namibia will have some control over its interest rates, but Karlsson says it is unlikely he will deviate from the SA rate by more than one percentage point in either direction.

“There might be a situation where we find it profitable to have a slightly higher or lower interest rate,” Karlsson says.

Currently, the Bank of Namibia follows the SA Reserve Bank’s bank rate changes. Consequently, interest rates are similar, with the market-driven rate in Namibia usually a point or two above SA’s.

Because most of its imports come from the rand area, Namibia did not consider tying its new currency to another, such as the mark or the pound. — AP-DJ.
RAND AND NAMIBIAN DOLLAR STAY ON PAR

CAPE TOWN — SA and Namibia yesterday signed a monetary agreement which retained the rand's convertibility with the new Namibian dollar on a one-to-one basis.

At a ceremony in Windhoek, Finance Minister Derek Keys used the opportunity to moot bilateral monetary agreements with other countries in the region. Keys said the agreement meant that the internal and external value of the rand would have a direct influence on the value of the Namibian dollar.

SA therefore had a responsibility to protect the value of the Namibian dollar, as well as the value of the other currency systems of the four participants in the agreement. Keys assured Namibian President Sam Nujoma that the SA Reserve Bank would take this responsibility seriously as financial stability was an indispensable pre-condition for optimum development of all countries in the common monetary area.

Keys said the Namibian dollar would be legal tender in Walvis Bay with immediate effect, anticipating successful conclusion of negotiations on its reincorporation into Namibia. He said history had prevented normal development of economic relationships with other southern African countries.

See Page 5
Namibian $ makes debut

Business Staff

BUSINESS people and consumers dealing with Namibian firms might have run into a few unexpected hitches with the introduction of the Namibian dollar this week.

A bank spokesman advised that all payments due to Namibian firms be checked with any bank's foreign exchange department before being made.

Business documentation should be brought to the relevant bank, which should issue a draft or telegraphic transfer in Namibian dollars. The Namibian dollar was introduced on a par with the rand. 

Art 18/19/43
End SA sanctions says Mandela, but free Namibia still has them

WINDHOEK — Namibia still struggles with sanctions, more than three years since independence — a cautionary lesson for South Africa as it emerges from its own sanctions era with expectations of renewed trade and investment.

"We are campaigning actively to have these sanctions lifted, but it takes a long time. We still have some sanctions against us," said a Namibian foreign affairs official.

The sanctions legacy applies particularly to various states and counties in the United States, but also to others internationally.

The world community was asked to impose sanctions against Namibia during its liberation struggle in a bid to force South Africa to leave the country. Most of the sanctions against South Africa also applied to Namibia.

The process went into reverse at independence in March 1990, but Namibia found it a slow process, especially in regard to US counties and towns.

"We have to physically go to the states and counties to convince them things have changed," said the official.

"It then takes a long time as states and counties vote on the lifting of sanctions and pursue the same legal process they did when they were imposed. Some were lifted immediately after independence, but some are taking longer because of the nature of the bureaucratic process."

The US Embassy in Windhoek had pushed since independence to remove remaining sanctions against Namibia, said a spokesman, and there were few left.

The US ambassador to Namibia had written to state governors and municipalities explaining that Namibia was independent and asking that the sanctions be lifted. However, the problem was that some of the councils met rarely and had large agendas.

"It is ignorance, rather than any wish to continue sanctions against Namibia," he said.

Sapa
New Namibian process plants

TOM HOOD, Business Editor

SOUTH African engineering companies are cashing in on the Namibian government's pressure on international fishing fleets to invest heavily in land-based processing plant.

Ships from some 15 countries have been trawling the rich Atlantic waters off Namibia's coast for years and most have processed fish on board, putting little or nothing into the Namibian economy.

"Now President Sam Nujoma has said enough is enough. 'The leniency that we have so far shown to people who evade their financial obligations to the state must come to an end,' he said in a speech at the opening ceremony of the multi-million rand Pescanova fisheries complex in Luderitz."

The government said the fleets must state in their fish quota applications what they were going to do to create jobs and provide plant ashore.

Ships regularly fishing off Namibia include those from South Africa, Japan, Spain, Portugal, Norway, Denmark and Germany. The German government has already promised R76 million boost local processing.

One company which has been quick to seize the opportunities created in Namibia is processing engineering company APV South Africa, which was involved in providing equipment for Pescanova.

"There is huge expansion coming in Walvis Bay," says APV South Africa product manager (Refrigeration) Ian Monroe. "This will include the building of a new jetty as well as processing plant, cold rooms, blast freezers and refrigeration compressor sets."

The latest APV technology, similar to that installed by the company at Duncan Dock in Cape Town, would be used to chill fish to minus 35 degrees C.
Namibia asks white group for money back

WINDHOEK. — The Namibian government has issued a summons on the white cultural group Cultura 2000 for payment of R8 million donated to it by the former administration.

The Namibian government said the money had been allocated for whites by an illegal government acting in bad faith. (22IA) ARG231187

This follows last week's high court ruling in which the government won the right to repudiate the actions of the previous South African administration.
Nod for Namibian fishing rights

WINDHOEK. — Namibia's Ministry of Fisheries and Marine Resources has approved long-term fishing rights off the country's coast, which will in some cases last up to 2044.

The government granted 159 rights to 120 separate applicants for the eight different species allocated.

Ministry permanent secretary Raimo Kankondi said yesterday the department would announce later which rights would last four, seven or 10 years.

He said these allocations would be in line with a policy statement in June specifying criteria such as degree of Namibian ownership in joint ventures, and investment in boats and on-shore processing.

Most existing rights expire in December.

The sizes of catches still have to be determined, based on vessel quotas out of the Total Allowable Catches (TACS) set by the cabinet each year.

Earlier Kankondi announced the 1994 TAC for hake would be 150 000 tonnes, up from 120 000.

Fishing and fish-processing are expected to account for 10% of Gross Domestic Product within 10 years. — Reuter
New offshore diamond prospecting for Namibia

GARNER THOMSON
The Argus Foreign Service

LONDON. — Major offshore diamond prospecting off the coast of Namibia is expected to start soon. Alluvial Mining, British-based site investigations specialists contracted to the Namibian Mineral Corporation, plans to conduct a comprehensive minerals' survey over Luderitz Bay and Hottentots Bay, as well as off the coast of South Africa.

The three-month survey involves a detailed geophysical study of the area, followed by the recovery of samples of potential diamond-bearing sediments and six-metre seabed cores.

Teams will be working at depths ranging from less than 10m down to 200m.
Mine strike into third week

WINDHOEK. — A costly wage strike by 300 workers at De Beers' Consolidated Diamond Mines in Oranjemund, Namibia, enters its third week today, with little sign of a speedy resolution.

A full day of talks on Friday produced no agreement, with no date set for further talks. The Mineworkers Union of Namibia (MUN) was due to consult its members over the weekend. — Sapa
WINDHOEK. — Wage negotiations to end a crippling 10-day strike by 3,500 workers at Consolidated Diamond Mines resume today, CDMD and the Mine Workers Union of Namibia said.
Windhoek businesses oppose Pick ‘n Pay plan

WINDHOEK — Pick ‘n Pay is awaiting word on its proposed first development in Windhoek, in the face of strong opposition from local businesses.

Pick ‘n Pay joint MD Gareth Ackerman said yesterday the company planned a full-line supermarket in the Namibian capital, with strong non-food participation for all sectors of the community.

The store would employ mainly Namibians and could open by late 1994.

A developer has bid for a 3ha site in the heart of Windhoek, but local retailers argue the land is zoned for office space.

A city council planning committee sat yesterday to hear objections to the proposed development, already approved by the council. (21A)

The Obibhaver & Lot group (O&H), which completed a shopping centre on a neighbouring site in 1990, is leading the opposition.

O&H Properties general manager Frederick Frank-Schultz said the group had developed its site because of a council commitment to reserving the neighbouring site for office space.

Granting the space to Pick ‘n Pay was contrary to the town planning scheme drawn up in the ’80s.

Frank-Schultz said O&H was not opposed to other retailers coming to Windhoek, but wanted things done by the rules.

Enough property had already been zoned for retail trade. Changing the planning scheme for Pick ‘n Pay was an unfair move which would threaten other retailers. — Sapa.
SA hoteliers asked to manage Namibia hotel/casino complex

SOUTH AFRICAN group Protea Hotels has been approached to manage a planned resort and casino complex at Henties Bay on the Namibian coast.

Henties Bay Town Council has made seven hectares of land available for the complex to be developed by a Namibian construction company in 1994.

Protea Group chairman Otto Stehlick said in Cape Town that if his group agreed to manage the resort it would be included in the group's worldwide marketing strategy which included hotels in other African countries.

Protea Group managed the Kalahari Sands Hotel in Windhoek until it was bought by rival Sun International in anticipation of the legalising of gambling in Namibia.

Windhoek City Council is expected to invite tenders in January for the development of another casino on premises next to the Kalahari Sands.

The establishment of casinos in Namibia is, however, subject to the passing of a Bill to legalise gambling. — Sapa.
were still excessive; debt/equity had increased to a high 1:14. However, return on capital had risen from 10.9% to 18.0%.

Financing costs absorbed 65% of net operating income, but it’s a vast improvement on last year’s 75%; in 1989 interest was nearly 1.5 times pre-interest profit. As a result, 1993’s attributable income rose by a third to R615,000.

The traditionally scanty report has become even thinner. A comparison with the previous year shows it’s lost four pages of text, including a review of subsidiaries. Nictus operates three retailing divisions — motor (38% of turnover); carpets (10%); and household furniture (52%). It also holds property in Windhoek and Randburg.

MD Nico Tromp says: “The retail market is still depressed and we are not expecting a lucrative Christmas. But the past four months have been positive and this year’s results should be an improvement on last year’s.”

Granted, this Namibian retailer has suffered the effects of transition to independence and restructuring the business, but management needs to give attention to cash flow (or should that read cash outflow?). At year-end R2,5m cash poured out of Nictus — equating to 41.2c a share.

“Cash was used to finish a new R3m property development in Windhoek,” says Tromp. “We had to finalise the audited report before long-term financing (now in place) could be arranged. Gearing should be down this year.”

Nictus, the first share to be listed on the Namibian Stock Exchange, has traded in a wide price band of 20c-45c over the past 12 months. It’s at a 71% discount to NAV, but the counter has little investment merit.