SERVICES SECTOR — ACCOMM. LIQUOR & CATERING - GENERAL

1992

MAY — AUGUST.

Holidaymakers flock to West Coast

(288) CT 2/5/92

Staff Reporter

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

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

According to Mr Hilton Wallace, food and beverages manager of the Van Riebeeck Hotel in Gordon's Bay, the hotel is about 68% full.

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

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

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

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

He supposed holidaymakers were "still recovering from Easter".

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

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

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

Mrs Jolene Ehlers, of Oranjevlei Guest Farm near Saldanha, said the guest farm was 90% full for the weekend.

Move to close casino clubs

SUNDAY TIMES PICTURE POWER



PUNKS ON PARADE . . . outside Alcatraz, the Johannesburg club barred to Skinheads where 19-year-old Liam Wielan was beaten

GOVERNMENT officials have drawn up a paper proposing a change in the gambling law which would close all of South Africa's new casino clubs.

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

It proposes redefining section six of Act 51 of 1965 (the Gambling Act) to bring the definition of gambling in South Africa closer to strict definitions applied in the United States, Britain and Europe.

In those countries gambling is referred to as "any game played with cards, dice, any mechanical or electro-mechanical device or machine for money, property, cheques, credit or anything valuable, without in any way limiting itself to roulette, bingo, 21, blackjack, *chemin de fer*, baccarat and slot machines".

Difficult

In South Africa, the Act merely prohibits the playing of any "game of chance for stakes" and bars anyone from providing premises where "games of chance for stakes" can be played.

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

In keeping with international definitions, the green paper suggests the words "chance" and "skill" do not appear in the new South African definition of gambling and that the words "game of chance" must be linked to the word "gamble".

Government plans to plug loopholes in the Gambling Act

By EVELYN HOLTZHAUSEN

Minister of Justice Kobie Coetsee referred to the green paper this week when he said in parliament that gambling and lotteries for personal, material gain were unacceptable and should remain illegal.

Mr Coetsee said that unsuccessful prosecutions under "grey areas" of the Gambling Act against certain people had led to some people "exploiting the situation".

In terms of the green paper, gambling in South Africa has historically and legally been divided into three categories: lotteries, games of chance and betting.

While there are some difficulties in enforcing the law in each of the categories, the greatest problems arise in games of chance since the courts are left to decide whether winning a game played for "stakes" relies on skill or chance.

The owners of at least 143 clubs across the country where money is bet on cards have considered it legal to continue operating following a 1989 court ruling that Jack-O-Blaco is a game of skill, and a ruling last year that High Ace is also a game of skill.

The "legal" card games being played at the clubs in South Africa differ from blackjack only in that a limited number of cards are played.

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

In the court case last year, a Vanderbijlpark regional court magistrate found that "card counting", which is possible in playing Aces High, is a skill which removes the element of chance, as defined in the Act, and thus makes the game legal.

Costly

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

Two weeks earlier he had issued a written warning to clubs in the Cape to shut down or face prosecution.

Mr Kahn's decision to prosecute The Club is a direct challenge to the Vanderbijlpark regional court decision.

It is believed Mr Kahn is to lead evidence from a London expert on statistics to aid him in his prosecution.

Said Mr Kahn: "A game where chance predominates can never be camouflaged by a veneer of skill and remains illegal."

Problems

One of the problems, however, is that, even if Mr Kahn wins his case, many clubs will still be able to operate, simply by introducing a new element to the same game and by giving it a different name.

It will become very costly for the state to prosecute each club and to outlaw every game being played.

The redrafting of section six of the Gambling Act will outlaw any card games played for money and thus put clubs where these games are played out of business.

Nat MP defends gaming link

A CASINO has opened in a Port Elizabeth restaurant owned by a National Party MP.

The restaurant is located in a building owned by the NP. The branch office of the National Party is situated in the same building as the Tudor Rose, part owned by Mr Sakkie Louw, maverick MP for Newton Park.

But Mr Louw doesn't believe the slot-machine venture — which is registered in his son's name — constitutes gambling, although the law forbids games of chance.

By BILL KRIGE

"It takes skill to play these machines. Let me put it this way: a baboon can bet on a horse but a baboon can't play poker," he said.

He insists the authorities can no longer stop casinos from mushrooming and that the government must rewrite the rules to sanction them.

"If the police close this one, I'll fight it," said Mr Louw, who paid a R50 admission-of-guilt fine a fortnight ago for not filing his income tax return on time. He added: "Sooner or later the TBVC countries — which all have fully-fledged casinos — will be reincorporated, and then what?

"We as a government must manage these establishments. The government must get its fair share of tax, with some of the profits going to welfare."

The casino — called Club Santorini — opened last Monday. It is owned by Mr Elias Hatzimichael and Mr Louw's son, Izak, a 21-year-old law student.

Spur on target

258 ST Times (Buss) 3/5/92

By ROBIN PEGLER

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

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

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

Chairman Allen Ambor predicts similar growth.

Mr Ambor attributes Spur's success to its management style: "We're not just a bunch of accountants running the business. We're essentially food people."

Value for money, high quality, quick service and reasonable prices are the keys. A strong team of managers ensures that franchisees maintain Spur's standards. Attention is paid to screening and training franchisees.

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

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

Spur has 114 outlets and Mr Ambor predicts there will be 130 by the second half of 1993. This figure includes the new Panarotti pizza houses, although most of the restaurants are steakhouses.

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

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

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

Stockbrokers have only one complaint. "We have buying orders on, but can't get the shares," says one.

Spur scores with cost cuts and higher market share

B/Day 4/5/92 (288)

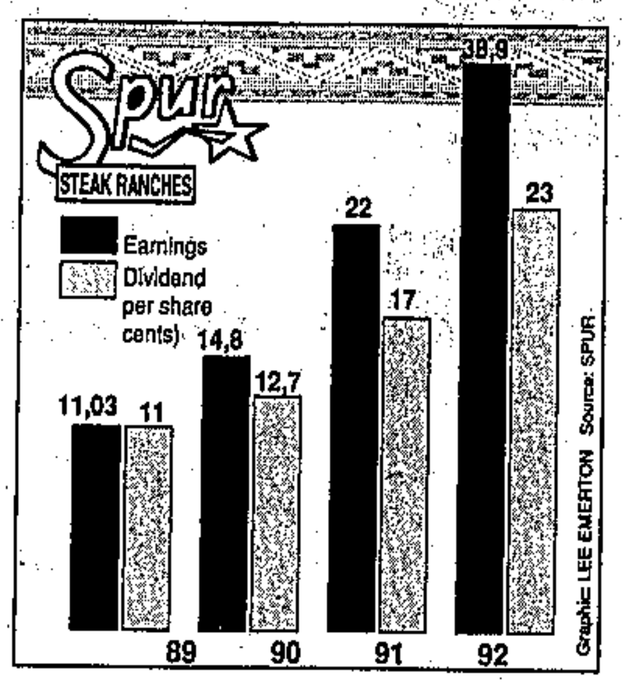
LINDA ENSOR

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

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

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

Spur Steak Ranches turnover rose 50% to R26,6m (R17,7m). Chairman Allen Ambor stressed that this increase was not brought about by price increases since the last increase was in about May last year. However, the high rate of food price inflation had made stringent cost controls necessary and was making profitability more difficult to achieve, he said.



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

A lower tax rate contributed to a 41% rise in attributable profit to R4,9m (R3,5m) and earnings of 30,98c (22c) a share. Earnings of Spur Holdings increased 26% to 23c (18,2c).

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

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

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

Another 12 to 14 Spur restaurants, one Hard Rock Cafe and at least three, possibly six new Panarotti's restaurants were planned for this year. Transvaal and Free State expansion would continue. "Our expansion in the Transvaal has been particularly successful and our key steak ranches in areas such as Rosebank, Sandton, Eastgate, Randburg and the new East Rand Mall have been exceptionally good performers."

Theft, disposals see Drop-Inn slip

BDay 4/5/92

MARCIA KLEIN

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

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

Drop-Inn had issued two cautionary announcements earlier.

Its results ~~were~~ not strictly comparable with the previous year's as they did not take into account the sale of the company's properties and Benny Goldberg in the previous year, MD Jonathan Miles said.

Certain figures on last year's income statement were restated. The adjusted figures reflected the sales.

Turnover grew 23% from R104,0m (pro forma) to R128,1m, but operating profit declined marginally from R3,9m to R3,8m.

Net income before tax was 33% up at R4,2m after Drop-Inn received interest of R443 000, and income after tax was 39% higher at R2,3m.

Earnings declined from 26,1c to 23,0c a share.

In financial 1991, earnings declined 3,5% after the previous year's profits were adjusted to partly reflect thefts of R1,7m.

Retained income of R1,4m compared with R435 000 in the previous year.

A final dividend of 7,5c a share was declared to bring the full year's dividend to 12,5c.

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

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

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

Economist blasts food price rise

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

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

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

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

He said it was of the utmost importance that participants in the food price chain began cooperating to reduce the food price inflation rate drastically within six months. — Sapa.

NBS takes over village development

Business Day Reporter

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

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

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

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

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

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

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

Construction on another 12 was scheduled to begin soon.

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

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

Fedhasa plea on govt incentives

(288)

THE hospitality industry urgently needed imaginative and active support programmes with the focus on bridging finance and tax incentives, Federation of Hospitality Associations of SA (Fedhasa) Transvaal chairman Henry Schoonwinkel said yesterday. BIDay 6/5/92

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

"We look for example at the proposed loans to conservation authorities . . . for the R330m expansion programme of the National Parks Board.

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

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

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

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

HLT repackages its timeshare concept

ANDREW KRUMM

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

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

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

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

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

She said RCI, an international timeshare exchange organisation, would handle destination changes for club members at no cost. The repackaged scheme was launched on April 1 and sales had already topped R1,9m.

Fedhasa told to tackle shebeen trade

B Day 7/5/92

THEO RAWANA

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

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

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

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

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

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

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

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

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

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

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

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

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

Vorster said, however, the need to control the liquor trade was accepted almost universally. Amendments to the Liquor Act tallied with deregulation policy.

Tvl man buys Cape town (288)

Own Correspondent STAR 7/5/92

PORT ELIZABETH — The small eastern Cape town of Middleton has changed hands once again. It has been bought by a Transvaal businessman who wants to develop a "get-away-from-it-all" holiday resort and retreat for stressed city dwellers.

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

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

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

Mrs Roberts bought the village three years ago with similar plans, but had to shelve the project due to ill health.

Curators apply for casino licence for Club Mykonos

CAPE TOWN — Masterbond's provisional curators have urged the authorities to consider granting Club Mykonos a casino licence, a step they say will ensure investors recover all or most of the R140m invested in the west coast resort.

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

He said they had made representations to the special adviser to the Finance Minister, Japie Jacobs, for a casino licence. If this was approved it could save investors R140m and they could get 100c in the rand.

LINDA ENSOR

The provisional curators held a news conference yesterday to address what they described as misleading media reports on the curatorship of Masterbond.

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

The five major projects were Club Mykonos, Fancourt, Phinda, Silverhurst and Marina Martinique, which is in provisional liquidation.

18% hike in Cape visitors?

Staff Reporter

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

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

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

Mr Oliver added that there had undoubtedly been an increase in tourism. (288) CT 9/5/92

black-on-black violence to convince its allies "rank and file," he said.

Minister invited to Malaysia

Sowetan 12/5/92 (286)

Political Correspondent

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

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

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

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

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

Piet 'Skiet' cautioned

Sowetan 12/5/92

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

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

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

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

The accused appeared in court in the uniforms of the AWB, the Ystergarde and the Wenkommando.

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

Rudolph, who has since resigned from the AWB, requested that his bail money, which was paid by the organisation, be withdrawn and that he be cautioned and discharged. His request was granted. - *Sapa.*

improving your home, or buying a new one, it may be *you have the confidence that you are dealing with*

Top team on tourism drive to Far East

(288) CT 12/5/92

By ANTHONY JOHNSON
Political Correspondent

A TOP-LEVEL delegation, including Tourism Minister Dr Org Marais and hotelier Mr Sol Kerzner, will on Thursday embark on a 10-day tourism promotion drive in the Far East.

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

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

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

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

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

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

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

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

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

Fear of violence puts off visitors

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

It said this was one reason for the fact that SA had been able to attract only 0,2 percent of the international tourism market and why the growth rate had been slower than the growth in world tourism over the past decade. STAR 13/5/92

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

R600-m boost from IDC

By Shirley Woodgate

The Industrial Development Corporation yesterday announced a R600 million injection to finance new game parks as well as tourist accommodation and facilities in and near game reserves. (288)

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

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

"Through a capital injection to the conservation authorities, we believe the IDC's funds will make a major contribution to development, job creation and economic growth." STAR 13/5/92

This news coincides with the tabling yesterday of the White Paper on Tourism, which claimed if all known expansion plans of the conservation authorities were realised, SA's share of the world tourism market could be pushed up from 0,2 to 0,5 percent by 1997.

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

U
ai
CAP
on
Stat
ente
to th
Th
grou
impl
merc
was
vate
A
strat
ports
Int
appr
April
sion
Mala
Botha
gatew
dition

Greater role for private sector

New tourism package to spur economy

BIDay 13/5/92 288

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

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

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

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

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

Highlights of the White Paper are:

- A major emphasis on deregulation, including the repeal of the five Acts governing tourism to make the industry "private-sector driven". A new consolidated Tourism Act would be tabled this session. Satour would immediately set up a "clearing house" to which the private sector could make submissions on deregulation;
- Co-operation with neighbouring states would be encouraged to create southern African tourist packages;
- Hotel room levies would be revised from July 1 (from R1 for one-star and R4,20 for five-star hotels) to generate funds to be used by Satour for overseas marketing;
- The Liquor Act would be revised to remove provisions inhibiting tourism and, legislation relating to Sunday activities would be reviewed;
- A new policy on state airports would be tabled to ensure they were "user-friendly" and that facilities and service were in line with international standards;
- All major airports, including Durban's Louis Botha and Cape Town's D F Malan, would be upgraded, possibly to gateway status; and
- Charter flight restrictions would be eased.

Business Day Reporter

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

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

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

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

International marketing would continue

☐ To Page 2

Tourism

BIDay 13/5/92 288

☐ From Page 1

under the auspices of Satour — with government finance — initially in the UK, Germany, US and France and later in regions such as Australasia, Canada, Taiwan, Israel and Japan. Domestic marketing would be left mainly to the private sector.

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

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

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

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

The elimination of restrictions on charter flights into SA and the involvement of the IDC in tourism were positive features. Fedhasa also welcomed the Liquor Act review and a subsidy programme for expansion of accommodation facilities.

SA tourism gets 'kick start' from govt

288

CT 13/5/92

Own Correspondent

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The inclusion of private sector participants would offer tourists greater variety. He said the Kruger National Park was limited in terms of the number of people it could accommodate, and there was a need for alternative game reserves and accommodation.

Tourist attraction . . . the Magaliesberg mountains — just waiting to be explored by overseas visitors.

Big shot in the arm for tourism

STAR 13/5/92 (288)

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

A White Paper on Tourism tabled in Parliament yesterday said tourism could be a major catalyst to kick-start the economy, and outlined a three-year campaign to position SA as a No 1 "eco-destination".

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

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

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

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

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

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

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

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

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

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

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

A revised hotel room levy ranging from R1 for a one-star hotel to R4,20 for a five-star hotel would be implemented from July 1 this year to generate funds which would be used by Satour mainly for overseas marketing.

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

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

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

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

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

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

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

Fear of violence puts off visitors

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

It said this was one reason for the fact that SA had been able to attract only 0,2 percent of the international tourism market and why the growth rate had been slower than the growth in world tourism over the past decade. STAR 13/5/92

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

R600-m boost from IDC

By Shirley Woodgate

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

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

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

"Through a capital injection to the conservation authorities, we believe the IDC's funds will make a major contribution to development, job creation and economic growth." STAR 13/5/92

This news coincides with the tabling yesterday of the White Paper on Tourism, which claimed if all known expansion plans of the conservation authorities were realised, SA's share of the world tourism market could be pushed up from 0,2 to 0,5 percent by 1997.

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

Satour earmarks R35m to promote tourism

288
CT 14/5/92

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

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

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

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

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

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

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

Captour however stressed the need for international gateway status to be conferred on Cape Town's airport.

Advocates asked to take over Jo'burg hotel

B/pay 14/5/92 (288)

DIRK HARTFORD

SOUTHERN Sun has asked the Johannesburg Bar whether it wants to take over the hotel group's flagship — the 45-storey Johannesburg Sun — and turn it into offices for its 450 advocates.

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

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

The hotel, built 10 years ago, cost R125m to erect.

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

Stringfellow declined to comment.

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

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

The combined Johannesburg Sun and Towers hotel has 788 rooms — 116 of which are in the Towers section.

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

Enthusiastic reaction to govt tourism policy

GOVERNMENT's White Paper on tourism would make it easier for entrepreneurs to enter the industry and would benefit local communities, Sacob said yesterday. (288)

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

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

Satour also welcomed the emphasis on the involvement of the private sector. B1Dag 141592

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

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

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

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

TOURISM FM 15/5/92

Passport to success? 288

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

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

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

The goal of the White Paper is admirable enough: find ways to increase the number of tourists coming to SA, which will in turn create jobs and bring in more money. The paper notes that the industry now employs 300 000 people, but SA enjoys only 0,2% of the worldwide tourism market and collected just R2,5bn in foreign revenue last year.

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

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

The paper also suggests that:

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

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

He believes Satour's role is essential "to create a tourism culture, which we're only starting to develop at grassroots level now." He adds: "The entire population has to be involved in tourism. It's not an industry that can work in isolation.

"It took 100 years for a tourism culture to develop in Austria, where tourism is the biggest earner of foreign exchange. It can become the most important, but not necessarily the largest, industry in SA in five years." ■

FM 15/5/92 288

Free-for-all tourism on the way

STAR 15/5/92 (288)

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

NOT before time has the Government decided to remove the shackles on the tourist industry and give it the shot in the arm it urgently needs.

With South Africa set to become a major tourist destination in the alarmingly near future, it remains to be seen whether we will have what it takes to please the pending flood of expectant visitors.

The Government, in a long-awaited White Paper on tourism tabled in Parliament this week, committed itself to sweeping changes to the industry which will effectively introduce a "free-for-all" tourism market, introducing a competitive edge that has so far been noticeably lacking.

Although it is well recognised in the industry that tourism could easily don the position of biggest foreign exchange earner in the country, its development has been severely curtailed over the years by political instability with its resultant allergic effect on international travellers as well as the presence of prohibitive restrictions.

Now, tourism has been identified as a major catalyst to kick-start the economy, create jobs, benefit underdeveloped areas and sustain long-term growth. The measures to be taken to get this sluggish giant moving include:

● Industrial Development Corporation financing for new projects in and around conservation areas (R600 million has already been pledged for the development of new game reserves and accommodation by both State and private concerns).

● Concessionary assistance schemes for small entrepreneurs to be worked out jointly by the Small Business Development Corporation and the Development Bank of Southern Africa.

● The repeal of five Acts governing the industry to make way for a single, less draconian Tourism Act. Satour will be receiving submissions from the private sector on this.

● The review of the Liquor Act to eliminate provisions inhibiting tourism. Current prohibitions on Sunday activities will also be reviewed.

● The repeal of the Travel Agents and Travel Agencies Act, including the Fidelity Fund, which currently demand that stringent conditions be met before being allowed to practise as an agent. ("Fly-by-nights" would be controlled by a code of conduct set up in terms of the Harmful Business Practices Act.)

● The easing of restrictions on charter flights.

● A new policy on State airports to ensure they are "user-friendly" and that services are in line with international standards. (Jan Smuts Airport outside Johannesburg is currently being upgraded. Durban's Louis Botha and Cape Town's D F Malan may also be upgraded to gateway status.)

● Satour's withdrawal from domestic marketing to leave it open to the private sector. It would continue to market South Africa internationally, in consultation with the private sector.

● The revision of hotel room levies ranging from R1 for a one-star hotel to R4,20 for a five-star hotel, to be implemented on July 1, to generate funds for overseas marketing.

But the Government's well-received plan is not without stumbling blocks. Apart from the continuing violence keeping security-sensitive visitors away, there is the question of the pending new political constitution and its effects on the new policy.

Tourism Minister Dr Org Marais, addressing a media conference after the tabling of the White Paper, assured that all political parties had been consulted and all had the same objective. However, he did not mention the effect a possible difference in broader economic policy might have on the extent of private control over the future tourism industry.

There are a few pragmatic hurdles to overcome.

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

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

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

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

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

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

It would also contribute to the creation of jobs, not only in the tourist industry specifically, but also in related industries such as building and food processing. □

'Redevelop Bokaap as tourism boost'

APG 15/5/92 (288)

Municipal Reporter

BOKAAP should be redeveloped in the same way as the Waterfront, and the Castle should be the springboard of revived military pageantry.

These are some ways to boost tourism proposed in the Cape Town Chamber of Commerce executive council annual report.

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

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

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

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

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

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

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

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

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

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

Johannesburg Sun may go to the Bar

288

Sowetan 15/5/92

Sowetan Correspondent

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

But this depends on the outcome of current "very tentative" discussions, according to Southern Sun managing director Mr Ron Stringfellow.

With tourists shunning the CBD in favour of the suburbs, the occupancy rate of the 788-room showpiece hotel launched in 1986 at a cost of about R125 million, is averaging about 55 percent, he said.

"Only businessmen patronise city centre hotels, which is a worldwide phenomenon. 'Tourists favour suburban hotels,'' Stringfellow added.

Denying that the possible move was directly linked to the crime in the region, he said incidents were not focused on the CBD and had occurred in suburbs throughout the region, including the latest shooting and hijacking in Sandton.

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

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

Hotels seek other markets as recession hits holidaymakers

B/Day 15/5/92 (288)

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

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

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

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

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

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

Bullish

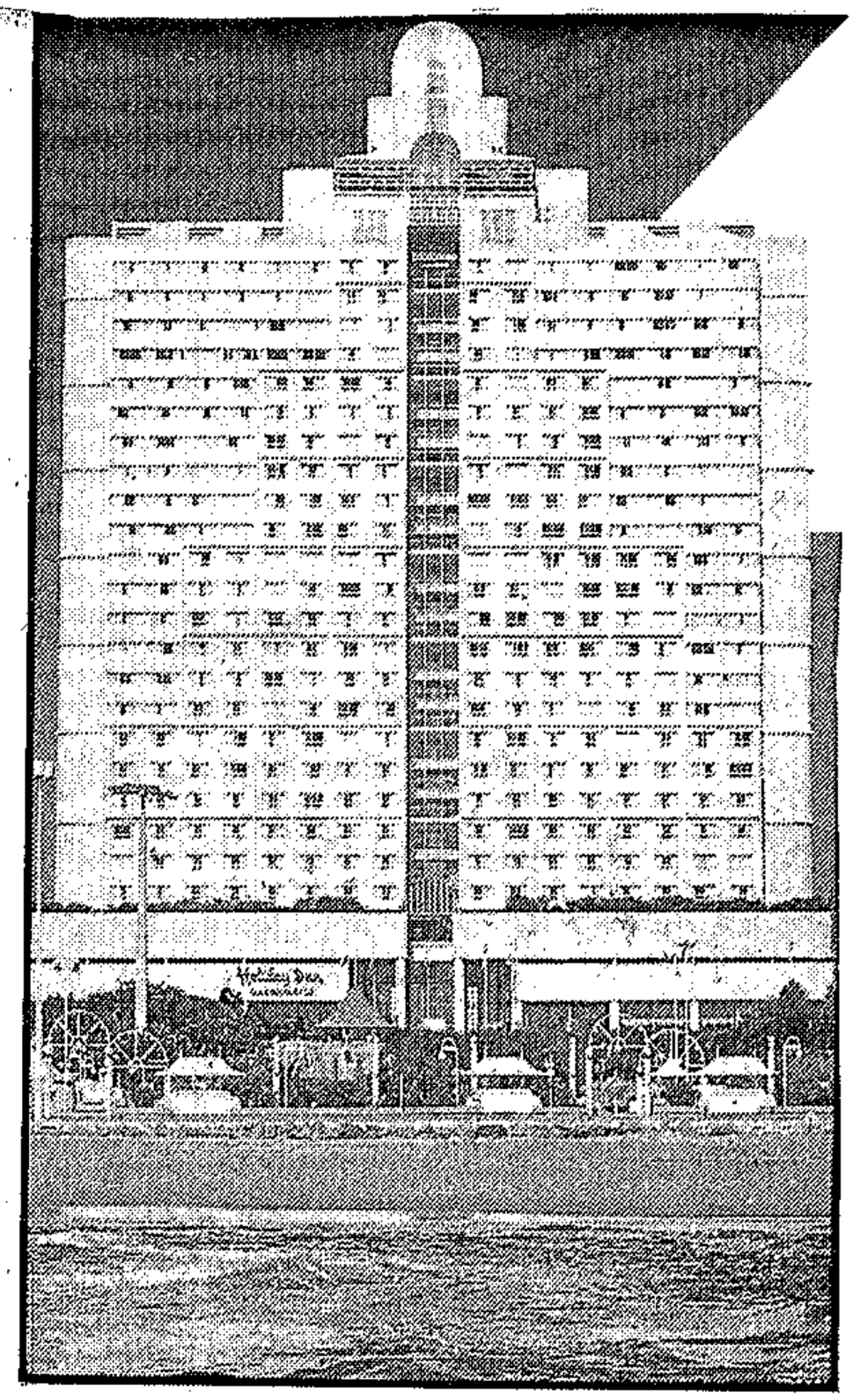
"However, I feel bullish about the city's future, especially if the legislation on air travel, the Aviation Act, allows for charter flights directly to Durban.

"I think it is the ideal one-stop charter destination because of the good all-year weather, the relatively sophisticated infrastructure and the availability of quality hotel accommodation.

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

He sees a need for more quality economy accommodation such as the recent R8,5m upgrade of the Malibu Hotel into the Holiday Inn Garden Court aimed at the cost-conscious business and leisure traveler. He says there is also scope for more mid-range, full service hotels in the three-star category.

In addition to the Holiday Inn Garden Court conversion, the group has spent R8,1m refurbishing the Elangeni and is about to spend 18 months refurbishing the Maharani. The Marine Parade Holiday Inn has been given a "softs" refurbishment.



The Marine Parade Holiday Inn.

'Big money' needed to lure foreign tourists

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

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

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

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

"Durban has a climate to beat all others, beautiful scenery and nature, and relatively good infrastructure. The multi-cultural nature of the city and its accessibility to superb eco-tourist areas are other assets." B10aug 15/5/92

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

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

He also warns against placing too much faith in major development projects such as The Point and an international convention centre. Such schemes on their own will not make the tourists flock in. (288)

Faith

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

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

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

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

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

traditions

Home is where this hearty brew is ...

South 16/5-21/5/92

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

ONLY WHERE there are migrant workers is the bitter-sour taste of *umqombothi* to be found. "Township residents come to the migrant labour hostels to share the traditional Xhosa beer because this is the only place it is brewed," says hostel dweller Mr Jackson Phelemehlweni.

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

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

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

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

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

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

"Traditionally, the beer was brewed only when a customary ritual was performed."

The beer is also brewed when someone dreams about a request from ancestors.

"It is our belief that when Xhosa people dream about our ancestors, we must brew beer and ask people to come and drink, without asking for payment. Then the ancestors will be appeased," says Mase.

"And when a son attends circumcision school the beer is brewed to rejoice with the community.

"But now the beer has become a commodity in the urban areas because women there brew the beer for sale," he says disdainfully.

Each person or community has a set method of making the brew.

Ms Nosizile Mdodana described how she went about making her beer.

"We take some unsifted maize-meal, a large amount of malt and a small quantity of cold water.

"Hot water is added and the liquid is left for 20 to 30 minutes to ferment. More cold water is added to half fill the container. The next morning I take the liquid that has separated from the mixture — which is by then sour — and boil it.

The boiled liquid is added to the mixture. The porridge is left to cool, poured into a container and left to foam for a few days.

"Then we strain the beer with an oblong traditional strainer made of a grass-like material."

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

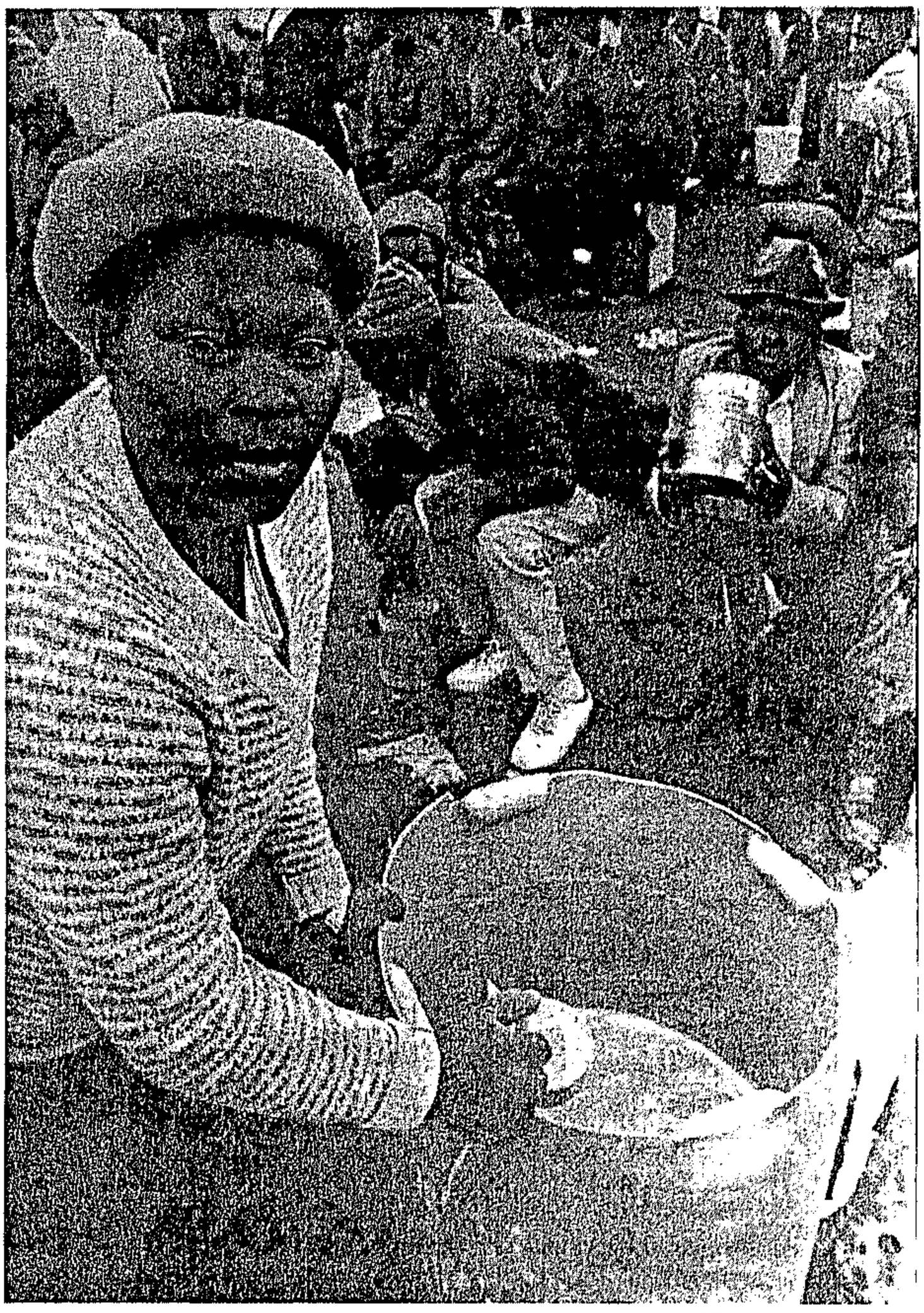
One woman who brews and sells *umqombpti* defends the sale of the beer:

"In the rural areas it is traditionally not for sale, but as we have to buy every ingredient in the townships, we are forced to sell it."

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

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

"Migrant workers say beer and brandy alone cannot quench their thirst. So they asked the women to brew *umqomboti*," says the woman.



DRINKING IN TRADITION: The task of brewing 'umqombothi' falls on Xhosa women. The men, meanwhile, drink deep and enjoy the camaraderie Photo: Yunus Mohamed

Tourists will make us blush

SOUTH Africa was told this week to prepare to meet its boom in the form of overseas visitors. But JAMES CLARKE believes that the best we could do at the moment is to cringe.

(288)

WHILE South Africa certainly needs another 1 million tourists a year, it has done little to deserve them.

This week the Government announced bold plans to quickly tidy up the country and buy new furniture before all these visitors start arriving and find nowhere to go.

The Industrial Development Corporation says it will make R600 million available for developing new game parks and associated tourist infrastructure. There will also be a three-year campaign to boost South Africa as a "number one eco-destination".

"Eco-destination" is the new phrase to describe a region favoured by tourists interested in flora and fauna and natural areas. The opposite would be an "urbo-destination", such as Italy, where people seek out antiquities rather than wilderness experiences.

If South Africa is to accommodate the rush, and if it is to build up a clientele who will want to come back for more, it is going to need every ounce of effort on the part of everybody involved — from the game guards who point out lion spoor to tourists, all the way along the line to the pretty receptionists.

In a paper delivered at South Africa's recent "pre-Earth Summit conference" in Somerset West, Ross Anderson and Gareth Singleton of the Environmental Design Partnership (EDP) of Randburg — the firm designs game lodges, camps and bush conference centres — spoke of "the hardware and software" of tourism.

They had grave reservations about the readiness of South Africa's hardware — the actual camps, hotels and other tourist infrastructure.

Dr Richard Leakey, Kenya's spokesman for tourism, was also recently critical of South Afica's tourist hardware. He said that while we have magnificent beaches, we have no classy beach hotels.

EDP's experience had also led it to wonder about the state of our software — the rangers who meet the tourists and take them around; the camp staff who service the huts, and the officials, clerks, receptionists and others whom the tourist routinely meets.

Extremely rude

I witnessed with great sadness recently a senior game ranger at a top-class private game reserve being extremely rude to a German tourist who came to the vehicle late and was upset because he could not buy a 35 mm film. The ranger, after some arguing and with very bad grace, eventually fetched a film. But from then on he was snappy and rude to all seven tourists in his vehicle.

Another ranger in another reserve was studying a particular lion and heard on the radio that it had been seen. Some of the tourists were interested in birds but there was suddenly no time to stop. He was totally insensitive to the needs of his passengers.

A friend who recently worked as a ranger in a major private reserve told me of the shocking way rangers in general treat Japanese tourists, who can be fairly naive about wildlife. This is unforgivable — especially when one considers how naive most of us would be trying to integrate with a group in Japan.

But apart from the heroic effort needed to revamp and add to our infrastructure and train our staff, there is the need for more places to visit.

Many times a year and almost every weekend, most major reserves and mountain resorts are full — in other words, they stand no chance of accommodating twice the present tourist numbers.

We need to create new places and the IDC has R600 million ready to do just that. But how about the St Lucia area?

It will be interesting to watch the tug of war that may develop between ministers Org Marais at Tourism and George Bartlett at Mineral and Energy Affairs. Bartlett wants Richards Bay Minerals to go ahead and mine in the area. The mine will temporarily employ a minimal number of people and the titanium is worth R6 billion over 40 years, some of which will accrue to South Africa.

Tourism will employ many times more people but may not make as much from St Lucia over the same period. In the end, of course, it will outstrip it.

There cannot be a compromise because opencast mining and eco-tourism do not mix.

Star 16/5/92.

Anyone with information is asked to contact Detective-Sergeant Grobbelaar at the Woodstock CID, ☎ 448 4202.

☐ **GRIEVING:** Mrs Mumeebah Peters hides her face from the camera. She was with Mr Miller in the cash store at the time of the shooting. Inset: Mr Terry Miller, the murdered man.

Picture: LEON MÜLLER, Weekend Argus.

Printers get pension boost

ARG 16/5/92

Weekend Argus Reporter

WORKERS in the printing industry will get a 29 percent increase on the 1991 investment performance of their pension fund — believed to be the highest return declared by a union fund in the country.

The Printing Industry Pension Fund — for members of the 35 000-strong SA Typographical Union — had an overall return of 31,5 percent for the year January 1 to December 31 1991.

"We believe this is the highest return ever declared by a union fund in South Africa," said spokesman Mr Derick Fredericks.

Indaba's 'R60 m travel trade boost'

(288)

ARG 16/5/92

Weekend Argus Correspondent

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

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

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

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

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

A record number of 750 overseas delegates and journalists have attended from a total of 50 countries.

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

"Durban has really done its utmost to make it a success," he said. "The Exhibition Centre was given free and furniture and floral displays provided by the municipality. The total grant-in-aid package amounted to R310 000.

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

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

But there have been some complaints about overcrowding at Tuesday's civic reception at the city hall attended by 1 700 people.

THE HINTERLAND OPENS UP

Karos takes first step into Africa

S/Times (B455) 17/5/92 (288)

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

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

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

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

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

Reserve

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

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

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

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

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

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



STAN HOFFMANN: Old and new blend

Timeshare cleaning up its tarnished image

STAR 18/5/92 (288)

By John Spira

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

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

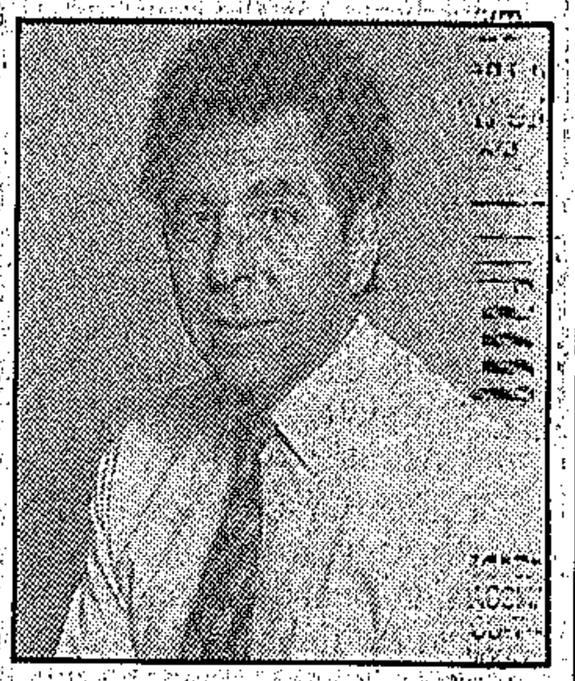
Since then, timeshare has, by and large, sorted itself out, with little in the way of major disasters materialising in the past few years. Minor disasters, though, there have been — such as buyers being misled by over-zealous salespeople promising rapid marketability at inflated prices.

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

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

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

And, says director Peter



Foaden, sales continue strong at other resorts operated and marketed by his group.

He pinpoints professionalism as the major success ingredient.

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

What of the company's salespeople?

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

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

Enterprising prison farm angers lowveld business

STAR 18/5/92 288

By Clyde Johnson
Lowveld Bureau

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

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

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

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

It also has six self-contained guest cottages. The rate is R27,50 a night for a six-bed chalet for members and R52 a night for the public.

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

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

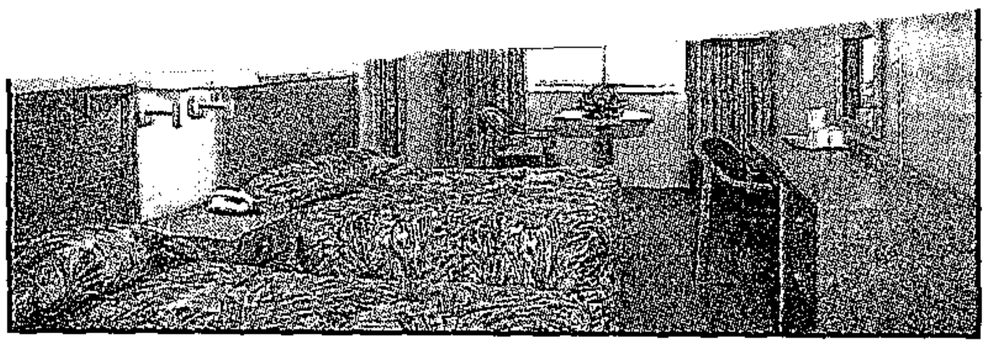
Other allegations levelled at the prison farm are that it caters for events at prices nobody else can afford.

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

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

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

He agreed that the chalets were open to the public but added it was only during the off-season.



Inside story: all the creature comforts.

Garden flowers

Sowetan 19/5/92 (288)

By SONTI MASEKO

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

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

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

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

At present the hotel has a catering capacity of 300 rooms and can phase in up to 90 rooms according to market demand.

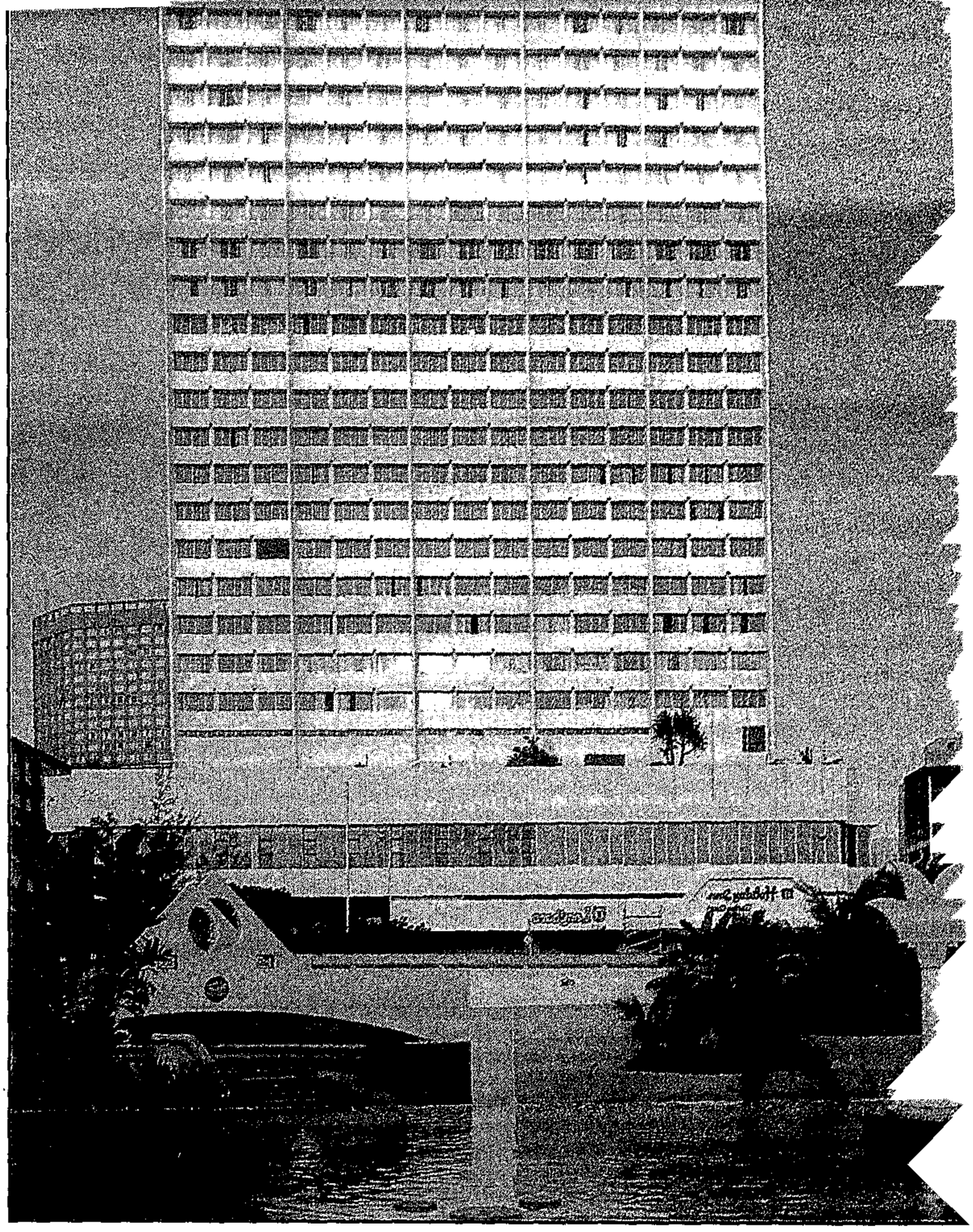
The hotel is also a delightful extension of the sea, being cleverly and tastefuly decorated in blue-green sea colours.

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

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

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

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



Towering acheivement: the Holiday Inn Garden Court in Durban

Courting the cities

Sowetan 19/5/92

BY end of 1992 every city in the country will have the opportunity to experience a new, exciting and economically sound kind of hotel product - The Holiday Inn Garden Court. (288)

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

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

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

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

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

The Holiday Inn Garden Court is a selected service operation, providing essential customer service facilities.

No room or porter service or extensive banqueting facilities are offered, but a number of limited meeting rooms are available, as well as a full breakfast service.



Welcome: the entrance to the new Garden Court.

Bakubung selling fast

Citizen 21 May 2015 p12

SALES of more than R15m have been notched up by Stocks Leisure in the first year of marketing time-share at its Bakubung Lodge near Sun City in Bophuthatswana. 288

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

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

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

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

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

"The Bakubung timeshare is marketed in tandem with hotel occupancy and conference facilities," he said.



Inter-Continental's Africa and Middle East marketing vice-president Richard Blamey, who is in SA to investigate investment opportunities for the hotel group. Picture: ROBERT BOTHA

Hotel group looks to SA

BDay 20/5/92

STEPHANE BOTHMA

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

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

A survey conducted by the group — which owns or manages more than 100 hotels in 47 countries — had identified Johannesburg as one of the best cities for Intercontinental to operate in, Blamey said.

No agreement to enter the SA market had yet been finalised, but Johannesburg and SA in general were close to the top of Inter-Continental's target list for expansion.

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

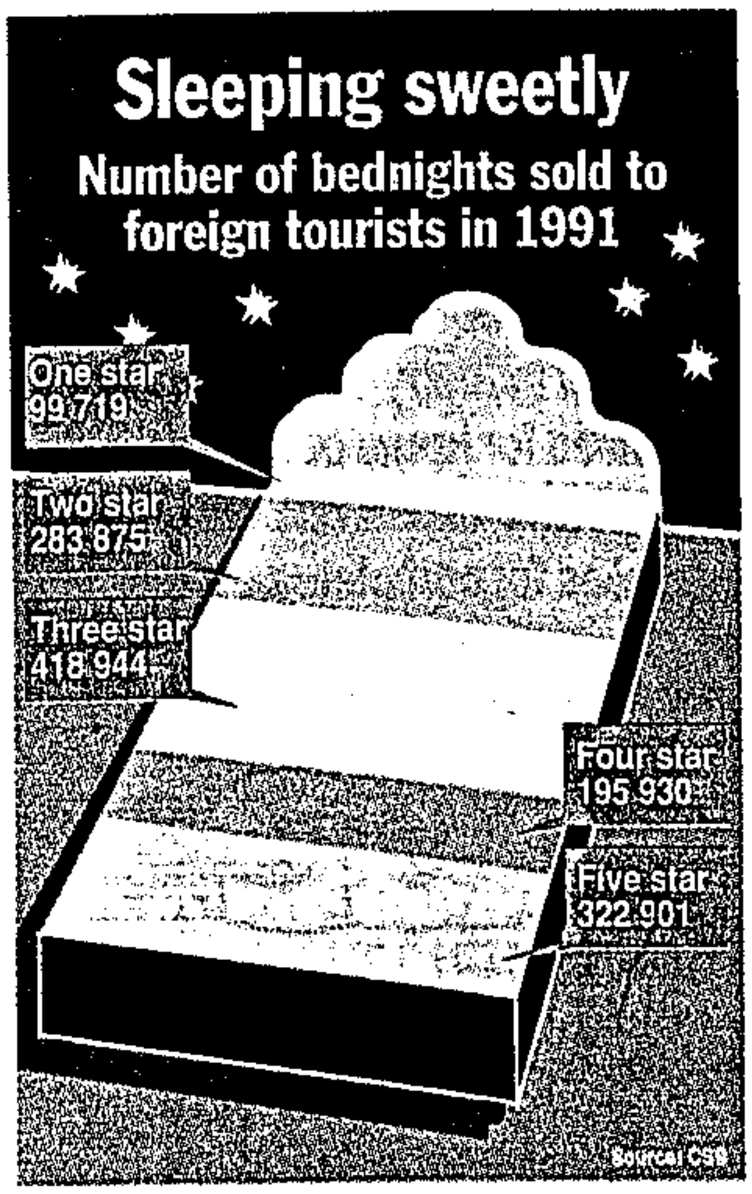
The government is hitching its wagon to eco-tourism — hence the IDC's R600m injection. There is no doubt that most who visit SA come here to see its wildlife, magnificicent scenery and as yet unspoilt areas. Kruger Park is still number one on every tourist's list of places to visit, nearly all want to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

Many come to hunt. According to the Professional Hunters' Association of SA, the 5 750 hunters, along with 1 750 travelling companions, who came here last year spent a conservatively estimated R150m. The average safari client spends 17 times as much as the average tourist, says the association's Cheryl Timm.

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

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

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



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

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

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

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

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

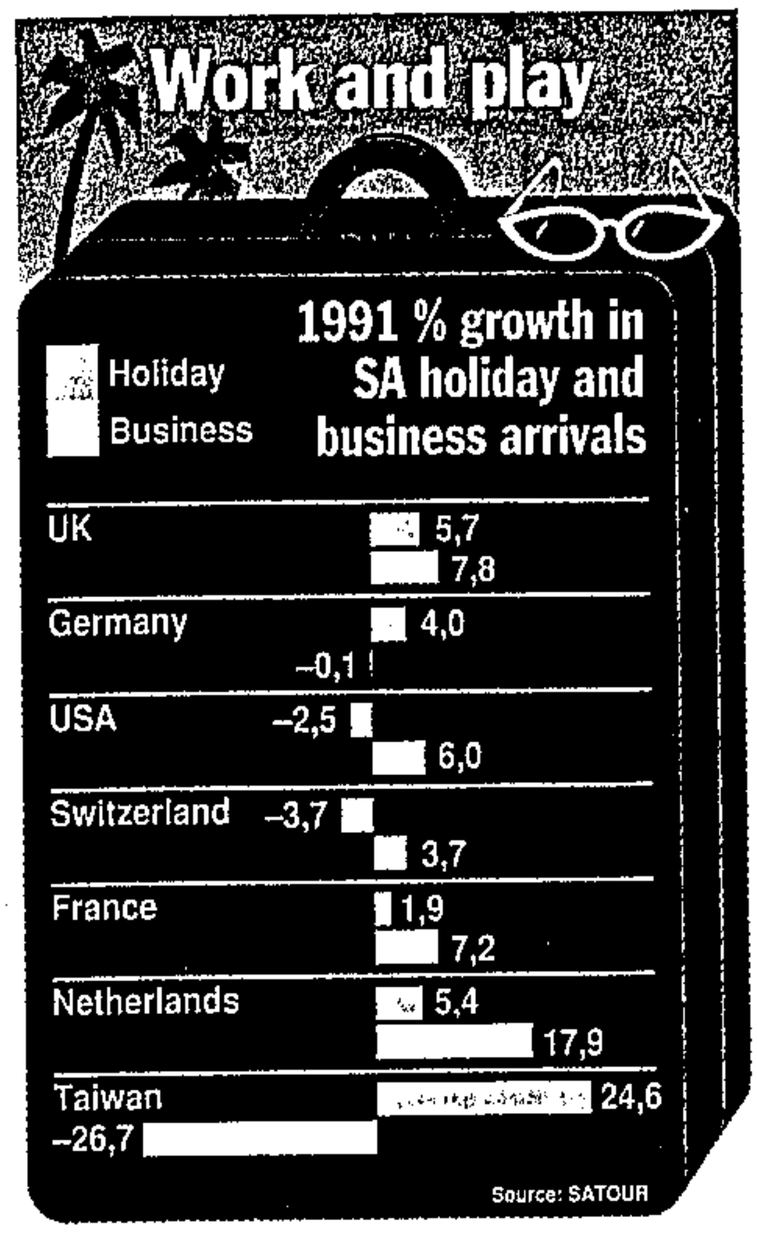
It also explains why so many international hotel groups — such as Sheraton, Ramada, Westin, Hilton, and Trust Houses Forte in addition to Intercontinental — are sniffing around here to size up the opportunities.

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

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

Government must appreciate that top-income foreign tourists demand genuine luxury buses, and allow their import without charging 65% duty and 5% surcharge. They can be built here, but says Citiliner-Greyhound CE Keith Morris, who recently imported two for R2,2m, "they would cost R1,8m apiece to build here."

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



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

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

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

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

Change to gambling laws mooted

288

STAR 21/5/92.

Staff Reporter

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

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

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

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

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

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

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

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

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

ing outside the law.

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

It could also fall foul of the Conventional Penalties Act.

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

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

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

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

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

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

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

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

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

BEACON ISLAND FM 22/5/92

Paying on time

288 292

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

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

But, as one recipient of this "Dear Timesharer" letter points out, BISL may be act-

ADVOCATES MOVE UP IN THE WORLD?

FM 22/5/92 (288)

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

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



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

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

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

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

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

Two firms offer high flying service

MORE than 90% of domestic and international airline catering serving flights out of Jan Smuts is conducted by two companies, Air Chefs and Air Caterers.

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

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

Air Caterers operations director, Karsten Tripmaker says the standard of SA inflight catering compares well with the rest of the world.

Air Caterers has received letters from Qantas and Cathay Pacific complimenting them on their standards of food preparation. Some European airlines (and passengers) have told the company that the standard of food going out from SA is at least equal to, and sometimes better than, the standard of European-prepared food on inbound flights.

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

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

Tripmaker says most airlines put food as a very high priority because, along with service and punctuality, it is one of the factors that differentiates one carrier from another.

Business Day SURVEY

*Rising food prices and recession have put the squeeze on caterers, but the opportunities offered by the privatisation of government catering, growing nutritional awareness and the emergence of the black market are positive signs. The contract catering market is dominated by three names: Fedics, Supervision Food Services and Hospitality. **DARIUS SANAI** reports.*

Tuck into Africa's biggest food show

ONE of the most important events within the field of catering in SA is scheduled for June 21 to 24.

This is when the first International Food and Equipment Exhibition takes place at Nasrec.

The exhibit, sponsored by Fedhasa, Catra and the SA Chefs Association, will combine three exhibitions under one roof.

These three exhibitions united as one event are: Fabssa, the third International Food and Beverage Show of SA; Hotel and Catering, the sixth International Exhibition for Hotel and Catering furnishings (excluding food, beverages and food equipment); and Feesa, the third Food Equipment Exhibition of Southern Africa.

Specialised Exhibitions organised the event, and PR Dee Reuvers says these three will form Africa's largest food and equipment event.

Among the exhibitors will be Babingtons, Betafresh, Cirp Food Service and County Fair Foods.

Dairymaid, E W Dicks, Guinness Brewing, Quickie Quencher, Senor Taco Fast Foods and Steven Smith Associates will also be there.

Reuvers says 5 959 industry members visited Fabssa in 1990, of which 38% were directors, owners or general managers, and 36% were senior chefs or catering managers.

From a survey of those who attended, interesting statistics emerged. All the food, beverage and retail managers who visited said they came "to meet new suppliers, reduce catering costs and source alternative products".

Equipment

Over 70% of buyers said they came for this reason, and 47% of chefs and catering managers and 37% of directors and owners concurred.

Similarly, 68% of directors and owners said they had come primarily to look for new equipment or furnishings. Among food and beverage managers, 66% concurred, as did 57% of buyers and 41% of chef and catering managers.

Reuvers says the 1992 event, with its combined appeal, is set to make even more of an impact than previous separate exhibitions,

Taking the battle to the entertainers

BIDay 22/5/92 (288)

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

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

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

Filmalter says recent social trends have been both good and bad bews for the restaurant industry.

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

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

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

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

Restaurants go international ahead of the tourist influx

BIDay 22/5/92 (288)

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

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

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

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

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

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

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

Costs

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

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

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

Linger Longer group MD Ben Filmalter agrees the future of SA's top restaurants lies with foreign tourists.

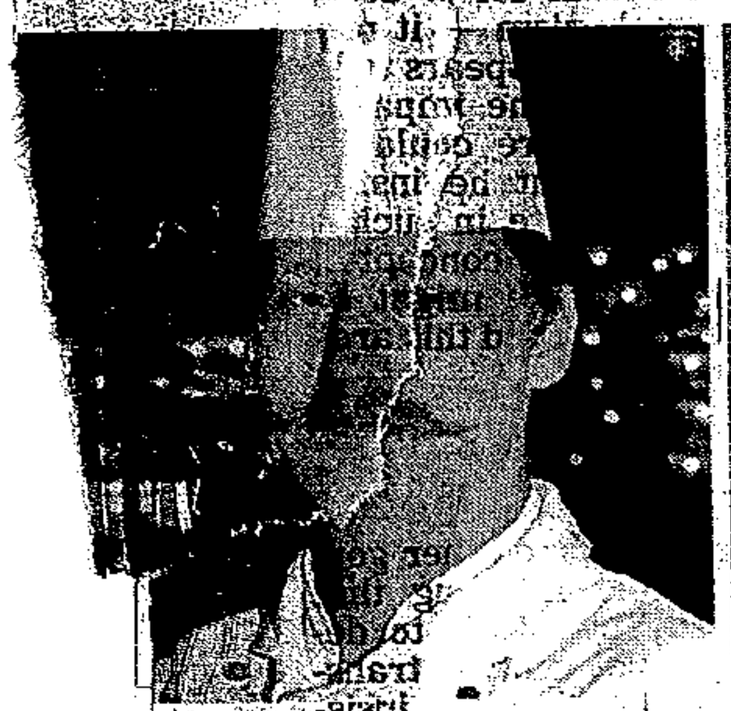
The Linger Longer restaurant in Braamfontein, flagship of the group, will have a primarily foreign clientele in the future.

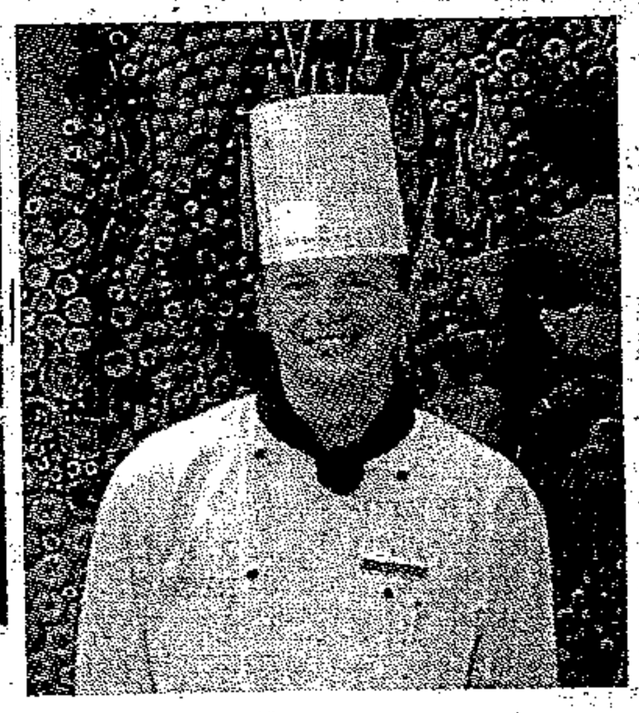
"It is like that in many other countries: customers with strong currencies move in."

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

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







Fedhasa becomes indispensable force

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

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

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

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

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

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

Healthy

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

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

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

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

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

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

The new SA is already well under way in the catering industry.

Fedics has a finger in a lot of local pies

(288)

THE Fedics group of companies dominates the catering industry to the extent that it is possible for an executive to grab a fast-food burger en route to a meeting, eat a boardroom lunch and enjoy a high-class airline dinner, all prepared by Fedics-associated companies. 6/Davy 22/5/92

Fedics Food Services holds over 600 contracts, nearly half of which are in the Transvaal.

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

Benefit

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

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

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

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

Senior Fedics managers think the involvement in the black consumer market is highly significant, and it is the intention of Fedics to be at the forefront of such developments in SA.

Catra is more than just a voice for the industry

Sloan 22/5/92 (266)

THE Catering and Tearoom Association (Catra) was formed 73 years ago as an organised representative of the restaurant trade for labour disputes, but director Frank Swarbreck says Catra has many more aims.

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

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

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

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

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

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

Labour

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

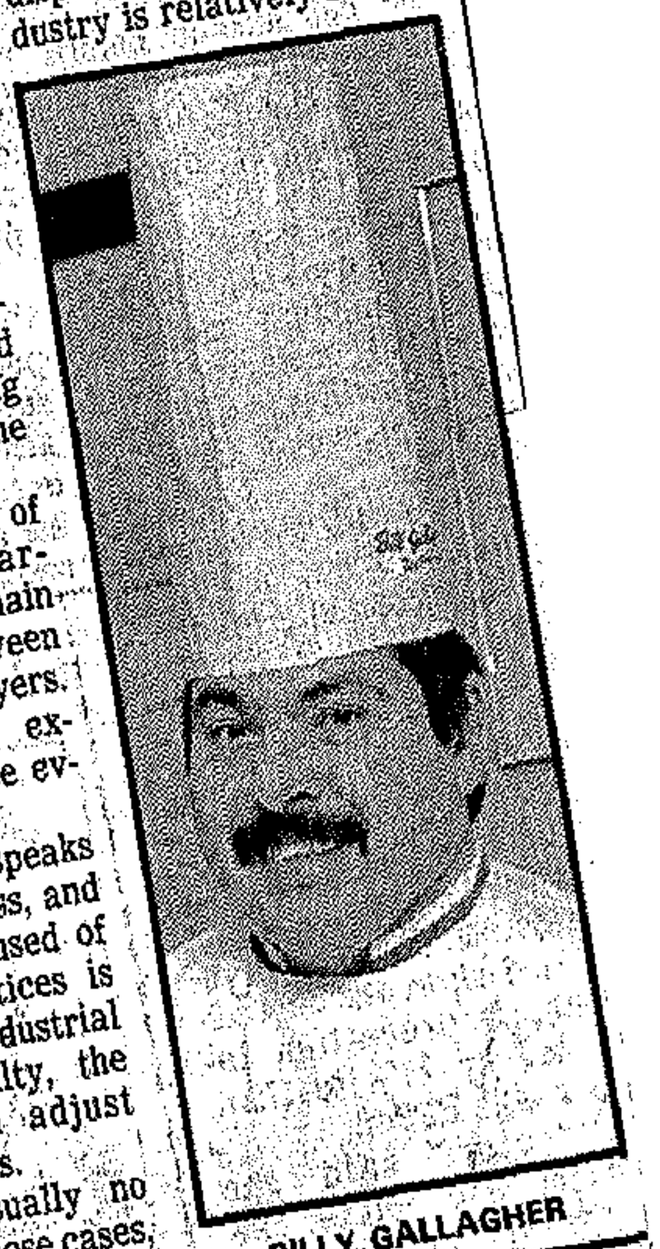
But true to the ideals of labour relations, Swarbreck does not see the main issues as divides between employees and employers. On the contrary, he expresses a desire to see everyone satisfied.

The concept he speaks about most is fairness, and if an employer accused of unfair labour practices is found by the industrial council to be guilty, the employer should adjust working conditions.

"There are usually no hard feelings in these cases, as the dispute is seen to have been solved in a very equitable way," Swarbreck says.

More serious disputes go to the Industrial Court in Pretoria.

In contrast to the council, the court has legal, and not solely advisory, powers. The procedure for solving disputes in the catering industry is relatively simple.



BILLY GALLAGHER

Which wine will open export treasure chest?

THERE is some debate about which direction the SA wine industry should take in its export challenge.

The potential for profits is huge. But which wines should SA try to export? Should SA stick to traditional cultivars — like Cabernet Sauvignon and Chardonnay? Should it aim at the top end of the market, or go for the mass market?

KWV deputy CE Kobus van Niekerk says the co-operative is intent on exporting "all types" of wine, from the most exclusive to the most commonplace.

SA has traditionally been seen as an exporter of upmarket wines. Constantia wines were once favoured by the European nobility, being drunk by Napoleon, Frederick the Great and Metternich.

But SA Chardonnays have not, until recently, been judged to be of a standard with those coming out of Australia and New Zealand; and local Cabernet Sauvignons, though rich, are traditionally heavier than their claret counterparts from Bordeaux.

Thus foreign tasters have sometimes shown a propensity for the only wine truly unique to SA — Pinotage. This wine was chosen by the London Sunday Times Wine Club as a recommended purchase.

But top SA producers insist they can produce traditional wines on a par with the world's best. Meerlust winemaster Giorgio dalla Cia says his Rubicon can compete with top vintage clarets.

Hamilton Russell vineyards owner Tim Hamilton Russell says his Burgundy showpieces — Pinot Noir and Chardonnay — can be as subtly exquisite as their French cousins.

Selling as they do for £7 a bottle in the UK, these wines are good arguments for SA exporting its top wines and undercutting French and Californian equivalents.

Call to restore Sea Point's attractions

ST Times (Cape metro) 24/5/92

288

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

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

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

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

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

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

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

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

"So far the Waterfront restaurants have failed to provide any significant competition to the major Sea Point restauranteurs — they are simply too good and well established."

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

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

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

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

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

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

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

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

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

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

Garages aren't cheap, either.

Developers insist that designers allow at least two per apartment, and a double garage on Victoria Road recently sold for R230 000, with others going for nearly R250 000.

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

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

"Most of the buildings are now relatively new, and environmental considerations will, I hope, preclude any more stretches of the coast being opened for development purposes. They are just not making land like this anymore."

EDITED BY FRED ROFFEY

Call to restore Sea Point's attractions

ST Times (Cape metro) 24/5/92

(288)

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

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

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

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

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

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

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

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

"So far the Waterfront restaurants have failed to provide any significant competition to the major Sea Point restauranteurs — they are simply too good and well established."

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

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

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

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

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

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

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

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

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

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

Garages aren't cheap, either.

Developers insist that designers allow at least two per apartment, and a double garage on Victoria Road recently sold for R230 000, with others going for nearly R250 000.

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

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

"Most of the buildings are now relatively new, and environmental considerations will, I hope, preclude any more stretches of the coast being opened for development purposes. They are just not making land like this anymore."

Hyatt plans SA hotels

By ZILLA EFRAT

US-BASED Hyatt Hotels & Resorts is poised to open more than two ultra-luxury hotels in South Africa. (288)

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

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

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

The Johannesburg hotel will seek international business travellers and prices will be in line with those of Hyatt's international network — about R1 000 a night. ST Times (Buss) 24/5/92

Major

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

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

A Hyatt market research team toured SA last year.

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

Mrs Goldman says Hyatt has been looking at Southern Africa for some time. It sees SA as a major area for devlopment.



RICHARD BLAMEY: SA charges too low Picture: CATHERINE ROSS

Newcomer to lift tariffs

By DON ROBERTSON

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

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

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

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

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

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

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

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

List

"From an investigation of 30 cities, a short list of two was established, Johannesburg being one," says Mr Blamey.

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

HE·ADVANTA 497-1555
Box 8728,

aid. They will have to submit written justification for the amounts they

Planting and developing last season's drought-reduced maize crop

cessitated tons at a

Thumbs-up for Phinda lodge

B Day 25/5/92

LINDA ENSOR

CAPE TOWN — The unanimous approval given by 1 120 Masterbond investors in Phinda to the agreement reached with The Conservation Corporation (Conscorp) frees the company to proceed with its plans to build a R9m luxury lodge at Phinda game reserve in northern Natal.

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

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

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

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

After negotiations, the application was withdrawn.

Bernstein said there was a need to gear up Conscorp.

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

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

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

The IDC recently received R600m for investment in tourism projects.

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

IDC finance could be used for these projects.

PEANUTS By Charles Schulz

8 Jour

Bill to outlaw casino clubs

By BILLY PADDOCK and MARCIA KLEIN

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

Government is clamping down on "hard gambling" by shutting the legal loophole that has allowed casinos to operate in the grey area of the law.

The new legislation would help Sun International regain business lost to smaller operations, and would put more than 150 suburban casino operations out of business, various market sources said yesterday.

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

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

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

To Page 2

Casinos

From Page 1

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

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

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

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

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

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

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

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

Fedhasa president Theo Behrens said there were about 300 types of casinos operating within SA's borders, Sapa reports. He described them as a "very healthy thing" and said Fedhasa was in favour of some of the funds generated by casinos going to charities.

Fairest Cape not in a healthy state

Municipal Reporter ARG 27/5/92 (288)

THE Fairest Cape Association will have a deficit of R172 312 by the end of next month.

The city council yesterday voted to give the association a R240 000 grant, an increase of 15,94 percent over last year's grant.

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

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

A report tabled at the meeting said the association wanted a R180 000 bridging loan, which would be repaid after a year.

Chief executive officer Mr Roger Hulley said his association's recent initiatives included recycling projects, the appointment of a fundraising assistant and a recycling field worker,



Richard Pillay, left, of the NUM's human resources development unit, with ANC education head John Samuel and Numsa's head of skills training Adrienne Bird at yesterday's private sector education seminar. Picture: ROBERT BOTHA

Education 'a priority'

B1 Day 27/5/92

KATHRYN STRACHAN

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

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

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

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

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

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

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

Police hurt in grenade attack as violence flares

B1 Day 27/5/92

STEPHANE BOTHMA

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

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

phone call to the news agency for recent attacks on security forces in Sebokeng and Phola Park.

Meanwhile, the Goldstone Commission has set up a one-man committee consisting of Johannesburg advocate R M Wise to investigate recent allegations by the Weekly Mail newspaper that the police

Fedhasa petitions govt over holiday

288

GERALD REILLY

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

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

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

B1 Day 27/5/92

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

Polivnick said about a third of the R55m would be made up of excess duty and VAT. Government itself would lose about R20m.

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

Polivnick said he expected at least some retail liquor stores to risk the R100 fine on Saturday.

RAADSKENNISGEWINGS

RAADSKENNISGEWING 112 VAN 1992

STADSRAAD VAN NELSPRUIT

VERORDENINGE BETREFFENDE ORDE IN OPENBARE PLEKKE EN OORDE

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

Woordomskrywing

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

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

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

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

Toegang

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

(a) bepaal gedurende welke ure dit vir die publiek toeganklik of gesluit sal wees; en/of

(b) die maksimum getal gebruikers bepaal wat op 'n bepaalde tydstip aanwesig mag wees; en/of

(c) die uitsluitlike gebruik van enige gedeelte daarvan vir 'n spesifieke doel uithou of toestaan vir sodanige tydperk as wat deur die raad geskik geag word; en/of

(d) tariewe en/of deposito's ingevolge artikel 80B van die Ordonnansie op Plaaslike Bestuur, 1939, bepaal.

BOARD NOTICES

BOARD NOTICE 112 OF 1992

TOWN COUNCIL OF NELSPRUIT

REGULATIONS REGARDING ORDER IN PUBLIC PLACES AND RESORTS

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

Definitions

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

"Council" means the Town Council of Nelspruit, the Council's Management Committee, acting under the powers delegated to it in terms of the provisions of section 58 of the Local Government (Administration and Elections) Ordinance, 1960, and any officer to whom that Committee has been empowered by the said section, has delegated the powers, functions and duties vesting in the council in relation to these by-laws;

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

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

Access

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

(a) determine the hours during which it is open or closed to the public; and/or

(b) determine the maximum number of visitors who may be present at a specific time; and/or

(c) reserve or grant the exclusive use of any portion thereof for any specific purpose for such period as the council may deem fit; and or

(d) determine tariffs and/or deposits in terms of section 80B of the Local Government Ordinance, 1939.

Byeenkomste en optogte

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

(a) 'n openbare vermaaklikheid reël, aanbied of bywoon nie;

(b) enige vergadering reël, hou, toespreek of bywoon nie; en

(c) 'n openbare byeenkoms of optog, uitstalling of uitvoering reël, hou of bywoon nie.

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

(a) openbare oproer;

(b) belemmering van verkeer;

(c) openbare rusverstoring;

(d) skade aan eiendom;

(e) die pleeg van 'n misdryf;

(f) 'n gevoel van vyandigheid tussen verskillende groepe; en

(g) benadeling van die lewensgenietinge en geriewe van die publiek oor die algemeen.

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

Straatkollektes

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

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

Handel

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

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

Saakbeskadiging

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

Afvuur van vuurwapens

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

Gatherings and processions

3. (1) No person shall without the prior written consent of the Council, or contrary to any conditions which the Council may impose when granting such consent, in or at a public place or resort— 288

(a) arrange, present or attend any public entertainment;

(b) arrange, hold, address or attend any meeting; and

(c) arrange, hold, address or attend a public gathering or procession, exhibition or performance.

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

(a) public rioting;

(b) obstruction to traffic;

(c) the disturbance of public peace;

(d) damage to property;

(e) the committing of an offence;

(f) a feeling of hostility between different groups; and

(g) interference with the amenities and conveniences of the public generally.

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

Street collections

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

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

Trading

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

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

Damaging of property

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

Firing of fire-arms

7. No person shall without lawful cause fire a fire-arm within the municipality.

Rusverstoring

8. Niemand mag die openbare rus in 'n openbare oord of plek of op 'n private perseel verstoor nie.

Gesondheidsaangeleenthede

9. Geen persoon mag, strydig met 'n kennisgewing, in, op of by 'n openbare plek of oord—

(a) enige vullis, afvalstof, materiaal, enige stof of ding stort, laat val of neersit of toelaat dat dit gedoen word, behalwe in 'n houer wat vir daardie doel verskaf is nie, of enige handeling verrig wat nadelig vir die gesondheid is nie; en

(b) op enige wyse water besmet of besoedel nie, of in enige water gaan nie terwyl hy aan 'n besmetlike of aansteeklike siekte ly of oop wonde aan sy liggaam het nie.

Strukture

10. Geen persoon mag sonder die voorafverkreë skriftelike toestemming van die Raad in of op 'n openbare plek of oord, enige struktuur, artikel, voorwerp of enigiets anders, behalwe 'n woonwa of tent wat vir kampeerdoeleindes opgerig is op 'n terrein wat spesifiek daarvoor afgesonder is, oprig of aanbring nie.

Drank en voedsel

11. Geen persoon mag, strydig met 'n kennisgewing en voorskrifte van die Raad, enige alkoholiese of enige ander drank of enige voedsel van welke aard ook al in 'n openbare plek of oord inbring of voorberei nie.

Diere

12. Geen persoon mag, strydig met 'n kennisgewing en/of voorskrifte van die Raad, enige lewendige dier, voël of vis in 'n openbare plek of oord inbring nie.

Veiligheid en orde

13. Geen persoon mag in of by 'n openbare plek of oord—

(a) enigiets binne so 'n gerief gebruik of poog om dit te gebruik vir 'n ander doel as waarvoor dit bestem of by kennisgewing bepaal is nie;

(b) 'n vuur aansteek of vleis braai nie, behalwe op 'n plek wat vir daardie doel by kennisgewing aangedui is;

(c) hom op 'n onbehoorlike, onfatsoenlike, oproerige, geweldadige of onbetaamlike wyse gedra nie;

(d) in 'n blombedding loop, staan, sit of lê nie;

(e) enige dier-, voël- of vislewe doodmaak, beseer, of op enige wyse versteur nie;

(f) in stryd met 'n bepaling van 'n kennisgewing op gras loop, staan, sit of lê nie;

(g) op 'n bank of sitplek lê of dit op so 'n wyse gebruik dat ander gebruikers of voornemende gebruikers dit onmoontlik vind om daarvan gebruik te maak nie;

(h) op speelparktoerusting speel of sit nie, behalwe as die betrokke persoon 'n kind onder die ouderdom van 13 jáar is; of

(i) in stryd met 'n bepaling van 'n kennisgewing in enige openbare water, swem, loop of speel nie.

Disturbance of peace

8. No person shall disturb the public peace in a public resort or place, or on private premises.

Health matters

9. No person shall, contrary to a notice in, on or at a public place or resort—

(a) dump, drop or place any refuse, rubble, material or any object or thing or permit it to be done, except in a container provided for that purpose, or perform any act detrimental to health; and

(b) pollute or contaminate in any way water, or enter any bath or swimming-bath while suffering from an infectious or contagious disease or having an open wound on his body.

Structures

10. No person shall, without the prior written consent of the Council erect or establish any structure, article, object or anything else in a public place or resort, except a caravan or tent erected for camping purposes on a site specifically set aside therefore.

Liquor and food

11. No person shall, contrary to a notice and directives of the Council, bring or prepare in a public place or resort any alcoholic or any other liquor or any food of whatever nature.

Animals

12. No person shall, contrary to a notice and directives of the Council, bring any live animal, bird or fish into a public place or resort.

Safety and order

13. No person shall in or at a public place or resort—

(a) use or try to use anything within such amenity for any purpose other than that for which it is designated or determined by notice;

(b) light a fire or barbecue meat, except at a place indicated for that purpose by notice;

(c) behave himself in an improper, indecent, unruly, violent or unbecoming manner;

(d) walk, stand, sit or lie in a flower bed;

(e) kill, hurt or in any way disturb any animal, bird or fish life;

(f) walk, stand, sit or lie on grass contrary to the provisions of a notice;

(g) lie on a bench or seating-place or use it in such a manner that other users or potential users find it impossible to make use thereof;

(h) play or sit on playpark equipment, except if the person concerned is a child under the age of 13 years; or

(i) swim, walk or play, contrary to the provisions of a notice, in any public waters.

Voertuie

14. Niemand mag enige motorvoertuig of -fiets teenstrydig met enige voorskrifte van die Raad in enige openbare plek of oord bestuur nie.

Strafbepalings

15. Enige persoon wat—

(a) 'n bepaling van hierdie verordeninge, of van enige bepaling of voorskrif kragtens hierdie verordeninge deur 'n raad aangeneem en by kennisgewing bekendgemaak, of van 'n voorwaarde kragtens so 'n verordening opgelê, oortree of versuim om daaraan te voldoen, ongeag of sodanige oortreding of versuim elders in hierdie verordeninge tot 'n misdryf verklaar is, al dan nie;

(b) enige persoon in die uitoefening van enige bevoegdheid of die uitvoering van enige plig of funksie ingevolge 'n bepaling van hierdie verordeninge opsetlik dwarsboom, hinder of belemmer; of

(c) valse, onjuiste of misleidende inligting verstrek wanneer hy ingevolge 'n bepaling van 'n verordening aansoek om die toestemming van 'n raad doen,

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

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

Vehicles

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

Penalties

15. Any person who—

(a) contravenes or fails to comply with a provision of these by-laws or a direction adopted by a council under these by-laws and which has been made known by notice, or of a condition imposed under such by-law, irrespective of whether such contravention or failure has been declared as an offence elsewhere in these by-laws, or not;

(b) Deliberately obstructs, hampers or handicaps any person in the execution of any power or the performance of any duty or function in terms of any provision of these by-laws; or

(c) furnishes false, incorrect or misleading information when applying for permission from a council in terms of a provision of a by-law;

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

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

RAADSKENNISGEWING 113 VAN 1992

STADSRAAD VAN KRUGERSDORP

VASSTELLING VAN GELDE: BOUPLANGELDE, ENSOVOORTS

Kennis geskied hiermee kragtens artikel 80B van die Ordonnansie op Plaaslike Bestuur, 1939, dat die Stadsraad van Krugersdorp, by spesiale besluit gedateer 25 Maart 1992, met ingang 1 April 1992 die huidige tariewe herroep en die tariewe soos in die onderstaande Bylae uiteengesit, vasgestel het:

BYLAE

1. Bouplangelde:

(1) Woonhuise, ingesluit aanbouings, swembaddens, ondergrondse tenks en afdakke:

R1,10 per m^2 of gedeelte van 'n vierkante meter oppervlakte per plan ingedien met 'n minimum fooi van R88,00 per plan ingedien.

(2) Alle ander geboue:

(a) Vir die eerste 1 000 m^2 van die oppervlakte of gedeelte daarvan: R2,20 per m^2.

BOARD NOTICE 113 OF 1992

TOWN COUNCIL OF KRUGERSDORP

DETERMINATION OF CHARGES: BUILDING PLAN TARIFFS, ETC.

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

SCHEDULE

1. Building plan fees:

(1) Dwelling-houses, including additions, swimming-baths, underground tanks and shelters:

R1,10 per m^2 or part of a square metre area per plan lodged with a minimum fee of R88,00 per plan lodged.

(2) All other buildings:

(a) For the first 1 000 m^2 of the area or part thereof: R2,20 per m^2.

FIVE-STAR COVER

FM 29/5/92.

Liquor outlets and restaurants, regarded by some criminals as soft targets because access is unrestricted, are being offered tailored insurance cover through the SA Restaurant Guild's broker, First Bowring. There are about 8 000 restaurants and 3 100 liquor outlets. Guild chairman Alan Gerson says the trade is one of the largest generators of income in the leisure business. (288)

Salient features of the policy include:

- Full theft, malicious damage, personal accident and assault cover;
- Public liability covering customers' property, take-away and outside catering, food poisoning, legal defence costs and wrongful arrest; and
- Business interruption and loss of revenue through theft, suspension or forfeiture of liquor licence, infectious disease, murder, vermin and pests, drainage and sanitary defects, pollution of sea, beach or waterway, bomb scare, shark attack and failure of public utilities.

Battle looms over gambling Bill

B|Day 29|5|92

288

Political Staff

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

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

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

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

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

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

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

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

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

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

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

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

Opposition MPs say a call by some Cabinet Ministers for a commission of inquiry into lotteries for welfare, health and education is an unnecessary delaying tactic, and oppose any such inquiry.

KATHRYN STRACHAN reports that the intended crackdown has sparked an uproar amongst casino owners. They said that if

☐ To Page 2

Gambling

B|Day 29|5|92

☐ From Page 1

the Bill was passed they stood to lose investments worth millions, and thousands of jobs would be on the line.

Ray Morgan, MD of casino owners River Palace Leisure Industries, said yesterday it would be extremely unfair if SA's gambling industry was destroyed by the Bill.

His group, which set up a joint gambling venture with Karos Hotels, had invested R7m in seven casinos throughout the country. His projected figures indicated that government also stood to lose about R7m in taxes derived from his business.

It was not in the country's interests that gambling open up in every street corner cafe, he said. There would have to be changes and tighter controls, but they had to give all players an equal chance.

Niel Jameson, general manager of The Club — which owns casinos in Rivonia, Cape Town and Durban — said his organisation stood to lose about R10m if gambling was outlawed.

He said Sun International had been severely hurt by the spate of casinos that had opened up during the last two years.

Sun International MD Ken Rosevear described casino owners' accusations that the Bill was designed for his organisation's interests as "pathetic", but admitted that the Bill protected Sun International.

He said other gambling organisatior wanted the industry to be controlled — b in a way which gave them exclusive rigl to operate casinos.

Govt being pressured on casinos – operators

STAR 291592

288

By Bronwyn Wilkinson and Peter Davies

Local casino operators, furious over the Gambling Amendment Bill tabled in Parliament on Wednesday, have accused international hotel and casino chain Sun International of pressuring the Government to put them out of action.

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

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

"Who's putting the pressure on the Government to get this through Parliament. Who is going to benefit? Only Sun International," said Hymie Suzman of the Jack-O-Black group, which runs 15 Johannesburg casinos.

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

"I'm sure most people would rather gamble close to home than take long, dangerous trips to outlying areas.

"Every time Sun International wants to open a new casino, someone just grabs the map and redefines the borders of Bophuthatswana."

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

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

"When these places started popping up, we asked if we could consider opening casinos in South Africa.

"When we were told it was illegal, we lobbied for the Government to put a stop to illegal gambling," Mr Rosevear said.

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

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

COMPANIES

Aroma forced to cut payout

LINDA ENSOR 288

CAPE TOWN — Operating losses at Aroma Liquor Holdings' Western Cape hotel resulted in a 16% decline in group earnings to 3,1c a share (from 3,7c) in the year to end-February, halving the annual dividend to 1c a share. BDay 29/5/92

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

Group turnover increased by 22% while operating income fell 16% to R1m (R1,2m) and attributable income fell to R492 000 (R597 000).

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

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

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

SOUTHERN SUN

FM 29/5/92 (288)

Segmenting the market

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

The five brands are: Southern Sun Hotels, five- and four-star hotels targeted at the upmarket guest; Southern Sun Resorts, three- and four-star resort hotels focused on the leisure market; Holiday Inn, a value-for-money chain concentrated on the business traveller; Holiday Inn Garden Court, a new chain offering low-priced rooms to business and leisure travellers; and Formule 1, limited service hotels aimed at the budget market. Under the old structure, divisional managers sometimes had responsibility for both Southern Sun and Holiday Inn hotels in their region. Now brand managers will be responsible for specific hotel brands in the group.

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

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

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

cont →

FM 29/5/92 (288)

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

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

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

Says Stringfellow: "We are going to be uncompromising on deciding how to brand our hotels. If an hotel doesn't fit one of our particular brands, it will be left unbranded. We don't want to confuse the consumer."

Pereira says Garden Court accommodation is now priced at between R119 and R139 a room, depending on location and amenities, while Formule 1 accommodation is R74 a room. Other hotels in the group are priced on a per-person basis. ■

ARY
NG

TOURISM

Going for the real gold

FM 29/5/92
288

Government sees tourism as a milch cow. But will its expectations be realised?



Tourism is suddenly the golden boy of government's economic policymakers. Rummaging around for ways to boost the economy without offending the ANC or causing any immediate pain, government has decided that tourism could be one of the tickets.

Government could cut taxes, but even a temporary drop in revenues until the supply-side effects kick in does not sit well with Pretoria. Or it could cut tariffs, but the short-term job losses until industry becomes more competitive makes officials blanch. And the opposition to privatisation is too strong, government believes.

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

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

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

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

The second was the White Paper on Tourism — tabled in parliament and released in Durban on May 13 by Tourism Minister Org Marais — which will remove some regulations that hinder tourism. And the third was the announcement by the Industrial Development Corp (IDC) that it had earmarked R600m to finance the expansion of existing, and the development of new, eco-tourism facilities.

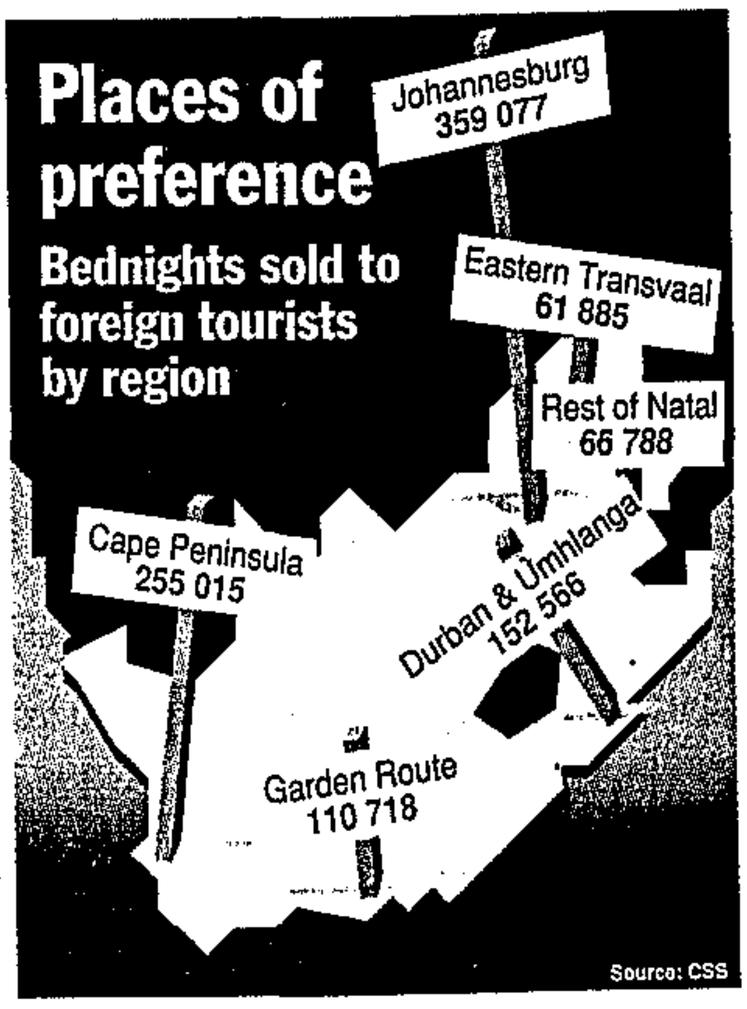
Together, this is what the tourism industry has been demanding for years — a signal that government accepts that foreign tourism has the potential to eventually earn SA more in foreign exchange than all the gold that has been dug out of the ground.

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

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

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

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



Despite the initiatives, don't expect an instant influx of new tourists. Tourism will increase, but it will be gradual, and the industry will cope, says Peter Hearfield, executive director of the Federated Hospitality Association of SA (Fedhasa). Hotels are operating at 49% occupancy. During last December, which was a good month for overseas tourism, foreigners occupied only 11,9% of all the bednights sold in SA hotels. Even if their numbers were suddenly doubled, the hotel industry would accommodate them.

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

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

Tourism has been growing as apartheid has been abolished and the country has moved towards a full democracy. Satour statistics show that SA attracted 432 000 visitors from Europe last year, compared with 413 000 the year before. In total, the country attracted 1,4m visitors last year, up from 821 700 in 1990.

But that's an inflated figure; it includes those who walk across the border to buy their groceries and go back the same day, which makes them more of an asset to the retail trade than to the hospitality industry. With few exceptions, holidaymakers from neighbouring countries in Africa stay with friends or family. Including them, SA accounted for only 0,2% of the world tourism market, and earned R2,5bn from foreign tourism last year.

The real target market for SA is those who come here by air, whether from overseas or Africa. These are the high-yield tourists. All who come here on business and most who come on holiday stay in hotels and pay for everything from accommodation and entertainment to hamburgers on the beach with rands obtained by exchanging their own currency.

288

Bigger Indaba

Sunday Times (Buss) 31/5/92

THE Indaba Hotel at Fourways north of Johannesburg is to be doubled in size at a cost of R12-million. 31/5/92

Indaba was bought in 1990 by Karos Hotels, which spent R3,5-million upgrading the 122 rooms, restaurant and patio areas the same year.

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

Karos chief Stan Hoffman says the hotel is being improved in expectation of increased tourism and foreign business travel.

Massmart to get control of Drop-Inn

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

This follows three earlier cautionary announcements by Drop-Inn.

Massmart and Drop-Inn announced at the weekend the acquisition of an 80% stake in the company had been concluded, "subject to Securities Regulation Code approvals and the go-ahead of the JSE".

In terms of the deal, Massmart has offered Drop-Inn chairman Samuel Berk and his family 195c a share. Acceptance of this offer would enable Massmart to acquire about 80% of the company's share capital for R15,6m. Drop-Inn shares closed on Friday at 160c and were bid at 170c.

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

Drop-Inn operates a chain of 17 retail stores in the western Cape. The Makro wholesale chain operates eight liquor wholesale outlets across the country. According to the announcement, Drop-Inn would continue to operate independently.

BIDCAW 11/6/92

MARCIA KLEIN (288)

ction in the ...ge.

Table Top, is ... tor.

... eign investment could play in re- ... quicksand.

Sacob urges ANC to join in talks with business sector

STAR 2/6/92

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

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

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

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

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

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

RCI to run holiday points system

288

Property Reporter STAR 2/6/92

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

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

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

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

Remarkable turnaround at Boumat

STAR 2/6/92

Finance Staff

Boumat's earnings per share recovered remarkably in the year to March, rising from 7c to 43c.

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

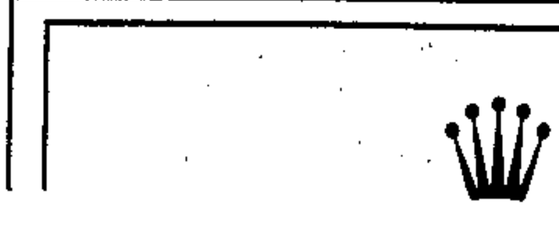
Boumat has, however, now reverted to the normal dividend cover formula.

Chairman Sidney Borsook says sales grew 6,6 percent to R1,16 billion, but that operating profit improved 35,6 percent to R39,3 million.

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

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

Mr Borsook expects further improvement in asset management and profitability, although he feels there will be little improvement in the trading environment.





New plan to increase timeshare flexibility

ANDREW KRUMM

A NEW form of flexibility is available to holidaymakers in timeshare. Resort owners, who invest in a new 'points' scheme, known as Multi-Resort, own a share of points system rather than a fixed chunk of accommodation.

The scheme, which has been approved by the Timeshare Consultants Association (RCI), MD Steve Griesser, says: Resort owners sign up to a points system and buy "currency" to administer the system, he said. Under the system, a year at various resorts could cost one point, while a week at a popular resort could cost 10 points.

RCI had been appointed to administer the system, he said. Leisure and Corporation Holdings (LCH) bought RCI in 1996 and has developed the points system.

Griesser said the scheme would be attractive to timeshare owners who wanted more flexibility in their holidays. "The scheme is aimed at the top end of the market," he said

'Gem junkies' cause for optimism

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

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

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

MATTHEW CURTIN

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

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

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

Servgro looks forward to a year of prosperity

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

Executive chairman Peet van der Walt said in an interview yesterday Rand Merchant Bank had valued the group's companies at R687m, and Servgro would place about 25% of the shares in a public offer. This could be through the issue of about 27-million shares at R5 each.

The R140m would be used to repay controlling shareholders' loans, and about R40m would be retained in the company for expansion.

Servgro's interests include Interleisure, Teljoy, Avis, Interpark, Fedics and Price Forbes. The company announced at the weekend it had also acquired a 22% stake in Nasionale Pers (Naspers) from the Federale Pension Fund and Sanlam, making Servgro the largest single shareholder in Naspers.

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

MARCIA KLEIN

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

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

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

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

Van der Walt expected "a fair growth" in earnings in the coming year. This would be dealt with in the group's prospectus.

Abcon confident of netting goals

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

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

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

PETER GALLI

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

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

"In spite of the difficult economic environment that has seriously affected the property market, we are confident that income distribution forecasts for the year to end-Ferbruary 1993 will be achieved," Conradie said.



CASINO GAMBLING

Who's rolling the dice?

(288) ETC
FM 5/6/92

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

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

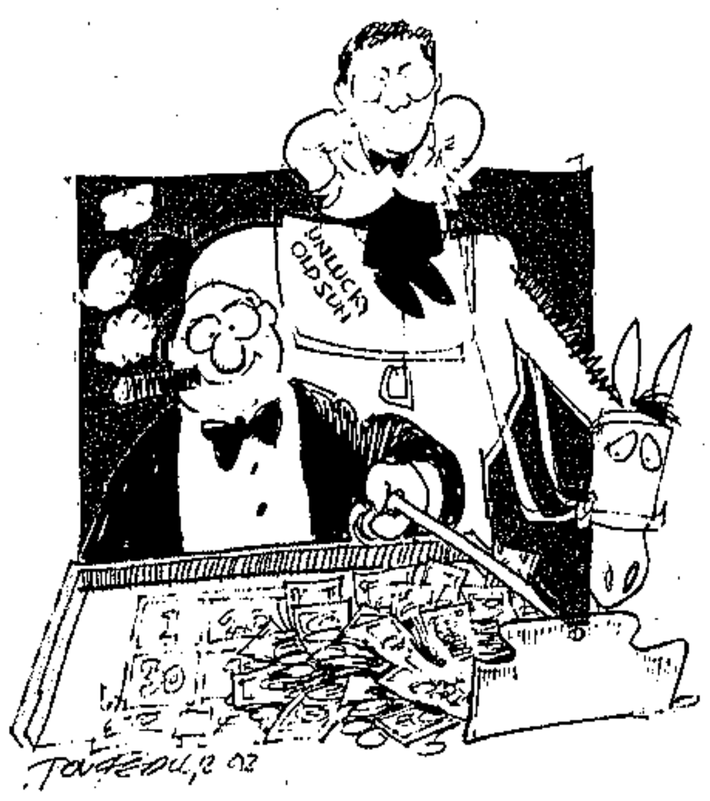
The estimated 1 500 casinos that have opened in SA since a loophole in the law opened in November have become a powerful lobbying force in their own right. Anyone with premises and the money to buy the equipment can start one, and companies as prominent as Karos Hotels have done so. They say they're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

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

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

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

DP MP Tony Leon, who is leading the charge in parliament against the Bill, doesn't quite believe government's claim that it was all its own idea to introduce the measure. He points out that both Sun International and the horse racing industry have been hurt by the proliferation of casinos. Then there's what he calls the Calvinistic constituency, which opposes all gambling on moral grounds. This lobby long used its pull to



prevent Sunday movies, cleverly covering its tracks all the while, and there's no doubt its influence was felt in the gambling Bill.

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

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

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

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

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

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

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

Like Rosevear, Colin Dunn, chairman of the Highveld Racing Authority, "approached government for clarity on its policy."

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

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

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

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

If this is all too much for government, then it could practise what it keeps preaching at Codesa — federalism. Let each town decide the casino issue itself. ■

ANC given eco-report

Sowetan 5/6/92.

288

ANC president Mr Nelson Mandela yesterday officially received a report on Business and Environment in South Africa, commissioned by Pick 'n Pay head Mr Raymond Ackerman, at a function in Johannesburg.

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

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

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

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

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

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

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

Professor Stan Sangweni, the ANC's chief environmental spokesman recently said of the potential mining threat to St Lucia's eastern shores: "It is most dangerous and irresponsible to damage a very precious, internationally valued resource, which cannot be restored, whatever the miners say."

ANC TAKES ON V & A BOSSES OVER 'ALL-WHITE' WATERFRONT

Race row tarnishes jewel of harbour

51 Times [Cape Metro] 7/6/92

288

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

By EVE VOSLOO

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

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

Favourable

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

These included the privatisation of public property "without consultation with the broader community", he said.

"We discussed the composition of the board and the section of the community which has access to the opportunities offered by the development. Both of these are perceived as broadly white and of primary benefit to whites," he said.

"We also discussed the workers at the Waterfront and said we felt the broader community was under-represented — even most of the waiting staff are white — and that the target market of the development was not representative of the population of Cape Town."

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

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

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

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

The Waterfront was open to everyone, he said.

Anyone could put forward a proposal and, provided it fitted in with the overall concept of the Waterfront and was based on sound business principles, it would be considered on merit. This was vital as the company received no finance from the state or the province, Mr Jack said.

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

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

"One of the great success stories here is that of Mrs Fawziah Knowlden, who saw at the start that there was room for a Halaal take-away," he said.

"There are other examples of people who have shown initiative.

"Among them are Taliep Petersen, who was instrumental in starting the Dock Road Theatre complex, and Abdullah Ibrahim and Hugh Masekela who were involved in Rosie's."

Mr Jack said the development was aimed primarily at locals — who accounted for more than 90 percent of visitors — and not at foreign tourists.

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

Success

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

Now that it was successful, people who had not been involved earlier would "use almost any tactic" to gain a footing.

"The idea that this project is keeping out people of any persuasion is a calumny.

"We want to provide opportunity for everyone, based on merit. This development is open to all and its opportunities are being used by everybody.

"But this is not a charity. What some people want is affirmative action of some kind."

'Monsignor jeans' is archbishop's new right hand

By EVE VOSLOO

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

Monsignor Reginald Cawcutt, appointed to his new position by Pope John Paul II, is vicar-general of the Archdiocese of Cape Town.

He is also priest in charge of Holy Cross parish, which includes parts of the old District Six.

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

Born in Rugby in 1938, Monsignor Cawcutt was the second of four sons of one of South Africa's most successful racehorse trainers, Mr Wilfie Cawcutt. His mother, Mary, who lives in Cape Town, was born on Robben Island while it was a leper



REGINALD CAWCUTT
New auxiliary bishop

hood at St John Vianney Seminary, Pretoria, from 1955 to 1962.

He was appointed vicar-general in 1985 by the late Archbishop Stephen Naidoo and reappointed by Archbishop Lawrence Henry in 1990.

The Pope appointed him a domestic prelate with the title of Monsignor in 1990.

Monsignor Cawcutt said yesterday he had known for some time that he had been nominated for his new appointment and that the confirmation was welcome.

Hambros-led consortium looking at SA

By Garner Thomson

LONDON — A British-led consortium, headed by merchant bank Hambros, is about to embark on an investment programme in South Africa, which financial commentators believe could set the tone for others to follow.

Hambros, which has South African ties stretching back over more 50 years, has targeted the tourist trade as its point of entry.

It has raised £12 million (R60 million), which it plans to invest in environmentally friendly tourism.

About £5 million of the capital has come from Scottish and American trusts and funds and South African institutional investors have found the balance.

Much of the cash will find its way, through the Conservation Corporation, to Phinda game reserve in northern Natal, where luxury game lodges and extensive animal re-stocking are planned. STAR 8/6/92

Hambros executive Jonathan Klein, who spearheaded the fund-raising campaign, was hampered by investors' continuing reluctance to start investing in an uncertain South Africa and by the high-profile collapse of Masterbond, the property finance company which originally funded Phinda.

According to one financial source in London, the ANC appears to have given the Phinda project the go-ahead on the grounds that it will create jobs among the black community and return resources to the land.

Other observers say Hambros could be blazing a trail for a substantial upturn in investment — although a drop in tourism could effectively damage its plans.

Lower air fares are expected to boost tourism, but political uncertainties are still giving many investors and travellers cause for careful consideration.

Comores set for 30% more tourists from

SA 28 9/6/92

Business Editor

WHILE other Indian Ocean resorts are feeling the effects of the recession, 30% more SA holiday-makers will go to the Comores this year.

Bruce Hutchison, MD of World Leisure Holdings, explained on a visit to Cape Town yesterday that this is mainly because the cost of package holidays at his Le Galawa Beach Hotel on Grande Comore has been kept down by chartering the entire freight and passenger capacity of the weekly SA Airways flight to and from the island.

"We had to enter into a commitment to pay SAA in the region of R150 000 a week.

"But it allows us to control the air fare content of the holiday package price, which is normally very high.

"If you go to Mauritius, for instance on a R3 500 package, R1 700 of that goes on the fare.

"The SA holiday market is very price-conscious at present.

"It is definitely price-driven.

"We had to find a way, not only of keeping the air fare down, but of fighting the horrendous effects of SA inflation which impacts directly on the economy of the Comores because all supplies from lettuce and tomatoes to medical equipment are imported from this country.

"By chartering the aircraft we can keep down both passenger and freight costs.

"The aircraft carries about four tons of cargo to the islands every week, of which about 1,5 tons to two tons is ours."

The charter means: "We can knock R200 off the price of holidays and offer a package of R2 950 for eight days and seven nights on the island with breakfast and dinner, watersports and the return air fare.

Special packages for people over 50 and for licensed divers going on diving holidays are offered at R2 750.

...sides are winning. The customers are ...oliday at last year's prices and the hotel ...more money."

...son says the 183-room hotel will have an ...occupancy of 70% throughout the year.

...e has to look at this in the light of the ...sm figures for Mauritius being down 40% and the Seychelles 50%."

SA tourists are still in the majority.

"But this year the proportion of foreign guests, mostly from France, will be 35% compared with 10% last year.

Hutchison aims at eventually attracting 50% of hotel guests from Europe.

15 JUN 1992

Propnet negotiates waterfront projects

PETER GALLI

WATERFRONT proposals for Propnet's East London and Port Elizabeth developments are under negotiation, with nothing yet finalised.

Propnet is still negotiating with a number of consultants on revitalising and developing part of the East London harbour dubbed Lantern Bay.

"A meeting is scheduled this week to discuss proposals and the structure plan, and we will take matters from there," Propnet CE Fuzz Loubser said. The 17 000m² site is situated on the northern bank of the Buffalo River and is the only commercial SA harbour on a river.

It is envisaged that this harbour development will be far smaller than the Victoria and Alfred Waterfront in Cape Town, but will have some similar facilities.

The first phase would comprise 3 600m² and possibly include restaurants, bars and pubs. Two buildings would be renovated.

However, while the council has granted development rights, financing has not yet been finalised.

"The development will provide access for the people of East London to the waterfront and provide opportunities for entrepreneurs and local business," Loubser said.

The Port Elizabeth project was awaiting city council approval of the framework and structure plan. "A team of consultants was called in to look at what would be suitable, but this is also dependent on its economic feasibility," he said.

However, in another development, construction on Harbour Island — the R300m Gordon's Bay development — is two weeks ahead of schedule.

"The first phase consists of 58 residential units, two inland basins, a small harbour and slipway, shops, office accommodation, a mariners' wharf and holiday suites," Pam Golding Properties (Tvl) project division manager Kees Thijs says.

While work on the first phase of the Harbour Island development only started four months ago, blasting for one of the basins is complete and half finished on the second.

Lowveld aims high with tourist plan

STAR 10/6/92

By Clyde Johnson
Lowveld Bureau

288

NELSPRUIT — Twelve PWV tour operators and travel agents visited Nelspruit this week as part of an active tourism promotion campaign for the region.

First stop was the Lowveld Botanic Garden at Nelspruit where several firms displayed what they had to offer.

These included exclusive and homely accommodation, walking trails, safari excursions, gold panning facilities and canoeing.

Welcoming the visitors, regional services committee chairman Schalk van Schalkwyk said the object was to:

- Substantially increase tourism in the region.
- Assist in marketing all tourism businesses in the region, particularly those with limited budgets.
- Create an awareness of investment possibilities in agriculture, commerce and industry.

Kenya, SA urged to co-operate on tourism

Business Day 12/6/92

GAVIN DU VENAGE

KENYA and SA could form the basis of a lucrative tourism network in eastern and southern Africa, Kenyan deputy director of tourism and wildlife Steven Marisin said recently.

Marisin said the two countries were ideal holiday spots for tourists looking for multi-destination packages similar to those expected by visitors to Europe.

He said modern tourists wanted to see as much as possible for their money. A tour could start in Johannesburg, move to the Victoria Falls, on to Kenya before heading back to their own countries, he said.

Great potential existed for a cruise ship route from Durban to Mombasa.

"SA and Kenya have different attractions to draw tourists, and should co-ordinate efforts so these differences complement each other," he said.

Marisin said Kenya had sophisticated tourism industry training programmes that SA hotels and tour operators could benefit from, and they could learn from the Kenyan experience.

Marisin added that environment protection was an important priority, with the Kenyan government having appointed an advisory body to look into the carrying capacity of reserves and the general effect of tourism on the environment.

'Hub' for tourists to be established in city

ARG 12/6/92

JOHN VILJOEN
Staff Reporter

288

TOURISM marketing in Cape Town will soon have a major shake-up with the opening of a 24-hour-a-day centre to cater for the needs of tourists.

To be known as Tourist Rendezvous, the centre opens in September at No 1 Adderley Street in premises leased from the South African Rail Commuter Corporation.

Cape Town businessman Mr Stephen Caine said he hoped Captour would be an anchor tenant.

Captour was approached once the 1 367 square metre premises were secured and their interest and that of others in the tourism industry had been "phenomenal", Mr Caine said.

Captour chief executive Mr Gordon Oliver said negotiations were under way, and that his organisation was "favourably disposed" to being part of Tourist Rendezvous.

If negotiations proved successful Captour would move from its Strand Concourse office to the new centre, he said.

Captour believed it was important to offer tourists a complete service.

Mr Caine and partner Mr Duncan Price saw a need for a centralised tourist service centre which was staffed all day.

At present visitors to Cape Town could spend hours collecting information and making bookings at points scattered around the city.

The "user-friendly" centre would offer exhibition space to 250 tourist enterprises and organisations.

Visitors will be able be book everything from hot-air balloon rides to a hotel rooms or airline tickets.

The new lottery: whose welfare do they seek?

STAR 13/6/92.

A NATIONAL lottery could help many cash-strapped charities. But there are questions about whether some of the key players are as interested in welfare as they are in profit. Chief Reporter JOHN PERLMAN investigates.

WHAT do the South African Broadcasting Corporation, Israeli gold-dealers with close ties to Barend du Plessis, an Inkatha heavyweight turned businessman and the African National Congress have in common?

They are potential partners in a televised scratch-card game started by Ithuba, which feasibility studies say could generate some R1 000 million a year.

This venture, with the persuasive powers of television behind it, could in effect become South Africa's national lottery.

As such, it should be a godsend for cash-strapped health and welfare organisations. But it could also provide individuals with handsome profits. Should this be allowed, or should charity lotteries be under welfare control?

This question is being asked in a number of quarters.

Existing games of chance have been tolerated despite strict gambling laws because charities have been the beneficiaries — game operators take an administration fee which the law limits to a certain percentage. The proposed Ithuba Game however, tests this to the limit — many of its investors have no connection at all with charities.

The Scratch Watch and Win game — a scratchcard game linked to a weekly television show — prompted a furious row in March when a number of organisations wrote to the SABC saying Ithuba lacked credibility in the welfare community. The charities expressed concern that a televised lottery would blow out of the water existing games under Welfare control.

Since then, the launch of the Ithuba Game has been delayed. But key players in the lottery have taken to preparing themselves. They are a mixed bunch.

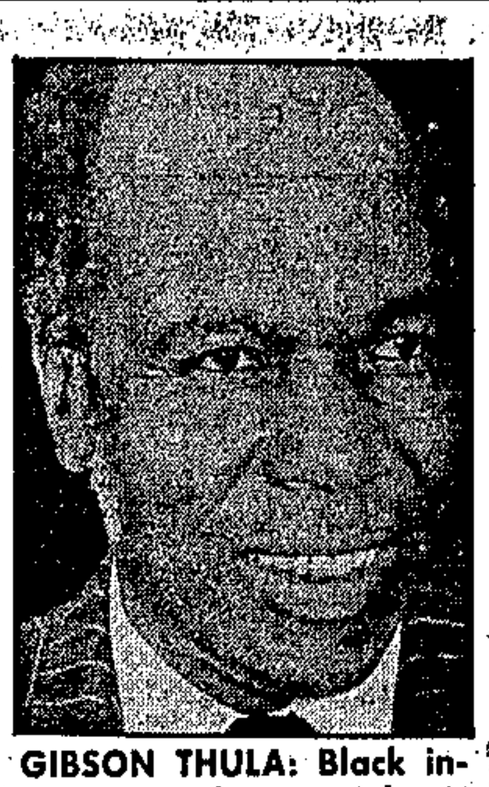
The initial big investment — start-up costs are estimated at R13 million — is likely to come from two Israeli businessmen, Shalom Shpilman and Eytan Rechter.

They initially set up in South Africa as gold and diamond jewellery exporters — and were given important assistance by former Finance Minister Barend du Plessis (report on this page).

They began concentrating on the local market in 1991 when key export concessions were withdrawn. While they have set up companies here, the ultimate holding company is based on the Isle of Man, a tax haven off the coast of Britain.

Since 1991, Rechter in particular has been involved in negotiating a stake in the lottery scheme. Ithuba managing director Gareth Pyne-James confirmed that Rechter was an investor but not "a major shareholder".

But this is contradicted by the fact that a new company



GIBSON THULA: Black investment heavyweight.

called Games Africa has been registered to run the lottery. Pyne-James confirmed this was to be the operating company, which named Rechter as one of only three directors. The other two are Richard Biesheuvel, a Johannesburg chartered accountant, and black businessman Gibson Thula.

Despite having friends in the highest levels of government, Rechter deemed it necessary to win influence in the black community, possibly because Pyne-James has said foreign investment will be limited to 25 percent.

Thula, who used to be Inkatha's chief representative on the Reef, was offered R400 000 to act as Rechter's facilitator. R100 000 would be "direct consulting fees" for his company Vela International — of which he is the sole director — and a further R300 000 to be paid out to "key associate consultants" used by Thula.

Part of Thula's brief would be to "assist in sourcing black investors in the Ithuba Game Project" and "countering vicious and vitriolic efforts" against Ithuba in South Africa.

When asked this year about his ties with the Israelis, Thula denied he was acting for Rechter and said that he saw the Ithuba Game as a vehicle for "black advancement and empowerment".

The Saturday Star's information about Thula's deal with Rechter, however, was based on correspondence from Thula himself and is confirmed by the setting up of Games Africa, a company whose main object is "to conduct games and systems of whatsoever nature".

It is not yet clear which "black investors" Thula has succeeded in sourcing since he is the only black director in Games Africa. He has, however, been invited by Ithuba to key negotiations with the SABC and he is also said to have some influence in the ANC.

Last month, a meeting was held in the ANC offices at which the potential benefits of the lottery were outlined Pyne-James. Reports that ANC had been offered a 25 p cent stake in the Ithuba ga have been denied on both sic However, it can be confirn that the ANC is considerin lottery venture to raise fur and has met others involvec the business.

When the Ithuba row f boiled over, the ANC called a thorough investigation of uba and Pyne-James. The A has also demanded a thoro shake-up of the SABC, clear central player in the propo lottery.

In the past Auckland P has reaped considerable fin cial benefit from its relati ship with Ithuba. According Pyne-James, 60 percent of sponsorships were immediat paid to the SABC — last y that meant R1,2 million front. The SABC, in respo to questions, has refused "make available its contra to third parties except with express permission of the ot contracting party".

Other state-linked bodies volved with Ithuba in the p include the Post Office, wh issued scratchcards, a Eskom whose R1-million sp sorship — which resulted in tensive TV advertising — w immediately repayed to th in the form of business. It ba's disbursement that year cluded R1 million in electr cation contracts.

Conspicuously absent in t cast is any established welf body, although Ithuba insi that this is its role. Opposit to Scratch Watch and Win welfare quarters has not minished, however, and a other row is brewing.

No. R. 1539 **5 Junie 1992**

WET OP HOTELLE, 1965
(WET No. 70 VAN 1965)

Die Minister vir Administrasie en Toerisme het Goewermentskennisgewing No. R. 975 van 27 Maart 1992, uitgevaardig kragtens artikel 34 van die Wet op Hotelle, 1965 (Wet No. 70 van 1965), gewysig soos in die Bylae uiteengesit.

BYLAE

Regulasie 1 word hierby gewysig deur die volgende woordomskrywings by te voeg:

" **'besette kamer'** 'n slaapkamer of enige ander kamer met 'n enkelingang wat deur een of meer gaste vir slaapdoeleindes gebruik word;

'hefbare kamer' 'n slaapkamer of enige ander kamer met 'n enkelingang wat deur een of meer gaste vir slaapdoeleindes gebruik word;

'heffing' die Toerisme Ontwikkelingsheffing betaalbaar aan die Raad ingevolge regulasie 22 (1) (b);

'kamerheffing' die bedrae betaalbaar aan die Raad ingevolge regulasies 22 (1) (a) en 23;

'residensiële hotel' 'n hotel waarvan die slaapkamers wat in die reël vir toeriste beskikbaar is, minder is as 50% van die totale getal slaapkamers beskikbaar per nag;

'toeriste-hotel' 'n hotel waarvan die slaapkamers wat in die reël vir toeriste beskikbaar is, minstens 50% is van die totale getal slaapkamers beskikbaar per nag;".

Regulasies 22, 23 en 24 word hierby gewysig deur dit met die volgende regulasies te vervang:

"HEFFINGS BETAALBAAR AAN DIE RAAD: TOERISTE-HOTELLE

22. (1) Die persoon wat die besigheid van 'n hotel bedryf waar sodanige hotel gegradeer is ingevolge artikel 16 van die Wet, moet—

(a) behoudens Regulasie 23 (1), (2), (3) en (4) hieronder, vir die periode 1 April 1992 tot 30 Junie 1992 die bedrae in die vorm van KAMERHEFFINGS teen ondergemelde skaal aan die Raad betaal, bereken op die getal hefbare kamers wat ingevolge subregulasie 23 (2) ten opsigte van sodanige hotel vasgestel is:

No. R. 1539 **5 June 1992**

HOTELS ACT, 1965
(ACT No. 70 OF 1965)

The Minister for Administration and Tourism has amended Government Notice No. R. 975 of 27 March 1992, promulgated in terms of section 34 of the Hotels Act, 1965 (Act No. 70 of 1965), as set out in the Schedule.

SCHEDULE

Regulation 1 is hereby amended by the addition of the following definitions:

" **'levy'** means the Tourism Development Levy payable to the Board in terms of regulation 22 (1) (b);

'leviable room' means a bedroom or any other room with a single entrance which is used for sleeping purposes by one or more guests;

'occupied room' means a bedroom or any other room with a single entrance which is used for sleeping purposes by one or more guests;

'residential hotel' means a hotel of which the bedrooms ordinarily available to tourists is less than 50% of the total bedrooms available per night;

'room levy' means amounts payable to the Board in terms of regulations 22 (1) (a) and 23;

'tourist hotel' means a hotel of which the bedrooms ordinarily available to tourists is not less than 50% of the total bedrooms available per night;".

Regulations 22, 23 and 24 are hereby amended by the substitution therefor of the following regulations:

"LEVIES PAYABLE TO THE BOARD: TOURIST HOTELS

22. (1) The person who conducts the business of a hotel where such hotel has been graded in terms of section 16 of the Act, shall—

(a) subject to Regulation 23 (1), (2), (3) and (4) hereunder, for the period 1 April 1992 to 30 June 1992 pay to the Board amounts by way of ROOM LEVIES at the undermentioned rates calculated on the number of leviable rooms that have been determined in terms of subregulation 23 (2) for such hotel:

Gradering van hotel	Heffing per hefbare kamer per nag (BTW uitgesluit)	Heffing per hefbare kamer per nag (BTW ingesluit)
Een-ster	10 sent	11 sent
Twee-ster	18 sent	20 sent
Drie-ster	29 sent	32 sent
Vier-ster	37 sent	41 sent
Vyf-ster	47 sent	52 sent

Grading of hotel	Levy per leviable room per night (VAT excluded)	Levy per leviable room per night (VAT included)
One-star	10 cents	11 cents
Two-star	18 cents	20 cents
Three-star	29 cents	32 cents
Four-star	37 cents	41 cents
Five-star	47 cents	52 cents

(b) met ingang van 1 Julie 1992 die bedrae in die vorm van HEFFINGS teen ondergemelde skaal aan die Raad betaal, bereken op die aantal kamers wat beset was per nag van elke kalendermaand:

Gradering van hotel	Heffing per kamer wat beset was per nag (BTW uitgesluit)	Heffing per kamer wat beset was per nag (BTW ingesluit)
Een-ster	R1,00	R1,10
Twee-ster	R1,80	R1,98
Drie-ster	R2,60	R2,86
Vier-ster	R3,00	R3,30
Vyf-ster	R4,20	R4,62

(b) with effect from 1 July 1992 pay to the Board amounts by way of LEVIES, at the undermentioned rates, calculated on the number of rooms that were occupied per night of each calendar month:

Grading of hotel	Levy per room that was occupied per night (VAT excluded)	Levy per room that was occupied per night (VAT included)
One-star	R1,00	R1,10
Two-star	R1,80	R1,98
Three-star	R2,60	R2,86
Four-star	R3,00	R3,30
Five-star	R4,20	R4,62

(2) Die HEFFING kragtens subregulasie (1) is maandeliks agteruit betaalbaar aan die hoofkantoor van die Raad binne 30 dae vanaf die laaste dag van elke kalendermaand.

(3) Ingeval 'n persoon wat die besigheid van 'n hotel bedryf, ophou om dit aldus te doen voor verstryking van enige kalendermaand, is die HEFFING kragtens subregulasie (1) *pro rata*-betaalbaar aan die hoofkantoor van die Raad ten opsigte van elke kamer wat beset was per nag tot en met die nag voor die dag in die kalendermaand waarop opgehou is om die besigheid van 'n hotel te bedryf: Met dien verstande dat betaling van die *pro rata*-HEFFING sal geskied binne 14 dae vanaf die dag waarop opgehou is om die besigheid van 'n hotel te bedryf.

(4) Elke betaling van die HEFFING word vergesel van 'n skriftelike verklaring aan die Uitvoerende Direkteur op Vorm HR10 in hierdie Bylae—

4.1 waarin plegtig verklaar word hoeveel kamers per nag werklik beset was gedurende die voorafgaande kalendermaand; en

4.2 waarin die berekening van die HEFFING wat verskuldig is uiteengesit word; en

4.3 wat onderteken is deur die persoon wat die besigheid van 'n hotel bedryf of deur iemand wat skriftelik deur of namens hom gemagtig is as verantwoordelike persoon om sodanige skriftelike verklaring te maak; en

4.4 waarvan die persoon wat die besigheid van 'n hotel bedryf noukeurig rekord moet hou.

(5) Die HEFFING word gemaak kragtens die bepalings van artikel 28 van die Wet en—

5.1 mag afsonderlik by die akkommodasietariewe van die hotelbesigheid gevoeg word met insluiting van Belasting op Toegevoegde Waarde; en

(2) The LEVIES in terms of subregulation (1) are payable to the head office of the Board monthly in arrears within 30 days from the last day of each calendar month.

(3) In case a person who conducts the business of a hotel ceases to conduct the business before expiry of any calendar month, the LEVY in terms of subregulation (1) shall be payable *pro rata* to the head office of the Board in respect of each room that was occupied per night up to and including the night preceding the day of the calendar month on which it was ceased to conduct the business of the hotel: Provided that the payment of the *pro rata* LEVY shall be effected within 14 days from the date on which it was ceased to conduct the business of the hotel.

(4) Each payment of the LEVY shall be accompanied by a written statement to the Executive Director on Form HR10 in this Schedule—

4.1 in which it is solemnly declared how many rooms were actually occupied per night during the preceding calendar month; and

4.2 in which the calculation of the LEVIES owing are explained; and

4.3 which is signed by the person who conducts the business of a hotel or by someone who is authorised by him or on his behalf in writing as the person responsible to make such a written statement; and

4.4 of which the person who conducts the business of a hotel shall keep accurate record.

(5) The LEVIES are made under the provisions of section 28 of the Act and—

5.1 may be added separately to the accommodation tariffs of the hotel business, with inclusion of Value Added Tax;

5.2 is op die betrokke besette kamer van toepassing en nie op die aantal gaste wat in die kamer geakkommodeer word nie.

(6) Indien die HEFFING kragtens voormelde subregulasies stiptelik deur of namens die persoon wat die besigheid van 'n hotel bedryf, aan die Raad betaal word voor of op die voorgeskrewe tydstip, is die betrokke hotelbesigheid geregtig op invorderingsvergoeding bereken teen 'n koers van 5% (vyf persent) van die HEFFING wat per kalendermaand deur of namens gemelde hotelbesigheid aan die Raad oorbetaal is en wat betyds deur die Raad ontvang is.

(7) Die Raad is onder geen verpligting om invorderingsvergoeding te betaal ten opsigte van HEFFINGS wat nie stiptelik op die voorgeskrewe wyse en tydstip aan die Raad betaal is en deur die Raad ontvang is nie.

(8) Invorderingsvergoeding wat deur die Raad verskuldig is ten opsigte van HEFFINGS wat stiptelik kragtens voormelde subregulasies ontvang is, word drie maandeliks agteruit deur die Raad aan die betrokke hotelbesigheid betaal. Betaling van invorderingsvergoeding deur die Raad, word gemaak binne 14 dae na ontvangs van die HEFFING ten opsigte van die voorafgaande 3 (drie) kalendermaande.

(9) Invorderingsvergoeding wat deur die Raad aan hotelbesighede betaal word, sluit Belasting op Toegevoegde Waarde in.

(10) Invorderingsvergoeding wat deur die Raad betaal word ingevolge subregulasie (6) is nie van toepassing op residensiële hotelle nie.

(11) Die koers waarteen invorderingsvergoeding bereken word en die voorwaardes waaronder dit deur die Raad betaal word, kan deur die Minister gewysig of geskrap word by wyse van kennisgewing in die *Staatskoerant.*

HEFFINGS BETAALBAAR AAN DIE RAAD: RESIDENSIËLE HOTELLE

23. (1) Die persoon wat die besigheid van 'n hotel bedryf waar sodanige hotel gegradeer is ingevolge artikel 16 van die Wet, moet die bedrae in die vorm van KAMERHEFFINGS teen ondergemelde skaal aan die Raad betaal, bereken op die getal hefbare kamers wat ingevolge subregulasie (2) ten opsigte van sodanige hotel vasgestel is:

5.2 apply to the occupied room concerned and not to the number of guests accommodated in such room.

(6) If the LEVIES in terms of the aforesaid subregulations are paid to the Board promptly on or before the prescribed time by or on behalf of the person who conducts the business of a hotel, the hotel business concerned shall be entitled to a collection compensation calculated at a rate of 5% (five per cent) of the LEVY which has been paid to the Board per calender month by or on behalf of the hotel business mentioned and which was received by the Board on time.

(7) The Board is under no obligation to pay collection compensation in respect of LEVIES which were not paid to and received by the Board promptly in the prescribed manner and time.

(8) Collection compensation owing by the Board in respect of LEVIES which were promptly received in terms of the aforesaid subregulations, is paid by the Board to the hotel business concerned three-monthly in arrears. Payment by the Board of collection compensation, is effected within 14 days following receipt of the LEVIES in respect of the preceding 3 (three) calendar months.

(9) Collection compensation which is paid by the Board to hotel businesses, includes Value Added Tax.

(10) Collection compensation which is paid by the Board in terms of subregulation (6), does not apply to residential hotels.

(11) The rate at which collection compensation is calculated and the conditions under which it is paid by the Board, may be amended or cancelled by the Minister by way of notice in the *Government Gazette.*

LEVIES PAYABLE TO THE BOARD: RESIDENTIAL HOTELS

23. (1) The person who conducts the business of a hotel where such hotel has been graded in terms of section 16 of the Act, shall pay to the Board amounts by way of ROOM LEVIES at the undermentioned rates calculated on the number of leviable rooms that have been determined in terms of subregulation (2) for such hotel:

Gradering van hotel	Heffing per hefbare kamer per nag (BTW uitgesluit)	Heffing per hefbare kamer per nag (BTW ingesluit)
Een-ster	10 sent	11 sent
Twee-ster	18 sent	20 sent
Drie-ster	29 sent	32 sent
Vier-ster	37 sent	41 sent
Vyf-ster	47 sent	52 sent

Grading of hotel	Levy per leviable room per night (VAT excluded)	Levy per leviable room per night (VAT included)
One-star	10 cents	11 cents
Two-star	18 cents	20 cents
Three-star	29 cents	32 cents
Four-star	37 cents	41 cents
Five-star	47 cents	52 cents

288

(2) Die Raad moet wanneer hy 'n hotel ingevolge die bepalings van artikel 16 van die Wet gradeer, vasstel wat die totale getal hefbare kamers is soos bedoel in subregulasie (1). Indien 'n inspekteur van die Raad daarna, tydens 'n inspeksie om die aantal hefbare kamers te bepaal, vind dat die getal hefbare kamers aldus vasgestel, verander het, moet die Raad die vasstelling dienooreenkomstig met inwerkingtreding vanaf die datum van sodanige inspeksie wysig.

(3) Die kamerheffings ingevolge subregulasie (1) is op die laaste dag van die kwartale eindigende 31 Maart, 30 Junie, 30 September en 31 Desember van elke jaar betaalbaar: Met dien verstande dat waar die persoon wat die hotelbesigheid bedryf, ophou om dit te doen voor die laaste dag van enige kwartaal, die kamerheffing *pro rata* deur hom betaalbaar is tot die laaste dag waarop hy sodanige hotelbesigheid bedryf het.

(4) Die kamerheffing word gemaak kragtens die bepalings van artikel 28 van die Wet en—

4.1 mag afsonderlik by die akkommodasietariewe van die hotelbesigheid gevoeg word met insluiting van Belasting op Toegevoegde Waarde; en

4.2 is op die betrokke hefbare kamer van toepassing en nie op die aantal gaste wat in die kamer geakkommodeer word nie.

OORTREDINGS

24. Iemand wat—

(1) die bepalings van regulasies 8 (5), 9 (2), (3), (4), (5), (6), 10 (4), 13 (1), (3), 14 (1), (2), (3), 15 (1), (3), 16, 17, 18 (1), (2), (3), 19, 20 (1), (2), (4), 21 (b), 22 (1), (2), (3), (4), 23 (1) en (3) oortree of versuim om daaraan te voldoen, begaan 'n oortreding en is by skuldigbevinding strafbaar met 'n boete van hoogstens R200 of gevangenisstraf vir 'n tydperk van hoogstens ses maande.

25. Die byvoegings van die woordomskrywings by Regulasie 1, Regulasie 22 (1) (a) en Regulasie 23 (1), (2), (3) en (4) word geag in werking te getree het op 1 April 1992 en Regulasie 22 (1) (b), (2), (3), (4), (5), (6), (7), (8), (9), (10) en (11) tree in werking op 1 Julie 1992 en Goewermentskennisgewings R. 2514 gedateer 28 November 1986, R. 2590 gedateer 20 November 1987, R. 2620 gedateer 23 Desember 1988, Regulasie 22 (1), (2), (3), (4), (5), (6), (7) en (8) in Goewermentskennisgewing R. 1509 gedateer 28 Julie 1989, Goewermentskennisgewings R. 2409 gedateer 10 November 1989 en R. 1543 gedateer 28 Junie 1991 en Goewermentskennisgewing R. 975 gedateer 27 Maart 1992 word hierby herroep en vervang met Regulasie 22 (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) en Regulasie 23 (1), (2), (3) en (4) hierbo uiteengesit.".

(2) The Board shall when grading a hotel in terms of section 16 of the Act, determine what the total number of leviable rooms referred to in subregulation (1) is. If, thereafter, at an inspection intended to determine the number of leviable rooms, an inspector of the Board finds that the number of leviable rooms so determined has changed, the determination shall be altered accordingly by the Board with effect from the date of such inspection.

(3) The room levies in terms of subregulation (1) shall be payable on the last day of the quarters ending 31 March, 30 June, 30 September and 31 December of each year: Provided that where the person who conducts the business of a hotel ceases to conduct the business on a date prior to the last day of any quarter, the room levies be payable *pro rata* on the last day he conducted such hotel business.

(4) The room and levies are made under the provisions of section 28 of the Act and—

4.1 may be added separately to the accommodation tariffs of the hotel business, with inclusion of Value Added Tax; and

4.2 apply to the occupied room concerned and not to the number of guests accommodated in such room.

OFFENCES

24. Any person who—

(1) contravenes or fails to comply with the provisions of regulations 8 (5), 9 (2), (3), (4), (5), (6), 10 (4), 13 (1), (3), 14 (1), (2), (3), 15 (1), (3), 16, 17, 18 (1), (2), (3), 19, 20 (1), (2), (4), 21 (b), 22 (1), (2), (3), (4), 23 (1) and (3) shall be guilty of an offence and liable on conviction to a fine not exceeding R200 or imprisonment for a period not exceeding six months.

25. The additions of the definitions in Regulation 1, Regulation 22 (1) (a) and Regulation 23 (1), (2), (3), and (4) are deemed to have come into force on 1 April 1992 and Regulation 22 (1) (b), (2), (3), (4), (5), (6), (7), (8), (9), (10) and (11) comes into force on 1 July 1992 and Government Notices R. 2514 dated 28 November 1986, R. 2590 dated 20 November 1987, R. 2620 dated 23 December 1988, Regulation 22 (1), (2), (3), (4), (5), (6), (7), and (8) in Government Notice R. 1509 dated 28 July 1989, Government Notices R. 2409 dated 10 November 1989 and R. 1543 dated 28 June 1991 and Government Notice R. 975 dated 27 March 1992 are hereby repealed and substituted with Regulation 22 (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11) and Regulation 23 (1), (2), (3) and (4) as set out above.".

African states scramble to lure foreign tourists

GAVIN DU VENAGE

AFRICA was spending vast sums of money developing a tourism infrastructure and was becoming more desirable as a destination, the German magazine Afrika-Post reported recently.

It said tourism was likely to topple the motor industry from its international number one spot. African countries were scrambling to get a piece of the market.

The payoff had been a doubling of German tourist travel to Africa between 1987 and 1990.

Seychelles had made itself particularly attractive, drawing 90 000 holidaymakers annually, almost all from Europe.

Countries along the Mediterranean coast had always proven popular. Visitors to Morocco increased 48% in 1991, but more and more tourists were heading south of the Sahara, the magazine said.

The Ivory Coast, Mauritius, Gabon and Cameroon had tourism industries that were close behind traditional foreign exchange earners such as sugar and textile production. Even SA, "the only industrial country on the continent", was recognising the importance of tourism for economic growth, Afrika-Post said.

An indication of the importance African countries were giving tourism, was the creation of new ministries devoted exclusivly to the industry and an increasing environmental sensitivity to hordes of visitors.

Tanzania had earmarked a third of its territory for reserves and nature parks, and planned to spend $70m on building and renovating hotels. It hoped to treble the size of its tourist industry.

Ghana and Togo were also developing tourist infrastructures. Senegal had billed itself as "the gateway to Africa".

SA was the fourth highest earner of foreign exchange from tourin Africa.

Tunisia was way ahead of the rest, earning DM736m in September last year.

Kenya was the top sub-Saharan tourist earner on DM185m. SA earned DM133m in that period.

Tourism growth hinges on budget hotels

CT 16/6/92 (288)

By MAGGIE ROWLEY
Property Editor

SA HOTELS would have to peg or drop their rates by up to 30% if they wished to attract volumes of international tourists, says Kevin King of Fortes King Hospitality Group.

King, who has just returned from the Satsa/Satour Travel Workshop in Taipei, Hong Kong and Singapore, where he represented the 550-bed UCT Graduate School of Business' Breakwater Lodge in the Victoria Alfred Waterfront, said even with the favourable exchange rate, total packages from the Far East to South Africa were about 20% to 30% more expensive than competing destinations, such as Australia.

"While there will always be a demand for four and five star hotels, which is the sector of the tourist market SA has traditionally gone for, we are also going to have to provide budget priced holiday accommodation if we wish to become internationally competitive and attract the three million odd tourists that Satour is aiming for."

He said the Asian market was the fastest growing market of tourists in South Africa having shown a 70% growth in the past four months.

"But future growth will be dependent on an abundance of budget-priced accommodation in the most popular tourist cities because most Asian tourists on organised tours, with the exception of the Japanese, cannot afford SA five-star hotel prices. Our luxury hotels as such are pricing themselves out of the market."

He said in addition to standard holiday tours for individuals and families, the Asian tour operators also wanted to bring educational tours for young people and students and English language tours for those who wished to combine sightseeing and travel with learning English. Immigrant groups would also be catered for.

"But the price has to be right," he said.

He said many of SA hotels would have to drop or hold their rates for the next year if they wished to attract tourists in their droves.

"We ourselves are pegging our tariff increase at 10% but this is off a low base — our average room rate is about R70 a night," he said.

He said during the travel week in the Far East they had signed up 500 bed nights for the immediate future — worth about R35 000 to the hotel. The first group of 30 Chinese had already arrived.

"However the potential is far greater and we are expecting a further 6 000 to 7 000 within the next eight months which represents about R420 000 of business to the hotel," he said.

King said 200 potential new immigrants from Asia would be coming to SA in the next three months to stay at the Breakwater Lodge for a week while they looked at business and residential opportunities in Cape Town.

While the Breakwater Lodge was not looking at doing package tours with any particular airline or tour operators on an international basis, they had entered into a package agreement with SAA on a domestic basis.

"This has proven extremely successful with 107 reservations coming through this avenue last month after its launch at the beginning of May," he said.

Lord Nelson up for auction

BD Beeld 19/6/92

PAM Golding Properties is to attempt to sell the Lord Nelson Inn in Simon's Town by public auction on July 1.

The hotel was recently completely renovated and refurbished at a cost of more than R1m and offers one single en suite and nine double bedrooms.

Industry sources said the main reason the hotel had not yet been sold was that it was difficult for such a small establishment to show good returns, particularly in the present economic climate. 288

However, Pam Golding Properties commercial and industrial division manager John Pistorius says there is room to add on at least another 10 bedrooms.

He regards the auction as an excellent opportunity for an upcountry investor to acquire a profitable business as well as a Cape Town-based lifestyle.

"This is not a distress sale. The sellers are industrialists who live in the Transvaal and feel the inn is at odds with their line of business," he says.

The nearby off-sales, the Lord Nelson Wine Cellar, will be included in the sale.

SA welcomed to youth 'hostelry'

AAG 17/6/92 (288)

LINDA GALLOWAY
Staff Reporter

SOUTH Africa is about to become a full member of the International Youth Hostel Federation, an organisation offering budget accommodation for young travellers worldwide.

Federation president Mr John Parfitt was in Cape Town this week on a tour of youth hostels "to draw the South African Youth Hostels Association into what the rest of the world is doing".

Mr Parfitt, an international marketing consultant in London, said full membership of the federation, to be conferred at a conference in Denmark next month, would give South Africa access to training, publicity, policy and inter-country communication networks.

"We are moving towards internationally-guaranteed standards of cleanliness, privacy, security and comfort and have done the pilot work for a computerised advance booking system," he said.

"We are seeing annual growth in the number of people travelling internationally and young people nowadays want new experiences — so we're looking at more recreational use of facilities and surroundings."

Mr Parfitt said the federation acknowledged that it had to give travellers what they wanted, "without destroying the atmosphere of the hostel — otherwise it might as well be a cheap hotel".

South Africa's position until now, as an associate member of the federation, had been an anomaly because there had always been youth hostel facilities here, run on the same lines as those of other members, he said.

"It's a quirk of international politics."

South African members had the same status as full members, entitling them to hostel accommodation in 70 countries.

"I have heard that in the past South African members have been refused access to certain hostels, against federation rules. They were informed that this was unacceptable," he said.

There are 15 youth hostels in South Africa, catering for 400 to 500 travellers every month. Hostels charge R18 a night and have self-catering facilities and a common-room.

St John's Hostel in Kloof Street is about to be converted to a youth hostel to accommodate 170 people.

Hotel group set to challenge SA's Big Four

STAR 17/6/92 (288)

By Shirley Woodgate

A major hotel group is set to challenge the Big Four in South Africa, having already established outlets in Botswana and Zimbabwe, and initiated investigative talks in Namibia and Mozambique.

Cresta Hotels (Pty), which claims to be the fastest growing regional hotel chain in southern Africa, launched its local venture this year by renovating and taking over the management of Cresta Pretoria Hotel.

Marketing manager Penelope Matumo says negotiations on a "leisure facility" in Cape Town are under way.

But right now it is the thatched Mowana Safari Lodge on the banks of the Chobe River which has grabbed the spotlight.

Due to challenge the world-renowned Chobe Lodge only a couple of kilometres upstream, the first R40 million phase of the Cresta development, 10 minutes away from the recently revamped Kasane international airport, is scheduled to open by the end of 1992.

Miss Matumo says the main aim is to capture the Victoria Falls tourist trade which now travels 80 km into Botswana then flies out without staying over.

The new five-star luxury hotel, which will include international conference and time share facilities, is environmentally friendly to the extent that it has been designed on a floating elevated base which will not interfere with trees.

Tour packages for the project are already being marketed in Australia and Europe and South Africa is also seen as a potential focus for direct flights from Johannsburg to Kasane.

The Cresta management has the backing of the Botswana Development Corporation and the project managers are South African-based Schnaid and Israelite.

Gambling Bill on hold

Political Staff

CAPE TOWN — Government failed last night in its bid to ram controversial anti-gambling legislation through Parliament before going into recess today.

Justice Minister Kobie Coetsee called a special meeting of the parliamentary justice committee yesterday to process the Gambling Amendment Bill. However, matters were not concluded during last night's session.

The Bill is intended to close the loophole in the Gambling Act which has given rise to the establishment of hundreds of hard-gambling casinos in cities around the country.

Committee chairman Gert Myburgh denied yesterday that the Bill was being rushed through Parliament to protect the horse racing industry or home-land casinos.

He said the rate at which casinos were mushrooming had sparked fears that the situation would become uncontrollable.

The proposed legislation changes the definition from "games of chance" — the loophole exploited to set up the casinos. Instead it specifically outlaws popular forms of gambling by name and the mechanisms used for gambling.

It is understood Coetzee could soon announce a commission of inquiry into gambling, as well as lotteries for welfare, health and education purposes.

Venter outlines sweeping cutbacks

Political Staff

CAPE TOWN — Health Minister Rina Venter yesterday outlined sweeping cutbacks in the provision of health services in all four provinces during recent months.

In Natal, budget-trimming measures included the limiting of HIV testing "to an absolute minimum". Visits by state specialists to Cape rural areas had been stopped because of cutbacks in provincial hospital services.

Sapa reports that Venter, replying to questions in Parliament, said certain essential services in Natal hospitals — such as kidney dialysis, bypass operations and treatment of cancer — had been limited to the smallest number of patients possible.

In some cases in Natal essential services had to be stopped or seriously curtailed because of inadequate equipment and facilities.

The Natal Health Services Branch had requested an allocation of R1,09bn, and been given R983,6m.

In the Transvaal, cutbacks included stopping expansion of ambulance services.

Transvaal provincial health services suffered a deficit of R349,19m for 1991/2, after asking government for a R2,69bn allocation and receiving R2,34bn.

In the Cape, outpatient visits to academic hospitals had been limited to referred cases and emergencies where possible, and laboratory services and special examinations had also been cut back.

Visits by specialists to rural areas had been ended.

Ambulance and other patient transport services had been stopped.

Vacancies were filled only after individual consideration and subsidies for staff transport and free tea had been scrapped.

Overtime payment had been stopped.

District surgeons in the Cape had taken over dispensing from private pharmacists.

Catering and incineration services had been privatised.

The measures in the Cape included cutbacks imposed in March last year, plus additional steps for 1991/2.

Vacancies in Cape hospitals and state health clinics were being filled only after individual consideration.

Attention had also been paid to the streamlining of staff establishments.

In the Free State, cutbacks totalled about R24,72m in the 1991/2 financial year.

This amount was necessary primarily for the commissioning of the new intensive care unit and theatre complex at Pelonomi Hospital.

Govt slated for late Bills

Tourism gives lift to flight caterers Fedics

BDay 19/6/92 (288)

MARCIA KLEIN

FEDICS, the catering company held jointly by Servgro International and ICS Group Holdings, has lifted its attributable earnings 17% in the year to end-March.

MD David Wigley said the company's in-flight catering and airport operations had been affected by the downturn in air travel in the first half, but the increased results were largely due to an increase in tourism-led air traffic during the second six months.

Fedics had built a new in-flight kitchen in Durban and extended its facilities at D F Malan airport "in readiness for further tourism increases".

Earnings at Protea Hotels, in which Fedics has a 40% interest, were also buoyed by the increase in tourism.

Contract catering division Fedics Food Services showed good growth, Wigley said.

This had "followed the pattern of previous years where companies in economic downturns found it more economical to contract out catering rather than provide in-house services".

The division was awarded the Sanlam and SABC contracts as well as five contracts from previously government-operated catering services.

Canada may soon lift sanctions against SA

(280)

ARG 19/6/92

JOHANNESBURG. — The Canadian government could soon lift economic sanctions against South Africa — opening the way for increased trade between the two countries estimated at R390-million (Can $160-million), according to international legal firm Goodman & Goodman.

Based on the North American country's trade figures for the first two months of the year, supplied by Statistics Canada, Goodman & Goodman forecast exports worth R121-million ($52-million) to South Africa this year.

However, Canadian imports of South Africa's products and raw materials could be more than double the export figure at R268-million ($115-million).

The three top imports from South Africa are gems and precious stones; iron and steel; and ores, minerals and slag. The top three exports to South Africa are nuclear reactors, parts and equipment; salt, sulphur and construction materials; and paper and paper products, according to the firm.

Goodman & Goodman believed if the Canadian government was to lift sanctions, there would be a surge of interest in South Africa from Canadian businesses.

"As a result, South Africa could become one of the top four or five key markets in which Canadian businesses expand in the next few years," the firm said.

The Goodman Forum, a public policy discussion centre created by the law firm, will host North America's first major conference on investment opportunities in a post-apartheid South Africa on Thursday in Toronto.

One hundred and fifty business executives will be addressed by South Africa's Deputy Minister for Trade, Industry and Tourism David Graaff, African National Congress economist Tito Mboweni as well as Canada's Minister of External Affairs Barbara MacDougall. — Sapa.

Gambling Bill delayed after parties object

STAR 19/6/92

288

Political Correspondent

Controversial legislation to snuff out proliferating casinos in South Africa will not be passed during the session of Parliament which ends today.

The Gambling Amendment Bill was blocked in Parliament's justice committee last night after resistance from the House of Delegates and the DP.

This means a respite for the hundreds of casinos which have sprung up across SA recently.

But the Bill has not been withdrawn completely and will now come before the justice committee on July 27, 28 and 29.

Justice Minister Kobie Coetsee said last night that the Government did not intend withdrawing the Bill.

He warned casino operators that they would not be able to claim protection of vested rights if their gambling operations were eventually stopped.

The Government's position remained that gambling for personal gain was illegal under the Gambling Act.

NPP leader Amichand Rajbansi threatened to join the ANC at Codesa if the Government went ahead with the Bill, according to sources.

The special justice committee meeting last night took place amid widespread allegations from casino operators that Sun International boss Sol Kerzner had spoken to the Government this week in a last-ditch effort to get the Bill passed.

The Government has denied this.

Waterfront: Yuppie themepark or a plek for all the people?

(288)
SOUTH 20/6 - 24/6/92

By Justin Pearce

WALKING through the Waterfront is like walking through a particularly tasteful shopping mall. It is a scheme designed for consumption and consequent profit-making — just don't expect to find anything as mundane as a loaf of bread or a tube of toothpaste in the shops.

Yet the Waterfront site is, technically, public property — which prompted a meeting between the ANC and the Waterfront management to discuss what the ANC perceived as an elitist development.

"Our constituency felt angry about what's going on," said Mr Basil Davidson, ANC spokesperson on planning.

As the Waterfront is on public property, it deserves to be regulated by a greater degree of public consultation than would be the case if it were on private land, Davidson said. The Waterfront site is leased from Transnet, the private company that controls the harbour.

"We felt the development did not reflect the community of Cape Town," Davidson said, pointing out the high prices and inaccessibility of the Waterfront make it off-limits to most Capetonians.

"If you went to the Waterfront on any day , you would see it is just not true," said Professor Brian Kantor, chairperson of the Waterfront Management Committee.

"That criticism may once have had some validity — white customers were catered for first because they had more disposable income — but now we are attracting customers across the board."

The ANC recommended the establishment of an advisory board, which would include representatives from the Western Cape Traders' Association and trade unions.

The response from certain members of the committee was to "go on a rave about free markets," Davidson said. "Other members were more receptive, but there is a block at the top because of the ideological position of individuals."

The Small Business Development Corporation (SBDC) has also negotiated with the Waterfront management committee, said SBDC assistant general manager Mr Mike Klopper.

He said the number of people, including wealthy tourists, who visited the Waterfront made the site an excellent site for a small business trying to take off. "They need the exposure of the Waterfront, but the trading requirements are quite high, so the small guy battles."

Among the trading requirements Klopper mentioned the high rents and the long business hours. For example, the craft market operates seven days a week, putting strain on a business owner who does not employ extra assistants.

A further objection by the ANC concerned the racial imbalance in employment opportunities — most of the waiters and waitresses at Waterfront restaurants are white.

Kantor pointed out the white domination of restaurant jobs was not exclusive to the Waterfront. "We'd like to see all kinds of people working, but the business decisions that restaurants take tend to favour young white kids."

He said Waterfront employment opportunities were not confined to restaurants. "The number of jobs created in construction at the Waterfront is large, and there are other employment."

But as Davidson put it, it was inappropriate for business to parade a free-market position "after three centuries and, in particular, 40 years of affirmative action for whites".



GETTING BACK TO THE 'FRONT: Will the workers return to enjoy Cape Town's elite attraction? Photo: Yunus Mohamed

AWB guards quit hotel after death threats

BDay 22/6/92 (288)

PATRICK BULGER

AWB guards have left the Lido Hotel, south of Johannesburg, after a businessman who housed them there while buying the hotel was criticised and received death threats.

Businessman Johann Dreyer, who is buying the Lido for R2,4m, said he intended running the hotel as a business and that he had planned to have only 100 white security guards on the premises.

Dreyer raised the idea of recruiting unemployed whites through right-wing political groups at the World Congress of Right-wingers hosted by the AWB in Klerksdorp last month.

"The Lido Hotel will be used as a hotel and pleasure resort. All the people on the security side were going to be housed at the hotel," he said.

Dreyer said his security company Top Notch employed only white security guards. There were AWB members among them, but he said he did not involve himself in employees' political affairs.

When a reporter visited the hotel recently, a uniformed AWB member said the hotel and grounds would become a training ground for up to 30 000 right-wing, unemployed whites. Dreyer said the AWB member was not entitled to speak on activities at the hotel.

AWB leader Eugene Terre'Blanche confirmed Dreyer had told him he supported the principle of employing whites who had no jobs. Terre'Blanche said he did too.

Dreyer said he had received a number of threats after publication of a photograph in Business Day of an AWB veldkornet at the hotel. He said he recently met members of the ANC's security department to clear up "misunderstandings".

Meetings to decide future of George to Knysna rail line

ARG 22/6/92

(288)

CLIVE SAWYER
Staff Reporter

TRANSNET museum officials are to meet town councillors and tourist bosses in the southern Cape next month for talks on the planned George to Knysna steam preservation line.

Museum manager Mr André Strauss said that from next year running of the line would be handed over to the business division of his department, to be run as a financially viable operation.

Plans for the line, to be a showcase of the last regular steam operations in the country, were announced in Kimberley last year.

Mr Strauss said Transnet would not prescribe to the local community about what the line should feature.

"We have had a range of suggestions, and we will be meeting bodies such as town councils and tourist associations to discuss them," he said.

He said that while steam engine operations caused a fire hazard, environmentalists had not opposed the idea of the preservation line.

Meanwhile, consultants are surveying Transnet properties in the area.

Included in the survey are old railway houses, station buildings, and vacant land.

The properties could be included in a Transnet-sponsored "Golden Thread" hiking and transport trail, with rail transport linking scenic areas in the southern Cape.

At present, the George to Knysna line carries mainly goods traffic, with the Outeniqua Choo-Choo excursion train carrying passengers.

Mr Strauss said the Choo-Choo's operations might be expanded this festive season, with trains running from both George and Knysna and passengers being offered the choice of changing trains at Sedgefield.

While plans are being discussed, steam engines are lying in wait at the Voorbaai depot near Port Elizabeth.

More are being moved to the area regularly, Mr Strauss said.

He said the depot would be kept as an attraction for steam buffs visiting the line, where the public would be able to see steam engines being maintained and repaired.

Legal time for restaurants as city bite

ESANN van RENSBURG
Staff Reporter

MORE than 120 restaurants in Sea Point are for sale and the industry is battling to survive.

This was the grim picture painted at the Federated Hospitality Association Restaurant Guild annual meeting last night by Mr Aldo Girolo, chairman of the Western Cape chapter.

Mr Girolo said there had been many promises of a boost in tourism in the Western Cape, "but we don't see it".

"We have created new venues and invested money, but where are the clients to feed those places? The landlords won't let us off, the bank managers won't let us off . . .

"In Sea Point, 126 restaurants are up for sale. Why?"

Responding, the mayor, Mr Frank Van der Velde, said everyone was waiting for new confidence in South Africa.

"We, as businessmen, must have confidence in our situation if we want outsiders to feel the same way."

Mr Van der Velde said for every 10 tourists who visited Cape Town, one job was created.

"Tourism is *the* major industry in the Western Cape and we must promote it and use it to combat the economic depression, unemployment and poverty."

It was therefore important to maintain the highest standards in the restaurant industry.

Mr Van der Velde said staff training was the biggest problem in maintaining standards and providing excellent service.

"The fact that we see 'imported waiters' in some restaurants, indicates that there is something wrong with our training in South Africa."

He said recruitment and training policies had to be streamlined to get the right people for the jobs.

Mr Girolo said South Africans did not consider waitering as a profession and this was a problem.

"In Europe, waiters have been professionally trained for the past 150 years. In South Africa, nothing has happened."

Mr Van der Velde, responding to public criticism of standards in the industry, said one bad experience tended to taint the whole industry.

Speaking on behalf of the city council, he said: "We are the ones who will bring the tourists here. You are the ones who will bring them back."

Debate boils in chefs vs mayor

CT 23/6/92 (285)

By PETER DENNEHY

CITY restaurateurs yesterday confronted one of their chief critics, the Mayor of Cape Town, Mr Frank van der Velde.

The mayor has been under fire from the restaurateurs for his confidential "raspberry awards" sent to a few restaurants for alleged disservice to tourism.

One restaurateur asked Mr Van der Velde to abolish the negative awards and another said bad publicity could close down a restaurant.

As guest speaker at the annual meeting of Fedhasa's 135-member Restaurant Guild, held yesterday at a restaurant at the Medical Research Council, Mr Van der Velde was invited, as a critic, to speak on improving the industry's image.

"The first reaction is to shoot the messenger, which is perhaps a little negative," he said. "Raspberry awards elicited some dozen or more complaints from restaurants about the way they were handed out."

Mr Van der Velde also handed out positive mayor's awards for services to tourism — in this case, publicly. He said he received three times as many positive comments about restaurants as negative ones.

Responding, restaurateur Mr Angus Dodds said there was no need for a negative award, as "the press will pick it up sometime. Let's look at the positive side."

Mr Aldo Girolo, chairman of the Cape Town chapter of the guild, said bad publicity could close down a place. The industry was struggling at present, as was indicated by 126 restaurants in Sea Point up for sale.

Mr Van der Velde said he loved Cape Town restaurants above all others in this country, but he listed the things he hated about some of them.

His "pet hate" was music that was so loud that one could not converse. It drove him away before the first course.

He said he suffered physically from

To page 2

From page 1

Mayor replies

CT 23/6/92 (288)

passive smoking, although he was an ex-smoker. It was painful for him to sit at a table where someone smoked, so he wanted non-smoking zones.

Other irritations for him were plastic flowers; waiters who refused to serve you if you were not in the area assigned to them; salads with fancy names that consisted of "not much more than a lettuce leaf"; non-availability of half portions, and being charged double for having seconds.

Vegetarian Mr Gordon Oliver, the chief executive of Captour, said he battled to find restaurants which catered for people like him. In London, many restaurants offered vegetarians three or four choices.

It appeared that the Cape could not yet compete at international standards, Mr Oliver added.

Mr Van der Velde had a lively difference of opinion with Mr Girolo over non-smoking areas in restaurants. Mr Girolo has one in his, but he says it is not well patronised. Mr Van der Velde said non-smoking areas in restaurants "are mostly full, in my experience".

Logaro targets Natal for long-term growth

Bloan 24/6/92 PETER GALLI (288)

THE Logaro Group has identified the long-term growth potential of the leisure market and is actively moving into this area, says CE Gary Perlman.

"We have targeted Natal as a long-term growth area because tourism is set to rise and people are moving towards shorter, more frequent holidays," he says.

The group has representation in Natal, Cape Town and Transvaal, and is involved in the pre-planning stages of "hotel-type accommodation" in Sandton.

It is considering two possible Sandton sites and has lined up a large local group to manage the project. It also has eastern Transvaal and Natal projects in mind.

"However, we will not manage any of these ourselves. The Sandton project will be a new construction, and all the others will be takeovers and refurbishments," he says.

Logaro was looking at a mixture of business, leisure and foreign tourism.

"The market is depressed at the moment and buildings can be bought at a good price. We believe the market has bottomed out and that now is the time to go in as it is a cheap entry point," Perlman says.

He believes the Durban market is being "grossly overlooked", saying activity there is buoyant.

The group recently began selling its North Coast Mall shopping and medical centre on a part sectional-title and part-syndication basis. More than 50% had been sold at an average price of R23,50/m².

The 7 000m² property is fully tenanted and anchored by the large Take and Pay chain, with subanchors Grant Furnishers, Target Furnishers, Pep Stores and First National Bank. The medical centre, joined by a skywalk to Phoenix Hospital, is also fully tenanted by the North Coast Doctors' Guild.

Logaro is also involved in negotiations countrywide for retail developments.

Resorts oppose levy-funded training

GAVIN DU VENAGE

MEMBERS of the self-catering resort industry met Manpower Minister Piet Marais yesterday to ask him to suspend a levy-funded training scheme.

Club Caraville chairman Rus Tungay said the Hospitality Industry Training Board levies had been imposed without consulting "a significant majority" of the industry.

The scheme proposes a 1% levy on salary bills in the tourism trade.

Tungay said the move would benefit only major players.

He said he favoured training, but not in the current discriminatory and dictatorial manner.

Tourism Association of Natal and KwaZulu chairman Ted Hirst said yesterday the training board did not adequately meet the training needs of the small operator.

Self-catering resorts like caravan parks would get little out of a training programme geared towards the hotel trade.

Spokesmen for Fedhasa and the Hospitality Industry Training Board were not available for comment yesterday.

City restaurant takings feel the bite

(288) CT 24/6/92

THE takings in Cape Town restaurants have dropped by between 30% and 40% in the past three years, according to the chairman of the Restaurant Guild in the Western Cape, Mr Aldo Girolo.

Sea Point has been one of the worst-hit areas. Sea Point restaurant owners have recently complained about losing trade to the Waterfront.

However, Mr Girolo said business was so bad that although the Waterfront had attracted many people from other centres and bustling Sea Point, only Quay Four and Bertie's Landing at the Waterfront were still prospering.

He blamed the situation on the recession which had led to the worst crisis in the Peninsula's restaurant industry. More than 120 restaurants in the suburbs and the city were now up for sale.

Mr Girolo said the restaurant industry was grossly overtraded, with people hoping to make a "fast buck" going under only months after opening.

Soaring food prices, increases in rents, gas, electricity and wages further compounded the problem facing restaurant owners, he added.

"Sea Point with its bright lights and entertainment is like a magnet for tourists, but most people just don't have the money to spent money on restaurants on a regular basis."

The local market was the "bread and butter" of the industry and overseas tourism was the "cream on top", he said. Overseas tourists, however, found South African prices very reasonable.

"We are hoping the industry will pick up once bonds and intrest rates are reduced."

Many Cape Town restaurants were often virtually empty at night, and some concerned restaurateurs were offering special deals to attract customers.

Mr Chris Joubert, city councillor for Sea Point and Camps Bay, yesterday confirmed that the recession was affecting everyone, but said the established up-market restaurants were still doing well.

Caterers sue Turfloop for R1,3 million in lost business

Sowetan 24/6/92



CHABANI MANGANYI

288

By DON SEOKANE

A CATERING company which was contracted to operate the University of the North's student cafeteria has sued the institution for R1,3 million for breach of contract.

In papers served on the university, Staytrim Catering Company alleges that the rector, Professor Chabani Manganyi, who represented the university, cancelled the agreement claiming that the continuance of the contract would adversely affect academic programmes.

Staytrim signed a lease with the university which entitled the company to operate the student cafeteria for five years, starting on February 1 1991 and expiring on February 28 1996.

The catering company was supposed to pay a monthly rental of R875 for 10 months a year.

Staytrim alleges that on August 23 1991 the university cancelled the contract and that the termination was a material breach resulting in extensive damages suffered by the catering company.

The directors of the catering company allege that as a result of the termination of the agreement they lost about R25 000 a month over the remaining 54 months of the contract.

As a result of the cancelled contract, the directors of Staytrim demand R1,3 million and the R1 000 advance payment made to the university for electricity, both amounts to include 18,5 percent interest.

The catering company's lawyer, Mr EP Scheepers, confirmed yesterday that summons had been served on the university and that the institution was expected to submit its plea within three weeks.

Yesterday the university's rector was not available for comment. His secretary said he would be back on July 6.

Violence fear may hit tourism

CT 25/6/92 (288)

Staff Reporter

CAPE hoteliers fear South Africa's escalating violence and deteriorating political situation could hit tourism a costly blow.

Mr Danny Bryer, group sales manager for the Protea hotel group, said yesterday that projected bookings for overseas tourists in Cape hotels had increased by 90% from last year. But there might be mass cancellations — disastrous for the hotel industry — unless the violence was halted and the political situation stabilised.

Both winter and summer bookings were up on last year because of the Gulf war and the recession in Europe. However, if the situation continued the expected boom may not materialise.

"There have been no immediate cancellations yet," he said.

South Africa had received a good overseas press since the referendum and overseas tourists had viewed it as a safe place to visit.

Tourism had been further boosted by major overseas airlines now visiting South Africa and an increase in charter flights.

Hotels in the Western Cape are presently about 50% full — normal for this time of the year.

Masterplan to bring in flood of tourists

BDay 26/6/92 288

PRETORIA is positioning itself to grab its fair share of the expected international tourist boom.

According to Pretoria marketing manager Peet du Preez, tourism is one industry which offers the city the greatest scope for development and employment.

A draft plan for a tourism take-off has already been completed.

Du Preez envisages Pretoria positioning itself as a gateway not only to SA, but to southern Africa.

"At the recent Indaba tourism conference foreign tour operators told me that they rated Pretoria very highly on their visitors' itinerary," he says.

"It is not just a concrete jungle, but an attractive and well-positioned city."

Du Preez says Pretoria's location relative to Jan Smuts airport gives it as much of a claim to be SA's international gateway as Johannesburg.

But the city enjoys several important advantages. Not least is the fact that Pretoria is regarded as being a safe city.

Tourists wanting to explore the CBD can walk around freely, something they cannot do in the centre of Johannesburg.

It is ideally located to serve as a gateway to the eastern Transvaal, the game parks and farms of the Transvaal and the Magaliesberg.

The city also has a good reputation for value for money, particularly its hotels, which last year enjoyed the highest occupancy rate of any city in SA.

Instead of multi-million rand monster hotel developments, Du Preez expects Pretoria to extend the range of smaller hotels and make a name for itself by offering tourists more personal accommodation.

What he has in mind, he says, is a system of guest houses which would give not only good value, but enable the tourist to get a feel for the city and its people.

He is not just thinking of "white" Pretoria. Already foreign tourists are being offered the opportunity to spend a night or two in neighbouring Mamelodi.

For the national and foreign tourist there is a lot to see and do in and around Pretoria, says Du Preez.

The Pretoria Art Gallery houses the largest African art collection and Pretoria has one of the richest cultural historical heritages, ranging from the historic Melrose House, at which the Treaty of Vereeniging was signed, to Paul Kruger's house in the centre of the city, from the Boer War forts around the city to Jan Smuts' famous house just outside the city.

And, of course, the zoo is the best in the country.

The Pretoria station is being upgraded at a cost of R200 m and the new city core project will significantly expand Pretoria's already impressive conference facilities.

Another new concept is what Du Preez calls a "mix of trade and industry and tourism".

"Iscor, for example is a tourist attraction. It should be opened up to tourism. People want to see what goes on there and how iron and steel are made."

This concept, he says, has been discussed with dozens of companies, all of whom have been supported the idea.

Some facts and figures

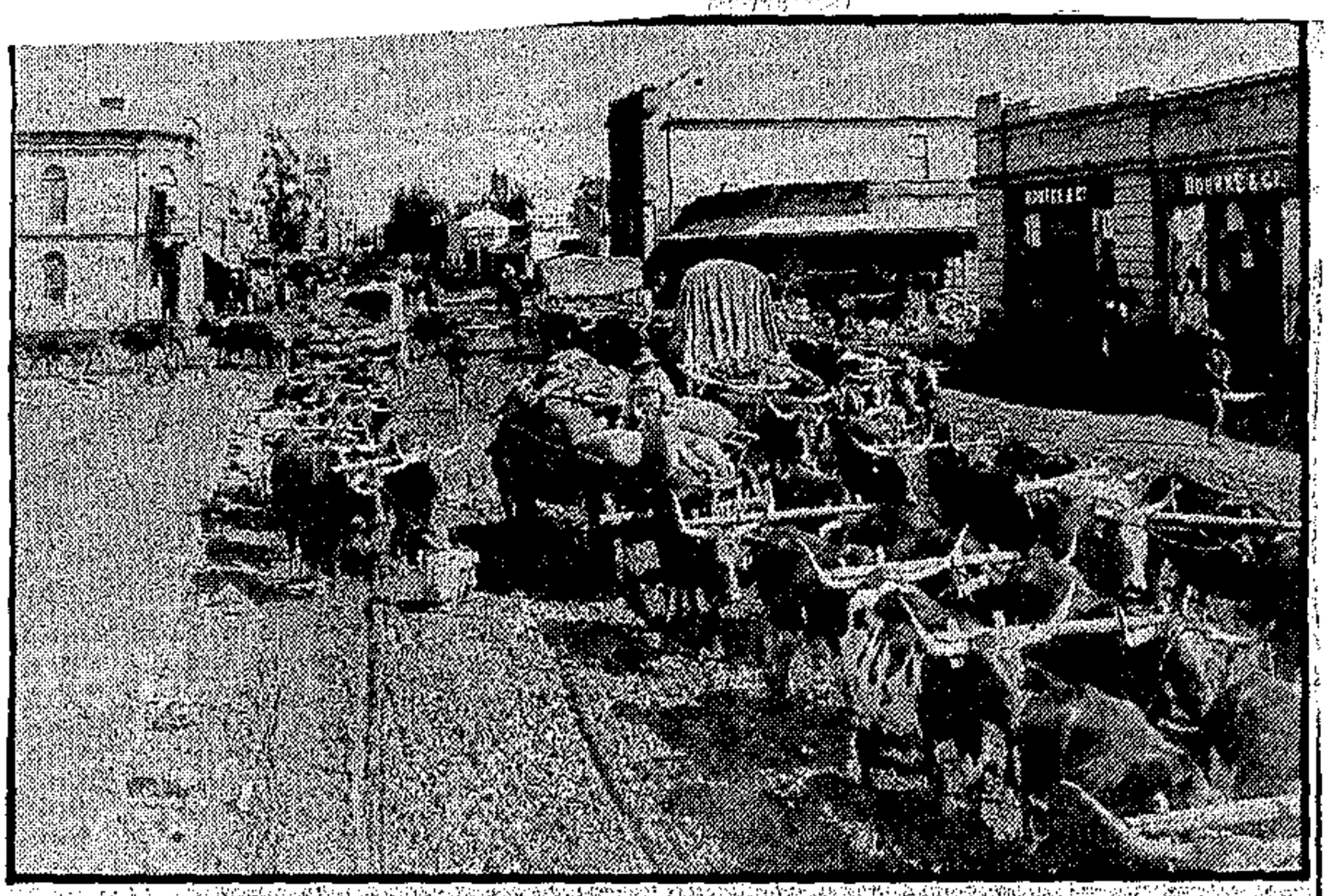
Pretoria, facts and figures:

☐ The population of the greater Pretoria is expected to grow from 1,075-million in 1990 to 1,42-million by the year 2000.

☐ Issued business licences in Pretoria grew by 9,5% in the past year. Electricity and water consumption increased by 5% a year for the last five years.

☐ Industrial building plans passed increased by 35% last year. In the last three years, 57 000m² of industrial building plans were approved.

☐ Black buying income is growing at a real 4% a year.



Kerk Street in the days of the oxwaggons. On the right is Bourke and Co, where Garlicks now stands.

Budget Formule 1 hotel to be built

BDay 26/6/92

FRENCH-based hotel group Formule 1 is coming to Pretoria.

MD of Formule 1 SA Roland Du Trevou said in an interview the group had identified a site near the Pietersburg highway to develop what will become the fifth of its low-cost, no-frills hotels in SA.

Pretoria, he said, figured prominently in the group's plans for this country. "It is a major city and one which will continue to be very important for the country in the future."

By the end of next year Formule 1 will have 10 hotels in this country. (288)

The chain's world-wide success is based on affordable accommodation. Rates are charged per room and not per bed.

The target market is the budget-conscious person — particularly salesmen, civil servants, and businessmen — working away from home during the week.

Du Trevou said the site — between the Menlo Park and Lynwood off-ramps on the N1 — was ideal.

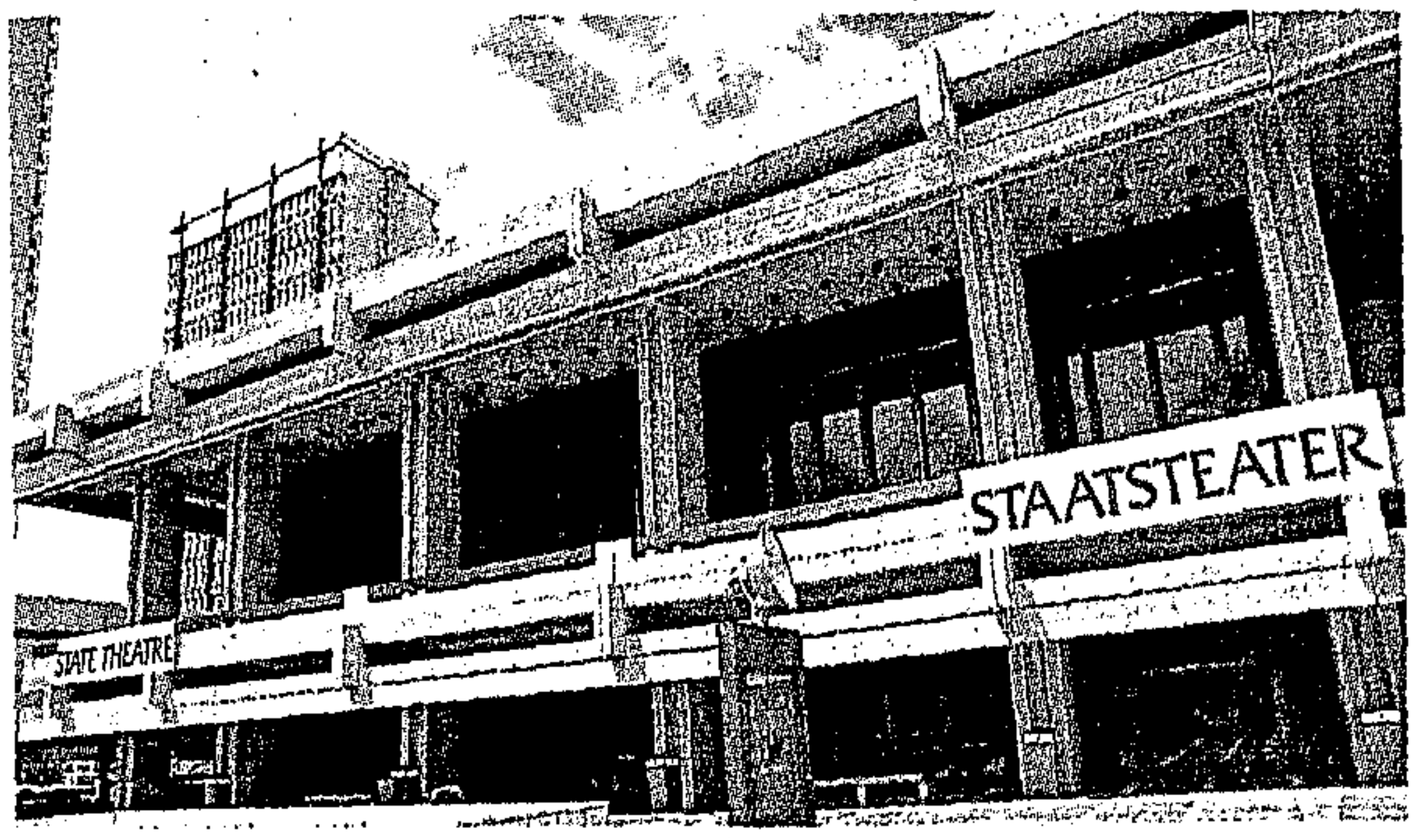
Du Trevou said it was expected the passing traffic would generate considerable business, with many visitors from Pietersburg, the northern Transvaal and Zimbabwe expected to stop off there.

It is also accessible from the industrial area of Silverton and is near large residential areas.

Du Trevou said the new hotel would have 80 rooms.

Formule 1 hotels do not offer restaurant and bar facilities, but the company sees to it that there is a good restaurant within easy reach.

If there is not one nearby, it develops restaurants which it often sells to private owners.



The State Theatre.

Cultural diversity must be marketed to boost tourism

BDay 26/6/92 288

A FUTURE Pretoria could make money out of tourism by marketing its rich cultural diversity to international and local tourists, says Pretoria Technikon's tourism department head Danie Duvenage.

Duvenage says one of Pretoria's strongest selling points should be its culture, something which involves much more than just its theatres and museums.

Pretoria has plenty of these, as well as a wealth of historic buildings.

Duvenage believes the city's various communities — Portuguese, Germans, Indians, Sothos and many others — should be encouraged to make their cultures accessible to the public.

Tourists, he says, invariably do not come into contact with the real SA. The phenomenon of ordinary South Africans offering bed and breakfast accommodation is a perfect vehicle to expose the traveller to traditional ways.

Pretoria itself, he believes, has a number of unique cultural selling points which need more entrepreneurial exploitation.

Duvenage points to the Cape wine culture which has been successfully marketed to tourists.

For instance, he says, people should be encouraged to get inside the city's massive car manufacturing factories around Pretoria to witness the fascinating manufacturing process.

Similarly the capital city has rich military and governmental heritages such as the Union Buildings, designed by Herbert Baker.

While apartheid is internationally reviled, there is no reason why negative publicity should not be turned into a positive marketing point, Duvenage says, pointing to apartheid signs which are already collectors' items.

Sharp hike is planned for rates

PRETORIA residents have been warned that they face big increases in municipal reates and taxes.

In terms of the city council's latest budget, property taxes will increase by 27,1%, water by 22% and electricity by 9,5%.

Refuse removal goes up by 7,3% and sewage by 7,5%. BDay 26/6/92

While residents face a substantially increased municipal bill, the council is making a large capital investment. About a quarter of the almost R2bn budget will be spent on capital projects.

E
JRN,
)MPANIES
EASED
TY
FACTO
ONE

James Clarke reports on the hiatus gripping the hospitality industry

Hotels hover between boom, bust

STAR 26/6/92

288

IF ANYBODY is in any doubt about the feeling overseas towards this country's potential as a tourist country they should have gone to the just-ended Food and Equipment Exhibition at Nasrec in Johannesburg.

Here is an annual show organised by Specialised Exhibitions to keep hotels up to date in foods and catering gear.

The big clue was that 31 British firms exhibited — the largest number of British food and allied industries exhibitors ever to exhibit overseas. There were 15 Spanish firms, three from America and so on.

Peter Hearfield, a big league hotel executive in Britain and, since 1980, in South Africa, in opening the exhibition, spoke of the hiatus now gripping the hotel industry.

Just as we are poised for better times Johannesburg's gleaming Sun Hotel is considering turning itself into lawyers' offices. Many hotels just cannot hold out for better times and the current unrest is going to compound the uncertainty.

Eventually a tourist boom is certain says Mr Hearfield. But in the meantime South Africa's hotels are less than half-full. (The break-even point for a hotel, I was told by a delegate, is about two-thirds full).

Mr Hearfield, now executive director of the Federated Hospitality Association of South Africa (Fedhasa), says the decision to put more capital into the hotel industry has been difficult for entrepreneurs. There has been no Government incentive and even the promotion of tourism receives no tax rebate.

You can get a rebate for promoting the sale of South African spanners or notepaper but not for winning foreign exchange via tourism.



Hearfield . . . boom is certain.

Mr Hearfield pointed out that South Africa is up against stiff opposition in the tourist world.

"We must reach the consumer directly in order to impact on his choice of holiday destination," he said. "This is a very expensive task not least where rands are spent in competition with other countries whose budgets are in US dollars, pounds sterling and Deutschemarks."

Will new tourists help fill the 51 percent of empty beds? From another source at the exhibition I learned it was not as simple as that. Many just cannot hold out for a tourist boom. One formerly up-market hotel in Durban has recently down-graded and is quoting "per room" — "so who's counting the number of people who occupy each room?"

South Africa's hotels are mostly good only for the non-discerning South African.

Our much lauded coast has only two hotels on the seaside itself which would merit overseas attention. One of them is the President in Cape Town — marked for demolition. □

Hard work behind the glamour

ST Times [Cape Metro] (288)

THE glamour of the restaurant business is on the surface only. In reality, it takes lots of hard work. 28/6/92

Mike's managing director says the company has many people who want to open a Mike's franchise.

"They say they have a dream — and that is a recipe for disaster. The 'vacation' he thinks he is letting himself in for, will probably be the hardest he has ever worked. The hours are generally from 8am to as late as 2am the following morning," says Mr Green.

"In most cases if someone approaches us, we try to discourage them. Before he is allowed to take a step beyond this 'dream of his', he has got to take leave and work one of the restaurants for a week.

"After those seven days he will know and we will know, if he has any energy left and still wants a franchise," says Mr Green.

The potential Mike's franchisee must also have plenty of liquid cash, around R250 000 which is unencumbered.

Development manager Mr Sean Hughes says: "If the franchisee is too heavily in debt from the start, he will never get on to his feet.

Mike's is not a good investment for investors — it is far more suitable for owner operators.

Says Mr Hughes: "I'll take your money and you come and work. Don't put your money in and expect a manager to run it for you.

"Unless you are prepared to put in 14 to 16 hours a day, especially for the first two years, you could be the loser. You have to be the kind of person who never gives any member of staff your key. You have to have a very strong management background.

"The franchisee should have a very high energy level and between 30 and 45 years old. We have some excellent older franchisees, but generally that is the right age group," says Mr Hughes.

A husband and wife team who can work together, work out the best.

Franchisees come from all walks of life. There are former lawyers, doctors and engineers with Mike's Kitchen restaurants.

Mr Hughes says the franchisee must be able to stay out in the front greeting people, no matter what is happening in the back.

"The successful franchisee is a people person. The success of any business is determined by the owner.

"We set up the restaurant and train the franchisee over a three month period. Those with little or no experience learn quicker," says Mr Hughes.

So if you have R250 000 burning a hole in a pocket, endless energy, hate sleep and do not like spending time with your family, maybe the restaurant business is for you.

Tour bookings are affected by unrest

(278) GERALD REILLY (288)

PRETORIA — The Boipatong massacre and the related political crisis would cost the country millions of rand in lost tourism revenue this year, industry spokesmen said at the weekend. They felt the trend would intensify until there was a significant drop in the level of violence.

Rennies Travel and Satour said there had been tour cancellations already. Spokesmen, unable to say how many bookings had been affected, said the industry had been given "a kick in the ribs".

Rennies marketing GM Kathy McWhiter said the loss in foreign exchange would be counted in millions. BID ans 29/6/92

The company's overseas correspondents had reported that worldwide TV and radio coverage of the Boipatong killings had been dramatic. Perceptions abroad were that the country was sliding into anarchy.

Operators said before the massacre international markets for SA tourism had been expanding. Now, although US, European and Far East markets were growing, there was significant nervousness.

"US tourists are easily put off by unrest," said McWhiter.

Tourist markets worldwide had started to pick up after the Gulf war slump and there had been hopes that tourism would close the gap on gold mining as SA's major earner of foreign exchange.

Satour director Spencer Thomas said it was too early to say whether tour cancellations would have a "domino effect".

Boipatong 'could cost tourism millions'

Own Correspondent

PRETORIA — The Boipatong massacre and the related political crisis would cost the country millions of rand in lost tourism revenue this year, industry spokesmen said at the weekend. They felt the trend would intensify until there was a significant drop in the violence.

Rennies Travel and Satour said there had been tour cancellations already. Spokesmen, unable to say how many bookings had been affected, said the industry had been given "a kick in the ribs".

Rennies marketing general manager, Ms Kathy McWhiter, said the loss in foreign exchange would be counted in millions.

The company's overseas correspondents had reported that worldwide television and radio coverage of the Boipatong killings had been dramatic. Perceptions abroad were that the country was sliding into anarchy.

Operators said that before the massacre international markets for South African tourism had been expanding. Now, although US, European and Far East markets were growing, there was significant nervousness.

"US tourists are easily put off by unrest," said Ms McWhiter.

Tourist markets worldwide had started to pick up after the Gulf war slump and there had been hopes that tourism would close the gap on gold mining, South Africa's major earner of foreign exchange.

Satour director Mr Spencer Thomas said it was too early to say whether tour cancellations would have a "domino effect".

288

29/6/92 CT

Hotel group gets five distinct brand names

STAR 30/6/92 1

By Stephen Cranston 288

The attributable earnings of Southern Sun - which is now wholly-owned by SA Breweries - doubled in the year to March compared with the previous year.

Attributable earnings were up by 86 percent from R14,6 million to R27,1 million. Turnover was up 8 percent to R565 million. Southern Sun's interest bill plummeted from R45,2 million to R2,2 million.

SA Breweries chairman Meyer Kahn said in the SAB annual report that Southern Sun was being segmented into five distinct brands, including the newly created Holiday Inn Garden Court.

Mr Kahn said that the Formule 1 brand had been developed in partnership with the French-based Accor Group. It was aimed at the very bottom end of the market as it had a very low building cost per room.

Mr Kahn said that Southern Sun aimed to keep its 20 percent holding in Sun International, its 50 percent interest in Southern Sun Timeshare and its 25 percent holding in Nedtravel.

Cape 'likely to be a major attraction to US tourists'

ANDREW KRUMM 288

CAPE Town's likeness to southern California and Florida would trigger US interest in SA coastal areas, said US real estate analyst Bill Barratt.

Predicting SA was on the brink of "opening up" to foreign tourists and property buyers, Barratt said the Cape's climate and relatively cheap accommodation put it first on the list most likely to attract North American visitors.

Barratt, the keynote speaker at an estate agents' convention in Swaziland, said new territory was vital for tourism and SA's excellent standard of hotels, game parks and wild coastline promised a new experience for American tourists who held jaded views of Europe. BDay 11/12

Unlike China and eastern Europe, "SA's ability to offer world class facilities and a new world experience would hold tremendous sway with US visitors".

"The hugely beneficial exchange rate, the fact that people speak English and cheaper airfares in future will also enhance SA's visitors' profile," he said.

Barratt believed buyer interest would develop among US citizens in the 40 to 55 age group, who were able to afford an escape from the northern winter.

"But SA must market itself aggressively, concentrating on selling its sunnier attractions in one major city — such as New York or Chicago — to achieve the greatest impact."

However, proof of security of investment and political stability would be essential before widescale purchasing could take place, Barratt said.

Revamp puts sparkle into Southern Sun

B|Day 2/7/92 (288)

MARCIA KLEIN

A COMPLETE restructuring of the Southern Sun group, in the SA Breweries (SAB) stable, saw it improve earnings by 86% in the year to end-March.

MD Ron Stringfellow, who has been responsible for the revamp said in an interview that the group structure had undergone considerable change "to become far more focused and to cater for a wider spectrum of hotel guests' needs".

The group would consider a relisting on the JSE when the time was right — in the medium to long term.

SAB's hotel interests, housed largely in the Southern Sun group, which incorporates Holiday Inn, increased turnover by 8% to R564,7m to end-March. Financing costs were reduced 95% to R2,2m and tax was 50% lower at R600 000, resulting in 86% growth in attributable earnings to R27,1m.

The group now comprised five segments, excluding the Seychelles.

There are 11 four and five star Southern Sun hotels in the major centres and 12 Southern Sun resorts with three and four star ratings.

The other divisions include the 13 core Holiday Inn three star hotels, the Holiday Inn Garden Court, limited service hotels and Formule 1.

The new structure would enable the group to cater for clientele with varying needs and varying budgets, and Stringfellow said the group's mission was to become the leading chain in all of its market segments.

A significant portion of the R200m set aside by SAB for capex in its retail and hotel interests would be utilised by the hotel operations.

The benefits were starting to flow through to the bottom line, Stringfellow said.

National hotel occupancies averaged 49%, while Southern Sun's averaged 57%.

Forward bookings looked good, so there was a strong growth potential in terms of the international market, he said.

A problem was that SA was marketed overseas as a destination at selected times of the year, whereas it ought to be marketed as a 12-month destination. The tourist season needed to be extended.

Stringfellow was in favour of gaming in SA as long as it was controlled and regulated. He believed the hotel industry would be more viable if casinos were allowed. Southern Sun would be interested in opening gaming operations in its resort hotels if the law was changed.

Now tourists flock to farms

By Monica Oosterbroek

Drought-hit farmers are converting their land into tourist attractions in a desperate bid to earn income and hold on to their properties.

As agricultural conditions in the country worsen, more and more local farmers are turning their homes into guest farms offering home-cooked meals, hospitality and fresh air.

SA Tourism Board statistics show that about 300 farmers, mainly in the drought-ravaged Transvaal, eastern Cape and Free State, have made their farms available and many more plan to follow suit.

And there may be cash in the farms as holidaymakers seek out affordable travel destinations closer to home. Farm holidays can earn the farmer up to R10 000 a year.

The regional director of the SA Tourism Board in Bloemfontein, Fissie Zietsman, said about 20 farmers in the eastern Free State had already opened their homes, which overlook the Maluti mountains, to tourists. More farmers were inquiring about the concept.

He pointed out that farmers needed a licence if they provided holiday accommodation. Health inspectors needed to look over the premises. He also said the Hotel Standards Act was soon to be revised to include farm holidays, which meant that high standards would be maintained.

Farmers did not have to make large financial outlays as most of the infrastructure was already available. Some farmers had renovated old farmhouses to rent out as self-catering accommodation. Others brought people into their homes and provided all meals and other comforts.

City-slickers could take refuge in a rural and peaceful environment and enjoy anything from hunting and fishing to hiking, horseriding, tennis and birdwatching, Mr Zietsman said. Some farmers' wives, living on farms on main routes, offered home-cooked lunches, which had proved very popular.

Satour plans improved hotel grading system

Bloody 3/7/92 (288)

THEO RAWANA

SATOUR said yesterday it was considering a scheme to improve the hotel industry's grading and registration system.

Satour chairman Piet van Hoven said hotels were currently compelled to register with Satour, after which they were graded according to fixed requirements for each category.

"In terms of the new dispensation, it is envisaged that all establishments desiring registration will select the accommodation category under which they wish to be registered. They will then have to meet specific requirements prescribed for each level of grading," he said in a statement.

Guests at registered establishments would pay daily levies to Satour, to be used for tourism marketing.

In return the establishments would receive a package of marketing and technical incentives, including access to Satour's marketing platforms in SA and overseas.

Van Hoven said Satour would discuss the scheme's feasibility and the criteria to be adopted in each category with organisations representing the various types of accommodation. "The consultations will also be aimed at devising a strategy for the implementation of the scheme."

He said it was necessary to adjust the system to satisfy consumer needs and to cater for new accommodation concepts.

The new system would level the playing field for all participants, he said.

GERALD REILLY reports that Fedhasa executive director Peter Hearfield said yesterday a decision to include the hotel and tourism sector in government's general export incentive scheme was vital if the industry was to make a bigger penetration into world tourist trade.

The inclusion was recommended in the recent White Paper on the industry.

"The need for us to sell ourselves abroad has become even more urgent if we are not to miss the boat. The industry lacks the funds to mount an effective promotion campaign," said Hearfield.

SA stood no chance of getting its fair share of international tourism unless money was available to compete aggressively.

WATERFRONT HOMES FM 3/7/92

Prices all at sea

288

The depressed residential property market has undercut the Cape's once lucrative market for holiday and retirement houses. The west coast in particular has slumped after a mini-boom two years ago which saw prices move from bargain basement into the luxury range.

Brokers say the situation is being exacerbated by plans for at least two major upmarket developments that will come on stream in Cape Town over the next two years. They believe many potential buyers have opted to join the queue — for Sanlam's ultra-luxury apartments on the old President Hotel site in Sea Point, and the residential component of the V&A waterfront project — rather than look at lower-priced but less convenient properties on the coast.

At Jakkalsfontein on the west coast, about 40 minutes drive from Cape Town, only 35 of the planned 166 houses have been sold. The R60m development on a 1 000 ha site with 4 km of beach is one of the most attractive to come on to the Cape market in years.

But in a recession R300 000 is a lot to pay for a weekend retreat. The scheme was recently taken over by Propcor from the original developer, Faircape, which ran into problems in other sectors of its operation.

Potential buyers of holiday and leisure property are also jittery in the wake of Masterbond's collapse and the uncertain future of Club Mykonos which was by far the most ambitious development in the region.

Though the asking price of vacant west coast land has escalated sharply over the past two years, brokers admit that the market is slow. At Britannia Bay near St Helena plots came on to the market at R40 000-R80 000 and have risen to a high of R140 000 on resales. A new development at Langebaan, following the recent sale of State land, offers prime lagoon-front stands at R200 000.

Among the better buys on the west coast is land selling at R75 000 for 5 ha plots at Longacres, near Mykonos. Though not on the coast, the development is well situated and aimed at the equestrian community. About 100 of the 180 plots have been sold.

The depressed holiday property market is in line with a general slump in Cape Town's mid-range residential prices. In the west coast suburbs, one of the fastest growing formal residential areas in SA, prices between November and March dropped on average by 14%, according to figures collated by Property Services.

Sectional title prices dropped from around R160 000 to R135 000 and house prices from R176 000 to R153 000.

The first residential units at the V&A are expected to come on stream within two years. Prices are likely to be high — R300 000-plus for a medium-sized unit — but the location means they will probably be snapped up. About 100 units are planned initially. They will probably include private residential, self-catering and timeshare.

Sanlam's President Hotel site apartments are part of a R230m development which could include a R100m luxury hotel. The residential project includes 132 apartments in three blocks — two of seven storeys and one of nine storeys, which will be sold on sectional title. Parking, for more than 450 cars, mostly underground, will be provided for the hotel and apartments.

Work on the 57-unit first phase has started. Prices were initially pegged at R400 000-R750 000, with penthouses costing just over R1m, but an extensive reassessment of sizes and quality means the average price will now be just over R1m with the top-priced penthouse on the market for more than R4m. There is already a waiting list of about 200 buyers. ■

PORT ELIZABETH

Perking up

Tourism and recreation developments worth at least R317m are likely to boost Port Elizabeth's property sector in particular and the regional economy in general. PE Publicity Association director Peter Myles says 12 major projects are under way or in an advanced planning stage. They include developments worth R215m on the beachfront.

The most ambitious are the redevelopment of the Elizabeth Hotel as a sectional title project and the construction of a 150-room Holiday Inn Garden Court on vacant land in front of the Elizabeth. The two developments will be linked by a 10 000 m² retail and entertainment complex.

On the nearby Brookes Hill site work has started on a 120-room hotel costing R20m, 100 chalets worth R40m and a R15m entertainment and leisure complex. The popular King's Beach amphitheatre is being redeveloped at a cost of about R20m.

In the CBD the old post office is being converted into the 60-room Prince of Wales Hotel at a cost of R25m and the Feathermarket Hall is undergoing an R18m refurbishment to turn it into a European-style multipurpose concert hall and conference centre. The lower Baakens Street bus sheds are being converted into an ice-skating rink at a cost of R2m.

At Greenacres, there are plans for a health, racket and aquatic club costing R10,5m and the St George's Park cricket ground is being upgraded to the tune of R26m to cater for international tours.

The go-ahead has also been given for the redevelopment of under-used Portnet land in the harbour along the lines of the Victoria & Alfred development in Cape Town.

Myles says the investments are in line with improving confidence in PE which saw residential property prices increase by an average of 36% in the 12 months to the end of September. This confidence is related to the success of the city's "one-city" concept aimed at incorporating all of PE's residents in social, political and economic planning. ■

Satour reviews hotel grading

CT 3/7/92

288

Own Correspondent

JOHANNESBURG. — Satour said yesterday it was considering a scheme to improve the hotel industry's grading and registration system.

Satour chairman Piet van Hoven said hotels were currently compelled to register with Satour, after which they were graded according to fixed requirements for each category.

"In terms of the new dispensation, it is envisaged that all establishments desiring registration will select the accommodation category under which they wish to be registered. They will then have to meet specific requirements prescribed for each level of grading," he said in a statement.

Guests at registered establishments would pay daily levies to Satour, to be used for tourism marketing.

In return the establishments would receive a package of marketing and technical incentives, including access to Satour's marketing platforms in SA and overseas.

Van Hoven said Satour would discuss the scheme's feasibility and the criteria to be adopted in each category with organisations representing the various types of accommodation "The consultations will also be aimed at devising a strategy for the implementation of the scheme."

Row over levy on hotels and cafés

288

CT 4/7/92

Legal action threatened over training fund scheme

By MAGGIE ROWLEY
Deputy Business Editor

A CONTROVERSIAL new levy on about 20 000 businesses ranging from corner cafés to hotels has stirred up a hornets' nest.

The one percent levy is being imposed on the total wage bills of businesses in the hotel, catering and liquor industries to help fund training in the industry in the hope of boosting tourism.

However, organisations representing some affected sectors have lodged objections with the government and threatened legal action.

The levy, which is subject to VAT, is being imposed by the recently-formed Hospitality Industries Training Board (HITB), established by industry groups to administer a Hospitality Industries Training and Development Fund.

Few aware of it

It is linked to a grant system whereby employers can apply for grants to cover their employees' training in HITB-approved courses.

The first payment was due by employers on June 15.

However, although details of the new fund and levy were promulgated "sometime" last year and gazetted on February 21 this year, few affected businesses canvassed by the Cape Times were aware of it.

Those liable for the levy fall into three categories — the accommodation sector, the catering sector and outlets selling liquor, excluding bottlestores.

Mr Vincent Hays, financial director of the HITB, said they did not know at this stage how many employers would be affected nor the extent of the revenue they would raise. But they estimated about 20 000 employers would fall under the legislation.

He stressed that although it was established under the Manpower Training Act of 1981, the HITB was not a government-appointed body but had been set up by the Federated Hotel, Liquor and Catering Association of South Africa (Fedhasa), the Catering, Restaurant and Tearoom Association (Catra), the Associated Clubs of South Africa (ACSA) and an employee body, the South African Chefs' Association.

However, both Catra and ACSA, which has withdrawn its representatives on the HITB, told the Cape Times that although they supported the need for industry training and had been involved with the HITB in this, they were vigorously opposed to the levy grant system.

Objections, they said, had been sent to the Minister of Manpower and if necessary legal action would be taken against the HITB.

Mr Paul Roscoe, general secretary of ACSA, which represents more than 400 sports and recreational clubs countrywide, said they were in "dispute" with the HITB over the levies and had advised their members to withhold payments until the matter had been settled.

Mr Frank Swarbruck, executive director of Catra, which represents among others, 40 000 café-owners countrywide, described the levies as "unconstitutional, bad in principle, ill-conceived, unmanageable and wasteful".

He said: "We strongly support training but definitely not the levy/grant system, which will result in the smaller companies subsidising the training of employees of larger concerns."

Mr Swarbruck accused Fedhasa, which has six representatives on the board against two for Cadra, two for ACSA and two for the SACA, of "undemocratically steamrolling the levy/grant system through".

He said the HITB was expecting to pull in about R9 million a year, of which R4m would be paid out in grants and R2m would be kept "for a rainy day", with the rest going to cover administration costs. "The whole thing is a mess and I don't know how they think they are going to administer it."

Exemptions possible

HITB chairman Mr David Wigley said administration was expected to cost a little more than R2m a year and he strongly disputed claims that Fedhasa, whose membership would provide about 80% of the levy income, had steamrolled the levy/grant decision or that they had not allowed enough public debate.

"We held public meetings, published guidelines and outlined the proposals fully at the last Fedhasa conference and the proposals were promulgated in the Government Gazette sometime last year.

"Catra were involved right from the start and they just failed to take their membership with them on this issue and are now trying to back out," he said.

He denied that smaller operations would benefit less from the scheme than Fedhasa's membership.

As far as the clubs were concerned, the HITB firmly believed they fell under the scope of the legislation. "However, there is room for exemptions, particularly for small one-person shows, and we are working on this now."

Tourist Area

And we're set to become the 'African Riviera'

■ Cape Town has become South Africa's most-popular tourist destination with more than R700-million spent by tourists last year — a figure expected to rise to more than R1-billion this year. Expansion plans for the Waterfront and harbour show that it is just the beginning . . .

WILLEM STEENKAMP, Weekend Argus Reporter

CAPE TOWN is on the way to becoming the "African Riviera" — the most popular tourist destination in South Africa and one of the prime places to visit on the continent.

Details of new plans for the harbour area, revealed exclusively in Weekend Argus today (see page 17), show just how promising tourism and other commercial prospects are.

The plans include a major enlarging of the harbour by the year 2010, several more hotels, including one of a five-star, international standard, residential schemes and numerous entertainment and leisure ventures.

Mr David Jack, managing director of the Waterfront Company, said that in spite of the political impasse, there was still tremendous interest from overseas hoteliers in the Waterfront development.

With the huge entertainment centre, Victoria Wharf, set to open its doors in November, with 14 cinemas, speciality shops, daily fashion parades and fresh fish, crayfish and snoek to be sold in a fish market, expectations are that this December could see a record number of people visiting the docks.

More than seven million people visited the Victoria & Alfred Waterfront in the financial year ending March, compared with an estimated 400 000 who went up Table Mountain by cableway last year, until now Cape Town's premier tourist attraction.

Tourists spent more than R700-million in the Mother City last year and it is estimated that this figure could soon jump to well over R1-billion a year — making tourism the largest industry in Cape Town and creating more jobs than any other industry.

Mr Gordon Oliver, chief executive of Captour, feels this is only the beginning.

"The V & A development is only just starting to take off; Gordon's Bay is developing its own waterfront; the West Coast is becoming an increasingly popular tourist destination; and Hout Bay is looking at extending Mariner's Wharf.

"Simply put, Cape Town is the jewel of Africa with a wealth of potential in the Western Cape to develop and create other new and exciting tourist opportunities. Of course, the Cape is one of the most scenic places to visit in South Africa."

However, said Mr Oliver, it is important that the people of Cape Town do everything possible to nurture this important industry. "We must keep improving services. We must do everything to make tourists feel welcome, to keep them coming back to our shores.

"Tourism is the only way in which Cape Town can supply the ever-increasing need for jobs for its people. Every rand

■ To page 3

P.T.O.

Tourist Area
And we're set to become the 'African Riviera'

288 ARG 4/7/92

Hospitality industry needs shot in the arm

UPLIFTMENT of services for tourists and an increase in productivity through training are lagging among staff in SA's general hospitality industry.

Isolation from the international community and lack of tourism in recent years have affected skills development in the industry.

So says Hospitality Industry Training Board (HITB) executive director Johan Fourie.

He says staff need the challenge of tourists demanding international standards of service.

"Yet, if we cannot offer this level of service we will have difficulty attracting large numbers of tourists."

A recent National Productivity Institute (NPI) hotel survey shows many managers lack communication, marketing, accounting and industrial relations skills. Fourie believes the industry has the skills to cope with a tourism rise of only about 5%-10%.

"A greater increase will call for training on an unprecedented scale, or the importation of skills."

Problems

He cites two main problems to be faced:

- The long recession has forced investments in training onto the back-burner for many companies; and
- Low interest in the industry as a career.

Responsible for co-ordinating and promoting training among hospitality industry companies, the HITB has only about 500 in-service trainees at present instead of its usual 1 500.

"A steady, but not too rapid, influx of tourists will awaken the economy and put companies in a position to invest in training again."

Formed five years ago, the HITB has focused on developing the training infrastructure necessary to answer SA's long-term needs.

All members, ranging from fast-food outlets to large hotel groups, must pay the board's levy and are then eligible for reimbursement of training costs after using courses, institutions and trainers accredited by the board as meeting the required standards.

The board has been able to encourage the University of Pretoria to introduce a six-month part-time course aimed at middle management.

It has also approached hotel schools and Potchefstroom University to make them aware of the shortcomings, with a view to having syllabi amended.

Lenco to bid for Metcor's H & H

LINDA ENSOR

CAPE TOWN — Lenco Holdings had decided to bid for 100% of Metkor Industries plastics subsidiary, Hendler & Hart (H & H), executive chairman Doug de Jager said in the group's latest annual report.

This comment is believed to relate to the cautionary announcement issued by the group a few weeks ago.

Industry sources believed Lenco would achieve considerable rationalisation benefits by merging its packaging division, Compak, with H & H.

De Jager said Lenco had become more focused on its three core industries, clothing, footwear and packaging. The group's market capitalisation had increased to R200m from R20m at the time of its listing.

The group would not chase turnover in a recession; Lenco would try to conserve cash to exploit opportunities once the upturn materialised.

De Jager said Lenco's UK acquisition of Capital Fashions had not been as successful as had been hoped, but it had opened up export opportunities for Houle of Monatic, which now exported over 10% of its turnover.

Last year Lenco achieved a 14% increase in earnings to 49,3c a share (43,2c). The operating margin increased to 12,8% (12,3%), return on capital employed, however, slipped to 33,4% (38,4%) and debt:equity improved to 23,8% (46,4%).

Turnaround puts Karos in the red

MARCIA KLEIN

KAROS Hotels, suffering from low occupancies and the higher cost burden of operating leases and interest, today reported a R3,9m attributable loss in the year to end-March, compared with a R4,1m profit in the previous year.

Chairman Selwin Hurwitz said occupancies of 57% were slightly ahead of the industry and of the previous year, but were down on budget.

This was due partly to a fair number of cancellations by foreign tourists, which were particularly noticeable in January and February.

Turnover for the year increased by 25% to R88,6m, and operating profit was 15% higher at R20,5m (R17,8m).

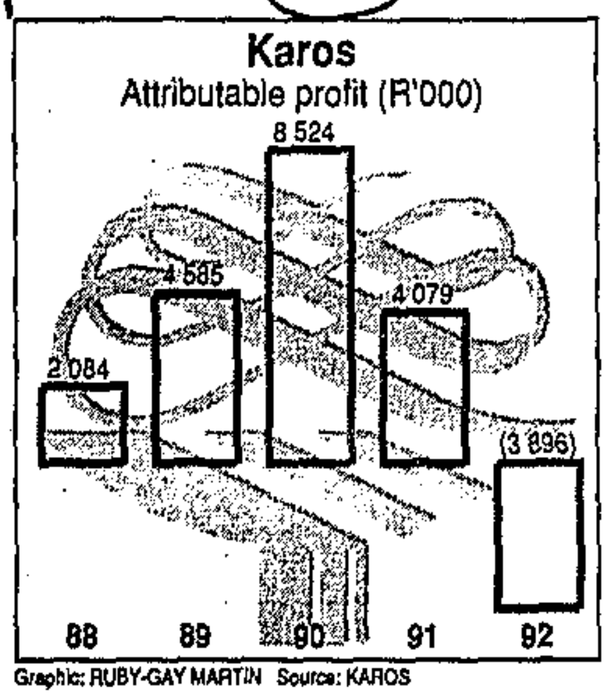
But the cost of operating leases rose to R7m from R3,6m, and the interest bill of R9,2m (R5,4m) was higher than budgeted for. This resulted in a R166 000 loss before preference dividends compared with profit of R6,8m in the previous year.

Karos showed a loss of 13,9c a share compared with earnings of 14,5c a share in financial 1991. No ordinary dividend was declared.

Hurwitz said the group had been affected by the recession and by the non-availability of rooms and facilities during its refurbishment programme, now nearly complete.

Forward bookings from overseas were well up on last year, and prospects for 1993 "most encouraging".

Hurwitz hoped there would be a change to the Gambling Act. Karos believed gambling rights should be extended to four- and five-star hotels with a minimum of 100 rooms, and "where the environment was conducive to gambling". Gambling should be strictly controlled and confined to those who could afford it.



Graphic: RUBY-GAY MARTIN Source: KAROS

Hotel industry to take steps against restaurant robbers

(288) ARG 8/7/92

ROGER FRIEDMAN
Staff Reporter

THE hotel industry will tackle the problem of increasing restaurant robberies at the Federated Hospitality Association national conference in Cape Town next month.

Several Cape Town restaurants have been robbed in the past year, the most recent being Gypsies in Plumstead on Sunday night.

Mr James Vivier, regional director of Fedhasa, said the problem had largely been solved in the central business district through the formation of the police tourism support unit.

"This unit patrols the CBD with specific reference to hotels and restaurants," Mr Vivier said. "We hope their protection will spread to the suburbs soon."

Mr Duncan Werner, regional manager of the Spur group whose restaurants have been targeted by robbers, said: "There's very little we can do. It's just a matter of being careful. All of our franchisees have been sent a directive informing them of the basic security measures we feel they should follow."

Restaurant owners and managers in the suburbs are formulating individual strategies to combat the increasing threat.

Security companies are being employed, additional panic buttons installed, police are being called at closing time, money is not left on the premises and restaurateurs are generally more alert.

But as Mr Butch Mulder, owner of Nauty's Moonlight Grill in Rondebosch, which was hit last month, put it: "Should these guys walk in again, I can't start body searching them. There's no reason they can't do it again."

Manager of the Mississippi Spur in Milnerton Mr Derrick Haywood said security had been stepped up substantially since the slaying of co-owner Mr Robert England in March.

Mr Haywood emphasised that it was not only the restaurant business which was at risk, but any business dealing with cash.

Warrant Officer Marius van der Westhuizen, acting police station commander at Rondebosch, has drawn up a roster of restaurant closing times in his area and the crime prevention unit maintains a visible presence at critical times each night.

- Two weeks ago, six robbers escaped with R7 500 and cheque books, jewellery and car keys taken from guests at Nauty's.
- In May, two armed men stole R6 400 from the Silver Spur in Bellville.
- In March the co-owner of the Mississippi Spur in Milnerton was killed during a robbery.
- In February the Hardrock Cafe in Rondebosch was robbed of between R5 000 and R6 000.
- In January La Perla in Sea Point was robbed of an undisclosed amount of money.
- In December the manager of the Tomahawk Spur in Goodwood was robbed of R14 000.
- In November the Acapulco Spur in Bergvliet was robbed of R9 500.
- In October the San Angelo Spur in Rondebosch was robbed of R2 500 and the Pinelands Spur of R10 000.

SA-Kenya sea link in offing

By Joe Khamisi
Star Africa Service

NAIROBI — Tourism in South Africa and Kenya may soon be linked by sea if arrangements can be finalised for a regular Durban-Mombasa cruise run, according to N A Stathakis, an official connected with the recent South African trade exhibition in Nairobi.

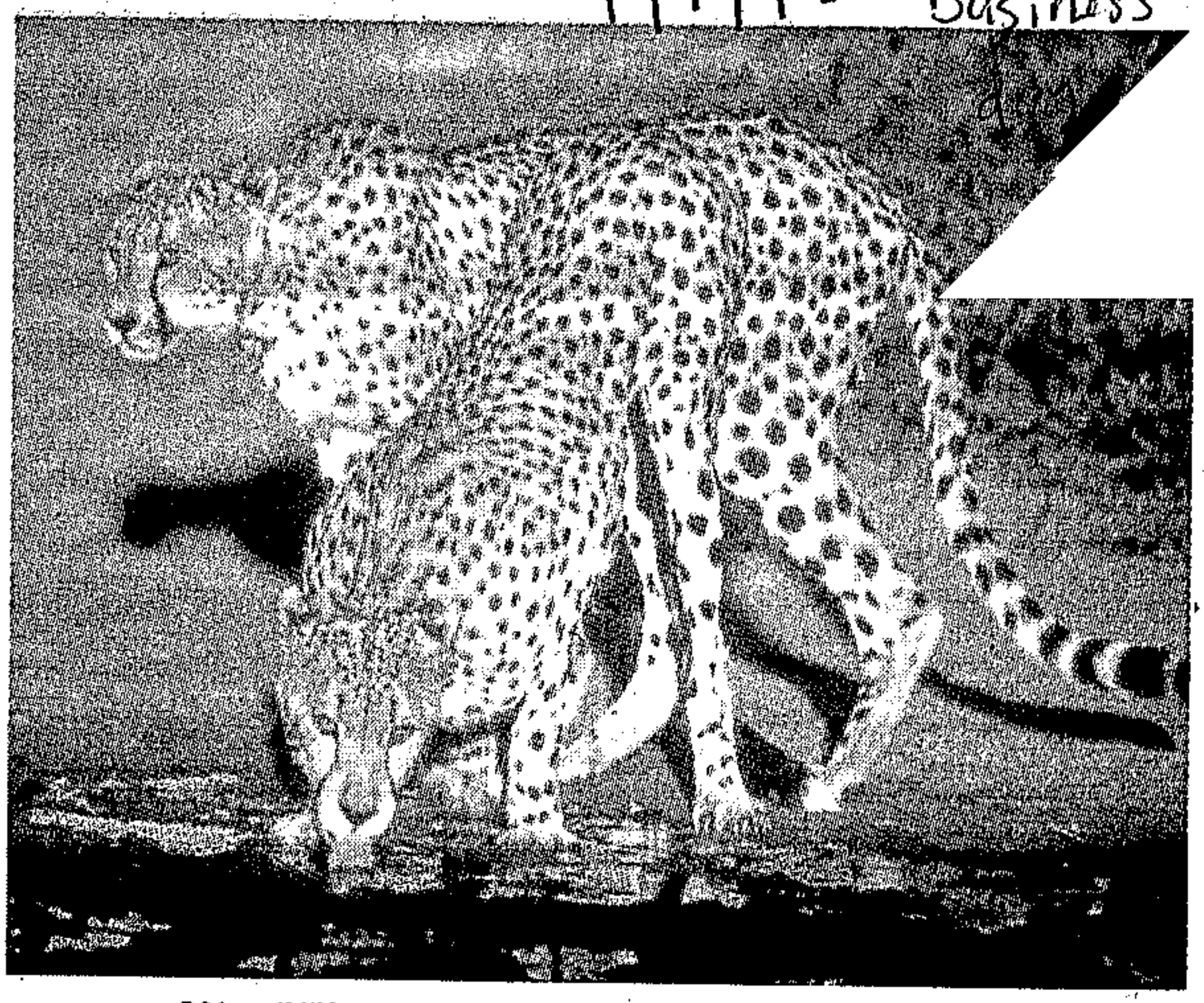
Addressing a domestic tourism workshop in the city, Mr Stathakis said South Africa was ready to start cruise links but was awaiting the final approval of the Kenyan government.

He said that during a recent visit to South Africa by Kenya Port Authority managing director Philip Okundi, an agreement was reached to place a cruise ship permanently on the Durban-Mombasa coastal route.

9/1/92 Business

Business Day SURVEY

Ending the violence and attaining political stability are only part of the requirements for a successful SA tourist industry. Service and accommodation standards will have to rise to meet the high levels demanded by foreign tourists, and a major marketing campaign is needed to convince people SA is a safe and worthwhile destination. ***ANDREW GILLINGHAM*** *reports.*



SA's wildlife may be a drawcard, but so is political stability.

Conference and seminar sector rakes in millions

ONE of the fastest-growing sectors of the tourist industry is the conference and seminar market, which has become a multimillion-rand business for local travel agents and hotels.

One of the largest such organisers is Stephanie Moss Solutions.

Stephanie Moss says: "While family-orientated tourists might be influenced by poor media coverage to overlook SA, multinational corporations with offices in this country are generally more informed about the situation and less likely to be put off visiting.

"We have organised and are planning several conferences for multinationals which have selected SA as the venue for annual or special gatherings." Such gatherings have become an important exercise in communication and motivation. Their success reflects the prestige and capabilities of the local corporate affiliate concerned.

Solutions has formed links with travel agents and hotel groups in the US, Europe and Far East to build this lucrative sector.

Says Moss: "Although local hotels and other venues have considerable experience in coping with conferences and seminars,



STEPHANIE MOSS

once you get into larger events — for more than 300 people — you start to experience major logistical problems and are limited in selection of locations."

Having visited several venues abroad in the past year, Moss compares SA's five-star hotels with foreign three-star hotels.

"Our local hotel industry needs to review its overall quality-of-service philosophy from top to bottom if we are to compete on the international front."

Citing shortages of accommodation and transport at peak periods — such as during the Kyalami Grand Prix or the opening of Parliament — she says the major hotel groups must consider expanding facilities and services to support SA's tourism promotion efforts abroad.

"SA's acceptance back into the international arena has and will continue to boost the local conference, seminar and event market.

"Earlier this year we organised a 70-delegate conference in Cape Town for international directors of a major multinational computer company. In addition to handling the logistics of flying in delegates from around the globe, the tailor-made package for the week enabled visitors to experience the rich beauty of SA in addition to conducting important business.

"That also means a group of leading influential corporate directors — opinion formers worldwide — left with a very positive view of what SA has to offer."

Solutions, which Moss describes as a "destination management consultancy", is now preparing a series of corporate packages. Typically, a group will include Japanese corporate executives brought to the country to enjoy a "golf, game and gambling" tour.

The corporate contribution to tourism and travel cannot be ignored. Seminars and conferences are big business bringing in valuable foreign exchange.

'Second Beirut' tag a major obstacle

VIOLENCE is holding back visitors to SA and the flow of foreign exchange and jobs which would go some way to helping rebuild the economy.

Flitestar MD Jan Blake believes violence has a major effect on foreign travellers. Each time there is a major incident in SA it receives full coverage in the Press abroad and tends to leave the impression that SA and Beirut are cut from the same mould.

Says Blake: "Each time something happens you can immediately go to your reservation system and see the number of cancellations that you get from Europe over a short period of time. We will not see the boom that we are looking for unless the security position is far improved from what it is today." However, he feels that once the situation improves the tourists will flock in.

"SA is one of the better destinations in the world. The tourist normally gets more than promised in the brochure. This is important as it leads to repeat quotas," says Blake.

Balanced

Southern Sun group MD Ron Stringfellow says violence is a huge problem. He believes that following the change in political circumstances in SA foreign media reports have been more balanced.

"However, when people read that 50 people a day are being killed in violence in Johannesburg, they start wondering if a holiday in SA is really what they want. Luckily, a lot of people are now showing interest in coming here," says Stringfellow.

He suggests that the parties involved should stop "scoring points" against each other every time violence erupts and instead concentrate on stopping it.

"In places such as New York where there is a high death rate, tourists keep on going because they perceive the authorities are at least trying to solve the problem," says Stringfellow.

Satour chairman Pieter van Hoven says there is no doubt that violence, particularly given the international exposure it receives, is a negative factor adversely affecting tourism development. "If there is any sustained or predictable pattern then it will have a long-term negative effect."

Business Day (288) 9/7/92 288 (288)

Solving SA's political woes could bring boom

SA IS pinning many of its hopes for future prosperity on enticing foreign visitors.

There has been some basis for this optimism as foreign tourism to SA has been increasing.

However, recent events served to highlight the fragility of these expectations. After the recent violence, hundreds of visitors cancelled their trips to SA.

Ending the violence and attaining political stability are only part of the requirements for a successful SA tourist industry.

Infrastructure such as hotels and airports are currently inadequate to meet potential volumes. The hotel industry is unlikely to make any major investments in the present climate as vacancies are running at about 50%. However, possible tax breaks could change this scenario.

Service and accommodation standards will have to rise to meet the high levels demanded by foreign tourists, and a major marketing campaign will have to be mounted to convince people SA is a safe and worthwhile destination.

Currency

Should this be achieved tourism could become SA's third-largest foreign currency earner.

Currently, of the 1-million visitors to SA only 200 000 are classified as leisure visitors from abroad. The world tourist market is expected to be more than 400-million this year. Just 1% of the market would mean 4-million foreign visitors in SA.

This is unlikely to happen overnight, but tourism could still make an increasingly meaningful contribution to SA's economy. Tourist hotels are labour-intensive, requiring one employee for each room in the better hotels. This would mean more jobs.

The ever-increasing number of international carriers serving SA should promote this country as a destination, as will charter flights.

On the local front, demand is flat, with businessmen making fewer trips. Holidaymakers are short of money and extremely price-sensitive.

Airlines are responding to low volumes by offering special rates. Low-cost flight/hotel packages are proving popular.

Cautious

The industry does not expect any real improvement in local tourist numbers until the economy moves out of recession. Even the most hopeful are not expecting this to occur before the first quarter of 1993.

Despite the somewhat gloomy picture, there is still an air of cautious optimism in the industry. A solution to SA's political difficulties could rapidly reverse present trends, bringing about a welcome boom in SA tourism.

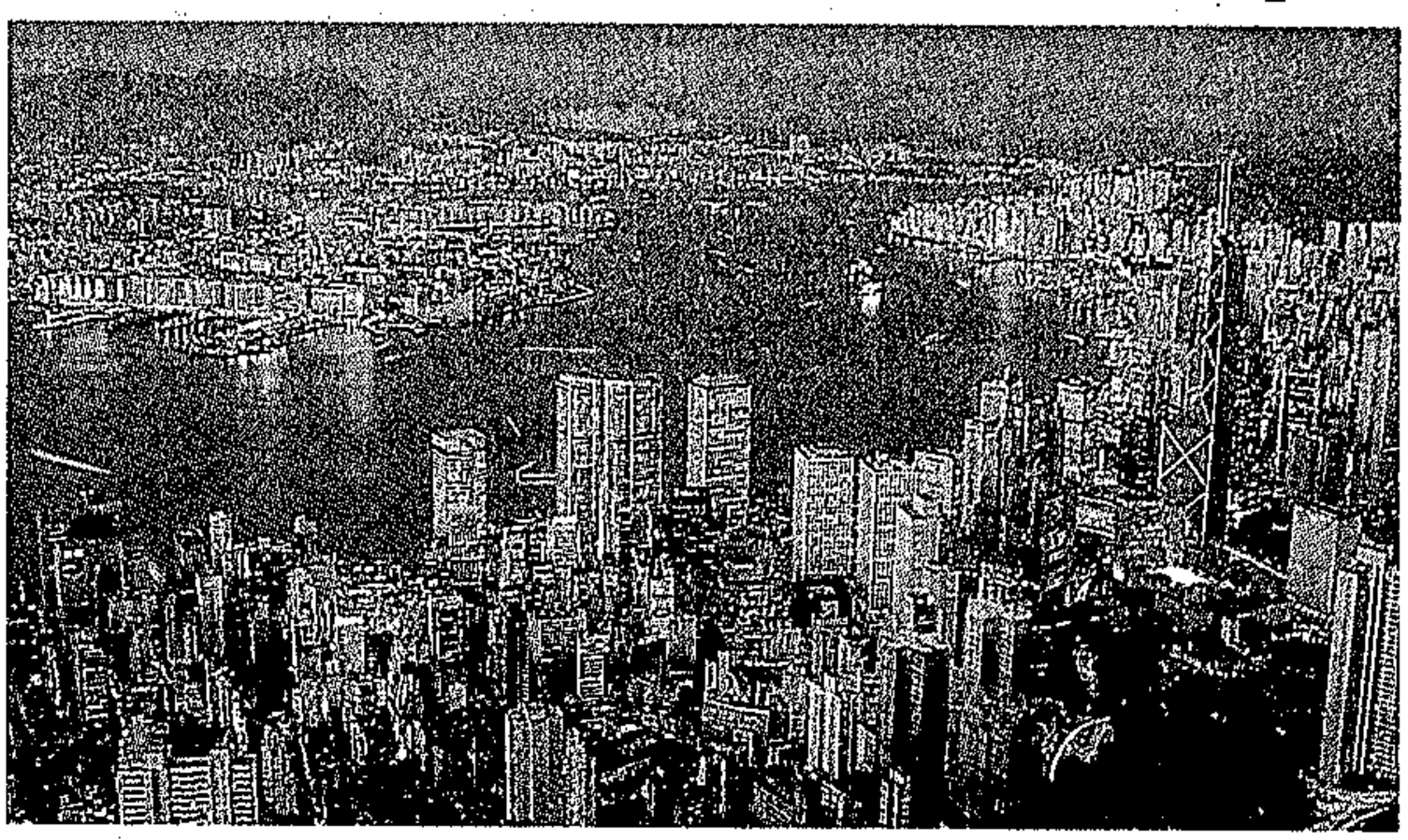
Adventurous head for eastern Europe

SA TOURISTS are still taking international trips, but not as many as they used to.

Their destinations are the US, Europe and the Far East. The availability of direct flights to Australia has tempted a few to visit friends and relatives in that country.

Rennies Travel MD Lilian Boyle says the more adventurous South Africans are trying destinations such as eastern Europe which has opened up.

"A vast number of South Africans are visiting friends and relatives in Europe and going to the traditional holiday spots such as Mauritius."



Looking down on Hong Kong.

Welcoming

Zimbabwe is doing very well for South African travellers at present, as is Boswana. "The Zimbabwe people are proving very welcoming to SA tourists.

"Locally, no one is going to Cape Town at the moment, but Christmas time saw a flood of visitors.

"The 150 000 timeshare owners in SA are now puting their timeshare investments to good use. They tend to be into the swap market in a big way. It provides them with wonderful access to cheap or free accommodation overseas.

"There have been a few good offers such as a good week here being swapped for two weeks in Florida."

There is little movement this month apart from traditional trips to the Natal and eastern Cape coasts.

"It is all depressingly flat at the moment. Some people are being tempted by the special airfares on offer, particularly packages including hotel accommodation."

Boyle says the market has become very price sensitive, with consumers eagerly pursuing cheap deals.

Boyle says the US is good value for South Africans, even with the three-to-one exchange rate.

"At least the expenses on the ground are going to be very much less than any of the western European countries. The tourists can travel around the US cheaply because of all the special offers."

"Egypt is an interesting trip and the Gulf is of interest to businessmen."

A 30-day cruise to Antarctica on a converted Russian icebreaker is on offer at up to $25 000 a person.

While Euro-Disney, near Paris, might be tempting, Boyle recommends hiring a barge to traverse the French waterways.

"It is the best form of relaxation and unbelievably cheap. We hired a boat that was twice the size we actually needed and it cost about R140 each a night. You cannot get accommodation for that price. It is a must for anyone with a stressful job."

Industry could be a top forex earner

THE potential for tourism in SA is enormous.

Selling SA as a holiday destination to even a small percentage of the world market would push the real number of tourists up to a point where tourism could become the country's third-largest foreign exchange earner.

Southern Sun group MD Ron Stringfellow says the statistics show SA receives about 1-million tourists each year.

Counted

Roughly half are from other African countries. However, there are not 500 000 visitors from abroad. When a traveller crosses a border and returns he is counted again.

Stringfellow points out that even if there are 500 000 visitors from abroad, about 200 000 of them are here visiting friends and relatives, and so make little use of SA's tourist infrastructure.

"Of the 300 000 visitors remaining, about 100 000 are business travellers, leaving about 200 000 genuine international leisure travelers.

Destinations

"There were 403-million tourists travelling to foreign destinations around the world during 1990. The Gulf war kept numbers down to about the same level during 1991. However, I estimate the world market at around 400-million tourists this year.

"If SA received 1% of the world's tourists it would mean 4-million people," says Stringfellow. He believes that once SA's political situation has stabilised there is a very real possibility of capturing 1% of the world market or increasing SA's tourism tenfold.

LEISURE

Egos cloud the original issues of wine list debate

BIDAY 10/7/92 (288)

THE restaurant wine list furore continues, with the catering industry treating the results of the recent Diners Club survey to streams of invective.

In the heat of these exchanges, the original issues have long been lost. Instead, that most brittle and ephemeral of all features, the ego of the restaurateur, has interposed itself between the debate and the truth.

Perhaps it would be useful to summarise the story so far, before proceeding with the next exciting episode.

Diners Club recently published a survey conducted among the ranks of its members: questionnaires were sent to 5 000 of the organisation's 90 000 SA cardholders and 595 replied. This 10% response is statistically useful, even if it does not provide for all the elements of a working sample.

The survey revealed a high level of dissatisfaction with restaurant wine lists. The focal point of unhappiness was retail pricing. More than 90% of those who responded felt that wines were overpriced. Clearly customers believe in general that not enough is done by the establishment or its serving staff to justify the prices at which wines are sold.

Those of us who have chosen to report and comment on the survey have been singled out for such remonstration and rebuke it has become clear that in the minds of the catering industry, no distinction exists between the messenger and the message.

It was clear from the unsubstantiated generalisations in a letter from Ben Filmalter of the Linger Longer group (Business Day, July 8) he was speaking to his own constituency and not engaging in the debate.

The drift of his rather tortured arguments was that restaurateurs are starving while the KWV makes millions; the Diners Club has no business conducting such surveys, and even less right to make the results known; everyone resents restaurant wine prices, nevertheless income from wine sales does not subsidise the pressured margins of food; finally, it is no one's business to have any opinions on the catering industry.

One of his colleagues bent my ear for nearly an hour on the same theme. The former three-times winner of the Diners Club wine list award told me it was a free market (though it was not my business to comment upon it), that his wines were competitively priced (which some are) and that as a result he is making a good enough living.

Some of these views are not inconsistent with common sense or with the results of the survey. Restaurants are in the public domain and must expect to find themselves the subject of criticism. Surveys and articles condemning unsound practices are part of the free market at work: they are there to help consumers to vote with their feet, and to encourage licensees to operate efficiently.

Restaurants with competitive mark-up strategies earn money, even in depressions. Establishments which expect wine to make a disproportionate contribution to their overheads are alienating their customers and should heed the feedback instead of condemning it.

It does not matter whether these reports satisfy strict sampling procedures: when 90% of the respondents to a survey conducted among frequent diners-out complain about wine list pricing, the intelligent restaurateur controls his knee-jerking instinct and instead pays attention to what he is being told.

The shocked reaction to the survey suggests that the catering industry has been isolated in its fool's paradise for too long. Perhaps restaurant critics should include a note in their reviews on the wine list pricing policy: a straitjacket for an insane mark-up policy and a little Bacchus for well-priced wines. This would help diners and restaurateurs know where they stand, all the time.

MICHAEL FRIDJHON

SA violence taking toll on tourism

(288)
ANC 10/7/92

Staff Reporter

THE Western Cape tourist industry is reeling under the impact of township violence. Mr Tom Chou, Consul for the Republic of China, said at least 50 tour groups had cancelled their arrangements after the Boipatong massacre.

Events in South Africa were being reported in the Taiwanese media and people there got the impression the security situation here was very bad.

"Tourists want to enjoy themselves and do not want to worry about their safety," Mr Chou said.

"I have advised them that things are not as bad as they imagine but there are other destinations that are less risky," he said.

Mr Gordon Oliver, chief executive Captour, said the political upheaval was having a negative effect on the economy, including tourism.

"Tourists will only flock to the country once the ANC, Inkatha and the government have resolved the problems.

"The situation is deterring the overseas public from coming," he said.

This was affecting the Western Cape most critically, the one part of the country which had growth potential and desperately needed the economic contribution of tourism.

The economy would be hamstrung until the political process was concluded successfully, he said.

The government had to get to grips with the evil forces at large which were causing the violence and killings.

The ANC and Inkatha had to use their influence on their constituencies for the return to peace and stability.

"South Africa simply cannot afford to go on like this. Tourism is the lifeblood of the Western Cape's economy and we need peace and political progress to prosper," Mr Oliver said.

Southern Sun managing director Mr Ron Stringfellow said recent developments had led to a lot of uncertainty.

Of particular concern was the possible reimposition of the sports moratorium. But since the news broke that planned sports tours were to go ahead, the group has had many positive inquiries.

Mr Dale Pretorius, Satour general manager for Europe, said that if the situation continued there would be a downturn in the number of overseas visitors.

He confirmed that two big overseas investment groups had postponed investing in the industry until the situation improved dramatically.

Regional director of the Federated Hospitality Association Mr James Vivier agreed that the political crisis had had an effect on tourism and that fewer travellers were visiting from overseas.

Record seven million visit popular V & A Waterfront

CC/Mello

ST Times 12/7/92

(288)

By FRED ROFFEY

VISITORS have surged to the Victoria & Alfred Waterfront in far greater numbers than originally expected — to notch up more than seven million in the financial year that ended on March 30.

The number is fast advancing towards the annual 12,5 million visitors to San Francisco's well-established Pier 39, the third-most popular tourist attraction in the United States.

This is disclosed in the Victoria & Alfred Waterfront Company's annual review, released this week.

The report says the drawing power of the development has generated revenue "significantly and gratifyingly ahead of budget and has cemented tenant support for the major extension of the Pierhead, the Victoria Wharf development".

Public support is expected to reach new levels when the following projects are completed:

- The R112-million Victoria Wharf complex, comprising a new building alongside Quay 5 and incorporating the almost completely rebuilt King's warehouse.

When completed at the end of October, the complex will accommodate 11 cinemas, 10 restaurants, more than 100 shops, a produce market and underground parking for 630 vehicles;

- Dock Road, the Waterfront's main thoroughfare, is being reconstructed and will be completed in time for the Victoria Wharf opening;
- Work is to begin shortly at Portswood Ridge on a R100-million office and parking development which will also include a 120-room hotel;
- A 168-bedroom, R20-million City Lodge development will open in time for Christmas;
- An R8-million development involving the conversion of a Portswood Ridge building into offices; and
- A wine centre will be completed in October.

A big draw for the public will be the first residential precinct on the site of the old upper "tank farm", following the flooding of the old quarry. Construction is scheduled to start in the last quarter of 1993.

Alongside the UCT School of Business campus, work is progressing on an office and garage development.

"This means that not only have we addressed a major problem of our success in attracting visitors by providing well-located parking, but also we have realised a very high value for our development rights," Professor Brian Kantor says in his chairman's statement.

Mykonos threatened

288

By CIARAN RYAN

BELEAGUERED Club Mykonos-Langebaan resort is on seven days' notice.

The resort's creditors have been told to get negotiations back on track with the Homeowners Association, or run the risk of having it wound up. ST Times (Buss) 12/7/92

Chairman of the association Colin Hultzer says the Masterbond curators and Fedlife — the two main creditors — refuse to grant house owners sectional title over their properties until outstanding debts of about R150-million have been paid.

Masterbond secured bonds of R78-million on the resort after it had been sold. When the company went into curatorship, Club Mykonos house owners were forced to foot the bill.

Mr Hultzer says: "If things are not resolved to our satisfation, we will recommend to the owners that they stop paying levies and withhold a further R60-million in mortgage payments. This could force the resort into final liquidation at which point we would make a bid for it."

Club Mykonos was to have had 850 units. A total of 236 have been built. Mr Hultzer says house owners have offered to forgo occupancy rights on a third of their properties which will then be sold to generate cash to offset debts.

Boom time at gaming clubs

SCORES of gambling clubs are opening in spite of the possibility they may be closed within months.

Sun International managing director Ken Rosevear says he became aware of an additional 26 clubs in the past two weeks. Some are said to make more than R1-million a week with little capital outlay.

Mr Rosevear says: "They believe that even if they're allowed to operate for only a few months it is worth it. They can recover their capital in a few weeks."

By CIARAN RYAN

About 200 clubs are said to be exploiting a legal loophole arising from a court decision last November. It allows games of skill such as ace high, a variation of blackjack.

Some clubs have refused to honour gambling debts.

The Government is expected to move quickly against the gaming clubs when Parliament sits in October.

The clubs beat the law by changing the rules of blackjack and playing with fewer cards, claiming this makes it a game of skill. Licensed casinos try to eliminate card counting by playing with more cards and then withdrawing some of the deck from play. Yet one gaming club refused to readmit a player on the grounds that he was too skilled at card counting.

Onus

"It should no longer be a question of what constitutes a game of skill or a game of chance," says a spokesman for the Gaming Association of SA.

"In the interests of free enterprise these clubs must be legalised. We want some form of control, but it is the degree we are concerned about."

Advocates of tighter gaming control are concerned that poker machines in many clubs are rigged.

Mr Rosevear says: "The onus is on the police to prove that the machine involves chance. To do so they have to be able to read the computer chip in the machine."

The Government was expected to pass legislation last month snuffing out gambling. But the Bill was delayed by the House of Delegates.

Solidarity Party leader Amichand Rajbansi says: "We took exception to the manner in which the Bill was being rushed through. Certain gambling houses outside SA were boasting that they had friends in high places to push the Bill through.

Tea

"We believe casinos should be allowed in a controlled environment. They should not only be operated by welfare organisations as suggested by the Government, but by sports clubs and others."

Mr Rosevear says he was forewarned by Gary van der Merwe — owner of The Club in Cape Town and the Sleepy Hollow in Johannesburg — that the Bill would be blocked. Sun International repeatedly asked the Government for clarity on the law.

Club owners are not about to lie down without a fight. Most have joined the Gaming Association.

A hot-line for club owners puts them in touch with lawyers.



SUN INTERNATIONAL'S KEN ROSEVEAR: It's easier to open a gaming club than a bottle store in SA

The Gaming Association denies that profits are as large as some believe.

Aoun Moussa, owner of the Cotton Club in Honeydew, says he has been going for 15 months, but has not made a profit from gaming in the past five months.

"I also have a tea garden and sometimes I make a profit from gaming. Between 40 and 50 women come here each day. They used to go to Morula Sun, but it is too far and the road is getting dangerous."

Mr Moussa says it costs about R100 000 to start a small club. A bigger one can cost R1-million.

The proliferation of gaming clubs has taken its toll on Sun International's gaming revenue, but not room occupancies. Sun International has exclusive gambling rights in the independent homelands.

It offers discounted weekend packages at Sun City.

Mr Rosevear says it is practice to market aggressively in recession.

Karos Hotels, which reported a R3,9-million attributable loss for the year to March after a R4,08-million profit in 1991, is operating gaming facilities in three of its hotels. It wants gambling to be allowed in four- and five-star hotels.

Mr Rosevear says: "It is easier to open a gaming club in SA than a bottle store. Nowhere in the world can you just open a casino."

Violence stops flights

By CHARIS PERKINS

ST Times 12/7/92

AN international airline this week cancelled one of its twice weekly flights to South Africa because of a drop in passengers caused by political violence.

The move by China Air, Taiwan's national airline, signals the end of the mini-boom in the tourism industry which began after the ANC was unbanned.

Tourism organisations this week confirmed that hundreds of people had cancelled visits to SA and said there had been a slump in the number of advance bookings.

Satour executive director Spencer Thomas said: "We are doing our best to assure visitors that the violence is localised but, since the Boipatong massacre, people believe there is mayhem in the streets." 12/7/92

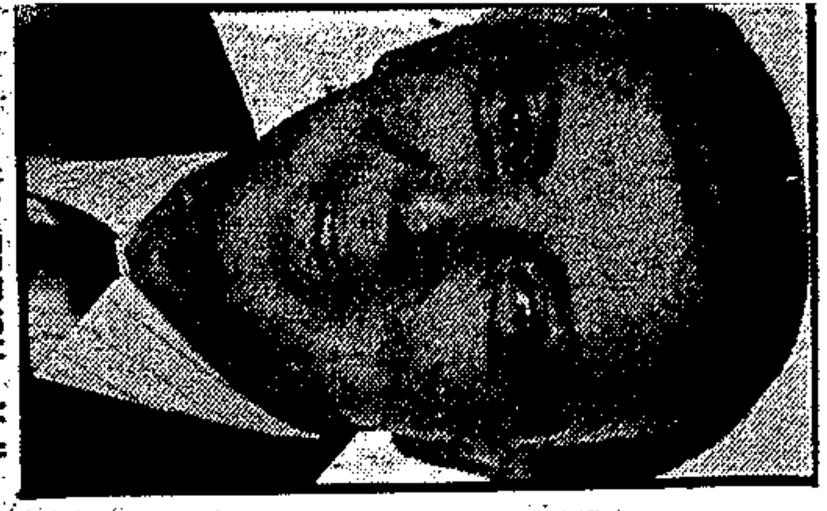
Trend

The managing director of the Holiday Holdings Group, Mr Ian Cook, said: "We get calls daily asking us if it is safe to send travellers here."

Mr Laurie Wilkinson, president of the Association of Southern African Travel Agents said the trend was tragic.

- On Friday, SAA slashed return fares from Johannesburg to London to 1986 prices on its new weekly daytime flight. From August 29 until December 1, 1992, and from January 21 to February 28, 1993, all economy seats on the daylight flight will cost R1 990.

Formule 1 finds right formula for hotel success



ROLAND du TREVOU: Volkswagen of hotel accommodation

THREE years ago Roland du Trevou read in a Paris magazine of the runaway success of French hotel group Formule 1. Started in 1985 by French hotel conglomerate Accor — it owns the Pullman and Wagon Lits hotel groups — Formule 1 has become the fastest-growing chain in the world.

The group comprises 239 hotels, a new establishment opening each week.

Research had shown that 60% of French people had never stayed in a hotel because prices were too high. Accor came up with a no-frills hotel concept that would appeal to almost any budget.

Mr du Trevou boarded an aircraft to France and tried to interest Accor in launching the concept in SA.

Accor believed the "time was not ripe" to open here.

Muscle

Mr du Trevou returned to SA empty handed, but far from defeated. The fact that the hotel trade in SA was going through hard times because of a tourism slump did little to dent his enthusiasm.

He registered the name Formule 1 and approached Meyer Khan, chairman of SA Breweries, which owns the Southern Sun group.

With the financial muscle of the SA Breweries group now behind him, Mr du Trevou and Southern Sun managing director Ron Stringfellow approached Accor a second time and a partnership was formed in December 1990.

The first Formule 1 hotel in SA near Jan Smuts Airport opened in June 1991 and is running at "very high" occupancies. The average occupancy of SA hotels is about 50%.

Formule 1 hotels are aimed largely at the SA market and are relatively immune to international tourist cycles.

"We plan to open 10 hotels before the end of 1993 and 50 by the year 2000," says Mr du Trevou.

Slash

A second Formule 1 is being built beside the Ben Schoeman highway's Sandown-Wynberg off-ramp and a third, on Louis Botha Avenue in Berea, will be ready by December. A fourth will be built close to Jan Smuts Airport.

By dispensing with costly restaurant overheads, room service and bars it is possible to slash tariffs to the bare minimum.

A room costs R74 a night whether it sleeps one, two or three people. A Continental breakfast costs only R6, but no lunch or supper is served.

For those in need of a midnight snack, a vending machine is available.

"Our market is travelling salesmen on limited budgets, technicians, public servants, trainees, families and people from out of town."

Mr du Trevou says Formule 1 does not compete with the newly launched Southern Sun Garden Court, or the successful City Lodge, which pioneered this market in SA.

"It is not uncommon for a Formule 1 hotel to be full on the first night after opening," says Mr du Trevou.

"We do little advertising. We promote the hotel with huge billboards while construction is under way."

Formule 1 will expand to Durban and Cape Town next year and thereafter into smaller towns in competition to one- and two-star hotels. A 40-room hotel can be run by a staff of three or four.

Tapping

Guests arriving late at night can check themselves in with a credit card, but Mr du Trevou says there has been little opportunity to use this facility at Jan Smuts because the hotel is generally full at this time.

"Our research indicates that 90% of South Africans have never stayed in a hotel because the prices are too high. So we are tapping into a new market, offering low-priced, yet hygienic and comfortable accommodation to budget-conscious guests."

Accor comprises 1 900 hotels and is the largest hotel group in the world.

Tourists cancel due to politics

GERALD REILLY

PRETORIA — Foreign tourist cancellations were continuing in the wake of the Boipatong massacre and growing political uncertainty, tourism industry spokesmen said yesterday.

The plight of the industry was reflected in the R3,9m trading loss reported by the Karos hotel group for the 12 months to end-March, compared with a R4,1m profit the year before.

Fedhasa executive director Peter Hearfield said that part of the loss was the large amount spent on refurbishing. "They are investing in the future, but no one knows when the future is going to arrive".

Deal to rescue Club Mykonos

B DAY 14/7/92

LINDA ENSOR (288)

CAPE TOWN — Life assurer Fedlife — whose clients have R18m invested in Club Mykonos — has emerged as the key player in talks to rescue the West Coast resort.

A tentative reconstruction plan has been drawn up between the Masterbond provisional curators, the homeowners, investors in Club Mykonos Holdings and Fedlife. In terms of the proposal, Fedlife would invest an additional R3m and provide underpinning of between R15m-R18m to existing investors.

In terms of the deal, Fedlife would offer certain investors an option to realise an amount equivalent to their possible dividend on liquidation.

The delay in the implementation of the plan led to threats on the weekend by the Club Mykonos Langebaan Homeowners' Association to close down the resort unless the curators granted them sectional title to their properties by next Wednesday.

The homeowners, who have invested about R100m, have paid an increased levy since the crash of Masterbond in October last year to keep the resort going.

Fedlife has apparently been undecided whether it should invest this further amount, though the alternative could be that it might lose a substantial amount if the resort was sold under liquidation.

Some of Fedlife's clients borrowed money to buy linked debenture units in Club

□ To Page 2

Club Mykonos

B|DAY 14/7/92 · (288)

□ From Page 1

Mykonos Holdings on the basis of asset-based endowment policies. The security of the clients' investments — shares secured by a ceded mortgage bond which was not registered — was questionable, placing Fedlife in a difficult position regarding the recovery of its money.

One of the major problems with Club Mykonos was that the rights of investors had not been secured and the R153m invested exceeded the value of the assets by a large amount.

The shareblock units had not been registered in the names of the purchasers and a 99-year lease on the property was also not registered. There were also questions about the registration of bonds held by bondholders.

In terms of the reconstruction plan each of the parties would have to make concessions so that Club Mykonos could trade itself out of its debt over 10-15 years. The Masterbond curators were on record as saying that this would be preferable to a fire sale which would possibly only realise about R20-R40m of the R153m.

Bondholders would have to forego interest payments for some time and accept that their capital would be locked in the project for years. Timeshare owners would have to forfeit a third of the time bought to make available more units to sell.

Resort homeowners to seek final liquidation

BIDAY 16/7/92

LINDA ENSOR

CAPE TOWN — Irate homeowners in Club Mykonos are planning to apply to the Cape Supreme Court for the final liquidation of the west coast resort on August 12 when provisional curators submit their progress report on the Masterbond group to the court.

A meeting of homeowners would be held in Cape Town on August 10 to approve the proposal for final liquidation, said Homeowners' Association chairman Colin Hultzer yesterday. He estimated that there were 20 000 owners in Club Mykonos with a total investment of R110m.

Debenture bond holders and other creditors stand to get paid out as little as 20c in the rand if the resort is liquidated, closed down and sold. The curators have vehemently resisted this route.

Hultzer estimated that Club Mykonos, which had total liabilities of about R153m, would realise only about R25m to R30m in a fire sale.

He said a final liquidation was in the interest of the homeowners, however, as they would be able to bid for the resort on the open market. They could use the R60m owed to Masterbond subsidiary Spectravest, which granted them loan finance, as a bargaining tool.

Hultzer said the only alternative which would sway homeowners from their course would be if the curators and other creditors gave them sectional title to their units so that they became marketable.

The curators and Fedlife — which proposed a deal to restructure Club Mykonos — had refused to grant sectional title until all the debt was paid off, Hultzer said. This was unacceptable to homeowners as it would take five to eight years for the debt to be settled.

"We have had promises, promises, promises and now we want to see our assets given marketable form," he said.

Termination

For the past seven months the homeowners had been paying an average R400 000 a month to keep the resort running and this could not continue.

Proposals to be put before the meeting included the termination of payment of levies to the management company and termination of the repayment of the R60m to Spectravest.

Levies and loan repayments would instead be paid into a trust account and if no settlement favourable to the homeowners was reached, then the trust monies would be paid out to them.

Violence takes toll on trade and tourism

288

HENRIETTE GELDENHUYS and VUSI KAMA, Staff Reporters

ARG 16/7/92

SOUTH AFRICA can expect fewer foreign visitors because of the unstable political climate, the SA Tourism Board has warned.

Although overseas arrival figures in the first three months of 1992 increased by 15,6 percent compared with last year, political turbulence was beginning to take its toll, said Satour media liaison officer Ms Marinda Steyn.

The strong flow of reservations in the first five months of the year had slowed and future tours and the printing of South African brochures had, in some instances, been postponed, Satour's overseas offices had reported.

The Boipatong massacre had not caused major cancellations, but a "longer-term mood of wariness is beginning to emerge," she said.

If the political climate did not stabilise and fewer tourists visited the country, it would "impact negatively on jobs and foreign revenue."

● Wesgro executive director Dr David Bridgman said yesterday foreign businessmen had shown incredible interest in trading with South African companies since 1990, but political uncertainty and weaknesses in the government's economic approach remained stumbling blocks.

Responding to the business community's concerns about the future of the economy, Dr Bridgman said the prospects for foreign trade were better than two years ago and that businessmen should prepare themselves for better days.

Last month, Wesgro hosted its 1 000th foreign visitor considering business in the Western Cape since January 1990.

Most of the foreign businessmen were interested in commodities such as fruit, fruit juices, wines and clothing.

"We must be aware that South Africa in general, and the Western Cape in particular, offer good investment opportunities in market areas such as tourism, food processing and yacht building.

"But given the current political uncertainty and violence, large scale foreign investment cannot be expected now."

Resort homeowners to seek final liquidation

BIDAY 16/7/92

(288)

LINDA ENSOR

CAPE TOWN — Irate homeowners in Club Mykonos are planning to apply to the Cape Supreme Court for the final liquidation of the west coast resort on August 12 when provisional curators submit their progress report on the Masterbond group to the court.

A meeting of homeowners would be held in Cape Town on August 10 to approve the proposal for final liquidation, said Homeowners' Association chairman Colin Hultzer yesterday. He estimated that there were 20 000 owners in Club Mykonos with a total investment of R110m.

Debenture bond holders and other creditors stand to get paid out as little as 20c in the rand if the resort is liquidated, closed down and sold. The curators have vehemently resisted this route.

Hultzer estimated that Club Mykonos, which had total liabilities of about R153m, would realise only about R25m to R30m in a fire sale.

He said a final liquidation was in the interest of the homeowners, however, as they would be able to bid for the resort on the open market. They could use the R60m owed to Masterbond subsidiary Spectravest, which granted them loan finance, as a bargaining tool.

Hultzer said the only alternative which would sway homeowners from their course would be if the curators and other creditors gave them sectional title to their units so that they became marketable.

The curators and Fedlife — which proposed a deal to restructure Club Mykonos — had refused to grant sectional title until all the debt was paid off, Hultzer said. This was unacceptable to homeowners as it would take five to eight years for the debt to be settled.

"We have had promises, promises, promises and now we want to see our assets given marketable form," he said.

Termination

For the past seven months the homeowners had been paying an average R400 000 a month to keep the resort running and this could not continue.

Proposals to be put before the meeting included the termination of payment of levies to the management company and termination of the repayment of the R60m to Spectravest.

Levies and loan repayments would instead be paid into a trust account and if no settlement favourable to the homeowners was reached, then the trust monies would be paid out to them.

Political turmoil sets back tourist industry

GERALD REILLY

288

THE political situation was beginning to take its toll on the flow of overseas visitors, threatening job and foreign exchange losses, said a Satour spokesman.

He said although the tourism industry had suffered no major cancellations due to the Boipatong massacre, "a longer-term mood of wariness is beginning to emerge".

BIDAM 17/7/92.

Satour's overseas offices had received many inquiries about the unrest in SA. Future tours and the printing of brochures containing SA tour programmes had to be postponed.

The offices also reported that the strong flow of reservations in the first five months of the year had slowed down.

"If the present political climate fails to improve and stabilise it bodes ill for foreign tourist arrivals for the second half of the year."

The spokesman said this situation could translate into job losses and also into a loss of foreign earnings for SA.

Overseas arrivals during the first quarter of this year increased by 15,4% compared with January-March last year, but this trend was now threatened.

In the quarter European arrivals increased by 12,9%.

The major growth markets in Europe were France (45,3%), Italy (63,1%), Netherlands (25,1%), Switzerland (21,2%) and Belgium (23,8%).

There was also increased interest from the Scandinavian countries, a market which held great growth potential.

The Asian market showed a consistent growth, with an increase for the quarter of 52,8%, the spokesman said.

Arrivals from Japan increased by 76,8% while Taiwan showed an increase of 31,7%.

Arrivals from North America in the quarter were also above average, with 19,9%, while Australasia showed an increase of 12,6%.

HIT BY TOURISM

Year to March 31	1991	1992
Turnover (Rm)	70,8	88,6
Operating income (Rm)	11,0	8,6
Attributable (Rm)	4,1	(3,9)
Earnings (c)	14,5	(13,9)
Dividends (c)	6,0	—

FM 17/7/92 (288)

KAROS HOTELS FM 17/7/92 (288)

Poor reward for capex

Paradoxes occur often in SA and Karos's 12-month results are yet another example. Despite repeated assertions that SA's hotel infrastructure is inadequate, the group's profitability has been been squeezed because of its R100m refurbishment and development programme.

Interest cover has narrowed severely, as net interest charges rose rapidly while trading profit fell.

Admittedly, capex programmes often take time to pay off, but Karos's results show what happens when activity does not reach the expected levels after investments are made. Despite last year's R14,7m rights issue, 1992's trading profit (after taking account of land and building lease charges as well as depreciation and amortisation costs) does not cover the interest charge. Chairman Selwin Hurvitz says there could be a further rights issue to reduce the interest charge.

Karos's management took a proactive stance towards investment, but was caught flatfooted by the political and economic climate. Though the group now has 1 900 fully refurbished rooms, the business looks overcapitalised, particularly if the ongoing violence means foreign tourists will continue to stay away.

News on this front is bad, with tour operators saying hundreds of potential tourists, largely first-time visitors, are cancelling visits because of the increasing violence.

Admittedly, the hotels are also aimed at the conference market and the businessman, with local and international tourists supplementing trade from these activities. But Karos has been hit on all fronts: conference and business travel trade is depressed as company profits remain weak, while the recession has kept local tourism in the doldrums.

Local gaming operations could provide some relief. Though the legislation remains unclear, it is possibile that regulated gambling will be allowed inside SA, particularly as it seems probable the homelands will be reincorporated into SA. Hurvitz predicts gaming operations, now operated at five of its hotels, will contribute roughly R2m to attributable earnings if the authorities don't terminate the activities. The 1992 results do not include gaming activities, as these started after year-end.

Karos operates gaming operations at The Edward in Durban, Pietermaritzburg's Capital Towers, Johannesburg's Indaba Hotel, the Arthur's Seat Hotel in Cape Town and the Wilderness Hotel on the Cape coast.

After dropping by a third in the past month, the share trades at a 64% discount to NAV. Concentrating on three-, four- and five-star hotels, to gain exposure to the conference trade, has yet to pay off. Occupancy levels have been higher at the less expensive City Lodge chain.

Yet again, one must take a view on future violence when taking a view on Karos's prospects.

William Gilfillan

288

which would have shut about 1 500 casinos outside the independent homelands, was vetoed in committee by the Indian House of Delegates, which objected to its being rushed through.

The Bill was designed to close a loophole in the Gambling Act, which defines gambling as games of chance. By slightly altering the rules to allow for less chance and more skill the new breed of casino operators thumbed their noses at SA's moral guardians (*Business & Technology* June 5).

The fight is not over yet. Parliament's justice committee is considering amendments to the Bill that will be discussed at a meeting this month, says a Justice Department spokesman. The Bill could be revived in a special session of parliament planned for October. The next regular session begins in February.

The casinos are still in business and more are opening every week, creating jobs and paying taxes. They even have their own body, the Gaming Association of SA, formed last month.

Sun International CE Ken Rosevear dismisses the body as just an attempt by casino operators to legitimise and entrench themselves as much as possible before parliament returns to the issue.

The company, which has the most to lose from the spread of casinos in SA because of its huge investment in the homelands and neighbouring countries, raises the spectre of Sodom and Gomorrah unless regulations are implemented. "There are potential problems linked to prostitution, drugs — all sorts of underworld activity. There needs to be some form of control or regulation. If gaming is going to be allowed in SA, then it should be clearly defined."

Proponents say there are already laws against prostitution and drugs and that the underworld is usually a problem only in outlawed businesses.

Howard Berchowitz, the MD of Piggs Peak Casino in Swaziland, also wants clarification on the issue. "It's unfair for government to say gaming is illegal and then not do anything about it."

Berchowitz, who has lost half of his junior dealers to the rival casinos, also believes that the industry needs control. "If government wants to legalise casinos in their present form, then I have no problem, but operators must be vetted, there must be a set of guidelines and proper accounting methods have to be implemented." He says he would open a casino in Johannesburg tomorrow if the business was formally legalised.

The Club casino group is a nationwide collection of new casinos that employs about 500 people. Director Gary van der Merwe says it will make a mockery of parliament if the Bill is pushed through in the special session. "That session is supposed to deal with legislation coming out of Codesa, but pressure has been applied to government. Casinos have to be controlled but there should be no limit to the number allowed — competition is healthy for business." ■

CASINO GAMBLING

FM 17/7/92

Betting the house

288

Maverick casinos springing up around the country could have as much as a year's reprieve following government's failure to push the Gambling Amendment Bill through this year's session of parliament. The Bill,

SUN BOP FM 17/7/92

Still in the game (288)

Sun Bop's share price has held up well despite the proliferation of local casino clubs to well over 100 (see *Business*). At R35, it trades on a p:e of 18,3 with a 3,4% dividend yield. This may surprise those who believe Sun Bop's prosperity depends largely on the prohibition of gambling, aside from horses, inside SA.

One explanation is that Sun Bop's activities are aimed at the mass market, whereas the local clubs are niche operators. Deputy chairman Ken Rosevear agrees and adds that the broad range of entertainment facilities offered at Sun Bop resorts also explains the apparent anomaly. The new Carousel hotel and entertainment complex, roughly 30 minutes north of Pretoria, is an example.

To motorists on the nearby freeway, the complex appears nothing more than a massive casino, which must be vulnerable to the surge in local clubs. Rosevear says the complex is doing well, thanks to the family entertainment facilities available, including movie and disco complexes and 10-pin bowling.

He does concede, though, Sun Bop's profits have been hit. However, as analysts still expect EPS growth of over 10% for the 12 months to June, when most other businesses are struggling to maintain earnings, it seems the impact has not yet been material.

But what of the future? Local casino clubs are continuing to sprout at a rapid rate, suggesting Sun Bop will face growing competition. On the other hand, government has stated it intends to pass the Gambling Amendment Bill, designed to close the loophole in the Gambling Act, during October's special session or early next year.

Rosevear, along with bodies such as Karos Hotels, supports regulated gambling, noting gambling is controlled in virtually every country. Levies and taxes are controlled better through regulation.

Paradoxically, Sun Bop could benefit as there is nothing preventing it from applying for licences for gambling operations in SA. Rosevear says the group will consider applying for licences, depending on the terms. The agreement between Sun International and Southern Sun, restraining one another from operating in each other's territories, expired in March last year.

Though Sun Bop has lost some staff to the new operations, he says this has slowed recently as the staff believe the legislation is likely to change. Only 23% of Sun Bop's 17 000 work force are gaming staff.

One observer argues the share price has held up as the threat of local clubs has largely been discounted, as it has long been probable the homelands will be re-incorporated into SA.

William Gilfillan

Restaurants to petition Minister on wage bill levy

(288)
C 20/7/92

By MAGGIE ROWLEY
Deputy Business Editor

AT least 50 of Cape Town's top restaurants are to petition the Minister of Manpower against the new levy system on wage bills in the tourism industry.

The levy constitutes 1% of the wage bill of about 20 000 employers who provide accommodation facilities or are involved in the preparation or serving of food.

The affected businesses range from corner cafes, restaurants, hotels to caravan parks and holiday flats.

The first payment, which has been imposed by the new industry-appointed Hospitality Industries Training Board, was due on June 15 and came as a surprise to many affected businesses canvassed in Cape Town.

Although established under the Manpower Training Act of 1981, the HITB is not a government appointed body but had been set up by the Federated Hotel, Liquor and Catering Association of SA (Fedhasa), the Catering, Restaurant and Tearoom Association (Catra), the Associated Clubs of SA (Acsa) and an employee body, the SA Chefs' Association.

However Acsa and Catra, while both supporting the need for industry training, have both come out strongly against the new levy system.

Acsa, which represents more than 400 recreational and sports clubs, claims its members should be exempt because they are non-profit organisations. It has called on its membership to withhold payment until the matter is settled.

Catra, which represents 40 000 cafe owners around the country, has accused Fedhasa, which has six representatives on the 12 member board, of "steamrolling" the levy system through and described it as "unmanageable, wasteful, and unconstitutional."

Grant system

The levy is linked to a grant system to fund training in the industry but its opponents, including Catra and the group of 50 Western Cape restaurants, claim it amounts to small businesses funding the training of larger organisations.

Marion Ellis Peterson, owner of Rozenhof Restaurant and spokesperson for the concerned restaurants said most restaurants were too small to justify or benefit from such a system.

"We do our own in-house training and this really amounts to the small businesses footing the bill for big concerns who stand to gain more from the courses offered.

"Most restaurants we have canvassed are refusing to pay and we will be petitioning the Minister within the next week."

She said some restaurants had not yet even received invoices while others, including Rozenhof had received double invoices.

"Administratively, it appears to be in a shambles," she said.

Francois De Villiers, deputy director of communications for the Department of Manpower said the Chief Directorate had received 17 written requests for exemptions from the levy and these had been forwarded to the HIBT.

A number of employers who made telephonic requests for exemption had been told to apply in writing to the HIBT.

Complaints and requests for exemption, he said, had to be submitted to the HITB which would forward them, together with any recommendations by the Board to the Director-General of Manpower for consideration.

De Villiers said Department of Manpower officials held discussions with the HITB executive director on July 3 regarding certain applications for exemptions and a further meeting would be held on July 29.

"The Department can thus only react after receipt of information on the outcome of the meeting," he said.

Peters said the opposing restaurants include Rozenhof, Fisherman's Cottage, Mama Roma, Decameron, La Petite Ferme, Leinster Hall, Chez Simone, Beachcomber, Nelson's Eye, Champers, John Jackson at The Peninsula, Upper Crust, No 10, Shrimptons, Old Colonial, Moguls, Bensons, Harlequin and the Ciao Italia organisation which represents 32 restaurants in the Western Cape.

mand for properties, but mid-1993.

Foreigners put off by politics, violence

B1DAY 22/7/92

OFFSHORE interest in local residential properties has dropped off substantially due to political instability and violence.

Seeff international properties director Carmella Seeff says that after Nelson Mandela's release interest was brisk and had been expected to continue.

"We saw a lot of inquiries for farms and holiday accommodation along the Atlantic seaboard. We sold over R100m worth of properties after Mandela's release and believed that would continue as SA moved towards a political solution.

"However, foreign investors are now still looking at our properties but definitely adopting a wait-and-see attitude. They are concerned about the security and reurn on their investment and are not prepared to buy until the situation has improved," she says.

A more concrete ANC policy on foreign investment, the resumption of Codesa talks and a more positive mood would see renewed foreign interest.

Regular tours of prospective buyers are brought out from London, Germany, the Far East and the US.

The London office has received more than 300 inquiries from prospective immigrants, who are unable to sell their present homes due to the tough English market.

"We are looking to move into the investment field rather than the residential market in the UK and are talking to two of the largest London-based English real estate firms," she says.

Trade missions are being opened in Pretoria and Cape Town, but tend to rent residential properties rather than buy them. Speculation in residential property by foreign buyers has also dried up as it is now difficult to rent the property, resulting in the investor receiving no return on his investment.

Interest is still centred around Cape farms and several spectacular sales are concluded every year.

Wild Coast Sun gets new look

LINDA ENSOR (288)

CAPE TOWN — The R95m refurbishment of the Wild Coast Sun into a Tahitian-style south seas island resort is nearing completion and it will be formally launched in November. B|DAY 221192

New entertainment facilities have been added to the complex, the day visitor centre has been redesigned and the casino area enlarged and revamped.

A new 1 100-space undercover parking area has been built, linked to the main entrance by a covered bridge. About 200 new bedrooms have also been added to the hotel.

Emphasis has been given to children's entertainment in the day centre with a children's theatre, video arcade games, funfair game machines and a ten-pin bowling arcade. The centre also includes a bingo area.

Transkei Sun International chairman Ken Rosevear said the new design reinforced the resort's holiday atmosphere, was very easy on the eye and, importantly, provided additional space and facilities.

"Because the Wild Coast Sun already receives more than 1-million visitors a year — which is climbing all the time — we had to expand the facilities and create an environment through which people can move easily and comfortably."

Hotels say (288) rooms empty for holiday

STAR 23/7/92

Own Correspondent

DURBAN — Hotel occupancy ates have been "very low" during this year's July break, says Fedhasa vice-chairman Alf Sudheim. Some hotels reported occupancy rates as low as 60 percent.

Hotels may have been saved from financial loss by the abundance of sporting events in Durban during July.

A spokesman for the Southern Suns group said its hotels had been full over the weekend of the Durban July and big rugby matches, but had been as little as 60 percent full for the remainder of the holiday.

Mr Sudheim attributed the low occupancy rates to people's reduced spending power and their reluctance to leave their homes unattended for the duration of the holidays.

Holiday Inn yesterday introduced the bed and breakfast system to its hotels, but a spokesman denied it was to counter the effects of low occupancy rates, saying it was part of a "value for money concept".

'Tourist emporium' to open

CT 24/8/92
288

Municipal Reporter

CAPTOUR, the Cape Tourism Authority, is building up a tourist emporium in the offices that used to house South African Airways, just off Adderley Street, next to the station.

Chief executive officer Mr Gordon Oliver announced on the site yesterday that some facilities at the Tourist Information Centre would be open 24 hours a day, seven days a week.

Captour will move its own information bureau and head office there from September 1.

Among the facilities to be established there are a foreign exchange bureau and accommodation and travel booking facilities.

There will also be a communications centre, offering visitors access to telephones, fax machines and photocopiers. Tourists awaiting return calls will be able to while away the time at a next-door coffee bar.

The police tourist assistance unit will also have an office there.

A jewellery and curio shop will be established in the complex.

"We are putting our money where our mouth is," Mr Oliver said. "We have been exhorting the business community to improve their service to the tourists, and that is what we are doing here."

Corporate body to buy hotel from Masterbond pool

By GLENDA NEVILL

A CORPORATE body made up of timeshare owners of a Cape Town hotel negotiated an offer with the provisional curators of Masterbond to buy out the hotel from the Masterbond pool.

The deal, involving R2,9-million, would allow investors to get their money back without current timeshare holders having to lay pay more. The agreement has to be ratified by the Masterbond provisional curators at a meeting tomorrow.

"We want to break away from Masterbond completely and become independent," said Mr Steve Ryan, manager of the Park Lane Hotel in Gardens and one of four trustees of the corporate body known as the Gardens Village Management Association, GVMA.

The offer involves replacing Masterbond directors in the GVMA with a corporate body of timeshare owners to administer the hotel.

Five resolutions were proposed: that the GVMA buy the hotel fixed property for R1,6m; that the GVMA acquire the entire issued share capital in and the loan account against Park Avenue Managers for a total of R1,3m; that unit trust investments (part of the original investors' package) fund the acquisitions; that unit trust investments be lent to GVMA as a special levy; and that the GVMA, though its officers, be authorised to achieve the implementation of the offer and to bind all parties to the transaction.

The provisional curators insisted that at least 75 percent of all timeshare owners agree to the deal. At a meeting attended by 360 owners, 85 percent of those present voted in favour of accepting.

"If the hotel was liquidated, the investors would lose everything but we have now reached an equitable agreement with the provisional curators. No-one loses out," said Mr Ryan.

In terms of the offer, the GVMA has to pay R2,6m upfront and the remaining R300 000 from future timeshare sales.

Sunday Times 26/7/92

Tourism 'hit by kreef shortage

THE shortage of crayfish in South Africa is harming the tourist industry, says the SA Restaurant Guild.

Many tourists who come to South Africa for its seafood find it isn't available.

Guild chairman Mr Robert Mauvis said he would call for a drop in exports to allow South Africa to become the "crayfish" centre of the world".

Ministry of Environmental Affairs spokesman Mr Neil du Bois said 25% of the crayfish catch had to be set aside for local consumption, but at the end of each season permission had been given for the unsold portion of this allocation to be exported. — Sapa

...would replace SA's C450 net

Violence puts brake on car rental volumes

From EDWARD WEST

JOHANNESBURG. — Continuing political violence could see car rental volumes falling by more than 30% over the next few months, traditionally the start of a peak business period for auto-rental companies, Budget Rent-A-Car MD Tony Langley said at the weekend.

Langley said if violence continued the normal influx of foreign tourists wishing to take advantage of SA's summer season would dry up.

Foreign tourists accounted for about 30% of rental volumes during these months. They tended to keep away from SA during winter and car rental companies, operating at about 70% of capacity, were currently experiencing a normal trough in business activity, he said.

Car rental volumes had already dropped by about a third in real terms to 2,5-million days in 1991 from an annual average of 3,5-million days three years ago.

288 CT 27/7/92

Low demand

Langley said although the low demand was bringing prices down, industry price levels had reached their limits and many companies were considering whether to close down outlets. Budget closed one outlet last year and was considering closing more, he said.

However, Imperial Car Rental MD Carol Scott was more optimistic. She said a number of new European operators had recently shown interest in SA as a tourist destination.

Because of this optimism the company had no plans to close outlets or cancel orders for the purchase of new vehicles, she said. The group planned to spend R240m on 6 000 new cars this year.

Avis director Glen van Heerden said he was cautiously pessimistic about short-term tourism prospects in SA because of political turmoil. Foreign tourism in Botswana, Namibia and Zimbabwe was on the increase, he said.

7

Strike losses

Respite for casino owners as changes to Bill shelved

By Peter Fabricius
Political Correspondent

Controversial legislation aimed at closing down gambling casinos in South Africa has once again been shelved and is unlikely to be passed this year.

Democratic Party justice spokesman Tony Leon said this last night after the Gambling Amendment Bill was discussed at a meeting of Parliament's joint standing committee on justice.

The Bill closes a legal loophole which has allowed casinos to proliferate on the grounds that they are not offering "games of chance", as gambling is defined in the present Gambling Act.

Mr Leon said the committee had effectively shelved the Bill until next year at least by postponing discussion of it until the next session of Parliament in October.

This made it extremely unlikely the Bill could be approved by Parliament during the October session. Mr Leon said National Party chairman of the committee Gert Myburgh had assured other parties the Bill would not be rushed through the committee in time to be passed in the October session.

The committee believed the Bill should be shelved pending further deliberation.

Mr Leon said the Government had drawn a "haphazard" distinction between gambling for personal gain — which would be outlawed by the Bill — and gambling through lotteries for welfare purposes — which was to be investigated by a special commission.



Picture: ANDREW INGRAM, The Argus.



NEW TOURIST CENTRE: Captour chief executive officer Gordon Oliver and PRO Mrs Hester Lamprecht, above, lend a hand to the building of the new offices. Left, the new Captour offices at the main station.

New offices will woo the tourist

(288) ARG 28/7/92

Staff Reporter

CAPTOUR's tourist and head office will be open for business in the Tourist Information Centre, the new travel emporium in the station complex, on September 1.

The centre will offer all the information, goods and services tourists need under one roof.

Captour chief executive officer Mr Gordon Oliver said it would fulfil an important task by offering tourist services "in a user-friendly, accessible facility".

It will house a travel agency, touring companies affiliated to Captour, booking offices for accommodation and trips, an exhibition area, a police tourist assistance unit office, a foreign exchange bureau, a communications centre offering tourists the use of telephones, fax machines and photocopiers, and a cofee bar.

"Visitors will be able to buy a variety of goods, gather information and make reservations locally, regionally, nationally and internationally," Mr Oliver said.

Changes affect tax benefits of plane ownership

ANDREW KRUMM

AN AUGUST 1 amendment to the Income Tax Act — which removes some tax benefits associated with aircraft sales — would affect the incentive to own aircraft and hurt tourism in SA, said industry sources.

Deloitte Pim Goldby associate director Craig Richardson said an amendment to the 1992 Income Tax Act would prevent the owner of an aircraft from setting off the sale of an old aircraft against the cost of a new one.

"The message is that aircraft owners planning to sell have four days to avail themselves of the tax benefits under the current Act," he said.

Avfin Industrial Finance director Volker von Widdern said "the motivation and justification for acquiring an aircraft now becomes that much more difficult".

The amendment would not only affect the size of the market, but hurt tourism through its impact on the air charter industry.

"The infrastructure for tourism must include an airfleet, and when you restrict the airfleet, you restrict tourism," von Widdern said.

Another aviation finance company spokesman said the amendment would have a "very dramatic" effect on an already depressed market.

"One of the biggest selling tools in this industry is the tax benefits associated with owning an aircraft.

"For an owner this often leads to a situation, where, in order to enjoy the tax benefits, he rolls over the recoupment values into a newer, larger aircraft.

The owner's inability to roll over the recoupment under the amendment would cut the market drastically in future," he said.

Even taking account of a 40% tax allowance for new aircraft, the net effect of the amendment was a significant increase in the former owner's taxable income, with an obviously negative impact on his cash flow," he said.

Travel agents wilt in heat of air war

STEPHANE BOTHMA

CHEAPER air fares — although beneficial to travellers — were causing travel agents to struggle, an industry spokesman said at the weekend.

Agents had to sell many more of the cut-price tickets to generate the same level of income they derived from selling more costly tickets, often at the expense of service to customers, Rennies Travel marketing manager Kananelo Maketha said.

Maketha's statement came as a price war loomed in SA's domestic flight market between Flitestar and Comair — a war in which SAA has said it would not take part for the moment.

Maketha warned that those travel agencies which were not geared towards providing their service cost effectively would be hard pressed to maintain their standards.

Flitestar and Comair recently announced a cut of up to 45% on fares on the popular Johannesburg-Cape Town route and industry sources speculated that SAA would soon announce a cut of about 50% on its flight pricess.

However, the speculation was strongly denied by SAA spokesman Leon Els, who said that no such announcement would be made in the foreseable future.

Flitestar MD Jan Blake earlier said domestic air fare structures in SA were already too low by world standards and that such a dramatic reduction in fares by SAA would eliminate all competition.

SAA already showed a considerable loss on its domestic service and airline chief executive Gert van der Veer earlier indicated that SAA intended cutting down on domestic seat capacity.

Flitestar last week introduced a promotional fare of R638 on an off-peak flight between Johannesburg and Cape Town with effect from August 3.

At the weekend Comair pointed out that its off-peak fares on the route were still the lowest in the country at R530 return.

"This is a no-strings-attached fare, with simple preconditions: it applies to passengers booking and paying in full ten days prior to departure, senior citizens, youth, military personnel and spouses," Comair commercial director Bert van der Linden said.

Peak-time unconditional fares on Comair were R678 on all flights — 20% less than the standard economy fare offered by the other two carriers on the Johannesburg-Cape Town route, he said.

Comair would fly the route for the first time on August 3.

A Rennies Travel spokesman said travel agents were paid a certain percentage commission on selling an air ticket and although ticket prices were being lowered, the commission percentage remained the same.

"We fear that travel agents would not start pushing volume at the expense of service to customers," she said.

Collectors expected to snap up Harvards

STEPHANE BOTHMA

ARMSCOR has put up for tender 21 SAAF aircraft — including two Harvards which the company says are collectors' items.

On Sunday Armscor advertised 19 AM-3CM Bosbok aircraft, Bosbok spares and two Harvard T6s.

The Bosboks were built for the SAAF by the former Atlas Aircraft Corporation and used mainly for reconnaissance, an Armscor spokesman said yesterday. They were ideal for use in rural areas because of their short take-off and landing abilities.

The 40-year-old Harvards — used by the SAAF as training aircraft — were expected to be snapped up by foreign collectors. Tenders were expected from all over the world.

The tender deadline was set for September 14.

Skal congress major boost for Cape tourism

LINDA ENSOR

CAPE TOWN — The Cape tourism industry is to receive a boost by the arrival of about 1 800 tourist operators from all over the world who will be attending the 1992 Skal World Congress in the city in October.

Apart from the immediate economic spin-offs from the flood of visitors from 80 different countries, the Cape economy is likely to receive a further $25m tourist injection next year as a result of the congress.

"The importance of making a favourable impression on the delegates cannot be overemphasised. They are able to exert tremendous influence on tourism to SA," Skal spokesman Mike de Groot said yesterday.

Association Internationale des Skal Clubs protocol director Len Gracheffo from Canada and congress director Ian McCubbin from the UK said previous experience showed that the year following the congress the host city gained tourism worth about $25m.

Skal members are all senior personnel in travel and tourism related industries. The organisation has a membership of more than 24 000 in about 600 clubs in more than 100 countries.

About 1 820 beds have been booked in 16 Cape hotels for the six-day congress and 45 luxury coaches are being brought from other centres in SA to cope with the demand.

Cape Town was chosen to host the 1992 congress over rival bidder Istanbul.

Tenders for Parow hotel development called

ANDREW KRUMM (288)

THE Parow municipality has, for the second time, called for tenders for the development of a hotel on its 3,2ha Platteklloof Ridge site near Cape Town.

A proposed 150-room hotel development on the ridge would fill the need for a high-grade conference venue in Cape Town's northern metropolitan area, a Parow municipal spokesman said.

However, Parow town clerk Harry Caarstens said the development was not a certainty and tenders were being called to test the market response and gauge the degree of interest in the project, which had been very positive so far.

The municipal spokesman, who declined to be named, said municipal development plans had identified the need for a luxury hotel — aimed primarily at the business market — more than four years ago.

He said the first time a tender was accepted, the deal "fell through at the last moment". BIDAY 29/7/92

The site is zoned for general residential purposes (hotel) and will have a maximum height of two storeys.

Odds on Gambling Bill debate poor

288

BIDAY

BILLY PADDOCK 29/7/92

GOVERNMENT's controversial gambling legislation was unlikely to be passed this year but there was an outside chance that it could be debated and given the nod during the short October parliamentary sitting.

NP chairman of the parliamentary joint committee on justice Gert Myburgh said yesterday government had not shelved the legislation.

But it had never been government's intention to push through the legislation in October as the short session was meant for legislation dealing with constitutional issues.

However, should constitutional legislation not be agreed upon in time for the October session, another agenda would be followed.

The agenda might include the Gambling Bill and other legislation.

However, it was not government's intention as none of the committees had been instructed to prepare legislation for October, Myburgh said.

He said he was still waiting for the Justice Department to publish the terms of reference for its judicial commission of inquiry into soft gambling or lotteries, before his committee would hear more evidence for the legislation.

The committee had collected evidence from, among others, Sun International chairman Sol Kerzner and the Karos Hotel group.

Myburgh denied allegations that Kerzner had "got to" the NP committee in an attempt to protect his casinos.

"I can vouch for Minister Kobie Coetsee and myself. Neither of us has had any discussion with Mr Kerzner."

City festival on hold until 1994?

Municipal Reporter

ALTHOUGH there will be no Cape Festival next year, there may be one the year after, Captour chairman Mr Louis Kreiner said yesterday.

The most recent festival, towards the end of summer this year, had been "fair but not truly memorable", he said.

If Cape Town could not stage something of which it could be proud, then it was wasting everyone's money, he said. The council gives Captour R50 000 to stage a festival, which it in turn passes on to the private-sector organisation which runs the festival.

Any future festival would also have to be privatised.

This year's venue — St George's Mall — had been nice and central, but the festival had not been "focused enough" there, Mr Kreiner said.

In my view . . .

The vexed question of building hotels

STAR 30/7/92 (288)

In this column this week South African tourism experts comment on aspects of the local industry.



By Gillian Saunders of Kessel Feinstein Consulting, author of "Tourism Talk"

In South and Southern Africa, we are regaled with the potential for tourism. Hardly a week goes by without some media coverage of a proposed development, or a vist by someone in the international industry interested in investing in SA.

Accommodation is one of the major components of the many-faceted industry.

But are our establishments profitable? Can new ones be developed and prove viable for investors and owners?

Unfortunately, in general terms, the answer to these questions is no.

Concentrating on the hotel industry, which is the only sector for which we have reasonable statistics, virtually any owner would tell you the business does not easily provide a return.

It is necessary to distinguish between hotel owners (institutions, corporations and individuals) and operators, although one does find owners who also operate their establishments.

Those international groups which have visited South Africa in the past 18 months, expressing interest in operating hotels, rarely own their hotels.

And their entry into the local market would be no different. They are waiting for investors and financiers to develop hotels which they can manage, for a fee, on the owner's behalf.

This is not a bad system, because the operating company brings expertise, marketing infrastructure and a known name. However, any profits or losses, after the payment of management fees, are for the owner's account.

So, again, are hotels viable for investors and owners?

In excellent locations where good room rates and high average occupancies can be achieved, hotels provide adequate returns, in the longer term.

But in many areas of South Africa it is not viable to build an hotel if one looks at the current market.

Many facts corroborate this. We often hear of proposed developments — often announced with a fanfare of publicity — which do not materialise.

The usual failing is that the finance for the project has not been found because the projected earnings did not show adequate returns.

We also hear of many new hotels changing hands after just a few years, when the first owners have either gone into liquidation or want to offload an unprofitable investment.

Then there are the poor reported results of listed, or previously listed, South African hotel-owning companies and, finally, the poor occupancy levels now being achieved.

Now, do we need more tourist accommodation? Yes, but only in a few years' time, if foreign and domestic business and leisure tourism growth is reasonable and sustained.

Meanwhile, the development lead times for hotels are long — four years or more — which is the cause of the Catch-22 situation in which the local industry now finds itself.

Tourists 'fear for lives'

CT 31/7/92 Own Correspondent (288)

DURBAN. — More than 40% of Britons believe that foreign tourists in South Africa have to fear for their lives, according to a recent Gallup international survey conducted in London.

Hotels here are suffering as foreign tourists stay away because they fear political violence.

According to a South African Tourism Board (Satour) spokesman, a 15,6% increase in foreign visitors to South Africa since last year was being offset by political instability.

Although the tourism industry had not had major cancellations because of the events at Boipatong, a mood of wariness was beginning to emerge, he said.

Diners Club to fund probe into wines

A SURVEY, which found huge dissatisfaction over restaurant wine prices, has caused such an outcry in the catering industry that Diners Club has undertaken to fund an independent audit into wine lists costs and profit margins in various categories of restaurants.

The survey, conducted among Diners Club members, found that more than 90% of respondents thought wines in SA restaurants were overpriced.

It also showed considerable dissatisfaction with restaurant wine lists. Only one

BI Day 3/7/92

MICHAEL FRIDJHON 288

third of the 495 respondents considered them good; 98% considered descriptions useful or necessary, yet only 20% of the replies rated these as good or excellent.

No doubt an attempt will be made to justify higher mark-ups on the same product, based on the cost of wine service and the higher rentals associated with wine storage in the smarter establishments.

● See Page 11

Tax concessions in pipeline for tourism

JOHANNESBURG. — Tax concessions for hotels and smaller accommodation facilities are being considered by the government as a means of boosting the country's tourism industry, according to Administration and Tourism minister Org Marais.

Speaking in Johannesburg at the weekend, Marais said the proposals for tax benefits for hotel construction and refurbishment, and for small private entrepreneurs setting up guesthouses and the like were under discussion.

He stressed the importance of tourism for South Africa and its complimentary benefits for employment creation and the building of infrastructure.

However, he believed Southern African countries would have to develop an integrated approach in successfully marketing their natural attractions to international travellers. — Sapa

STAR 4/8/92 (288)

Tourism still in slump

CAPE TOWN — South Africa's tourist season never peaked and hotel occupancies were down because of violence and a lack of confidence in the future of the country, Federation of Hotel, Liquor and Catering Associations of SA president Theo Beherens said yesterday.

Addressing Fedhasa's 43rd annual congress in Cape Town, he said other reasons for the negative growth in the hospitality industry were the continuing recession, lack of foreign investment, high inflation and steep food cost increases.

The food price increase was also a major factor in the growing number of restaurant liquidations.

The January to April room occupancy was 50,19 percent, a rise of 0,3 percent on the same period last year. — Sapa.

Charter flights key to fuelling tourism expansion

Business Editor

CHARTER flights "are the key to fuelling growth in tourism," Stephen Allen, marketing director of the UK-based Britannia Airways, told the Fedhasa conference yesterday.

Britannia, which carries 3,5m return passengers every year, will introduce charter flights from Gatwick in the UK to Cape Town and Durban in December and January. It will be flying on behalf of SA-based tour company CLS International.

"To me this represents a breakthrough, but only a small step forward," said Allen. "To develop tourism properly we should be allowed to operate for a full (European) winter season."

The company had filed an application to do so.

Allen said charter flights were the backbone of the tourism business from the UK. "They are an absolutely essential ingredient in keeping prices low and enabling people to travel worldwide.

"In my view SA should be taking its share of the 11m plus who travel by charter flights each year."

He emphasised that it was middle and upper income passengers who took charter flights. "Charter delivers high-spending tourists. Charter holidays are still only affordable by the upper end of the spectrum although clearly many take two holidays a year."

Market research in Australia showed that although holiday-makers who flew there on charter flights stayed only half as long as those arriving on scheduled flights they spent more in that shorter time.

There was a weighting towards the older end of the population, who had higher disposable incomes and more leisure time.

Allen said Britannia introduced charter flights to Australia in the winter of 1988/89. In the next two years passenger volume from the UK grew by 59%. "Scheduled carriers' growth was up 58% while charter doubled from a very small base."

A survey carried out by the Australian Department of Transport and Communications disclosed that 34% of charter passengers would not have gone to Australia if the holiday package had not been available. A further 6% would not have gone if it had cost 20% more. And 62% were first time visitors.

Permission given for charter flights to SA

B1049 4/8/92

CAPE TOWN — A number of European charter or tour operators had already received permission to provide charter flights to SA, Department of Transport deputy director Gen Japie Smit said at the congress yesterday.

Several of these operators had also applied for an extension of their authorisations since government announced its interim policy on non-scheduled air services. "The current International Air Services Act 1949 was amended on July 1 1992 and the Minister has already approved new regulations which will enable the Department of Transport to consider these applications."

Smit said it was government policy to allow charter flights for the transport of tourists within a broad upper limit to stimulate tourism.

Also, charter flights would be allowed to transport passengers to and from countries which had no scheduled air services with SA. The movement of small aircraft up to 5 700kg to and from countries in Africa was to be deregulated.

Smit was confident the commercialisation of state airports would result in airport managements being more sensitive to users' needs — in particular those of foreign tourists.

288 LINDA ENSOR

"All charges to be levied at airports will in future be directly used to benefit the users of airports."

Also at the conference, Coach Express GM Christo Bester said the current permit system which governed intercity coach transport had resulted in the under-utilisation of expensive equipment. Coach Express operates Trasnet's intercity coach operations.

Bester said the permit system caused lengthy and costly application procedures which made planning difficult. Quick reaction to market demand and opportunities was inhibited, and the positive effects of healthy competition were not felt.

Bester welcomed the Competition Board investigation into the permit system with a view to the phased deregulation of the industry.

SA is high on BA's agenda

B1049 4/8/92

288

LINDA ENSOR

CAPE TOWN — Promotion of SA as a travel and tourism destination had been placed high on the list of British Airways (BA) priorities, BA deputy chairman and CE Sir Colin Marshall said at Fedhasa's banquet last night.

"I believe that one of the great growth areas of the '90s and beyond will be in travel and tourism to SA and its surrounding regions. It is why our subsidiary, British Airways Holdings, was the first UK company last year to produce a programme of tours exclusively featuring SA," Marshall said.

The most fundamental change to the industry in SA, he said, had been the deregulation of air transport. Within the space of just a month of deregulation, 12 more international carriers were flying to SA and a further 25 had applied for rights "in what resembles a latter-day gold rush".

Marshall said 7 000 of the 8 000 seats which BA had placed on the market on a special seat sale for flights between SA and London had already been sold.

He said BA had invested £3bn to buy new aircraft fleets and £391m for a 44% stake in USAir, the fourth largest airline in the US.

This was BA's first major step to ensure it was one of the global airlines of the future, Marshall said.

World travel and tourism now had a gross annual output approaching $3,5-trillion, employed 127-million people, had collective capital investments exceeding $422bn, and contributed $303bn to national exchequers in tax revenues.

"The industry is growing faster than the world economy in terms of output, value added, capital investment and employment."

STEPHANE BOTHMA reports that earlier yesterday Marshall told a media briefing in Johannesburg that travellers would reap the full benefits of industry deregulation by next year.

Marshall welcomed the trend by governments towards decentralising the airline industry and said there would be major benefits for the public.

What had happened with fares between the UK and SA would happen all over the world, said Marshall.

Decentralisation allowed for partnerships between airlines on different continents, he said.

Forming partnerships with other airlines were the anticipated way that smaller airlines, such as SAA, could ensure their futures, Marshall said. "The industry is flat on its back — a situation that cannot continue for much longer."

The industry needed rationalisation to ensure profitable operators in the future. Governments needed to step out of the ownership and control of airlines, because government funding provided for inefficiency, he said.

As well as its stake in USAir, BA had alliances with German and Russian airlines.

Cabinet to get suggestions on reviving hotel industry

B/DAY 4/8/92

288

LINDA ENSOR

CAPE TOWN — Recommendations on major fiscal incentives for investment in the hotel industry would be submitted to Cabinet within the next 12 weeks, Tourism Minister Org Marais said yesterday.

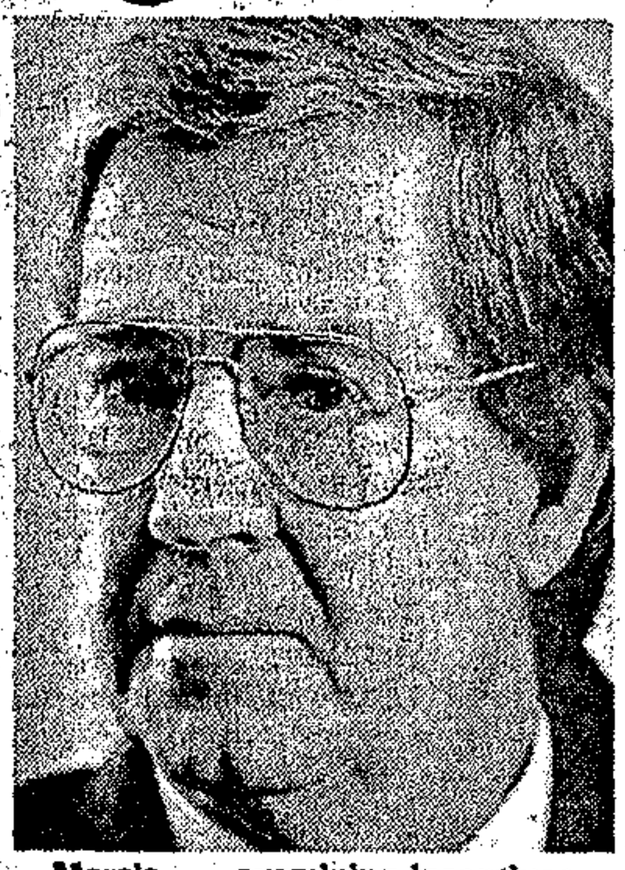
In an interview after his speech at the Fedhasa annual congress, Marais said the incentives under consideration included depreciation allowances and subsidies.

The hotel industry had suffered years of losses and needed upgrading, he said.

International hoteliers had told Marais that the rate of refurbishment at SA hotels was insufficient and there were no incentives to establish new hotels.

Satour/Fedhasa had completed one study and the Independent Development Corporation had looked at the financial implications, including the feasibility of establishing an international conference centre.

Marais said an announcement on export incentives for the services industry, including tourism, would be made soon by the Department of Trade and Industry and the draft new Liquor Bill would be submitted to Cabinet next Wednesday.



Marais ... examining incentives

The financial authorities were sympathetic to stimulation of the tourism industry but questioned the wisdom of tax incentives for new hotels when occupancies were only 50%.

Marais said he had also asked the Commission for Administration to investigate the position of tourism in the civil service.

While tourism in most other countries was a junior portfolio sometimes incorporated into other departments, he envisaged it being a department in its own right by the end of the decade.

Good progress had been made since publication of a white paper on tourism, he said.

Exemptions from visa applications granted to certain African and eastern countries during the past six months would give more scope to the industry.

The system of grading hotels was to be changed to a voluntary system which would include guest houses, bed-and-breakfast establishments and other forms of accommodation, Marais said.

The private sector would be involved in developing lodges around SA's national parks.

Government could see no reason to lift import controls on coaches as it was preferable for these to be locally built.

Marais said he was discussing new roads with Transport Minister Piet Welgemoed, for instance between Port Elizabeth and East London and between Hoedspruit and Hazyview, as well as roads in Natal.

He also urged the development of regional tourist portfolios and for the co-ordination and rationalisation of resources. There was too much regional infighting between the major players in the industry, he said.

Travel industry key growth area for SA

288 CT 4/8/92

Business Editor

TRAVEL and tourism to SA and its surrounding regions will be "one of the great growth areas of the 1990's and beyond," Colin Marshall, deputy chairman of British Airways — who is soon to become chairman — said at the Cape Sun last night.

Speaking at the Fedhasa annual conference banquet, Marshall said the travel industry was growing faster than the world economy in terms of output, value added, capital investment and employment.

It was the world's largest employer, "providing 127m jobs this year — that's one in 15 of the global workforce.

"Our collective capital investments exceed $422bn and we bolster national exchequers with $303bn in tax revenues.

"My sector, air transport, is unquestionably the flywheel for the economic engine of travel and tourism and is set to double by the year 2 000 and quadruple by the early years of the next century."

This growth would depend on the continued spread of deregulation across international borders.

The deregulation of flights between SA and the UK had been welcomed wholeheartedly by British Airways. "We offered a tangible salute to the newfound pricing freedom with a special seat-sale fare of R1 992 for the round trip to London. We placed 8 000 seats on the market at that price and to date you have bought 7 000 of them.

"This winter we shall be operating nine nonstop services a week from Johannesburg to London and for the first time will introduce a nonstop Cape Town to London flight."

What had happened to date and British Airways' plans for the future demonstrated "our deep commitment to, and significant investment in, SA's travel and tourism industry.

"I hope that in our way we are matching the commitment on investment being made by Fedhasa.

"We are greatly encouraged by the work being done in business development, in improving the quantity and quality of the travel and tourism infrastructure and introducing new training programmes.

"Fedhasa has recognised that SA is a partner in the single biggest industry in the world."

Marshall said that a major step in international deregulation would come at the beginning of 1993 with the creation of the single market in the European Economic Community.

This would perhaps by then be the expanded European Economic Area (EEA) encompassing all of Western Europe.

"The next move will almost certainly happen through the formation of NAFTA taking in the US, Canada and Mexico.

"It is not too difficult to then foresee these two groups coming together, and a domino effect thereafter round the world to bring about open skies — putting the airline industry on a similar footing to most other industries.

"Such moves will inevitably lead to consolidation, resulting in a few truly global airlines by the early years of next century."

This was why British Airways was investing for future expansion. It was investing £3bn in new aircraft and £391m in a 44% stake in US Air.

'Without stability, SA can forget tourism'

Business Editor CT 4/8/92

SA WILL lose the opportunity to develop tourism into its biggest industry and main source of foreign exchange if it fails to establish stability and eliminate lawlessness, Pierre Tredoux, an associate director of tourism and leisure consultancy Greene Belfield-Smith (GBS) said yesterday.

He was giving the keynote address at the 7th national conference of the SA Institute of Industrial Engineers in Sun City.

Tredoux said world tourism had shown consistent growth for 40 years. Its current growth rate was 4% and showed no sign of slackening.

But of total world-wide "tourist spend" SA now got only 0,2% — far less than comparable tourist destinations.

Failure to stabilise the country and control unruly elements could irrevocably destroy its tourism potential. It needed only one major tragedy to eliminate SA from major tour organisers' lists.

It was also necessary to create and maintain a strong service ethic. Tourists would quickly abandon a desirable destination if they were confronted by incompetence, resentful service or unwelcoming attitudes.

Weighty challenge for hotel industry

CT 4/8/92 (28)

By AUDREY D'ANGELO
Business Editor

SOARING food prices, the recession, violence and mass action have made trading conditions for the hotel and catering industry "some of the most challenging ever", the President of Fedhasa, Theo Behrens, said yesterday.

Speaking at the annual Fedhasa conference at the Cape Sun, he said: "In general, occupancies and turnovers were down and so-called high seasons never peaked."

From January to April inclusive overall room occupancy was 50,19% — only 0,30% above the same period last year — in spite of earlier hopes of a big influx of foreign tourists.

A growing number of restaurant liquidations was a worrying factor. A rise of 29,3% in the food component of the consumer price index would "further add to difficult trading conditions in this industry."

Retail liquor trading had also had a difficult year so far. "When a major producer, SA Breweries, declares that even malt beer sales are down after years of high growth volumes we cannot be surprised at how negatively this impacts on retail liquor traders.

"This sector has also to contend with more new licences chasing a diminishing market size.

"Liquor stores licences granted have grown per annum by 232 stores every year since 1987.

"To add salt to the wounds the growth of quasi-wholesalers selling direct to the public at below cost, the illicit liquor trading — especially in the black townships — and the growth of the informal sector is hurting this small business sector enormously."

Behrens said the industry's difficulties were due to "numerous external factors such as:

- A lack of confidence in the immediate future of SA, especially because of the breakdown of Codesa;
- The continuing recession;
- Lack of foreign investment capital;
- Escalating township violence, mass action and destabilizing labour conditions;
- High inflation rates; and
- Enormous annual food cost increases of nearly 30%."

These problems had caused a fall in foreign spending and uncertainty in foreign tourist markets.

"In April we expected the best third and fourth quarter in a number of years, especially as certain factors such as the dropping of interest and mortgage rates, the increased number of airlines coming to SA and great interest shown at Indaba by the foreign travel trade seemed promising indicators."

● More Fedhasa conference reports on facing page

Bright future for SA tourism

288

CT 4/8/92

Airways boss optimistic

Business Editor

TRAVEL and tourism to South Africa and its surrounding regions will be "one of the great growth areas of the 1990s and beyond", Sir Colin Marshall, deputy chairman of British Airways, said at the Cape Sun last night.

Speaking at the Federated Hotel, Liquor and Catering Association of South Africa (Fedhasa) annual conference banquet, Sir Colin said this expected growth was "why our subsidiary, British Airways Holdings, was last year the first UK company to produce a programme of tours exclusively featuring South Africa.

"It is why we are stepping up frequency and capacity of flights to South Africa and why we have welcomed deregulation — which will expand the market by a greater degree than anybody might previously have imagined."

Sir Colin's speech struck a bright note after the president of Fedhasa, Mr Theo Behrens, told the conference that the entire hospitality industry had been hit by the recession, violence and soaring food prices — and even beer sales had dropped.

Mr Steve Allen, marketing director of British charter airline Britannia Airways, told the conference that the introduction of charter flights would cause tourism to SA "to grow and flourish".

But afterwards he admitted that mass action had come "at the worst possible time. It has made people in Britain think this country is a dangerous place."

● ANC international affairs director Mr Thabo Mbeki failed to turn up yesterday as guest speaker at the Fedhasa national conference because of "other arrangements".

About 1 000 people attending the congresswere told that he would not be delivering his address on the ANC's future vision of the hospitality industry because of "other arrangements".

This was greeted with laughter and Dr Tertius Delport, the deputy minister of Constitutional Development, was asked to speak in his stead.

The topic was "The new SA: Creating the confidence to make it work".

● **Challenge for hotels — Page 8**
● **Travel is key growth area — Page 9**

Call for ban on kreef exports

FISHING CT 5/7/92

By MAGGIE ROWLEY

A TOTAL ban on exports of crayfish, perlemoen and kingklip was called for at the Fedhasa conference in the city yesterday.

The chairman of the South African Restaurant Guild, Mr Robert Mauvis, said strong action had to be taken to counter the local shortage of shellfish and they would be lobbying the government to ban all exports.

Under the present quota system only 25% of South African shellfish was kept for the local market, with 75% being exported.

"The authorities argue that this is necessary for the country's balance of payments situation.

"However, it is short-sighted as the foreign exchange they could earn from tourism is far greater than the forex earned through exporting shellfish.

"Shellfish is a national product, particularly for the Cape, and can act as a great drawcard for tourists. But the reality is that the present quota system has resulted in dire shortages of the products on the local market."

He said if a ban on exports was not enforced, South African crayfish and perlemoen would disappear completely from the local market as had happened to South African kingklip.

"Kingklip has been physically fished out of our waters and as a result we can now only get imported kingklip and the price has risen from R9 to R26 a kilogram in the past year," Mr Mauvis said. "We have to demand that the local market has its needs satisfied before they start exporting."

● Sapa reports that restaurateurs could refuse to accept Diners Club credit cards if an agreement is not reached with the company over a discount on commission percentages, the Fedhasa congress heard.

Diners Club had offered Fedhasa R175 000 and a discount of 0,1% in the discount commission by way of an indirect apology for a survey which indicated some restaurants placed an unreasonable mark-up on wine.

Part of the R175 000 was to be used for a survey into restaurant wine prices to be conducted by auditors Aitken and Peat.

Although no mention was made of the money being for damage to the food industry, the Diners Club offer was supposed to have covered this.

Most SA Restaurant Guild members said they did not want the payout, but would rather have an across-the-board discount in the commission to Diners Club, and they thought the idea of an independent survey was a good thing.

● **Protection in liquor industry ruled out — Page 11**

Focus on restaurant crime

CT 6/8/92

Business Staff (288)

SECURITY in restaurants came under the spotlight at the Fedhasa conference in the city yesterday in the wake of the increasing number of holdups, muggings and burglaries at eateries in recent months.

Most of these incidents had probably been "inside jobs", speakers said.

The national chairman of the SA Restaurant Guild, Mr Robert Mauvis, said they would be launching a campaign shortly for their members on how best to secure their businesses and their customers.

Mr Dave Varney, chairman of the Johannesburg chapter of the guild, advised restaurants to take steps which, he said, could reduce their risk of being targeted by criminals by about 70%. These included:

- **Screening staff thoroughly and running a check on job applicants with the police.**
- **Screening deliveries — delivery people get to know the layout and routine of restaurants fairly quickly.**
- **Providing adequate lighting, such as floodlights, outside the restaurant.**

Mr Aldo Girolo, regional chairman of the Western Cape chapter of the guild, said the Mallwatch in St George's Street had reduced crime in the area significantly.



'Keep seafood exports for SA tourism'

CAPE TOWN — Fedhasa delegates at the annual congress yesterday renewed their calls on government for a ban on exports of rock lobsters and perlemoen to help boost the local tourism industry.

Fedhasa's SA Restaurant Guild national chairman Robert Mauvis said there was "no question of increasing the 25% quota of crayfish for local consumption — a ban on the export of crayfish and perlemoen should be the order of the day.

"Banning the export of rock lobster will only affect a few people making millions out of the industry, but local sales would boost gastronomic tourism and would benefit thousands."

SA's kingklip stocks had been completely fished out to benefit the export industry, he said. "People used to come to SA for the kingklip and we are now serving them imported kingklip."

In many parts of the country crayfish was not available in season and when it was available, it was not good enough for sale in good restaurants. — Sapa.

BA 'bullish' on SA tourism

CAPE TOWN — There are no signs of the global recession ending — but air travel is still increasing, British Airways (BA) deputy chairman and CE Colin Marshall said at a news conference in Cape Town yesterday.

And in spite of the current situation BA is "bullish about how we see the development of traffic in and out of SA. It is an attractive country for tourists and the exchange rate is beneficial for them. We will do our utmost to encourage more people to come," he said.

Marshall explained that even in the present situation there was "an air of hope and optimism" about the future in SA.

Discussing the world economy, he said: "I don't see the recession at an end. It is clearly not so in the UK and it doesn't look as if it has ended in the US. There are concerns about it in a number of European countries.

"We are anticipating that things are not going to get much better for some time to come — but one always lives in hope."

BA was coping with the situation by introducing special fares to stimulate the market where it saw potential.

In the first quarter of BA's new financial year the number of passengers was almost 10% higher than in the same period two years ago. But all the growth was in the economy classes.

Based on industry forecasts, BA expected international passenger traffic to continue to grow at 5% a year in numbers and 6% in revenue terms.

Own Correspondent

SA was now only 10,5 hours away from London by direct flight, which made it competitive with the Caribbean or Australia as a holiday destination during the northern hemisphere winter.

But Marshall, stressing the need for more infrastructure, said SA's tourist trade would have to be increased gradually as more provision was made for it.

Marshall said that in the next century international traffic would be handled by only about six big airlines.

BA was forming partnerships and alliances in preparation for the consolidation of the airline industry into major competitors, which he expected to happen in 10 or 15 years' time.

But a fall in the number of airlines would not mean higher fares. Competition among airlines would be fierce. Smaller domestic airlines could continue to exist, serving well-defined sectors.

He said BA had taken a 30% stake in Air Russia which "we hope to get flying next year". The other 70% is held by three Russian banks.

Asked if it was likely to form such a partnership with SAA he said BA never made statements on speculative matters.

But, he added, "it is certainly the case that as part of our global strategy we anticipate entering into partnership with others in strategic areas".

eported the matter to liable in many instances. — Sapa.

about a unified strategy for improving health in southern Africa.

the DPF Investment group of companies, which is controlled by Delaney.

jected to Investec's right to examine his books covering the sales of flats.

Truth on violence 'starting to emerge'

B|DAY 5/8/92

PRETORIA — The disinformation campaign on violence in SA was faltering and more of the truth was beginning to come out in local and foreign media, SA Institute of Race Relations director John Kane-Berman said yesterday.

He was speaking on political violence at a Human Sciences Research Council conference on managing crime in a new SA.

He said reports of agencies such as the International Commission of Jurists and the Human Rights Commission were not helpful because, while they rightly castigated Inkatha and the police for involvement in violence, they turned a blind eye to ungovernability.

Kane-Berman said the way had been opened for the international monitoring of violence.

If the police had nothing to hide, allowing international monitors to travel in Casspirs in the townships might help achieve a better balance in the outside world's view of violence.

GERALD REILLY

"For UN or other foreign officials to come under attack from stone-throwers, petrol-bombers and comrades with AK-47s would be one way for them to find out what the ICJ and the HRC do not tell them."

Most violent incidents were not due to politics but were ordinary crime. For instance, in 1990/91 80% of the 15 000 murders committed appeared to be unrelated to politics.

Kane-Berman said the police had killed as many as 650 blacks in political demonstrations since Sharpeville in 1960. No top ranking police officers and no politicians had paid the price for "those and other police shootings".

Prof L Vogelman and V Stavrous, of Wits University's centre for the study of violence, told delegates that 94% of respondents to a survey on crime in Alexandra township had alleged that police were involved in political and other criminal violence.

R20m redevelopment of sports club site could include hotel

B|DAY 5|8|92 288

THE total cost of redeveloping the Chamber of Mines Sports Club site, spread across four Johannesburg suburbs, would be about R20m and could include a hotel, New Property Ventures MD Chris Drummond confirmed yesterday.

The 3,1ha site was made up by 22 stands situated in Braamfontein, Melville, Richmond and Emmarentia, and housed a number of developments.

It was recently sold by tender to New Property Ventures, the property development arm of Sage Properties.

"While negotiations are still under way and planning is not complete, we will be developing 30 cluster homes on the northern portion of the site.

"These units will occupy about 1,5ha, and some of the existing sports facilities will be retained," he said.

PETER GALLI

This portion of the project, expected to cost R7,5m, was dependent on the consolidation and resubdivision of the land.

The units would be developed by Sage subsidiary Schachat, which was expected to be on site by early 1993.

The remaining 1,5ha was under negotiation. Four possibilities being considered included a hotel, restaurant facilities, offices or a sports club.

"The only common thread among these alternatives is that existing building structures will be used.

"The property has existing improvements including a 5 000m² office block formerly used as research laboratories, a restaurant, a pub, conference facilities and an industrial kitchen," Drummond said.

"The Johannesburg City Council has a road servitude for 8 000m² of the land for the extension and realignment of Barry Hertzog Avenue, which is being widened."

Negotiations were under way with the council for compensation for the road servitude, which was expected to amount to hundreds of thousands of rands.

"It is hoped that this scheme will show property developers that a 'lateral thinking' approach must be adopted, and uses differing from historic land usage will result in succesful, profitable developments," he said.

Death toll

B|DAY 5/8/92.

From Page 1

regional and company level — to allow workers to participate in mass action while production continues.

Hundreds of thousands of workers are

Workers' Union of SA (Uwusa) said there was no hard evidence of intimidation.

The ANC alliance said at a news conference yesterday that most people killed

Pretoria goes on the defensive

TIM COHEN

PRETORIA — Shopkeepers in the city centre yesterday were bristling at the thought of an ANC-alliance march past their premises today.

The march has been routed around Church Square in the heart of the city but this has not allayed the fears of shopkeepers nervous about being swamped by thousands of toyi-toyiing protesters.

They spent yesterday preparing to batten down the hatches ahead of the march to the Union Buildings.

The city council has not allowed a march to proceed along Church Street before, but it agreed with the organisers' argument that the width and straightness of the street would facilitate proper crowd control.

A council spokesman denied the march had been routed around Church Square because "Oom Paul se plek" was holy ground, saying too much disruption would be caused if the square was included. Organisers claim the march will draw between 50 000 and 70 000 people.

Some shopkeepers were encouraged by the fact that the march would be led by ANC president Nelson Mandela. "If the big chief is there, they won't want to embarrass him," one said.

Others have expressed a desire to tell ANC supporters what to do with themselves. "If they come in here, I'll shoot them," said one.

But most are bracing themselves with a mixture of trepidation and resignation and do not intend closing, although many will remove items from their windows and keep their security bars up.

Pamphlets warning motorists along the route to remove their cars by this morning were distributed by police yesterday.

Cars will be towed away if they are still on the route but owners will not have to pay a fine to get them back.

Jo'burg hotels enjoy mini boom

ADRIAN HADLAND

HOTELS in downtown Johannesburg enjoyed a mini-boom this week as companies booked their employees into rooms to avoid transport difficulties and possible intimidation during the general strike.

Almost every non-luxury hostelry in the inner city had house full signs up yesterday.

Springbok Hotel MD Roy Amoilf said "happy days are here again" after three days of full rooms — together with brisk business at the hotel's bar and restaurant facilities.

Employees from the JSE and the Bank of Lisbon took all five floors at the New Library Hotel in Commissioner Street, hotel manager Louis Valenti said.

The Elizabeth Hotel, Dawson's Hotel, the Johannesburger and the Downtown Inn all confirmed they were either full or busier than usual.

Mike targets businessmen

MARCIA KLEIN

BUSINESSMEN, who have previously had to settle for their kids' sparklers and family photos from Mike's Kitchen, are to be offered some perks of their own.

Mikes Kitchen announced yesterday that members of its new Lunch Club for "discerning business people" would enjoy two Hansa Pilseners for the price of one, and become eligible for a trip to Sun International's La Pirogue in Mauritius. They also will have the chance to win free movie tickets and weekends for two.

Mike's Kitchen is well known for its kiddies' birthday club, which has been running for many years. The new club is aimed at boosting its lunchtime trade and offering something to the businessman.

Mike's Kitchen's John Green said yesterday the chain was trying to increase business in two areas, the late-night diner and the lunchtime trade.

The menu has been redesigned and specials will be promoted. Club members, which include "everyone from the office clerk to the chairman", will be issued with club cards.

Sun International hits the jackpot

MARCIA KLEIN 288

SUN INTERNATIONAL has come up trumps by scooping a top Atlantic City casino boss to head its gaming operations.

Atlantic City's TropWorld Casino and Entertainment Resort president Jack Gallaway has resigned to serve as the group's new director of gaming operations.

Sun International MD Ken Rosevear said last night that a US operation had "pinched" the group's gaming operations director Brian McMullan as well as two other top gaming people.

On the one hand he was flattered, as it reflected the standard of the Carousel and other Sun International gaming resorts. But on the other hand, he had been compelled to replace three top people. After "scouring the world" for a suitable top replacement, the group had found Gallaway. BLOOM ST 8192.

Rosevear said Gallaway had operated as a gaming and hotel manager, and ran his business as a resort. This was in line with Sun International's policy of offering customers a leisure resort experience which included gaming.

He said TropWorld was one of the top performers in Atlantic City. Gallaway would join the group in September.

Sapa reports that Gallaway, 54, joined TropWorld parent company, the Aztar Corporation, as president of the Tropicana Hotel and Casino in Las Vegas in 1981. He became president of TropWorld in 1984.

Govt to lift the lid on liquor industry

B1DAY 5/8/92 · 288

LINDA ENSOR

CAPE TOWN — Although control over the sale of alcoholic beverages would not be abandoned, government would continue to promote the deregulation of the liquor industry, Trade and Industry Deputy Minister David de Villiers Graaff told the Fedhasa annual congress yesterday.

"As far as the protection of vested interests is concerned, I can confirm that government does not propose to place a moratorium on issuing new liquor licences or to prevent certain players being granted liquor licences," Graaff said.

"The industry will have to accept that other major players are entering the market and that in order to survive players will be required to have commitment and innovative skills."

He said the Draft Liquor Amendment Bill would, if approved, remove the stumbling blocks to issuing new licences and speed up the processing of liquor licence applications. Broadly, the Bill would provide scope for innovation while allowing the authorities to maintain control.

Graaff said control over the sale of liquor could be exercised through a licensing process. Alternatively, entry into the market could be completely unrestricted and only those outlets which negatively affected the public interest could be controlled.

The latter option would, he said, involve third-tier government and local bodies and would have to be thrashed out with interested parties.

"There are, however, no immediate plans to change the status quo of the licensing process as described and contained in the existing Act.

Further amendments which were required included reducing a drastic scaling down in the number of licence types to three or four.

Another aspect to be considered was the increase in availability of low-alcohol beverages such as beer and certain wines.

Graaff said he was aware of Fedhasa's opposition to the sale of such beverages in cafés and grocery stores, but he pointed out that tourists would expect this facility. No steps would be taken until the matter had been thoroughly investigated.

Liquor Board chairman Danie Botha told the Fedhasa congress that, in anticipation of the new Act, the board had granted some restaurants special licences to serve liquor without meals, but cautioned that these licences would only be granted in exceptional circumstances.

In his speech, the Competition Board's Wouter Meyer said the Wine & Spirit Act of 1970 conferred cartel-like powers on the KWV which would otherwise have been unlawful.

The pricing of KWV products would "almost certainly be a restrictive practice had it not enjoyed statutory status".

'Tourist trade needs more hotels'

LINDA ENSOR 288

CAPE TOWN — New hotels would have to be built soon to cope with the future growth of tourism in SA, Kessel Feinstein Consulting MD Delano Caras told the Fedhasa annual congress yesterday. BIDAY 6/8/92

He said a 12% growth would mean about 919 000 overseas arrivals by 1996 compared with 521 000 at present. On the basis of the current stock of rooms, there would be little or insufficient hotel capacity in Johannesburg for 11 months of the year; in Cape Town for six months; in Durban and Umhlanga Rocks for three months and in the eastern Transvaal for six months of the year.

But Protea Hotels MD Arthur Gillis queried the figures and warned against extrapolating future trends from "airy fairy" assumptions.

He said it was far better to build hotels when there was actual demand for accommodation. He also noted that domestic tourism had shown negative growth.

Satour forecasts a record number of visitors this year

PETER DELMAR (288)

THE number of overseas visitors to SA grew by 15,6% in the first half of this year. This is more than three times the increase for the whole of last year.

Presenting the 1991 Satour annual report, Satour chairman Piet van Hoven said yesterday projections at mid-year were that overseas visitors would increase by at least 18% — representing a record 615 000 tourists and forex earnings of R3bn. The figures exclude African visitors, who numbered almost 1,2-million last year — an increase of 124% over 1990. B1 0A1 6/8/92

Describing 1991 as "an extremely positive tourist year on many fronts", Van Hoven said overseas (non-African) visitors last year increased by 4,5% to 521 257.

However, a "longer-term mood of wariness" had begun to emerge towards SA after the Boipatong massacre six weeks ago and the subsequent breakdown in negotiations.

Despite these factors, the industry did not experience major cancellations and there were signs that bookings were already picking up.

"Interest in SA is increasing, both from major established tourism markets and from new developing ones, such as Japan."

Industry hits back at restaurants

Kreef ban

During the Fedhasa congress held this week in Cape Town the Restaurant Guild indicated that it would lobby the government to ban all crayfish exports as this would benefit tourism to South Africa. The statement led to heavy criticism from the industry.

WILLEM STEENKAMP
Weekend Argus Reporter

THE crayfish industry has lashed out at the Restaurant Guild for its "irresponsible" and "absurd" call to the government this week to ban all crayfish exports.

The chairman of the Restaurant Guild, Mr Robert Mauvis, said at a plenary session of the Fedhasa congress in Cape Town this week that the guild would lobby parliament for a total ban on crayfish exports. He said there was a shortage of crayfish for the local market.

But Mr Steve Malherbe, manager of Safroc, the largest crayfish export company in the country, said the call by Mr Mauvis was irresponsible and absurd.

"For years the industry has been struggling to sell the 25 percent of the total crayfish quota that must — according to government regulations — be sold on the local market.

"This year the 25 percent of the total quota represents about 630 tons of crayfish. Yet from November last year to the end of June this year the industry has been able to sell only 356 tons of crayfish.

"But it goes much further than that. If the total quota of about 2 400 tons of crayfish is flushed on to the local market, the price would drop to about a third of the current price. It would be a case of pushing crayfish down people's throats.

"What will happen to the 5 000 people employed in the crayfish industry? They would lose their jobs."

Mr Malherbe said the industry could earn about R20-million more if it sold the local 25 percent of the quota overseas — at much higher prices.

"We are indirectly subsidising the price of crayfish locally by selling it at about R33 a kilogram for whole, cooked or frozen crayfish. A kilogram is made up of about 2½ fish. This works out to about R13 a tail.

"I recently sold crayfish at this price to a local restaurant. I later saw the menu of the same restaurant offering crayfish at R49,95 each."

But, said Mr Malherbe, it was not for him to criticise restaurants which in some instances made a profit of more than 300 percent, just as it was not for him to criticise restaurants which were allegedly selling wines at inflated prices.

"It is a free-market system, but we in the industry feel it is highly unfair and irresponsible to attack the industry at regular intervals. We are not the guilty party.

"We have more than enough crayfish for the local market and the price of R13 a crayfish is reasonable considering we have a large number of employees, ships and storage facilities to run and maintain."

Mr James Kroukamp of the Cape Lobster Export Association, the other large crayfish export company in Cape Town, agreed with Mr Malherbe.

"The call by the Restaurant Guild to ban all crayfish exports and so increase tourism to this country is, to say the least, ludicrous. I have never heard of tourists specifically visiting countries because of some culinary dish.

"People can eat crayfish anywhere in the world. I think it is a case of restaurants not being happy with making only about 600 percent profit on a crayfish. They want to make a profit of 1 000 percent and more. How else do they explain the fact that they buy crayfish for about R13 each and sell it for R50 and more in their restaurants?"

Weekend Argus did a flash survey among Cape Town's best seafood restaurants to find out what whole crayfish were selling for. The average price for a crayfish weighing between 340g and 650g was about R55.

Some restaurants said crayfish was out of season and not readily available. But according to the industry this is "hogwash" as about 300 tons of crayfish is still available for the local market.

for 'making profits of 300%'

...nsqe,

...lord

(288)

More hotels 'not needed'

THE MD of Protea Hotels, Arthur Gillis, and Theodore Yach, MD of Seeff Commercial Properties, warn against haste in providing more hotels to cater for the upsurge in tourism forecast at the Fedhasa conference this week.

They say that these hopes may be disappointed and there is currently an over-supply of accommodation.

Gillis said it needed "only one prejudicial move, one more Boipatong" to distort predictions of a tourist boom.

● Top of the Times — page 1

State's double standards must end, says casino boss

Call to 'play fair'

ARGUS 8/8/92

■ In spite of government attempts to rush a fresh crackdown on gambling through Parliament, a city casino director argues that it is time bureaucratic hypocrisy made way for legally and ethically controlled gambling.

TYRONE SEALE
Weekend Argus Reporter

THREATS of penalties from at least R100 000 or prison terms for gainful gambling amount to little more than extreme hypocrisy, says city casino director Mr Gerhard Stötzel.

"What is the government trying to prove by saying it's okay to have lotteries for charity and horse races, but that gambling for profit is out? Yet, it protects the monopoly on gambling in the homelands."

He was speaking just days before the start of Monday's trial of the management of The Club in Sea Point on gambling charges.

Weeks ago, Mr Stötzel, a high-powered entertainment entrepreneur and former professional gambler, and his business partners launched Crown Gaming Club in Table View, offering 900 sq m of tables and machines with a view of Table Bay.

"I don't think I'm breaking the law," he said, contending that his games require skill rather than chance. He cited Transvaal court cases where casino managements and mathematicians left magistrates in confusion. This led to the introduction in Parliament last month of the Gambling Amendment Bill.

Efforts to push the Bill through in the final hours of the last parliamentary session were blocked by stiff opposition from the Democratic Party and the House of Delegates.

Justice Minister Mr Kobie Coetsee called a special meeting of the parliamentary justice committee to put the final touches to the crackdown Bill.

However, a day later, Mr Coetsee came under fire from several sources who believed the draft legislation was designed to protect Sun International's monopoly.

The Bill closes loopholes for "games of skill" and proposes penalties of up to a maximum of R200 000 for people convicted of illegal gambling. However, it paves the way for lotteries and sports pools for raising money for health, education and welfare.

A memorandum to the Bill says technological advances in gambling have made it difficult to distinguish between "chance" and "skill" and that the courts have found it virtually impossible to prove one or the other.

The Bill will be discussed in Parliament again in October during a special session during which President De Klerk hopes to speed up, through constitutional means, the mechanisms for political negotiations and progress towards a transitional government.

Mr Stötzel said: "Why would a government that has so much on its political plate make a point of pushing through a new law on gambling?

"Is the state really taking the issue so seriously — or are people with vested interests leaning on it? What is going to be left off the agenda of that emergency session to make way for the discussion on a few games of fun and profit?" he asked.

"It is time the government realises that casinos are becoming part of South African life. Instead of trying to ban gaming, it should realise it can control the industry through certain regulations, which could be supported by ethical controls within the industry."

Sol loses no sleep over Lost City

288

S/Times (BUSS) 9/8/92

By CHERILYN IRETON

SOL KERZNER is shrugging off the recession and the slump in tourism.

The SunBop chairman predicts that his R800-million fantasy, Lost City, will double the number of visitors to Sun City within a year of its December opening.

The Pilanesberg development will add 350 hotel rooms to the resort and double the size of its conference and entertainment facilities.

Sun City will be the biggest tourist resort in the sub-continent.

Mr Kerzner this week rejected suggestions that Sun City was overextended given the emergence of suburban gaming halls, the poor state of the economy and the prospect that Bophuthatswana could be reincorporated in SA.

Dent

He says: "We are developing one of the most unusual resorts in the world on the scale of a Disneyland. Sun City will contribute significantly to an increase in foreign tourists. In many ways that will help make sense of the size of our investment."

He maintains that tourism will become the fastest-growing industry in Southern Africa once violence and the political impasse have been resolved.

"From that standpoint our timing of the Lost City is excellent. SA's image has improved and the international media have provided good publicity for the Lost City."

Even so, SunBop shareholders can expect a slight dent in the group's remarkable growth track — it boasts a compound annual rate of earnings growth of 44% since its 1985 listing — when the annual results to June are published on Wednesday.

Mr Kerzner will not be drawn on details, but there seems little doubt that higher interest charges — arising from the funding requirements of the Lost City and Carousel developments — and a tough final quarter will dilute the benefits from Bophuthatswana's generous tax write-offs.

This could leave bottom-line profit growth below the inflation rate for the first time since listing.

Mr Kerzner says: "I think shareholders will be satisfied considering the fact that we are developing at a time when the economy is in decline.

"The best reason I can give shareholders for believing that we will be able to sustain our long-term growth record is that SunBop is financially strong and operates first-class resorts.

"We have always financed operations conservatively. Even at the peak of our funding cycle, gearing will remain well below the board's self-imposed 60% limit."

Research by Sun International suggests that it would be relatively easy to boost the number of genuine tourists to Southern Africa by about a million in a couple of years. If most spent between 12 and 14 days in the region, foreign-currency earnings could rise by about R8-billion.

Mr Kerzner believes Sun City will continue to be a major tourist attraction regardless of whether Bophuthatswana is reincorporated in SA.

Like some stock-market analysts he is worried about the proliferation of suburban gaming halls, but not merely because of their impact on SunBop's revenue.

SunBop has always believed that controlled, regulated and restricted gaming would be introduced in SA and is happy to compete domestically and internationally.

Time

Mr Kerzner says: "But what are these gambling halls contributing to the communities of SA? Sun International has provided thousands of jobs and has contributed to growth in tourism.

"It's only a question of time before the Government changes legislation to ensure that unregulated gaming is stopped."

Mr Kerzner dismisses criticism that the Lost City is too ambitious a project and is merely "Sol's folly".

He faced similar charges when he built the Beverley Hills, the Beacon Island Hotel and Sun City.

The difference now is that he has a 30-year record that speaks for itself.

Tourism 'could be biggest industry'

JOHN YELD
Environment Reporter

TOURISM could be developed into South Africa's biggest industry and main source of foreign exchange, according to Mr Pierre Tredoux, an associate director of the world's largest tourism and leisure consultancy.

But just one "major tragedy" could eliminate South Africa from the catalogues of international tour organisers, he warned.

In the keynote address to the national conference of the South African Institute of Industrial Engineers at Sun City, Mr Tredoux said global tourism was the world's largest industry and had had shown consistent growth for 40 years.

The current growth in international tourism was four percent and showed no signs of slackening.

South Africa's share of the total world-wide "tourist-spend" was just 0,2 percent — several times less than that of comparable destinations.

"South Africa enjoys commanding advantages over many other tourist destinations, mainly because it combines most of the sought-after 'escape' attractions with sufficient First World sophistication to make tourists feel comfortable and safe," Mr Tredoux said.

But failure to stabilise the country and control unruly elements could destroy tourism potential irrevocably. Just one "major tragedy" would result in South Africa being removed from the product list of major tour organisers.

Mr Tredoux also said a strong service ethic had to be developed and maintained.

"Tourists will quickly abandon even a desirable destination if they are confronted by incompetence ..."

He welcomed the government's White Paper on Tourism as a sound document in general which should lead to an urgently required Tourism Act next year.

The environment was tourism's core attraction in South Africa and it was critically important that the interdependence of tourism and conservation was recognised.

Kersaf beats poor conditions

MARCIA KLEIN 288

KERSAF should produce an 11%-13% growth in earnings in the year to end-June despite a decline in trading conditions in the last quarter, analysts said at the weekend.

Earnings, which rose by 14% to R86,4m at the interim stage, would be influenced primarily by Sun International Bophuthatswana (Sun Bop) and its offshore investments.

Analysts said the proliferation of gaming clubs would have some effect on Sun Bop, whose earnings a share had risen by 17% at the interim. However, it was expected to show 15%-16% growth on more shares in issue.

Building at the Lost City project, believed to be over its revised budget of R750m, was on target. Analysts said it was hard to say whether it could achieve the business necessary to carry the high overheads.

Looking at the year ahead, clarification of the Gaming Act in September could affect Sun Bop positively.

Interleisure's earnings, susceptible to lower cinema audiences at Ster-Kinekor, were expected to decline by 6%-7%. But the outlook for the coming year was good after the success of the hit movie Basic Instinct and the opening of Sunday cinemas.

Analysts expected Transkei Sun's results to be pedestrian at best, but Sun Ciskei was a wild card.

The share price of 140c could seem lacklustre, but one analyst said there was no reason why it should not produce good results for the year.

Non-listed interests would have been affected by the worldwide recession. But analysts said Royale Resorts would be reporting off a low base following a previous forex loss.

Tentative deal on Mykonos reached

LINDA ENSOR (288)

CAPE TOWN — A tentative agreement has been reached between the Masterbond provisional curators and representatives of the Club Mykonos homeowners over the future of the west coast resort. B/DAY 10/8/92.

An application will be made to the Cape Town Supreme Court on Wednesday — the day the curators report back to court — for the provisional liquidation orders on Club Mykonos and Mykonos Weskus Beleggings to be lifted.

The court will be asked also to sanction the agreement and to give the go-ahead for a meeting of Club Mykonos debenture-holders to consider whether they approve of the deal.

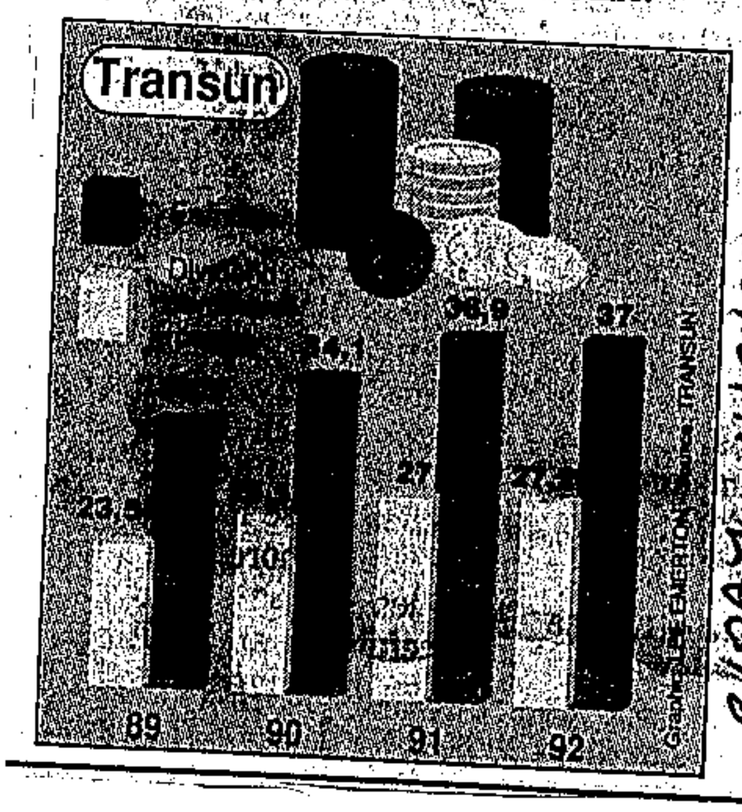
A meeting of Club Mykonos homeowners has been called for tonight in Parow to consider the terms of the agreement, which is believed to grant homeowners sectional title rights in exchange for them giving up one third of their rights. Debenture-holders would also be required to forfeit a third of their rights.

While Fedlife has an indirect financial interest in the resort, and was at one time involved in negotiations, it is believed in terms of the new agreement the life assurer would not be investing any money in the project. It was apparently not party to the latest talks between curators and homeowners.

Illegal casinos knock Transun

288

TRANSKEI Sun International (Transun) has reported virtually unchanged earnings of R53,6m in the year to end-June.



MARCIA KLEIN

Chairman Ken Rosevear said that besides the effects of the economic climate, Transun had been affected by construction activities at the Wild Coast Sun and "the uncontrolled prolific growth of gaming establishments in SA".

He said a resolution was urgently being sought from the SA government on the future of such establishments. He hoped some form of control would be introduced when Parliament reconvened in October.

At year-end, Transun's turnover grew by 9% to R209,2m from R192,6m, and operating profit declined by 2% to R66,3m from R67,9m. Rosevear said higher wage rates, which had increased on average at a much higher rate than inflation over the past two years, had been the major contributor to

☐ To Page 2

BIDA 11/8/92.

Transun

B/DAY 11/8/92.

288

☐ From Page 1

the lower operating margin.

Lower interest rates and the utilisation of cash resources to fund the Wild Coast Sun expansion programme saw interest received decline to R6,8m from R7,4m. Rosevear said capex on expansion had risen to R92m from the original budget of R75m, but this included some new facilities it had not anticipated.

Pre-tax profit declined by 3% to R72,9m from R75,2m. But capital allowances from the expansion programme reduced the effective tax rate to 26,5%.

While Transun's interest received could go into a net debit for a while, it would gain benefits from additional tax allowances, Rosevear said.

Earnings rose marginally to 37c a share from 36,9c a share. The divided was increased by 1% to 27,25c a share, and cover was maintained at 1,4 times.

Rosevear said results were in line with expectations. However, Transun had expected the gaming issue to have been resolved and that there would have been some turn in the economy.

While he would make no forecasts for the coming year, he said the new road to the Wild Coast Sun was open, and this should have a positive effect. In addition, Transun would market itself aggressively.

Transun was confident that the completion of extension and refurbishment at the Wild Coast Sun would place it well to compete favourably and profitably, particularly in the medium to long term.

Sol satisfied with SunBop

BIDAY 13/8/92. 288

SUN International Bophuthatswana's (SunBop's) 8% earnings rise to 191c a share in the year to end-June was below market expectations. But chairman Sol Kerzner said yesterday the group's earnings, which were diluted by two scrip dividends and a rights issue, were good considering the current environment.

The commissioning of the Carousel Entertainment World saw SunBop's turnover rise by 30% to reach R1bn for the first time in the group's history. However, Kerzner said the Carousel's opening affected revenues at the Morula Sun and, to a lesser degree, Sun City. This saw margins contract and resulted in a 17% rise in operating profit to R269,2m (R229,5m).

Kerzner said margins were also affected by wage increases. In addition, it was necessary to drop margins in a tough economy to stay competitive.

MARCIA KLEIN

Despite lower margins, the Carousel had the effect of expanding the market "as demonstrated by the 30% improvement in gross revenues for the year".

Kerzner said this was pleasing given "the proliferation of unregulated gaming operations that have spread uncontrollably through the cities and towns of SA".

This competition had resulted in SunBop experiencing "quite a significant drop in market share", he said, but he could not put a number on it as it was not a controlled industry. Nevertheless, SunBop did not expect any further effect.

Interest income dropped to R1m from R26,9m as the group's cash resources were used on completing the Carousel and building the Lost City.

☐ To Page 2

SunBop

BIDAY 13/8/92 (288)

☐ From Page 1

Pre-tax profit rose by only 6% to R270m (R255,7m). But tax allowances on the new developments, which brought taxation down to R54m, resulted in a 13% rise in attributable earnings to R216m from R191,8m in the previous year.

The dividend was maintained at 132c a share. Kerzner said SunBop decided to increase dividend cover because of the poor economy and the group's expansion. SunBop distributed 70% of its earnings compared with 75% in the previous year, and intended to bring distribution down to 67%.

Occupancies had dropped from 77% to 73%, which Kerzner said was excellent in this environment.

The Lost City, which was on schedule for opening on December 1 and was within the approved budget, had captured attention worldwide. Kerzner believed it would be a major drawcard for foreign visitors.

Hilton plans two hotels in SA

288

PRLG 13/8/92

MEG WILSON

JOHANNESBURG. — Hilton International (HI) is planning to establish hotels in Cape Town and Johannesburg at a total cost of at least R450 million.

Peter Riddoch, executive vice-president in charge of property and technical services development, said this would take the form of "genuine" foreign investment, although the giant hotel group generally does not own the hotels it operates.

He told delegates to a conference on strategies for tourism investment and development that after its own investigation of the commercial, macro-economic and political environments in South Africa HI believed Johannesburg and Cape Town could support Hilton hotels.

The research had shown that the two cities were the most important commercially in sub-Saharan Africa and likely to become more so as regional hubs.

HI's customer profile in South Africa would focus on the international and domestic business traveller.

In the international segment, the group had 160 hotels and more than 100 sales offices around the world to direct business to South Africa and was especially well placed in the key UK and German markets, which accounted for 65 percent of all European entries.

In the domestic market, HI believed it would capture a significant slice of a "frustrated demand" for truly international hotels with services and facilities like those business travellers had come to expect abroad.

HI, the largest subsidiary of the listed British Ladbroke group, now has operations in 47 countries and in 43 years has closed only two — one in Havana, taken over by Fidel Castro as his revolutionary headquarters, and another in Teheran at the height of the Islamic revolution and anti-American activity.

The reason for its high success rate, Mr Riddoch said, was the care with which it selected locations in which it was prepared to operate.

Apart from clearly defined demand for its product, the factors HI considered included the issue of currency convertibility and profit repatriation, and the availability of supplies for the operation of a luxury hotel.

Pictures: ROBERT BOTHA

Syndicate makes offer for Mykonos

B1007 13/8/92 788

LINDA ENSOR

CAPE TOWN — The curators have received a conditional R30m offer to purchase Club Mykonos Langebaan, Mykonos Weskus Beleggings and land owned by Portnet from a syndicate led by Johannesburg businessman Colin Wright.

The offer was received on Friday last week and meetings will be held with creditors of Club Mykonos and Mykonos Weskus Beleggings to find out whether they prefer this offer to the tentative agreement reached with the Club Mykonos Langebaan Homeowners' Association.

The curators said they had not been able to evaluate the latest offer fully, but it is believed they consider it too low. They said they approved of the offer by the homeowners' association.

In terms of proposed agreement between the curators and the association, debenture holders and homeowners would have to give up one third of their rights in exchange for equity capital in the reconstructed Club Mykonos. This would enable them to recoup their losses by sharing in any future profits.

In terms of the proposal the Cascades Hotel and other buildings would be completed, remaining residential units sold and the remaining undeveloped land developed and sold. Gross income for the first five years is expected to amount to R103,56m which would be partially used to redeem secured debentures.

"Our consultants have prepared studies from which it appears that the proposal could be viable and should over a period of time enable investors to recover considerably more than they would recover in the event of liquidation," the curator's report said.

A cash underpinning by Spectravest of the proposal would enable investors who wished to pull out to receive a repayment of capital at a discounted value. The debentures would be ranked into three categories.

An application for the rezoning and subdivision of Mykonos Weskus land was under way. If granted, its realisable value would be enhanced.

The report said the curators believed some terms of the proposal made by Standard Merchant Bank and Group Five for the injection of R20m new finance and a JSE listing for Fancourt was not in the best interests of investors. However, they felt the offer should be submitted to investors for consideration.

Meanwhile, Fancourt needed finance to continue operating and Group Five and Fancourt had agreed to contribute R1,25m each. The Fancourt share would be raised by the curators waiving preference for bonds passed over the hotel to enable Fancourt to pass a first bond. If the SMB proposal were accepted the R1,25m would be repaid with the new capital.

There was R2,7m available for distribution to Silverhurst debenture holders while the fate of Spectravest and Finanzhaus investors who had about R78,3m invested would largely depend on whether an agreement on Club Mykonos was reached.

Payments of R8,9m in respect of capital redemption was received from participation mortgage bond debtors, of which R7,98m plus interest of R400 000 a month had been distributed to investors. A total of R58,4m had been received as capital repayments on debenture bonds but no payments would be made until the method of distribution had been finalised.

The report said 862 investors did not agree with their allocation to specific schemes as recorded in the Masterbond records, while 134 investors did not agree with the amount invested.

"These matters are being investigated and distribution plans cannot be prepared until all the queries are resolved."

Regarding Rosenfontein Masterprop, the report said an agreement had been reached in principle with the University of Cape Town for the transfer of the long-term lease over the Valkenburg Manor House at R1,45m.

A special hearing before retired appeal Judge G P C Kotze found that the pooling of investments in the different debenture bond schemes would not be legal.

The dividend is declared payable in the currency of the

FM 14/8/92 (288)

turned chilly up north and Europeans headed south. Then came Boipatong on June 17 and the outlook turned dark.

But the predicted mass cancellations never materialised. The mass action is now over and the negotiations are expected to resume soon. The outlook is bright once again for an industry that has the potential to become one of the country's largest. At least that's the feeling at the SA Tourism Board (Satour), which released its annual report last week.

There were some cancellations, but none since July 1, chairman Piet van Hoven said at the release. "There is cautious optimism now that the booking rate is returning to normal. Cancellations stopped 14 days after Boipatong and they are satisfactory from September onwards."

No charter operators have cancelled flights, he said. Britannia Airways has submitted a schedule for December and January and LTU, a German charter operator, is also committed to starting flights. Transavia, a Dutch charter operator that was reported to have cancelled some flights soon after Boipatong, has rescheduled them.

Van Hoven said the country's tourist areas should brace themselves for an influx of travellers. "The effect of charter operators entering the market will be felt from 1993 onwards. This will be the last year we can expect to enjoy our traditional tourist pattern. Charter aircraft loaded with 500 tourists, of a type we've never experienced before, touching down in Durban and Cape Town from next year onwards, will change our tourist profile considerably."

More flights, more tourists

He said there were several reasons for last year's 4,5% growth in overseas tourists to 521 257. There was new capacity, not only on the north-south axis between Europe and SA, but also on the east-west route between SA and the Far East. "The continuing weak economic situation all over the world led to major price competition between carriers, which benefited tourism. That's why our situation for the end of the year is so buoyant and why, despite strong competition from scheduled operators, charter operators have remained committed to this market."

Peter Hearfield, executive chairman of the Federated Hospitality Association of SA, agrees that the tourism picture has improved. "Judging from conversations I've had with hoteliers in the Cape and the other tourist areas, there is reason for cautious optimism from October onwards."

He says Boipatong was not the only reason for tour cancellations. The murder of tourists in Kenya also hit the headlines in Europe and the US and put a question mark over the safety of tourists everywhere in Africa. "Wholesale tour operators book tours six to 10 months ahead and sometimes cancel them rather than be held liable for the bookings. Sometimes it's because they read more into an event than actually happened and panic. Sometimes it's because they aren't selling as well as they would like them to." ■

TOURISM FM 14/8/92

Happier prospects (288)

Two months ago, the outlook for the tourism industry was bright. Advance bookings showed that SA was in for a tourist boom beginning around October as the weather

Tourism bookings drying up as political impasse festers

JUDITH MATLOFF (288) STAR 15/8/92

FEARS of violence and mayhem have dealt a blow to the tourism industry, struggling to find its feet after a long, apartheid-induced slump.

Tourism officials say chronic political instability and widespread unrest are discouraging visitors just when the ailing economy needs more revenue.

"Worried? I'm shaking," says Riccardo Dell'Erba, managing director of Magari Safaris.

"We don't know what the final impact of mass action will be. People will put up with a strike if it means their room is not made up or soap replaced every second day. But tourism would dry up overnight if they see people being killed, cars burnt or bricks thrown through coach windows."

Dale Pretorius of the South African Tourism Board (Satour) says the industry has been put on hold by political uncertainty. "It is of tremendous concern. Future bookings have virtually dried up since mid-June," he says. "It's a wait-and-see situation."

Despite its magnificent scenery and game reserves, South Africa gradually dropped out of the world tourism mainstream as apartheid laws imposed strict racial segregation, unrest festered in black townships and world trade sanctions bit.

President de Klerk's political reforms begun two years ago changed the picture. The industry was just beginning to revive when the African National Congress quit the talks on a democratic constitution and launched its street protests.

The cheap rand, opening of new air routes and diplomatic ties, and the relaxation of sanctions had helped double tourism's contribution to gross domestic product from less than 1 percent in 1990 to 2 percent last year.

The number of overseas visitors rose to 520 000 from about 500 000 and was forecast to grow by 10 percent a year until the century's end.

The first half of this year showed a promising 15,6 percent gain on the same period in 1991, but future bookings dropped by some 60 percent from the first six months of 1992, Pretorius says.

Keen to promote South Africa as a safe destination, Satour has launched a R10 million advertising blitz in the Far East, North America and Europe.

Glossy brochures boast of magnificent game reserves, breathtaking scenery, award-winning wines, shopping for diamonds and gold, and traditional dances and crafts.

Most political analysts expect the ANC to resume negotiations, and Pretorius predicts that tourism jitters will fade once the political situation calms down. "As soon as the political parties get back to the table, you will see the positive trend resume," he says.

Some investors are betting on that. Club Med is pressing ahead with three developments and local developers are pursuing plans for two luxury Johannesburg hotels.

Kevin Gilmore, managing director of Springbok Atlas Safaris, says tourism just has to ride out the rough times. "I've seen this industry go up and down due to what one politician says." – Sapa-Reuter.

Mayor: City eateries among best

(288)

Staff Reporter

CAPE TOWN'S restaurants are among the best in the country and compare favourably with those of major cities around the world, Cape Town Mayor Mr Frank van der Velde told restaurateurs yesterday.

Last month the mayor came under fire from restaurateurs for his confidential "raspberry awards" sent to a few restaurants for alleged disservice to tourism.

Mr Van der Velde was speaking at Nedbank's American Express Gold Card and Style magazine restaurant award ceremony held at Kelvin Grove, Newlands, at which the top restaurants in Cape Town and within 90 minutes' driving distance of the city hall were announced.

The awards were in two categories — de luxe and "popular"; the former for "rare or costly ingredients in dishes of very high quality" and the latter for restaurants which encourage informality, serve food with wide appeal and which are popularly priced.

Bosman's of The Grand Roche, Paarl, won in the de luxe category. Buitenverwachting in Constantia and Truffles in Heathfield, last year's joint winners, came second and third, respectively.

L'Auberge du Paysan, in Somerset West, won in the "popular" category. Le Quartier Francais (Franschhoek) and the Fisherman's Cottage in Plumstead came second and third.

CT 16/7/92

(258)

Spurhold's growth 'set to continue'

BIDA 1 12/18/92

MARCIA KLEIN

SPUR Holdings (Spurhold) would continue its record of expanding its outlets and increasing its earnings in financial 1993, chairman Allen Ambor said in the annual review.

Spurhold increased its earnings by 26% to 23c a share in the year to end-February on the back of excellent results from 64%-held Spur Steak Ranches.

Spur Steak Ranches' attributable profit rose by 41% to R4,9m as it expanded market share and contained its operating costs.

Ambor said Spur Steak Ranches "has continued to dominate the trading activities of the group and contributed substantially to the 37% growth in attributable income during the current financial year".

Its strong position in the market, on the back of continuing research into new ideas and concepts and dedication to service standards, would continue into the new financial year.

Ambor said other franchised brands — which included Panarottis and the Hard Rock Cafe — had shown promise during the year, and a number of new outlets would be opened in the current year. Sixteen new outlets were planned.

Inn with a recipe for success

B/Day 18/8/92

288

LINDA ENSOR

CAPE TOWN – A taste for fine detail and the happy coincidence that his personal foibles have proved to be recipes for success are part of the reason why restaurateur John Huxter won the Fedhasa prize for the most innovative marketer this year.

Huxter runs the Le Quartier Francais Auberge, Restaurant and Bistro in Franschhoek.

Le Quartier Francais has been among the top 10 SA restaurants for the last two years, since it was taken over by John and Susan Huxter in 1989. As one of the Cape's best two restaurants this year, it is again in the running for national honours.

The restaurant's Cape cuisine entices many Capetonians to Franschhoek at weekends. Despite the recession and the off-season, the café-style bistro still draws a monthly average of 71 people a day and the restaurant an average of 43 a day.

In December last year the country inn Auberge du Quartier Francais, with 14 en suite rooms, was completed. Situated behind the restaurant, it was built in the style of a Victorian square, with a garden court and swimming pool. Until April, when winter and politics kept tourists away, the inn had an occupancy rate of 60%.

Huxter says the innovative combination of the restaurant, café and inn is behind the Fedhasa award, which is given to someone new to the industry and under 40 years of age (Huxter is 37).

In fact, marketing for the restaurant has been kept low-key, with emphasis on word-of-mouth promotion.

"If you have just one person fall in love with your place that is all you need. It has tremendous marketing potential," Huxter says. He does not believe in direct advertising, saying this does not reach the right market. He has targeted people in the A and B income group who want a good night's sleep with good food.

An unsolicited article in the New York Times did wonders for new bookings, as did contact with travel agents in France. Inclusion in the Portfolio of Country Places has also attracted visitors.

Unregulated gambling hits Sun Ciskei results

B/DAY 18/8/92

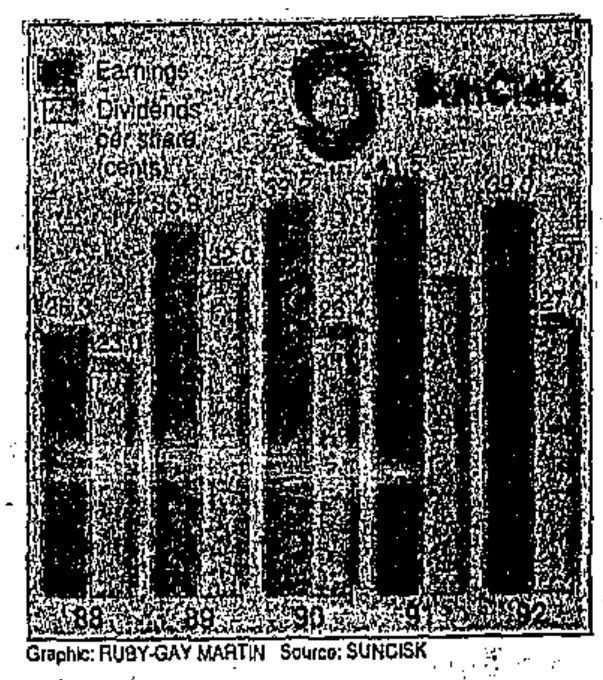
MARCIA KLEIN

PRESSURE on consumer spending, unregulated gaming operations and big wage increases saw attributable earnings of Sun International, Ciskei (Sun Ciskei), rise by a marginal 2% to R29m (R28,5m) in the year to end-June, its first full year of reporting as a listed company.

The group, whose resorts include the Fish River Sun, Mpekweni Sun, Amatola Sun and Mdantsane Hotel and Entertainment Centre, reported a 7% decline in earnings to 39c a share from 42c in the previous year on an increased weighted average number of shares in issue.

Chairman Ken Rosevear said results reflected the difficult trading conditions, pressure on consumer spending and reduced consumer confidence brought about by the sociopolitical situation.

Revenues were affected also by the unregulated gaming establishments that operated during the year, especially those in the Port Elizabeth and East London areas.



Graphic: RUBY-GAY MARTIN Source: SUNCISK

Rosevear said against this background, results for the year were satisfactory. Revenues increased by 14% to R117,3m from R103,1m. But margins and profitability were affected by significant wage increases, and operating profit was 2% down at R32m compared with R32,7m in the previous year.

Profit after tax increased by 7% to R30,4m (R28,5m), benefiting from a lower interest charge and no taxation. The big decline in interest and a reduction in gearing to 33% from 62% reflected additional financing in the form of preference share capital and cash flow from operations.

After R1,4m was paid in dividends to preference shareholders, attributable earnings were up by 2%.

A final dividend of 12c a share brought the dividend for the full year to 27c (31c).

Rosevear said occupancies were 53% for the year, down slightly from the interim period. Sun Ciskei was working on various aspects of its resorts to draw more booking, and it was marketing for day visitors.

There had been no improvement in trading conditions in the first weeks of the new financial year. This, and the activities of the unregulated gaming operations, made it difficult to forecast earnings for financial 1993, Rosevear said.

The share closed yesterday at 140c, lower than the 150c issue price.

Ciskei Sun in 7% earnings slide

288 ET 18/8/92

JOHANNESBURG. — Sun International's Ciskei resorts and casinos posted a 14% increase in turnover but earnings a share dipped by 7% for the year ended June 30, 1992, according to its results released yesterday.

Ciskei Sun said the group had experienced difficult trading conditions throughout the year because of the depressing economic factors on consumer spending and the erosion of confidence due to the socio-political environment.

The group's turnover increased from R103,1m in the previous financial year to R117,3m in the period under review, while earnings a share decreased from 42c to 39c.

It added the group's "revenues were affected by the unregulated gaming establishments that continued to operate during the year throughout SA and more relevant to this group in the cities of Port Elizabeth and East London".

Margins and profitability were also affected by the significant wage increase in the year, Sun Ciskei said.

A final dividend of 12c a share for the year was declared bringing the group's total dividend for the year to 27c a share which is 4c lower than the previous year.

However, Sun Ciskei said this was "in line with the group's stated policy to distribute 70% of attributable earnings by way of dividend".

The group said it was confident that the Ciskei government's indication that it was not in favour of maintaining the group's gaming exclusivity would not affect its status in the homeland.

"The directors still consider that meaningful competitive gaming in Ciskei will not arise in the short to medium term," it said.

Southern Sun plans move into Africa

By Roy Cokayne

The Southern Sun hotel group is planning to move into Africa.

Group managing director Ron Stringfellow says although the group is concentrating on its South African portfolio at present, it will be looking for management contracts in Africa in the future.

He does not foresee the group expanding into Europe or the United States but becoming an Africa-based chain of hotels.

Southern Sun already has a portfolio of three hotels in the Seychelles, which has operated under cover — under the Paradise Resort banner — because of the political situation in South Africa.

Its Seychelles portfolio comprises the Auberge Club des Seychelles and the Equator Hotel on Mahe and the Paradise Hotel on the Cote d'Or beach of Pralin.

A major refurbishment of the Paradise Hotel is due to be completed by June next year and the Seychelles portfolio will then become part of Southern Sun Resorts.

"By April next year we will be putting up the Southern Sun flags," he says.

The group now comprises five brands: Southern Sun hotels, Southern Sun Resorts, Holiday Inn core brand, Holiday Inn Garden Court and Formule 1.

"We want to be the leading hotel in each sector of the hotel industry."

Hotel occupancy at low ebb

HOTEL room occupancies were only 48,3% in the six months to end-June, representing the lowest occupancy rate in at least the past five years, Fedhasa executive director Peter Hearfield said yesterday.

He said the largest contributor to the lower occupancies was local corporate travel. B|DAY 19/8/92

Although the months from June to September would also be quiet, Hearfield said the industry could look forward to better occupancy levels from October.

Major SA hotel and tourism groups have boldly forecast large increases in international tourism to the country. But industry analysts said political unrest and the high cost of visiting SA could dampen this enthusiasm.

Major hotel groups have expanded and refurbished in readiness for the anticipated influx. Sun International (Bophuthatswana) chairman Sol Kerzner said recently that the commissioning of the Lost City project at the end of this year would bring with it a rise in foreign tourists.

Senekal, Mouton & Kitshoff analyst

MARCIA KLEIN 288

Christopher Gilmour said in his report on the industry that foreign tourism had never played a particularly important role in overall occupancy levels. But cyclicality in the local hotel industry could be removed if foreign tourism gained significant sustainable momentum.

Kessel Feinstein Consulting's publication Tourism Talk said that in the past 10 years the number of SA hotels had declined by over 10%, and occupancy levels remained significantly lower than international norms and historic levels since 1983.

STEPHANE BOTHMA reports urgent calls are to be made for existing border control posts between SA and Transkei to be scrapped in an attempt to promote tourism in the region, the Transkei Tourism Board said last night.

In a statement the board said 18 representatives of tourism bodies from Natal, Transkei, East London, Border, Port Elizabeth and Satour met in Umtata yesterday to discuss matters of mutual concern.

Gallic plans new luxury apartments

BDAY 19/8/92

GALLIC is planning to increase its luxury executive apartment or Courtyard developments, and has selected sites in Cape Town and Pretoria. (288)

"Furnished suites with kitchenette facilities are extremely popular as an alternative to hotel accommodation, and we want to have a development in each of the major business centres countrywide in the next five years," said Gallic MD Paul Kuip.

Construction on its second development is under way in Rosebank. The 83-unit Courtyard will cost R16m to build. The development is expected to come on stream in the first quarter of 1993.

"We intend to sell about 30 units, which range from studio to two-bedroomed apartments, to private or corporate investors at prices from R195 000 to R320 000." he said.

Occupancy levels at the 69-unit Sandton Courtyard averaged at about 85% during its first year of operation. The business market is its main target, and half the guests so far have been foreigners.

He said the Courtyard of Sandton's daily rate was highly competitive, ranging from R260 for a studio and R295 for a one-bedroomed unit to R440 for a two-bedroomed suite.

In comparison, a night at the Sandown City Lodge costs R198 for a double room. The charge at the Balalaika Protea is R390 (two people), the Sandton Holiday Inn R420 and the five-star Sandton Sun R640.

"Our prices are very favourable and will be reviewed at a later stage when we have established ourselves in the market," Kuip said.

"We have monthly guests who pay R3 800 for a studio unit," Kuip said.

Gallic initially intended to sell the Sandton Courtyard development when it was complete, but then realised the niche service it was providing and its potential for expansion, he said.

Airline catering service upgraded

By John Miller

The Fedix Group recently completed the first stage of a R30 million refurbishment of its in-flight catering facilities around the country.

Fedix, which has a major share in Air Chefs and Air Caterers, hopes that the upgrading of its kitchens at Jan Smuts Airport, D F Malan in Cape Town and Louis Botha in Durban will meet the expected increase in air traffic until the year 2000.

Air Chefs supplies SAA, Flitestar and 13 other international airlines while Air Caterers stocks British Airways, Swiss Air, Lufthansa, Cathay Pacific, Qantas and Singapore Airlines.

Part of the R11 million Air Chefs project led to the hot and cold food sections being separated, which is in line with overseas trends.

Johannesburg outlets are able to handle up to 70 000 meals weekly.

The Cape Town facility has been increased to handle 4 000 meals daily while a completely new kitchen was opened in Durban.

Air Caterers, in a joint venture with Swiss Air, will open its new kitchen next to the Jan Smuts runway in December.

This allows it to supply 6 000 meals daily, with a planned maximum of 12 000.

From the time meals are loaded into the containers and into the plane takes a maximum of two hours. The companies also load utensils, cutlery, crockery, drinks and wine trolleys.

year, as was achieved in the days of the superstar performances.

The balance sheet has strengthened significantly. Shareholders' funds have been boosted by a R178m rights issue; R152m from two scrip divs; retained income of R64m; R65m through revaluating fixed assets; and R54m in a tax equalisation reserve.

The policy is to provide a tax charge, even though allowances more than offset any tax to be paid. Management intends to smooth the rate over five years, rather than have a zero rate for a couple of years, which surges after allowances are used up.

This possibly enabled management to play with the 1992 income statement to some degree; EPS may have been held back to ensure adequate results this year. Rosevear reckons long-term borrowings, R156m at year-end, will peak at around R500m in March (after dividend and casino tax payments) but should drop under R400m by the 1993 year-end, given the strong cash flow.

With the surge in shareholders' funds, gearing will be manageable, even at the R500m peak. One must take a view on foreign tourism in assessing SunBop, particularly with the new hotel at Sun City. With average room construction cost around R400 000, industry sources speculate room rates will have to be more than R500 a night, thus aimed at the foreign market. At a 17,3 p:e, the share is probably overpriced.

William Gilfillan

FM 21/8/92

FOX

(286)

SUNBOP

No Mickey Mouse affair

SunBop's new Carousel hotel and entertainment complex is attracting roughly 9 000 day visitors. This is about the same as Euro-Disney near Paris when it opened in April.

Deputy chairman Ken Rosevear concedes, though, the actual "spend per guest" is below expectations, probably because of the recession. However, the complex has (temporarily) silenced critics worried that the group is expanding almost irrationally as local gambling clubs are proliferating and with homeland reincorporation looking increasingly likely.

Local gambling club statistics are frightening, from SunBop's viewpoint: Rosevear reckons they have about 1 000 blackjack tables against the group's 170. SunBop's major problem with this proliferation relates to the contribution at the margin: that is, as most gambling costs are fixed, profit margins are significantly squeezed by pressure on turnover growth.

The authorities are expected to introduce more laws in October or February to control gaming clubs.

If SunBop does not persuade them to ban the clubs, it may consider expanding its own activities into SA.

Turnover growth is impressive: as roughly a third of a total 30% increase is attributable to the Carousel, other operations recorded real growth of around 5%. Trading profit rose 17%. Bringing the Carousel into operation, with a concomitant jump in marketing costs, partly explains the lower margin.

Occupancy levels, 73% for all SunBop and 77% at Sun City alone, are also impressive, considering the recession.

HIGHER STAKES

Year to June 30	1991	1992
Turnover (Rm)	772	1 000
Operating income (Rm)	230	269
Attributable (Rm)	192	216
Earnings (c)	177	191
Dividends (c)	132	132

The success of the Carousel is probably a good indicator for Sun City's Lost City project taht comes on stream in November. However, there are significant differences. Lost City will concentrate on outdoor life style, with its gardens, and the conference market, whereas the Carousel centre is all indoors and aimed at the family market. Its general entertainment facilities include movie and disco complexes and 10-pin bowling.

Of R800m to be spent on Lost City, only R250m relates to the hotel component, indicating the extensive investment in the gardens and entertainment centre extension. "Lost City will be driven more by occupancy than day visitors," Rosevear says. But day visitors will also be fundamental; SunBop aims to double their number to roughly 2m a

continued →

CLUB MYKONOS

FM 21/8/92

288

Putting the choices

A number of solutions to the Mykonos mess have been mooted over the past year. The fairest has probably been based on the principle that all creditors take a one-third cut, which would avoid the liquidation route. Now that offer, along with another, will be put to the vote to various creditor groups around the country.

The creditors, comprising five main parties, have about R321m tied up in Club Mykonos. Each will have first, third and fourth-ranking debentureholders.

Spectravest proposes to accommodate second-ranking debentureholders in a scheme of arrangement proposed by the Club Mykonos Langebaan Home Owners' Association.

The parties and their interests in the western Cape resort are as follows:

- ☐ The linked ordinary shareholders and debentureholders of Club Mykonos Langebaan Holdings — R45m;
- ☐ The debentureholders in Club Mykonos Langebaan (referred to as the bondholders) — R78m;
- ☐ Spectravest — R58m;
- ☐ Purchasers of various forms of occupational and other rights related to residential units at Club Mykonos represented by the homeowners' association — R105m;
- ☐ Debentureholders of Mykonos Weskus Beleggings — R30m; and
- ☐ The remaining concurrent creditors of the Club Mykonos Group — R5m.

The homeowners' association favours the one-third scheme. The association represents about 220 units which have already been sold, 54 of them to timeshare and points system operators. These operators, in turn, represent about 20 000 people who have occupational rights in the resort.

There is a countervailing offer. It comes from a private syndicate and is the best so far received from outside of the homeowners' ambit. It proposes to pay R30m for the unencumbered land belonging to Club Mykonos Langebaan and to Mykonos Weskus Beleggings. The offer is conditional on Portnet's sale of reclaimed and leasehold land, on which some of the 220 home units stand. Such a sale would come on top of the R30m bid.

A spokesman says: "If the curators invest this, they should be able to earn at least R4,2m a year at 14%."

The syndicate is also offering a 20% share in the resort's profit to Masterbond investors — that is, all the bondholders and debentureholders linked to the resort.

Since the first airing of this offer in the press last week, the syndicate has sweetened its deal and tailored it according to the homeowners' offer but with some differences.

Syndicate spokesman Athol Harrison says that the syndicate — like the homeowners — is offering to pass sectional title transfer to all the homeowners. "But, instead of them having to give up a third of their ownership, in cash or in kind, as proposed by the homeowners' association, the syndicate is offering to register an interest-free bond in respect of this one-third stake for a period of seven years.

"At the option of each owner, he may make his unit available to the hotel pool and the full proceeds of this letting will be credited to his bond account. His other options are either to pay for the third in cash or to borrow for it from an outside bank. This is a lot better than the homeowners' offer."

Homeowners' association steering committee chairman Colin Hultzer, a former partner at accountancy firm Arthur Andersen, says the syndicate's offer would necessitate the final liquidation of three Club Mykonos companies: Club Mykonos Langebaan, Club Mykonos Developers and Mykonos Weskus Beleggings.

Pointing to the differences between his offer and that of the syndicate, Hultzer says: "Our proposal is non-confrontational and is based on a continuing resort, which we think is significantly better than the syndicate's proposal. The liquidation of those companies will mean incurring litigation costs because creditors — including ourselves — will have to go to court to protect our assets. That R30m offer, therefore, will be significantly reduced because of such costs and will incur a 10% or R3m liquidator's fee."

Harrison says the syndicate's offer is "also non-confrontational. We are making an offer for the assets and if all parties agree to the kind of allocation of funds suggested by the homeowners, that same arrangement could work for us and only the shells would have to be liquidated without litigation costs.

"The syndicate is offering the homeowners a deal that is better than the one the homeowners are offering themselves. We are giving them their sectional rights; so there is no need for them to go to court to protect their assets. And we are giving them an interest-free bond for seven years, which obviates the need for them to find cash now or to give up any of their units.

"In addition to the R30m, the syndicate will provide about R40m in development capital which it believes is the amount required to complete and market the development successfully. The homeowners' association has no means of getting such capital, apart from raising more bonds against the assets, and if sales don't go according to plan, those bonds could be called up. The association is talking about raising R2,5m by selling off some of the land, which we think is a gross under-provision of working capital."

Hultzer's response is that since "we have been financing the operations of the resort for the past nine months, out of our existing levies, we believe our working capital provisions are adequate." He doesn't want to give more of the game away.

To better the association's offer, the syndicate has used the homeowners' figures and revised its own. Its cash flow will now consist of the following elements:

- ☐ R30m net payment in terms of the offer excluding an additional R3m liquidator's fee and R2,4m in other expenses;
- ☐ R24,5m in interest earned on these funds over the same five-year period suggested by the homeowners;
- ☐ 20% of the trading profit, as proposed by the homeowners, making R13m; and
- ☐ Cash collections from Spectravest debtors to the tune of R38,7m.

Says Harrison: "This gives a total cash flow of R111,6m which must be compared with the homeowners' figure of R103,6m. If these figures are present-valued, the syndicate's figure is 20% more beneficial to the creditors."

The R103,6m is not present-valued.

Like the homeowners, the syndicate also envisages a continued role for Spectravest as banker to the individuals involved and sees it

continued

CONVERTING CLAIMS INTO EQUITY CAPITAL

The homeowners' association's proposal

Party	Original claim Rm	New claim Rm	Equity in CML* %
Club Mykonos Langebaan Holdings	45	30	21,35
Club Mykonos Langebaan bondholders	78	52	37,00
Mykonos Weskus Beleggings debentures	30	20	14,24
Concurrent creditors	5	3,3	2,41

10% of the equity will be held in reserve and 15% will be allocated to homeowners.
* The newly constructed operating company Club Mykonos Langebaan.

P.T.O.

keeping its ability to register a first mortgage bond over the title deed of particular home-owners. (288) (124)

Says Hultzer: "Our proposal takes care of everybody. All claimants have rights but these all have defects. Instead of wasting money on litigation over defective rights, which could take another two years should creditors opt for the liquidation route, we believe a reconstructed company which trades the resort out of its debt and secures the rights of all parties is more sensible and fairer. It is based on the principle that all parties, with two exceptions, will have a third of their claims converted to equity capital in a reconstructed Club Mykonos Langebaan.

"Spectravest will, therefore, release its surety registered against Club Mykonos Langebaan but will be entitled to register individual bonds against the sectional titles of purchasers indebted to it. In effect, it will cede R28m of its debtors to Club Mykonos Langebaan. In return for that, it will receive secured debentures in the company and retain the balance of its Mykonos-related debtors of R30m."

The only creditors who do not take a third cut are Spectravest and the former directors of Club Mykonos companies. They get nothing.

Hultzer adds: "The proposal is that all creditors have a stake in the proceeds arising out of the sale of Mykonos's forfeited and unsold homes, and incomplete Cascades Hotel rooms, reduced by one-third. There are 17 home units which have yet to be sold and a further 97 two-bedroomed units in the hotel block that must still be built.

"The reconstructed operating and development company Club Mykonos Langebaan — in which all creditors are shareholders — will use bridging finance, already tentatively offered, to finish building the Cascades."

As Hultzer points out, because the resort will be viable in terms of his proposal, homeowners who still owe R60m to Spectravest will continue to service that debt. Subject to the approval of the debentureholders, Spectravest will provide cash for those who need it — but they will have to sacrifice 50% of their entitlement to secured debentures and 50% of their equity in the new company.

If Club Mykonos companies go into liquidation and owners are denied their rights, it will not be possible to collect the R60m because owners will have no property rights delivered to them. The syndicate's offer does not threaten this arrangement. ■

Tourists unhappy with service in SA

PRETORIA. — A survey of foreign visitors showed that 80% of those polled felt service standards in South Africa were below average, but despite this 82% would recommend the country to family and friends, Satour said in a statement.

The survey, conducted by Satour in January, also found 28% of respondents felt the standard of personal safety was low and 83% regarded their visit as enjoyable.

The tourists came mainly from the United Kingdom (21%), Germany (11%) and the United States (7%).

"It was warming to note the extent to which most visitors left the country with positive feelings," Satour executive director Mr Spencer Thomas said. (288) CT 22/8/92

Scenic beauty was rated the most appealing aspect of the country by 31% of respondents, followed by climate (27%) and wildlife (14%). Only 5% of the respondents felt African culture was the most appealing aspect of the holiday.

The average length of stay was 33 days, compared with 29 days in a previous survey.

The average tourist spent R8 700 a visit.

● Tourism would be improved if existing homeland border posts were done away with and a recommendation in this regard is to be made to the government.

The decision was taken at a meeting in Umtata yesterday, Transkei's Minister of Commerce, Industry and Tourism Colonel D Mgwebi said in a statement.

The meeting resolved to form a regional tourism liaison structure which would involve the public and public service in tourism awareness.

A workshop will be held in Umtata within the next six weeks to work on short-term plans to improve the Christmas trade to the area. — Sapa

Excellent results offshore aid Kersaf

24/8/92 288

MARCIA KLEIN,

EXCELLENT results from offshore operation Royale Resorts saw Kersaf Investments produce a 10% rise in attributable earnings to R181,4m (R165,3m) in the year to end-June and increase its turnover by 15% to exceed R2bn for the first time.

The group, whose major interests include Sun International, Interleisure and Douglas Green Bellingham, had seen reduced earnings, or earnings below market expectations, at nearly all its listed operations.

But executive chairman Buddy Hawton said yesterday that Royale — which includes the Mauritian operations and other undisclosed casino businesses — had reported "significantly higher earnings".

Royale's good results were achieved largely on the back of a low base the previous year. There was a reversal of a prior year's foreign exchange loss, and the Gulf war had also affected results in the previous year.

In addition, the Saint Geran Sun in Mauritius was closed for four months in financial 1991 for refurbishment.

It had benefited from better occupancies in the current year.

Hawton said Kersaf was still looking at acquisitions through Royale. "We do have certain prospects in front of us, and one or two are quite substantial," Hawton said.

The group was in the early phases of discussion with regard to one of the possible acquisitions.

The 15% turnover rise reflected increased revenues from Royale as well as from the recent opening of the Carousel Entertainment World. But operating profit was only 6% up at R514,5m from R484,7m in the previous year.

Hawton said the reduced margins reflected increased operating costs and substantial wage increases.

Interest received declined to R30,8m from R50,8m, mainly as a result of the funding of major capex projects, which included the Lost City and the Carousel. The reduction in the tax rate, resulting in taxation of R111,7m (R143,1m), was largely due to tax allowances on these projects.

About R460m in capex has been contracted or authorised. Hawton said the major capex would be expended by the end of the calendar year, and capital spending

□ To Page 2

Kersaf

□ From Page 1

would be lower in the next year or two.

Earnings of 240c a share were 9% higher than the previous year's 220c a share on more shares in issue.

In line with the earnings increase, a final dividend of 81c a share was declared to bring the full year dividend to 147c a share.

Shareholders have been offered additional shares in lieu of a cash dividend to enable Kersaf to repay external borrowings used to maintain its shareholding in SunBop, after its rights offer and scrip dividend offer in the past year.

Hawton said that the group's earnings, which were "admittedly assisted by the lower tax rate", were satisfactory given the enormous downward pressure on results. In addition to difficult trading conditions, operations had also been affected by the unregulated gaming operations which were opening up throughout SA.

Hawton said that in view of the current gaming situation, Kersaf was looking at its gaming operations with a view to making them more attractive and competitive.

He said Kersaf remained guardedly optimistic that the authorities would deal with the situation.

Violence puts the squeeze on tourism

STAR 24/8/92

288

By Shirley Woodgate

Violence has hit overseas confidence in South Africa as a tourist destination, despite South African Tourism Board assurances about the safety of foreign visitors, say major travel agencies.

In July, Taiwan's China Airlines became the first airline to cut back on its flights to South Africa, with general manager James Chang claiming many tourist groups had cancelled holidays because of political violence.

Rennies Travel general manager, marketing, Kathy McWhirter said a definite fall-off in reservations had been experienced since the June 17 Boipatong massacre and the break-off of Codesa negotiations.

There had been cancellations and, at best, postponements by visitors adopting a "wait-and-see" attitude, she said.

This was in spite of the R600 million boost to promote tourism and the high level of interest in the country up to May, specifically by tourists from Europe, the United States and the Far East.

She said the loss in foreign exchange would be millions of rands.

LCT and Associates spokesman Dave Lourens said many foreign tourists had already paid — and forfeited — deposits. Local operators were using those deposits to subsidise cheaper packages for South Africans.

Recently, after 80 tourists cancelled trips to Namaqualand, local senior citizens received a windfall cut-rate offer to see the area's daisies.

A drop in spring-time visitors had vast implications for the entire industry relying on the annual pilgrimage to the region, Mr Lourens said.

South Africans could also find bargains at other destinations hard hit by cancellations, such as the Drakensberg and eastern Transvaal resorts, he said.

While overseas customers account for only 20 percent of the hotel industry's business, the violence has done little to improve the current situation. The 1 250 one- to five-star hotels had an occupancy rate of only 48 percent between January and June this year, said Federation of Hotel, Liquor and Caterering Associations of SA chief Peter Hearfield.

He said the violence would hit the North American trade, which was "notoriously skittish about problems in Africa", the Far East and Scandinavia.

Mr Hearfield said that although there were exceptions to the low occupancy rate, the hopes of the industry were pinned on the launch of charter flights in October.

The drop in tourism was confirmed by South African Tourism Board findings showing that the strong flow of reservations in the first five months of the year had slowed down due to political turbulence.

If the situation did not stabilise, it bode ill for the tourism industry, warned Satour spokesman Miranda Steyn.

Tourists give SA low marks for service

FOREIGN visitors are not impressed with standards of service in SA. An SA Tourist Board survey has found that 80% of tourists believe services are "below average".

Uncertainty about security isn't far from their minds, either. Almost a third of the 1 750 visitors surveyed during January this year said they felt unsafe in SA.

CHARLIE PRETZLIK

The good news is that most of these people still had a good time. "In spite of the negative comments, a higher percentage of tourists have voted their stay 'very successful' or 'successful' than in any of the previous surveys," Satour executive director Spencer Thomas said in a statement.

Royale boost to Kersaf's coffers

288 CT 2418/92

Own Correspondent

JOHANNESBURG. — Excellent results from offshore operation Royale Resorts saw Kersaf Investments produce a 10% rise in attributable earnings to R181,4m (R165,3m) in the year to end-June and increase its turnover by 15% to exceed R2bn for the first time.

The group, whose major interests include Sun International, Interleisure and Douglas Green Bellingham, had seen reduced earnings, or earnings below market expectations, at nearly all its listed operations

But executive chairman Buddy Hawton said yesterday that Royale — which includes the Mauritian operations and other undisclosed casino businesses — had reported "significantly higher earnings"

Hawton said Kersaf was still looking at acquisitions through Royale.

The 15% turnover rise reflected increased revenues from Royale as well as from the recent opening of the Carousel Entertainment World. But operating profit was only 6% up at R514,5m from R484,7m in the previous year.

Interest received declined to R30,8m from R50,8m, mainly as a result of the funding of major capex projects, which included the Lost City and the Carousel. The reduction in the tax rate, resulting in taxation of R111,7m (R143,1m), was largely due to tax allowances on these projects.

Earnings of 240c a share were 9% higher than the previous year's 220c a share on more shares in issue.

In line with the earnings increase, a final dividend of 81c a share was declared to bring the full year dividend to 147c a share.

Tax breaks mooted for ailing hotel industry

BIDAY 25/8/92 (288)

CAPE TOWN — Tourism Minister Org Marais is pushing for export incentives to the hotel industry in terms of Section 37E of the Income Tax Act.

Marais told the Seeff Organisation Breakfast Club yesterday he was seeking 37E export incentives to aid new hotel projects for the next 24 months. The system of saleable tax certificates to generate cash flow would also be applied.

Sun International MD Ken Rosevear welcomed the move, and said that present costs made the building of new hotels unviable. Section 37E, or a cash grant, would provide cash upfront when it was most needed to kickstart a project. Sun International was postponing new projects until the incentive scheme was clarified.

Section 37E provides that depreciation becomes effective from the time of making the investment instead of the start-up. This has considerable cash flow advantages.

"This is a very important way to assist hotels," Marais said. He was raising the issue with the Tax Advisory Committee and the Industrial Development Corporation. He felt that the role of the tourism industry had been neglected in planning the restructuring of the SA economy.

LINDA ENSOR

The emphasis in the application of 37E had been to promote the beneficiation of export products but with SA's low productivity exports could not be a core industry, and needed subsidies, Marais said.

The increase of depreciation allowances for the upgrading of hotels from the present 20% to the old system of 50%, 30%, 20% was also being considered. A report on how small operators could be assisted should be finalised by October. He hoped to get government money to assist them.

The report on the use of local or imported luxury coaches should be ready by September, and he was also due to receive a report yesterday on the commercialisation of national parks, Marais said.

He would meet tourism structures in the nine development regions in September to finalise regional structures.

There was a need to market SA internationally. More than R20m would be spent on marketing in the next year. Extrapolations showed tourism could earn SA R24bn in foreign currency by the year 2000, and a growth rate of 20% — a contribution of R71bn to GDP — was possible, Marais said.

Tourist 'stayaway' hits safari industry

B Day 25/8/92 (288)

GAME lodges and safari tours had been hit hard by the loss of foreign visitors as a result of violence in SA, and some might not survive another season, say industry sources.

At least one company, Bonaventure Tour Operators, went into liquidation recently and several others are struggling to keep afloat.

An industry spokesman who asked not to be named said several tour operators were on the point of selling up or going out of business as they were no longer breaking even.

He said even the upmarket lodges were quietly trying to attract local tourists through two-tier rates, a change from their past practice of discouraging locals by quoting prices only in dollars.

In an effort to stay in business, several resorts are using cheap, subsidised tours to attract locals who would usually not be able to afford their rates.

Thornybush Game Lodge near Hoedspruit lost more than R350 000

GAVIN DU VENAGE

when several block bookings of 1 000 overseas visitors were cancelled after the Boipatong massacre, said spokesman Gail Difford.

She said the lodge depended heavily on the foreign market, but few overseas bookings had been made since the beginning of last month and local visitors were not significantly taking up the slack.

The furore over the Ellis Park rugby test match had also caused one overseas group to cancel its booking.

Dutch tour guide Mieke Burger, who specialises in hunting and safari trips, had to take on a temporary office job this month because "business was so bad".

Burger said Dutch, German and French tourists were going to Kenya instead of SA. Kenya was perceived to be a safer destination, with all the "real African" attractions the tourists wanted to experience.

"SA has a bad smell for overseas tourists right now," she said. The country was being portrayed in overseas media as dangerous and in a constant state of turmoil. This foiled intensive efforts by organisations such as Satour and SAA to market the country's tourist attractions.

Burger added that many Europeans still had moral objections to SA, now that political transition was perceived to have ground to a halt.

However, Kruger National Park executive director Salmon Joubert said the park was fully booked, largely because of the tourism spinoff from the New Zealand and Australian rugby tours, and no major change in booking trends had been noticed.

Rattray Reserves' Mala Mala marketing director Ian Beauchamp denied the luxury end of the market had been significantly affected.

Individuals tended to be better informed than group tourists about SA, and had a greater knowledge of local conditions so were less easily put off by the country's politics, he said.

Trafalgar Court
IN ASSOCIATION WITH THE SYFRETS GROUP

EXECUTIVE FURNISHED APARTMENTS
DAILY OR MONTHLY

Tourism 'key focus for SA growth'

(288) CT 25/8/92

By ARI JACOBSON

THE blueprint for restructuring the SA economy must focus on the tourism industry, Minister of Administration and Tourism Org Marais said yesterday.

Speaking at the Seeff-/Cape Times Breakfast Club meeting in Camps Bay yesterday Marais stressed the importance of local tourism:"By the end of the decade tourism could be SA's number one income earner — with something like R24bn in foreign exchange".

He said tourism would boost economic growth and help solve the unemployment crisis with its potent labour intensive component.

Marais pointed out that SA's other foreign income earners in the export industries "would never be the best because of the poor productivity".

Tourism attracted "over 500 000 people to visit SA in 1991 — spending R600 a day compared with the local average of R100. It also employs some R400 000 people and currently lies fourth as a foreign money earner for the country."

"And yet 58% of the visitors in 1991 were coming to visit friends or relatives — which demonstrates the poor marketing and image of the country."

Marais said the government would have to act as a facilitator in lifting the tourism industry in the same way they provided export incentives.

This would include licencing laws that did not inhibit trade, an improved transport system and a restructured all-round approach.

The government's gameplan was aimed at deregulation, commercialisation and privatisation which would allow the private sector to drive the tourism industry.

The government would assist the small operator and sponsor SA Tourism Board's marketing overseas "in the next 12 months Satour will receive R20m".

Marais said there had been calls to assist the hotel industry and this was under discussion but "in general I am against giving money away".

He added that support for hotels could come in the form of immediate depreciation, for tax purposes, of fixed expenses and a plan to reduce the interest burden in developing a hotel complex.

He was quick to mention that "good tourism must work with good conservation" pointing out also that building tourism would be achieved on a regional basis — for Southern Africa.

And to bring it back to the Cape — Marais was reminded,. from the floor, not to forget Robben Island in the drive to attract tourists to the Western Cape.

Africa boosts local tours

Sowetan

■ Air links to boost SA visitors:

27/8/92

By Isaac Moledi

AFRICA is on the verge of becoming one of South Africa's most important tourism markets, said the South African Tourism Board.

Satour said about 1,5-million tourists from Africa alone were expected this year as compared to 1,1-million from the continent and the Indian Ocean islands last year.

"This total is not an unrealistic one judging from the current arrivals figures," Satour's chief director of tourism promotions Dr Ernie Heath said.

Tourist hot spots

Zimbabwe, Namibia, Kenya and Egypt were the main four priority incoming markets, Heath said.

"Although arrivals by air from Africa are less than 20 percent of the total arrivals from Africa, this figure is larger than the air arrivals from North and South America, Australia and Asia combined.

"This means that air arrivals from Africa could soon be on par with air arrivals from the whole of Europe, should the 1,5-million arrivals materialise," he said.

Heath said the interest in the country's political and economic future and in tourism by other African states had reflected a dramatic increase in visits to this country.

Added air routes

New air routes from Luanda (Angola), Antananarivo (Madagascar), St Denis (Reunion), Moroni (Comores), Mahe (Seychelles) and Kinshasa (Zaire) to South Africa have been established to boost the movement of visitors.

Routes still to be developed include Dar es Salaam (Tanzania), Brazzaville (Congo), Abidjan (Ivory Coast) and Dakar (Senegal).

Foreign visitors set to boost tourism

STAR 27/8/92 (288)

By Shirley Woodgate

South Africa's tourist industry is to get a boost in October when the first of four charter groups is scheduled to start flying up to 1 200 additional European tourists into the country every week from the United Kingdom, Holland and Germany.

The move promises to pump millions of rands into the country's ailing economy, but experts have warned that political unrest and unrestrained crime in city centres must be curbed if the tourism boost in South Africa is to be sustained.

Durban and Cape Town have been targeted by tourist package operators as the initial destination points, said South African Tourism Board spokesman Dale Pretorius.

First off the runway will be Lufttransport Unternemhen (LTU) flying from Frankfurt to Durban once a week from October 29, followed by Britannia Airlines on November 29 when the United Kingdom-based group will launch twice-weekly flights to Durban and Cape Town, he said.

In March, Condor Flugdienst will enter the market with weekly flights between Frankfurt and Durban, and in April the first batch of Hollanders will land at Durban's Louis Botha Airport as the weekly Transavia tourist packages get off the ground from Amsterdam.

A spokesman from the Directorate of Civil Aviation said Britannia Airlines had been granted a licence for 18 flights, nine each to Durban and Cape Town. Transavia's flights had at this stage been limited to about nine in December/January.

Other pending applications for charter passenger flights included those from Martinair, based in the Netherlands, and Britannia Airlines, which had applied for an extension to mid-1993.

Tourists would probably be transported in Boeing 747s or 767s, allowing between 180 and 300 passengers per flight, depending on whether the trip was sold as an economy package, or first class.

Currently a maximum of 400 charters would be allowed, amounting to roughly 120 000 additional tourists annually. This would have a significant impact on the existing infrastructure, and an influx of visitors from March to June in Natal would boost the off-season period, Mr Pretorius said.

"Every 33 additional tourists create one job in the industry, mainly in the unskilled sector. This, combined with additional foreign exchange, stresses the importance of a thriving tourism sector," he added.

Eberhard Gennrich — vice-chairman of the incoming tourist section of the Association of South African Travel Agents and incoming tour operator in the LTU group, which is allied to the major European LTT group — said tour packages would range from medium to high price.

KERSAF FM 28/8/92 (288)

More hopeful on offshore expansion

Kersaf's Royale Resorts is holding preliminary discussions with third parties to acquire foreign gaming and resort operations in a move to emphasise offshore developments. Chairman Buddy Hawton says the discussions relate to gaming resorts in the Caribbean, South America and Europe.

He adds that these acquisitions could see an overall investment, including offshore borrowings against the projects, of "US$450m upwards" in the long term.

If these foreign projects come off, they could contribute materially to Kersaf's attributable earnings in the medium to longer term, Hawton predicts cautiously.

If any deals are struck — Royale has been talking of expanding abroad for some time — the company will probably take significant minority stakes in the acquired operations while holding management agreements, effectively gaining control.

Though Hawton concedes Kersaf has been talking about expanding abroad for some time, he says "there are one or two projects out there which now appear more imminent."

Foreign acquisitions will lessen Kersaf's reliance on Sun International's local activities, which accounted for roughly 60% of Kersaf's earnings in 1992 and, within this, Sunbop accounts for around two-thirds of Sun International's domestic earnings. Transun and Royale are also important contributors to Sun International.

Progress on the foreign investments will come as good news to Kersaf shareholders as homeland gaming operations are under pressure from the proliferation of local gaming clubs.

There were other reasons for Kersaf's lower earnings growth rate, not the least of which was the substantial cash injection into the Lost City project that will come on stream in November. As the room rate at the new 338-room Palace Hotel is expected to exceed R500 a night, it will rely heavily on the foreign tourist market which depends on political calm.

As gaming operations account for the largest slice of Sun International's earnings pie, however, this is where management will have to concentrate. Hawton says steps are being taken in this area. Minimum stakes on certain tables "will probably be lowered" while a top gaming man is being brought in from the US after the exodus of two Sun International gaming men to America.



Kersaf's Hawton ... *making progress abroad*

Also, as Sun International's entertainment facilities are linked to gaming, management will seek to ensure that the entertainment remains dynamic. The recent 18% drop in Kersaf's share price is almost in line with the market's decline, while its 15,3 p:e, more or less reflecting the earnings multiples of underlying operations, should rise if the foreign acquisitions come off. *William Gilfillan*

GAMING PRESSURES

Year to June 30	1991	1992
Turnover (Rbn)	1,79	2,05
Operating income (Rm) ..	485	515
Attributable (Rm)	374	406
Earnings (c)	220	240
Dividends (c)	135	147

Waterfront company negotiates for hotel

288

B DAY 28/8/92

LINDA ENSOR

CAPE TOWN — The Victoria & Alfred waterfront (V & A) company is negotiating with a major international group to operate an international businessmen's hotel planned for the waterfront.

Groups such as the Hilton and Sheraton have been mentioned as possible contenders for the contract.

Sun International might be interested in building the hotel, MD Ken Rosevear said yesterday, provided government introduced incentives for the hotel industry.

V & A MD David Jack said it was envisaged that the new hotel would have between 200 and 250 rooms and would be linked to the 26 500m² Victoria Wharf retail and entertainment complex under construction next to quay 5.

While he would not disclose the identity of the financial backer of the project, Jack said negotiations for financing the hotel were well advanced.

Rosevear said Cape Town was high on Sun International's shopping list of places for a new hotel to market internationally with the Lost City Palace at Sun City. The Waterfront had a lot of attractions, had a high density and merited attention.

He said Sun International had looked at the waterfront site but had decided it would not be financially viable to build a hotel at present without incentives.

A new hotel would bring to three the number of hotels at the waterfront. There is an existing 68-room hotel, the Victoria & Alfred Hotel, which has enjoyed one of the highest occupancies in SA.

In its first year it had an occupancy rate of 86% compared with the national average of 60%. At the beginning of the year this rose to 90%, before dropping to 80% during the winter.

And a 164-roomed City Lodge is being built at a cost of about R20m.

Jack said the Waterfront had exceeded all expectations, with 6-million people visiting it in 1991. The V & A was expecting to match, at least, and even increase on last year's attendance despite economic conditions and the wearing off of the novelty factor.

At present the number of visitors was running at between 10% and 15% higher than last year.

Tourists represented 12% of the visitors and contributed about 25% of the income.

Jack said most businesses on the waterfront had exceeded their projected targets in the first year.

Some retailers were trading at densities well above the average.

Businesses were continuing to do well, while the returns of the project had also surpassed expectations.

The V & A has invested R200m so far in the project in infrastructural development, conversion of old buildings and construction on the Victoria Wharf.

Another R200m had been committed by outside parties.

Council agrees to delay charges for new services

ADRIAN HADLAND

PROPERTY developers received a major boost from the Johannesburg City Council this week with the announcement that newly introduced fees for the supply of stormwater drainage, streets and electricity services to new developments would be implemented only from September 25.

Developers threatened to withdraw or scale-down several major projects planned for the Johannesburg area following council's decision in February to add charges for the three services to standard water and sewerage costs. The addition of the three services added almost 350% to developers' anticipated services costs and "threw their feasibility studies right out", said Planning and Development Committee chairman Eddy Magid.

Developers complained that insufficient notice had been given concerning the addition of contributions for the three services.

Council engineering director Francois van Aswegen said the moratorium on the payment of contributions until 25 September was "a gesture toward the developing community to encourage development in Johannesburg".

Council agreed that development companies who had paid contributions for the three services since February 25 would be refunded if applications were made during the 1992/93 financial year.

Blacks take on conveyancing

B DAY 28/8/92

WILSON ZWANE

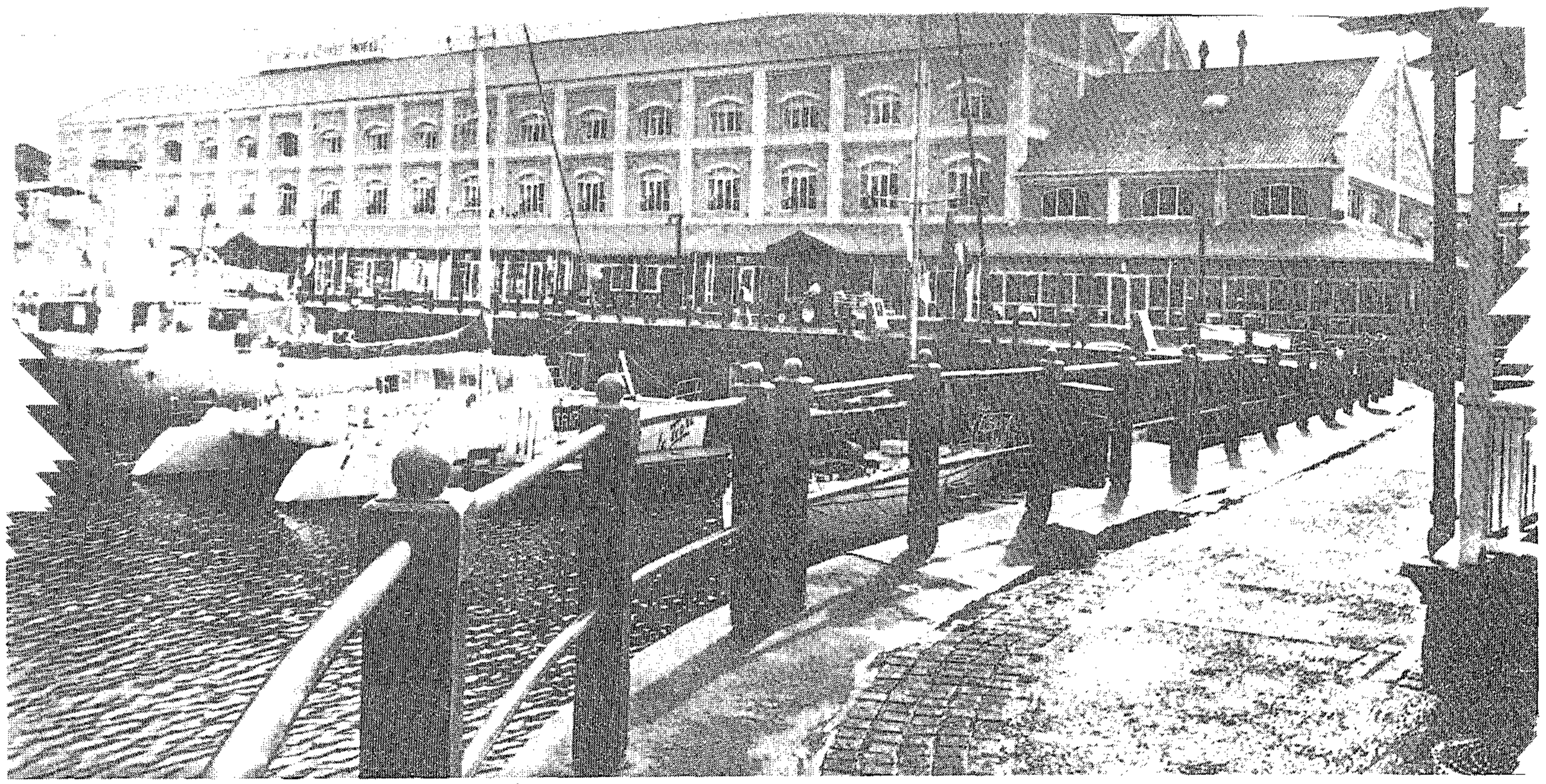
A JOHANNESBURG firm of attorneys has started a drive to increase the number of black conveyancers for property law in SA.

Webber Wentzel partner Gaby Norton said yesterday her firm had embarked upon the drive after a black lawyer, Justice Moloto, complained that conveyancing seemed to be an enclave of white lawyers.

Norton said Webber Wentzel took note of Moloto's remarks and took on eight black lawyers on a free, nine-month conveyancing course.

Of the eight, three — Nozipho Sithole, City Serobe and Philemon Tsoka — in May passed the course.

Prior to this there had been only four black conveyancers in SA.



YUPPIE THEMEPARK: The Waterfront has become a symbol of upmarket entertainment Photo: Yunus Mohamed

Listen, you can HEAR the silent voices

Cape Town's Victoria and Alfred Waterfront complex is an attempt to revive the city's tourist industry. But, asks **HEIDI VILLA-VICENCIO,** can we accept the white-washed walls blanking out huge chunks of our history?

Sowetan 29/8- 2/9/92

"Die Waterkant-kompleks is baie mooi, baie skoon, baie wit en baie nice — nice met so effe nasale 'n' en 'n langerige 's' " **(Vrye Weekblad)**

SOPHISTICATED propaganda, the stuff of which modern tourism is made, is at best selective. The Victoria and Alfred Waterfront, which purports to be a reconstruction of Cape Town as the tavern of the seas at the turn of the century, is a vivid example of this.

It is historically selective and culturally dishonest. Victoria, Alfred and their cronies are there — but what about those who turned the sod and drank the booze in a not-so-sophisticated way?

The waterfront includes what is 'nice'. It excludes not only the underclasses of the present (who cannot afford its exorbitant prices), but also the memory of those who were not so nice in times past.

I sit down to watch the much publicised, "award-winning" video made on the V & A Waterfront.

There are the sounds of the sea, gulls crying, distant fog horns blowing and a merge of pictures which blend into the setting sun.

Words, from the almost-seductive male voice, fill the room: "Welcome to Cape Town, the gateway to Africa, the window to its soul," the music slows down as the "clock is turned back". The atmosphere is set for my journey into the past.

Next comes the historical walk. I read the carefully-prepared brochure.

Then the 25-minute Prince Alfred Boat Tour, complete with talkative guide. There is also silence. A silence which, if you listen carefully, is the most audible part of the tour.

But back to the non-silence: Van Riebeeck, Queen Victoria, Port Alfred, the treacherous Cape seas, the dates of the revamped buildings surrounding the basin ... then the silence about the ferry which carried the silenced rebels of each successive age (Dutch, British and Boer) to their Robben Island prison.

Silence too about the slaves, the convicts whose muscles dug the Victorian Basin, the fishers, the drunken sailors, their women and those women who were their own people. A whole community of silence.

How did he feel? I asked a friendly security guard. Was what he saw the story of the past?

He laughed and said: "Well, ja man, but one does not see any bushies running around."

It took a while and then he spoke again: "It's not all here! Net die witman se geskiedenis."

The architects of buildings and culture have carefully chosen what to remember and what to forget.

The Breakwater Jail confirms it all. It was near impossible to find anyone who could tell me about its history — one of the most notorious prisons in the country. The history of the prison has been white-washed into its present splendour.

The past is gone. The dungeons have become the castle which is now UCT's Graduate School of Business.

Or take the V and A Hotel. Once a warehouse, then a fish factory, now a luxury hotel.

The site of the petrol storage tanks which are soon to make way for a yacht basin was once the site of a hostel and kitchen for dock workers — until an outbreak of typhoid in the early 1900s drove the workers to Ndabeni. (Group Areas legislation did the rest!).

To remember the past not as it was, but as how some like to imagine it romantically to have been — ensuring that the present too is controlled (no drunks, street urchins, prostitutes, bergies or skollies), makes the waterfront into the fantasyland of the wealthy, white (and not so white) fun-seekers. It is a lekker place to visit. But let us at least remember the past. It might just help us face the present.

Seaports and taverns are where different cultures give rise to the new.

Here fishers drink, sailors curse and new cultures are born. Not so at the V & A Waterfront. This is the playground of the rich. Its history (or fantasy) is designed to distract.

Silently, in the not-so-distant background, are the underclasses. The workers at the fish factory, rough looking labourers, prostitutes and sailors are hidden in the background.

The history and buildings (red letter-boxes, English pubs and quaint alley-ways) provide the props for a culture that is as pure as it is white. It is also as alien as it is romantic. Even the Cape culture that is there (reduced to coons and their marching bands) merely provide a contrast and bit of light relief.

The question is whether a Victorian culture ever existed in such splendid isolation as it does at the V & A Waterfront? Where are the black, coloured, Malay, boer and other cultures that Queen Vic's merry women and men were obliged to face?

"A window into the soul of Africa," the video presenter says. It is hard to imagine a port quite so unAfrican. The soul, the life-blood and the heartbeat is that of a colonial power who sought to impose itself on Africa, all the way from the Cape to Cairo.

There is no attempt in this fantasyland to portray the soul of this southern tip of ours. The souls of the Khoisan, the slaves, the strandlopers, the Malay traders, the politicos across the Robben Island strait, the Dutch burghers, the British soldiers, the sailors, the adventurers and the gamblers are forgotten.

The only soul is the soul of the Brits. It is also the soul of a brand of British imperialism which is monied, clean and ever so nice.

The other soul (of the underclasses) is silenced. Is it a soul at all? Is it history? It is a bit of plastic and, as someone has suggested, a bit like Disneyland.

An opportunity has been missed to show a blending of people and cultures that could have contributed to the quest for a common South African culture — an important ingredient, I am told, in nation-building. The underside of history has been excised from this tavern of the seas. It has, however, not gone away. One day we shall need to face this reality.

Spur 'all set for a good year'

B1 DAY 31/8/92

MARCIA KLEIN (288)

SPUR Steak Ranches was on target to meet its earnings budgets in the first half of the new financial year, chairman Allen Ambor said at the AGM last week.

He said Spur was entering the second half, which was traditionally the better trading period, and growth in terms of store openings was well in place.

Shareholders' Association of SA chairman Izzy Goldberg said turnover and dividends had risen exponentially over the past five years. Turnover of R26,6m at end-February compared with R5,8m in 1988, and dividends of 23c a share compared with 9c five years ago. In the year to end-February, earnings rose by 41% to 30,98c a share.

'Big future for SA in air travel, tourism'

CT 31/8/92 (288)

By AUDREY D'ANGELO

AUSTRIAN Airlines' new GM in Southern Africa, Thomas Zilk, sees air traffic between SA and Europe as a major growth area.

He has spent the past four years in Venice and said he applied for a posting to SA "because I have always wanted to come here and see this country.

"I think there is a big future here for air travel and tourism. SA's present economic and political problems cannot go on for ever and I am sure the whole situation will develop in a positive way."

Austrian Airlines was one of the first foreign airlines to come to SA after President F W de Klerk's historic speech in February 1990 unbanning the ANC and other extra-Parliamentary organisations.

It provided its first service between Vienna and Johannesburg in July 1990. Now there are two flights a week.

Herta Daniel, the airline's sales executive in the Western Cape, said air travel was definitely increasing. "With the lower fares, I think people are travelling more in spite of the recession.

'No add-on fare'

"There is no add-on fare for anyone going on from Vienna to another city in Austria, such as Graz, Innsbruck or Salzburg. It costs the same as going to Vienna — R2 900 return from Cape Town.

"We offer add-on fares to other European cities. Passengers can break their journey at Vienna for as long as they like in either direction, and we offer packages that make it affordable for South Africans to spend a few days in Austria."

The return fare from Cape Town to London by way of Vienna will be R3 350 between October 1 and December 3.

SERVICES SECTOR - ACCOMM. LIQUOR & CATERING ~~GENERAL~~
GENERAL

1992

JULY — DECEMBER

Revenue from fast growing casino industry nears R200m a month

MARCIA KLEIN

MUSHROOMING casino operations, which are generating hundreds of millions of rands in revenue, have made gaming one of SA's fastest growing industries.

Casino operators said yesterday the industry has grown from only four or five operations in August last year to a current estimate of 400.

The Gaming Association of SA joint chairman Grant Kaplan said these casinos were generating an estimated R100m to R200m a month collectively in revenue. This represented huge inroads into Sun International's market share.

A casino operator said estimates of the numbers of casinos and revenues generated should be treated with caution, as they could not be confirmed. However, he said he was certain it was the fastest growing industry in SA.

The association, which was formed in June, has 100 members. These include casino owners, machine manufacturers, machine operators, table manufacturers and allied industries.

Kaplan said the association was formed "out of necessity". It had called for full licences, such as those issued in the homelands, for the self-regulation of casinos, and the establishment of a gaming board.

Gaming establishments have been operating within a loophole in the Gambling Act, in terms of its definition of a game of chance. When Parliament went into recess in June, the proposed Gambling Amendment Bill had not been passed.

Kaplan said government should realise the industry offered huge employment prospects. The operations also generated taxation revenue.

A source said while many of the gambling establishments were paying VAT, many were not paying tax on their income — an aspect government would like to see controlled.

Kaplan and some other gaming operators said they believed when Parliament reconvened in October, it could call for a commission of inquiry or a select committee could call for evidence. It seemed unlikely any new law would be passed before next year.

However, other sources said government had indicated it could pass legislation this year. Justice Minister Kobie Coetsee said recently he would "bring order" to the industry at the earliest opportunity.

Sun International said recently results from Sun International Bophuthatswana (SunBop), Transkei Sun and Sun Ciskei had all been affected by "unregulated gaming operations".

SunBop chairman Sol Kerzner said these operations had had a significant effect on SunBop's market share. Sun International CE Ken Rosevear said the growing number of casinos demonstrated gaming was out of control.

Tourist industry call to black entrepreneurs

ET 1/9/92

By AUDREY D'ANGELO
Business Editor

BLACK entrepreneurs should be running businesses in the Victoria and Alfred Waterfront development, Archie Nkonyeni, new President of the National African Chambers of Commerce (Nafcoc) said in Cape Town last night.

Nkonyeni was speaking at a ceremony at which Noel de Villiers, vice-chairman of the SA Tourism Board (Satour) awarded four-star grading to the Victoria and Alfred Hotel on the Waterfront.

Praising the success of the venture, De Villiers said the hotel had achieved an occupancy rate of 92% even in August and the Waterfront complex as a whole was a success.

The most pressing imperative in SA today was to stimulate socio-economic development and nothing could do this as well or as quickly as a successful tourist industry.

It should therefore not be seen as "a white man's game" because it affected everyone in the country. Satour would address the need for this to be fully understood by the entire community.

Nkonyeni said the Victoria and Alfred development was providing the equivalent of 1 680 jobs including weekly and seasonal part-time employment.

"That does not include the 2 200 jobs that were annually provided by the construction and development phases.

"Because of the labour intensity of restaurant and construction activities I understand that the development is providing for employment where it is most needed."

The Victoria and Alfred development came at a time when SA as a whole was facing a very high level of unemployment in the longest recession the country had known in the past 40 years.

"As a nation we are in desperate need of a capital injection to generate activities that will reduce unemployment. But militating against this are the issues of social instability arising out of the violence that is reputed to have claimed no less than 12 000 lives in eight years, as well as (causing) the poor performance of our economy.

"To be able to address the problem of unemployment one of the reequirements is what some people call an instant industry — and that is tourism."

But, Nkonyeni continued:"One would have preferred to see a greater participation of black entrepreneurs in the Waterfront development."

It was Nafcoc's major task to upgrade the capacity of black business to take its rightful place on the centre stage of SA's economy. But it was not going to be easy to overcome the effects of economic disadvantage.

"We want to see black businessmen in the boardrooms of the major economic players in this country.

"We will agitate strongly for the opening up by corporate SA of management opportunities to suitable black personnel.

"The debate on the importance of unbundling SA's corporate giants needs to be taken seriously."

And the black entrepreneur would have to come out of the townships "and wage economic battle in modern developments such as the Victoria and Alfred Waterfront."

Timeshare eludes the recession

288

RECESSION has not hit the timeshare industry as hard as other leisure-related industries, says RCI (SA) MD Steve Griessel.

"In fact we gained from certain adverse factors, such as the rising cost of hotel and alternative accommodation," he said.

"While the airline industry is saying 1991 and 1992 are the worst years since the Second World War, timeshare sales have held up remarkably well, and timeshare exchanges have taken off."

Industry sales for the six months to June were "only 14%" down on the same period last year.

"Although sales in the Cape were sharply down, mainly because of the collapse of Masterbond-related timeshare transactions, sales at inland resorts rose 55%, and they were marginally higher in Natal."

B/DAY 2/9/92

Swap

RCI exchange sales were booming, and had increased by 41% each year in the past two years. "In 1991 we made more than 45 000 exchanges, and we expect to confirm about 60 000 exchanges in 1992."

Griessel said the number of families wishing to swap their local timeshare weeks for holidays at international resorts had been boosted by lower airfares, a fall in timeshare exchange costs and a profusion of special travel packages.

"The first three months of this year showed a 250% increase in the number of families exchanging for overseas destinations."

If the expected increase in SA tourism occurred, local people would be locked out of traditional holiday accommodation, making timeshare the only way to holiday.

SAA/Protea Hotels plan off to flying start

THE new SAA/Protea Hotels Business Plan, launched last month, had proved extremely successful, says Rolf Krecklenberg, GM of the Braamfontein Protea Hotel in Johannesburg, one of three Protea hotels participating in the scheme.

Under the plan, business men and women travelling from Cape Town to Johannesburg or vice versa can enjoy a free night's accommodation at a four star Protea hotel as part of their return economy class airfare of R860.

Other hotels participating are the Ritz Protea Hotel in Sea Point and the Capetonian Hotel on the foreshore. Each additional night is offered at a reduced rate of R171 per person.

Krecklenberg said since the August 1 launch occupancy rates had improved considerably with women accounting for more than 30% of his guests.

TIMESHARE RESORTS FM 4/9/92.

Umdloti Sands beached? (288)

The dream of an annual holiday for life is rapidly becoming a nightmare for the hundreds of timesharers who have bought into Umdloti Sands, a Natal North Coast resort.

Manager-cum-developer of the resort, Tilly Greenstein, after informing shareholders towards the end of 1991 that she had sold her stake to British businessman Anthony Quayle, has allegedly "disappeared." And so too has Quayle. At any rate, neither has been in touch with anyone connected with the scheme for the last few months.

According to Resort Condominiums International (RCI), to whom Greenstein unsuccessfully applied for affiliation on several occasions, she and her family are reported to be in Romania. The information comes from a Kreditinform report commissioned by the Timeshare Institute of SA (Tisa) which is currently doing an audit of all timeshare schemes in the country.

Kreditinform reports that the Greenstein family was last seen in May this year. Since then the bank, which holds the bond over the Greensteins' Durban home, has placed guards on the premises. The report also ascertained that the shareblock company has creditors estimated at R6m and that the bank account of the shareblock company has been dormant for some months. According to Kreditinform, the bank has been advised that residents at the resort have been instructed to vacate because of an excessive electricity bill.

Greenstein has apparently issued a number of writs against several parties, including several timeshare owners who have asked not to be named. They maintain that in the wake of her disappearance, unpaid bills are mounting — including almost R90 000 in unpaid municipal rates. They also claim building maintenance is non-existent; there is no proper shareblock register, nor up-to-date records; and no shareblock company AGM has been held for two years.

But on the other hand, levies are no longer being paid because of "the supreme confusion that reigns over accommodation — timeshare units have been let to semi-permanent residents," according to one source.

And now Umdloti town clerk Paul Wiggill has issued a warrant in execution against the Umdloti Sands Shareblock Company because two post-dated rates cheques have been dishonoured. And several concerned timeshare owners at the resort have made reports to the police, the SA Co-ordinating Consumer Council and even Louise Tager's Business Practices Committee.

Timeshare owners are also attempting to arrange an extraordinary general meeting at the end of the month, in terms of the Shareblock Control Act. This involves sending registered notification to all members of the shareblock company. But they say they have been unable to obtain a register of shareholders since they been informed that no such document have been lodged with the Registrar of Companies.

Umdloti Sands began life in the mid-Eighties when the Selection Beach Hotel was converted to timeshare. It was never intended as a top-bracket resort, but owners say Greenstein intended to upgrade the establishment, located on a prime Umdloti site, and seek affiliation with RCI, which never materialised.

The *FM* was unable to contact either Quayle or Greenstein for comment. Faxes and telephone calls have been met by constantly engaged signals.

Other timeshare resorts that have landed in trouble are Mabula Lodge in the northern Transvaal, Club Mykonos in the western Cape, and the Halyards at Port Alfred. ■

It's a snip for the foreigner

ST Times (BUSS) 6/9/92 (288)

THE tariff in rands is value for money, but in pounds or dollars it is ridiculously cheap.

"This has been a bit of a problem for us," says Stan Hoffmann. "Foreign tourists think that for the money, they are going to be put up in third-rate accommodation. The reason is that SA's currency is so weak against the world's major ones. Foreigners cannot imagine getting such super accommodation at the dollar price."

Marketing efforts are being made to change these views.

Mr Hoffmann says the whole Karos group has been revamped at a cost of R120-million ahead of what he hopes will be a rapid rise in tourism. Since the cost to foreign trippers is low, they will want to stay at only the best hotels and Karos has made sure it does not miss out on that market.

***

CORPORATE training of staff members offers the Karos Indaba Hotel a new marketing opportunity.

"Many companies find that it is more effective, both in terms of cost and results, to train staff at a conference centre," says Mr Hoffmann.

Employees respond better to an ambient environment and believe more in their worth to their employer where he is prepared to invest money and time on them.

There has been a swing to shorter, more intensive conferences and training seminars, which has been to the advantage of the Karos Indaba Hotel because of its proximity to major centres.

Mr Hoffmann expects strong growth from the training market as South Africa wakes up to the needs of the future.

Southern Sun puts timeshare on hold

SOUTHERN Sun has withdrawn from timeshare development for the time being.

Southern Sun managing director Ron Stringfellow says the group intends maintaining the management and administration of existing projects and will carry on with the sales of two developments. But it is postponing further schemes or rescues of liquidated timeshare developments. ST Times (6455)

Mr Stringfellow says static sales justify the move.

He attributes the lack-lustre market to the tight economy. 6/9/92

However, other sources suggest Southern Sun, the largest player in SA's timeshare market, has had static sales for a few years, and the group plans to devise an innovative product.

The average price a unit has dropped from R10 800 last year to R8 500. In spite of this sales are down 14%.

Trade sources suggest falling sales are aggravated by the poor image the public has of timeshare — rocketing levies, fly-by-night characters out to make a quick buck. The collapse of several schemes has made the public

By TERRY BETT (288)

wary of timeshare.

It has also been claimed the traditional market is saturated. The penetration of timeshare in SA is among the highest in the world. It is estimated that 7% of economically active people in SA have bought timeshare. In Europe, America and Britain only 1% are involved.

RCI chairman Steve Griessel says 176 000 of the 200 000 weeks have been sold to 140 000 families. This is nowhere near saturation as there is an emerging black market.

However it is not encouraging that 60% of the weeks sold are up for resale. Renitas, which sells timeshare units on the secondary market, says 104 000 weeks are available.

Renitas managing director Christel Coetzee says people are willing to sell even though they stand to lose 25% to 40% of their purchase price.

Gaming club a drawcard

9 Times (Buss) (288)

6/9/92

THE Karos Indaba Palace is a gaming club opened this year as part of the R120-million upgrade of the group.

Selwin Hurwitz says that controlled gaming should be a major drawcard for tourists and could be a boon to South Africa's tourist trade.

"We believe strongly that the playing fields in the Southern African region should be levelled and not restricted to a one-group monopolistic situation.

"This would ensure that the clubs were managed responsibly. The objective is to attract an up-market clientele. In other countries gambling is the prerogative of the affluent.

"Those who can afford to gamble will visit venues of comfortable circumstances to enjoy gambling as an entertainment close to up-market restaurants and bars — in short, the sort of facilities available at four- and five-star hotels."

The Karos Indaba gaming club is restricted to games of skill, such as poker machines and Ace-High — a variety of blackjack.

Bar and restaurant facilities are available in a secure and sophisticated atmosphere. Each wing of the gaming room has an open fireplace to give a cosy feeling during the highveld's chilly winter evenings.

6/9/92

Mr Hurwitz believes that entry to gaming clubs should be available to foreign passport holders and hotel residents at all times.

Members of the public should be allowed to take part in gaming only after 48 hours of membership of the club. That would reduce the incidence of impulse visits.

This is the practice in other countries, although moves are afoot in England to have even this restriction lifted.

Mr Hurwitz is not averse to the enforcement of a 48-hour membership rule.

"We do not want to be responsible for the impulsive gambler blowing his pay packet on the way home from work. Our minimum stake is high at R20, especially to deter those who might be irresponsible."

Timeshare top spot

THE Karos group operates two timeshare resorts, both of which have been awarded gold-crown status by Resorts Condominium International (RCI).

Karos Lodge at the gateway to the Kruger Park and the Karos Mont Aux Sources Hotel in the Drakensberg are two of only 140 RCI resorts around the world to achieve this quality.

Both resorts have until recently offered holidays from Friday to Friday. However, a new marketing approach has been adopted. Karos is to offer part-week timeshare holidays. They can be either a three-day weekend or a four-day mid-week stay.

"This is in line with the trend by South Africans towards taking shorter holidays," says Mr Hurwitz.

The Karos resorts are not timeshare hotels. They are separate developments built on existing hotel sites.

The advantage is that privacy is enhanced while full use can be made of the next-door hotel's facilities.

More than venue for meetings



STAN HOFFMANN: Tailored packages at low cost

THE name Indaba conjures two images — one is its illustrious past with the then Barclays Bank. The other is conferences. (288)

Karos joint managing director Stan Hoffmann says: "Under Karos Hotels, the Indaba is no longer a conference venue only — even though we won the Highveld Stereo-Hello Johannesburg Conference Centre of the Year Award this year.

"We cater for all manner of people who require hotel accommodation — from businessmen, travellers, tourists and airline crews to families and conference delegates." Sittwe (8455)

There are 27 conference rooms, ranging in size from the small breakaway discussion units of eight or so to the full-scale conference of more than 200 delegates.

Every conference room has slide projectors, overhead transparency projectors, video screens and videocassette recorders and television sets. Computerlink facilities are also available. 6/9/92

On completion there will be four areas for conference delegates. The capacity is greater than 1 000 and the kitchens are well able to cope with that many.

In these recessionary times there has been a shift by companies to holding conferences closer to the business environment. Costs are lower because travelling times are cut and the number of days spent at the conference can be reduced.

Mr Hoffmann says every pocket can be suited.

"We tailor conference packages to suit the customer. With careful joint planning, costs can be kept at an affordable level."

A package has been arranged with South African Airways to bring delegates from around the country to the Karos Indaba Hotel at a special rate. This also extends to the partner wishing to join his or her spouse for a weekend after a conference.

The lead times?

"We can put something together with only a few days' notice in some cases. It's a competitive market, but we bend over backwards to give top service."

City comfort comes to a rural setting

THE new four-star Karos Indaba Hotel gets into full swing this spring with the opening of additional rooms and new facilities. The intention is to diversify it from a conference centre to a full countrified hotel.

JULIE WALKER takes a look at the new force in Fourways, Sandton.

288

THE Karos Indaba Hotel, a few kilometres north of Sandton, is an out-of-town hotel and conference centre with a whole new look since becoming part of the Karos group two years ago. ST Times (3455)

Karos group chairman and joint managing director Selwin Hurwitz made a R20-million bid for the Indaba and it was accepted by First National Bank. 6/9/92.

"We saw its potential when we bought the Indaba," says Mr Hurwitz.

"But the hotel was starting to show its age. It was renovated in the 1970s, principally as a conference centre. But after several years the bathrooms were looking dated.

Major

"The bedrooms were last redone about seven years ago and had a tired air. In short, the facilities were not in tune with the demands of the day. We decided that a total revamp to incorporate the highest quality finishes was the best way of tackling the task. We undertook a major expansion of the complex at the same time."

Almost as much has been spent on the refurbishment and extensions as was spent on the original purchase. By the time the finishing touches have been completed, the bill will top R17-million.

It was important that the country-living theme of the Karos Indaba should be maintained.

Mr Hurwitz says: "Peace is the hallmark of the Indaba. We wanted to maintain the openness of the environment. It's a garden hotel in an urban area."

The facilities include 88 new luxury rooms.

"They are really five-star rooms, more-like suites. But a hotel's grading is based on its overall facilities and service levels, not merely on the size of the bedrooms," says Mr Hurwitz.

Farm

The bathrooms of all the rooms incorporate a stand-alone shower instead of the plastic-curtain-round-the-bath setup. The finishes are flawless.

The number of rooms has been raised to 211 and they are available now.

Mr Hurwitz says: "There were 114 when we bought it, but we gained another nine simply by using the available space. We can increase the number of rooms by another 40% without exceeding our kitchen's capacity.

"We own the six hectare farm next door and can use it when we need to expand Karos Indaba Hotel again."

The Karos Indaba's facilities on 15 hectares are all built in the whitewash and thatch or grey slate roofing easy on the eye.

14 in the group

(288

KAROS Hotels has 14 hotels. Karos Indaba joins the other four-star hotels in the stable, the Karos Arthur's Seat in Sea Point, the Karos Wilderness Hotel between George and Knysna, and the famous Edward Hotel on Durban's golden mile. Sunday Times Bus

Their place in the sun might be eclipsed by the revamped Polana Hotel in Maputo, Mozambique. Now fully functional, it has been designed to five-star standards. 6/9/92

Karos Capital Towers in Maritzburg, the Karos Johannesburger, Karos Lodge at the Kruger Park Kruger gate, Pretoria's Karos Manhattan, Karos Mont aux Sources Hotel in the Drakensberg, the Karos Richards Hotel, the Karos Safari at Rustenburg Kloof and the Karos Tzaneen Hotel all have three-star ratings.

A second Richards Bay hotel, the Bayshore, is being upgraded from two stars.

All the hotels subscribe to the corporate mission:

- Individuality and first-class facilities
- Location and convenience.
- Guest service of an excellent standard.
- Value for money, better than home.

Call for bigger black role in Waterfront development

ST Times [Cape Metro] 6/9/92

BLACK entrepreneurs are to be made more aware of Western Cape investment opportunities through the National African Federation of Chambers of Commerce (Nafcoc) and the Western Province African Chamber of Commerce (Wepcoc).

The two organisations will also investigate channels for raising money to finance black investment projects in the Western Cape.

Interviewed at a function where the Victoria and Alfred Hotel on the Waterfront was awarded four-star grading, Nafcoc president Archie Nkonyeni urged white business people to help more black businesses to get established.

"We also ask for details of investment opportunities to be given to our organisation in good time so that we can alert our members and also investigate possible avenues for raising finance for members who are interested in the projects," said Mr Nkonyeni.

The Wepcoc president, Themba Pasiwe, said investment opportunities brought to the attention of his chamber would also be referred to Nafcoc.

"In this way investment opportunities in the Western Cape will get national coverage so that black entrepreneurs have a much better chance of participating in the ventures," said Mr Pasiwe.

Mr Nkonyeni, who was guest speaker at the awards ceremony, told guests he would have preferred to see greater participation of black entrepreneurs in the Waterfront development.

"To me and all the members of my organisation such a step would have meant the beginning of the attainment of our dreams.

"In the first two decades of our existence as an organisation our mission was expressed in terms of doing everything in our power to get the government of the day to lift all discriminatory restrictions destined to stifle the development of black business.

"Today our major task is to upgrade the capacity of black business to take its rightful place on the centre stage of the country's economy."

Mr Nkonyeni said Nafcoc attached high priority to the encouragement of black business capabilities through the Management and Leadership Development Centre established at the Nafcoc head office near Pretoria at a cost of more than R7-million, where training courses would operate full scale from the beginning of next year.

However, much more needed to be done:

- Nafcoc wanted to see black businessmen in the boardrooms of the "major economic players" in South Africa.
- Nafcoc would agitate for corporate South Africa to open up management opportunities to suitable black personnel.
- Nafcoc would do its best to ensure that the debate on the unbundling of South African corporate giants was taken seriously.

No such thing as free beer, shebeens told

Blom 9/9/92

THEO RAWANA

SA BREWERIES has invited shebeen owners to discuss allegations that it is flooding township drinking places with free beer in order to destroy the market for the National Taverners' Association's own, imported brand.

The association, which imports Zambezi lager from Zimbabwe, meets today to discuss its dissatisfaction with SAB. The association says the company has overreacted to the "breaking" of its monopoly.

SAB public affairs manager Adrian Botha said he was surprised by the association's accusation because the issue had not been brought up at recent meetings the company had held with the taverners.

"We spoke only about responsibility in the use of alcohol. I don't know about this breakdown in communication, because they know how to contact me. I would be happy to set up a meeting with them."

Botha said he did not know if SAB representatives did supply free beer. "But if you give beer away you are not making money.

"We need to get together and talk to these people — they are our customers.

"We welcome competition, but I won't say 'You can take my market'," Botha said.

Soweto shebeen 'mass action' targets SAB

THEO RAWANA

SOWETO shebeen operators are to launch "mass action" against SA Breweries — accusing it of lacking social responsibility and being discriminatory in granting discounts. They say their campaign could culminate in a boycott of SAB products.

The Soweto branch of the National Taverners' Association decided at a meeting yesterday to remove all SAB adverts from shebeens in the township.

Association chairman David Mokoena said the executive committee would investigate insurance policies SAB had allegedly insisted on as collateral for credit.

"SAB refuses to have any other policy as collateral, and ... holders are not insured for the stated amount for the first three years. If anything happens to you in that period and you owe SAB R240 000, you are paid out only the premium and still owe the money to the brewery," he said.

SAB was doing nothing in the way of social responsibility and did not contribute to the black community in times of disaster, Mokoena said. Instead, it pumped millions into soccer sponsorships. He also claimed black liquor dealers were not getting the same discounts given to Portuguese- and Jewish-owned outlets.

The association's executive said it had been trying to arrange a meeting with SAB for the past 10 months, to no avail.

SAB public affairs manager Adrian Botha said he would respond to the allegations after an investigation, "and we will be very happy to meet the association. I categorically deny that we have refused to meet these people. No approach has been made to SAB head office for talks on matters of this nature."

Ithuba, Viva Trust: 'no sign of contraventions'

GERALD REILLY

PRETORIA — No contravention of regulations governing the activities of fund-raising organisations such as Viva Trust and Ithuba had come to his department's notice, National Health Deputy Minister Fanus Schoeman said yesterday.

He was reacting to reported claims by welfare bodies of profiteering by the two organisations and of a dispute between them.

Schoeman said figures submitted by Viva Trust indicated about 27,7% of money raised went to welfare services.

Ithuba Trust's allocation to social services would be in line with a sliding scale of between 15% and 30% depending on the number of tickets sold.

The trust and Ithuba had to submit annual audited records to the director of fundraising. "The director will exercise careful control to ensure the required average of 27% is allocated to social and other welfare actions."

Schoeman said Viva Trust chairman William Rowland had claimed the authorities were not prepared to accept criticism aimed at the Ithuba Trust.

Rowland's attack on the SABC's involvement with Ithuba Trust was strange since he had been present at a meeting of national councils in August where it was unanimously decided to express gratitude to the SABC for reaching out to the welfare community. The SABC was asked to go ahead with planned fund-raising programmes, said Schoeman.

It was praiseworthy that the SABC and M-Net had made their channels available to raise funds.

Schoeman said anyone aware of irregularities should inform the director of fund-raising.

The scratchcard scheme was introduced in SA recently and had enormous potential.

"It is, however, a relatively expensive method and to make it viable 50% of the money raised must be used for prizes. A percentage goes to administrative costs while the rest is divided among social welfare services."

Currently 17 scratchcard schemes were operating.

Battered Safren ups earnings

288

CT 10/9/92

By AUDREY D'ANGELO
Business Editor

A COMBINATION of the recession, high capital investment by hotel and resort group Kersaf and competition from unlicensed casinoes limited profits by Safmarine and Rennie's Holdings (Safren) in the year to June 30.

The final dividend is 190c (177,5c) a share. But shareholders can choose to receive new shares at an issue price of 8 250c per share — it traded at 9 150c yesterday — in lieu of a cash payment.

The huge conglomerate, with interests in shipping, freight, tourism and leisure, lifted attributable profit by 9,6% to R331,5m (R291,4m).

Although this lags the inflation rate the directors said results were satisfactory "in the light of prevailing economic conditions".

Turnover was 7,5% higher at R4,6bn (R4,3bn). Operating profit was 6,9% higher at R986,7m (R923,1m) before depreciation. But after R214,8m had been allowed for depreciation compared with R243m the previous year, operating profit was 13,5% higher at R771,9m (R680,1m).

The interest bill was R28,9m compared with interest of R2,9m received the previous year. After-tax profit was R542,3m (R486,7m).

Rennies achieved a 17,9% rise in attributable profit at R46m (R39m). But the biggest contribution came from Safmarine with R147,7m (R137,1m) and Kersaf with R137,2m (R125,3m).

Earnings at share level rose by 9,1% to 617c (565,5c). The total dividend for the year is 255c (237,5c) a share. The asset value per share has risen by 17,8% to R25,06 (R21,28).

The directors explain that the alternative of a scrip payment of the final dividend is being offered to maintain the company's shareholding in Kersaf following the announced scrip dividend offer by Kersaf.

Discussing the results, they say the continued deterioration of the economy was "the main factor contributing to the group's slower growth".

As a result of the slowdown in world trade Safmarine carried lower cargo volumes.

But "Rennies achieved commendable results through increased market shares and improved efficiencies despite a reduction in imports".

The directors consider Kersaf's results as "satisfactory", in spite of the rise in net interest because of its significant capital developments and "the proliferation of unregulated casino establishments in SA".

Reef plan ready by year end

STAR 10/9/92

By Louise Marsland
Municipal Reporter

An interim strategic development plan for the greater central Witwatersrand should be in place by the end of the year, the Central Witwatersrand Metropolitan Chamber heard last night.

Wits Professor Alan Mabin, who led the chamber's Land Task Team which identified land in the region suitable for low-cost housing, said an interim document containing proposals for a regional development strategy would be available soon.

Metropolitan Chamber chairman Dr Frederick van Zyl Slabbert, attempting to allay the fears of landowners and other stakeholders, stressed that the land availability study was merely a "land audit" of existing vacant land in and around the central Witwatersrand and should only be seen as an input to a future strategy plan.

Professor Mabin said the report was the first study undertaken in SA to be funded by a public authority — the Central Witwatersrand Regional Services Council (CWRSC) — in which community participation was an integral part.

Chairman of the chamber's physical development working committee, Graham Phirie, said their challenge was to manage the urbanisation process.

The Land Task Team comprised representatives from the Urban Foundation, the Development Bank of Southern Africa, the Johannesburg City Council, the Transvaal Provincial Administration, the CWRSC and Johannesburg civic bodies.

● Urbanisation boost – Page 11



Worries of the world can wait ... a scrap-metal collector stops to take a pinch of snuff and smoke a cigarette next to some newspaper posters in President Street, Johannesburg. Picture: Ken Oosterbroek

Taverners air grievances against SAB

STAR 10/9/92

By Montshiwa Moroke (288)

The love-hate relationship between the National Taverners' Association (NTA) and South African Breweries (SAB) came out into the open at a meeting of shebeen and tavern owners in Soweto yesterday.

The meeting was attended by hundreds of members of the Soweto Taverners' Association at Uncle Tom's Hall in Orlando West to discuss, among other things, the conduct of SAB, crime, and legal constraints created by the Liquor Act.

A string of complaints were voiced by members against SAB, including the "insensitivity of SAB when dealing with shebeen and tavern owners and failure to consult operators when the brewery increases prices".

Several resolutions were passed, including one to pull down SAB posters in shebeens and taverns and burn them if SAB refused to hold discussions with the NTA.

"The meeting also called on SAB to offer discounts and introduce incentives and that the NTA executive should seek an urgent meeting with SAB within 10 days.

Executive NTA members claimed they had tried to meet SAB for the past 10 months.

NTA public relations officer Saint Madlala told members that a delegation of NTA members would meet Deputy Minister of Trade and Industries Dr Dawie de Villiers in Pretoria on September 23 to discuss the constraints in the Liquor Act.

It was resolved that the formation of defence units be discussed speedily so as to combat crime, especially hold-ups.

by David Waisglass

11/9/92

Soweto Fam

Taverners discuss SAB

THE love-hate war between the National Taverners Association (NTA) and South African Breweries (SAB) came into the open at a meeting of tavern owners in Soweto on Wednesday. (288)

The meeting discussed the conduct of the SAB, crime and legal constraints created by the Liquor Act. A resolution was passed to pull down SAB posters in shebeens and taverns and burn them if the SAB refused to hold talks with the NTA within 10 days.

FM 11/9/92 (288)

models, but initial reaction is to endorse the house's opinions on Sun and Target.

Anglovaal says the Sun borehole results show the potential for the development of a mine, but not at current gold prices and with present political and exchange rate uncertainties. The house says it cannot justify "major capital expenditure on this valuable asset at present." It adds, however, that the R37,3m drilling programme in the Target area has produced results good enough for that project to be continued.

Says Simpson McKie analyst Peter Bahnemann: "Anglovaal's geologists have done a first-class job of piecing the overall picture together. It reveals the gold-bearing reefs are continuations of those being mined at Loraine, with the exception of the Ventersdorp Contact Reef.

"The ore bodies extend northwards at greater depths through the Target area into the southern section of the Sun area. All the good grades are concentrated in a narrow band along the western side. The borehole results show the grades deteriorate quickly towards the east and are erratic."

The reefs in the Sun area lie at depths between 2 000 m and 4 000 m, much deeper than many thought. Analysts are revising estimates of the cost of establishing a gold mine here, from around R2,5bn to about R4bn. And the structure of the ore body is more complex than previously believed.

The overall geological picture dampens previous optimistic speculation that Anglovaal had perhaps several potential new gold mines here. While the total area of ground Anglovaal now controls could support several mines if it was all underlain by payable reef, the grade distribution suggests only one potential gold mine. That mine would incorporate the Target ground and the southern section of the Sun area.

Anglovaal has not yet released borehole information on the Sun northern section. Over 11 years, the house has spent R143m drilling the Sun prospect and a further R110m buying the mineral rights to 12 158 ha in the southern Sun area as well as 11 024 ha in the northern sector.

Disclosure of borehole results has taken a long time. But one analyst describes the degree of disclosure as "the best I've seen in a long time." He feels Anglovaal's motives are to justify the R253m spent on Sun and retain investor interest in the project.

Kaplan, Stewart analyst John Handley says the results show there is potential for a new gold mine in the Sun area but not at present gold prices. Handley estimates a price of at least R40 000/kg at current money values would be needed. He speculates Anglovaal might try to "do a South Deep" on Sun/Target by working from the existing Loraine workings in the same way as JCI has approached its South Deep prospect with a twin haulage development from Western Areas.

The trouble is that the existing Loraine workings are shallower than the reefs in the Target and Sun areas. But the lure for further work at Target is powerful. Borehole ERO1 just north of Loraine shows some phenomenal values such as an average 15 338,4 cm.g/t in one deflection and 29 338,7 cm.g/t in another. At these depths, a payable grade is around 1 500 cm.g/t.

Brendan Ryan

TARGET/SUN FM 11/9/92

Full disclosure at last

(288)

Far from disappointing the market, Anglovaal's decision to put its Sun gold prospect on ice has brought a sigh of relief from several quarters, while analysts have in general welcomed the full disclosure of information.

A decision to go ahead would have resulted in Anglovaal and Mid Wits making heavy demands on their shareholders through rights issues to fund the project, which looks like it could cost far more than the R2,5bn originally estimated.

Davis Borkum Hare analyst David Giese says: "In the short term, this is positive for Anglovaal and Middle Witwatersrand Areas (Mid Wits). The recent drop in the Vaal Reefs share price, because of its expansion into Moab, shows the market is not happy with companies heavily exposed to huge new gold projects under present circumstances."

Analysts are still plugging the statistics provided by Anglovaal into their computer

SAB to talk to taverners in a froth

STAR 11/9/92

SA Breweries will meet a National Taverners' Association (NTA) delegation on Tuesday in an effort to avert criticism of its social-responsibility profile among Soweto shebeen owners and a possible boycott of its beer.

SAB public affairs manager Adrian Botha yesterday confirmed that a meeting had been arranged for next week.

The talks were called after the NTA Soweto branch's announcement on Wednesday that all SAB adverts would be removed from shebeens in the township.

The shebeen owners accused SAB of lacking social responsibility and also of being discriminatory in granting discounts.

They also mooted a boycott of SAB products.

Yesterday, Mr Botha categorically denied the claim that his company had refused to meet the NTA "for the past 10 months".

He scoffed at the claim that SAB lacked social responsibility, saying there might be some other reason behind the NTAs moves.

The NTA also said that it would investigate insurance policies that SAB had allegedly insisted on as collateral for credit. — Sapa.

ST 15/9/92 (288)

Scandinavian tourists trade growing in SA

LONDON. — The flow of Scandinavian tourists to SA is growing at a prodigious rate, says a top Satour official.

Russel Barlow-Jones, Satour's manager in London, recently took on the additional role of marketing SA in the Scandinavian countries of Denmark, Finland, Norway and Sweden.

He maintains responsibility for operations in Britain and the Republic of Ireland.

Marked upturn

"There is a marked upturn in the number of visitors from countries which have traditionally seldom visited SA," Barlow-Jones said in a statement issued by Satour's London office.

"The Scandinavian market is still relatively new for SA, yet it is growing at a prodigious rate, with Sweden, for example, seeing a rise of almost 70% for the first part of this year.

"As preconceptions are broken down — and flight prices continue to tumble — the number of visitors from Scandinavia who wish to see SA's spectacular scenery and varied wildlife will continue to increase," he said. — Sapa

Cape eateries scoop up prizes

(288) 15 9/9/92

CAPE restaurants have come up trumps in a national competition by taking first and second places in the deluxe category, and two joint-third places in the popular category.

Bosman's at the Grand Roche Hotel in Paarl came first in the deluxe category and Buitenverwachting second.

Truffles, in Heathfield, was also placed in the top 10.

Joint-third places in the popular category were taken by L'Auberge du Paysan in Somerset West and Le Quartier Francais in Franschhoek.

Winner of the popular category was La Madelaine in Sunnyside, Pretoria, with Chez Patrice — also in Pretoria — taking second place.

Third prize winner in the deluxe category went to The Royal Grill in Durban, followed by (in alphabetical order): Chagall's in Pretoria, Linger Longer in Johannesburg, Punchinello's at the Elangeni Hotel in Durban, Sir Benjamin's at Durban's Holiday Inn, The Three Ships at Johannesburg's Carlton Hotel and Truffles in Heathfield.

The four winning popular category restaurants were followed by Chatters in Durban, the Fisherman's Cottage in Plumstead, La Dolce Vita in Durban, Amanzimtoti's Razzmatazz, Sausalito in Sandton, Seasons in Gillitts, Natal, and Simply Chapat in Krugersdorp on the West Rand.

The winners of the Nedbank American Express/Style magazine awards were announced yesterday. — Staff Reporter and Sapa

SA luring more Scandinavian visitors

8 Story 15/9/92

LONDON — The flow of Scandinavian tourists into SA is growing fast, says a top Satour official.

Satour's London manager Russell Barlow-Jones recently took on the additional role of marketing SA in the Scandinavian countries of Denmark, Finland, Norway and Sweden.

He retains responsibility for operations in Britain and the Republic of Ireland.

"There is a marked upturn in the number of visitors from countries which have traditionally seldom visited SA," Barlow-Jones said.

"The Scandinavian market is still relatively new for SA, yet it is growing at a prodigious rate, with Sweden, for example, seeing a rise of almost 70% for the first part of this year.

"As preconceptions are broken down — and flight prices continue to tumble — the number of visitors from Scandinavia will continue to increase," he said. — Sapa.

Incentive plan for tourism

GERALD REILLY

PRETORIA — The Trade and Industry Department was looking at a new incentive scheme for the tourism industry, Tourism Minister Org Marais said in Durban last night.

Speaking at a Fedhasa dinner, he said Satour had been asked to organise a meeting between himself and the industry's main players to explore the possibility of establishing an organisation like Safto for the industry.

Marais said tourism could be the country's top industry, the biggest foreign exchange earner and the biggest creator of jobs. However, serious obstacles such as violence had to be removed.

As long as the ANC planned to use mass action to overthrow homeland governments and attack the current government, tourism would fall short of the 20% annual increase which was possible, he said.

The doubtful quality of coach transport and the lack of three-star hotels also slowed the development of tourism.

Greater co-ordination between the private and public sectors was needed. It did not help to make big investments in game-park accomodation if air strips and good road were lacking.

Motor task group to study Phase VII

EDWARD WEST

THE Trade and Industry Department was forming a task group to investigate the possible structure of the Phase VII local content programme for the motor industry, director-general Stef Naude said yesterday.

Naude said the department was discussing the composition of the group and its instructions with various parties.

The main objective behind the group's formation was to obtain certainty in the motor industry as soon as possible.

However, he said the introduction of Phase VII would not be rushed through as Phase VI was.

The news came after last week's meetings between the department, the National Association of Automobile Manufacturers of SA (Naamsa) and the National Association of Automobile Component and Allied Manufacturers (Naacam).

Naamsa president Bert Wessels recently said the soon-to-be established research group already should have determined what direction the Phase VII local content programme should take by the end of next year.

He wanted the group established as soon as possible and to comprise representatives from the motor and parts manufacturing industries, the Industrial Development Corporation, trade unions, the Motor Industry Federation,the departments of Finance and Trade and Tariffs, and overseas consultants.

The current Phase VI local content programme, due to be wound down by the end of 1996, was flawed, Wessels said.

Problems included the changing of its rules and targets too often, non-participation in GEIS, Phase VI's contribution to price increases, and the fact that it was open to fraudulent practices, said Wessels.

Other problems included Phase VI's sensitivity to economic and political changes, its negative impact on the component industry and the role of catalytic converters in the scheme, he said.

Current protection levels on vehicles were too high and the weighting accorded to socio-economic priorities of Phase VII would determine the extent of the necessary protection, Wessels said.

'Public servants fearful'

GERALD REILLY

THE public service was riven with anxiety and uncertainty about the future of government workers in any new dispensation, Public Servants' Association (PSA) president Johan van Wyk indicated yesterday.

He told the PSA conference in Durban a basic fear was that merit and ability would not longer be criteria for advancement.

Another was that public servants could be pushed out by political appointees.

Constitutional change could succeed only if founded on a stable public service. It was regretted public servants were being accused of being administrators of an unjust government system and unacceptable in a new dispensation.

The strength of a public servant lay in undivided loyalty to public service. A survey of management had shown a need for service security, and serious irregularities by government workers had had a serious impact, he said.

PROPERTY

Time to learn from others' mistakes

THE restructured Time Housing — which was subject to a R5m management buyout in March when listed Time Holdings withdrew from the low-cost market — does not intend repeating the mistakes of many developers by acquiring large tracts of land for housing developments.

"We will instead develop schemes in manageable phases that will allow us to control our holding costs and reduce corporate overheads, which is crucial given the present operating climate," MD Norman Jeffrey says.

In addition, giving managers an equity interest and accountability and responsibility for both profits and losses is important to the effective functioning of the company, he says.

In the wake of the buyout, independent entities were established in the form of Time Housing in Johannesburg and Pretoria and Time Housing Coastal in Durban.

A major obstacle in this market is the difficulty in obtaining bonds. A number of factors need to be addressed before the problem of bonds for affordable housing is resolved, Jeffrey says.

These include the support of the community for the basic rights of the lender and developing innovative techniques in place of traditional bond financing.

Complex changes its appeal

LINDA ENSOR (288)

CAPE TOWN — A R3m furnished apartment complex has opened in Sea Point to cater for travelling businessmen, families on holiday and tourists.

The complex, Inverness, was originally intended to be sold under sectional title but a weak market led to its conversion into upmarket apartments.

"An ailing property market and high building costs swung the vote when it came to the marketing of the apartments. A rethink favoured the businessman or visitor for tenure," said Meridien Projects Cape MD Farrel Lazarus. BDAM 16/9/92

"The irony is that having spent more than R500 000 on furnishings and landscaping, we have been offered far more per unit than the original asking price under sectional title," he said.

The fully serviced apartments, equipped for self-catering, are let on a daily basis.

UMDLOTI SANDS

FM 18/9/92

Concerned owners of holidays at the Umdloti Sands timeshare resort have set a date for a special general meeting to resolve problems. It will be held at the resort on Wednesday, September 30.

At the heart of their difficulties is a growing tally of unpaid bills coupled with the "unavailablity" of the resort owners-cum-managers who, allegedly, have failed to maintain resort facilities.

A Kreditinform report commissioned by the Timeshare Institute of SA (Tisa) reports that the Umdloti Sands share-block company's bank account has been dormant for months. (288)

SPUR STEAK RANCHES (288)
FM 18/9/92

Corralling the profits

Activities: *Franchisor of Spur and Hard Rock eateries.*
Control: *Spur Holdings 64%.*
Chairman: *A J Ambor; MD: G Topat.*
Capital structure: *15,8m ords. Market capitalisation: R63m.*
Share market: *Price: 400c. Yields: 5,8% on dividend; 7,7% on earnings; p:e ratio, 12,9; cover, 1,3. 12-month high, 450c; low, 225c. Trading volume last quarter, 461 000 shares.*

Year to Feb 28	'89	'90	'91	'92
ST debt (Rm)	0,2	0,6	0,2	0,1
LT debt (Rm)	1,2	0,7	0,8	1,9
Debt:equity ratio	0,08	0,09	0,09	0,3
Shareholders' interest	0,7	0,6	0,6	0,5
Return on cap (%)	34	47	57	52
Turnover (Rm)	8,8	13,4	17,7	26,6
Pre-int profit (Rm)	3,1	4,6	6,8	8,8
Pre-int margin (%)	35	34	38	33
Earnings (c)	11,0	14,8	22,0	31,0
Dividends (c)	11,0	12,75	17,0	23,0
Net worth (c)	37	39	44	53

Since 1988, Spur has increased turnover at an annual compound rate of 46%, pre-tax income by 42%, EPS by 36% and dividends by 26%. In the 1992 year, turnover rose by 50% and EPS by 41%. Results don't come much sweeter than that these days.

If you have recently been to a Spur steakhouse, you will be aware of the value its products offer. The quality of food and service is hard to beat in the comfort of a convenience foods environment. And prices are reasonable.

These benefits result from years of trial and error by executive chairman Allen Ambor and his executive team. They pioneered the Spur franchise concept, developed stringent guidelines for all aspects of the business and then sold these to franchisees who have reaped good financial rewards.

Turnover comprises franchise fees received and sales of restaurant supplies made by Spur to franchised outlets. It does not represent the combined turnover of the 115 franchised and other company-owned outlets. Ambor and his team guide and support



Spur's salad bar ... *another healthy spread*

FM 18/9/92 (288)

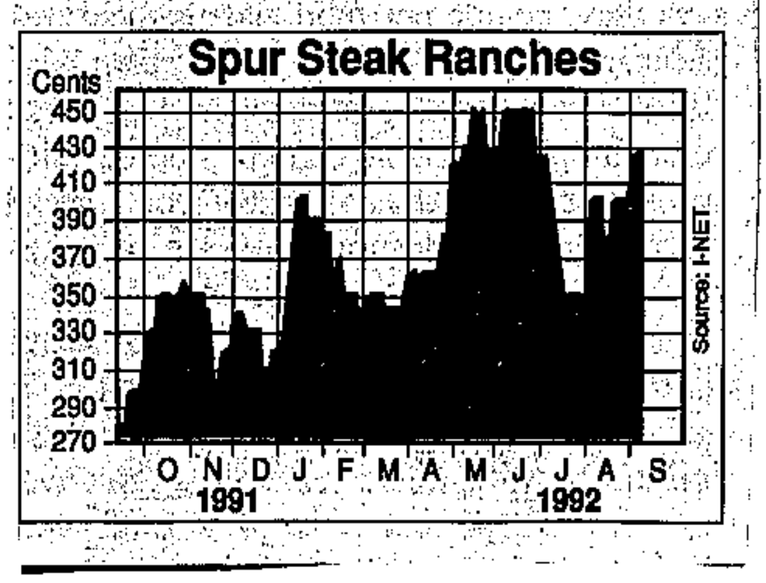
franchisees where necessary, to ensure standards are maintained. For this service, the franchisees pay Spur a royalty, being a percentage of turnover.

Spur's main asset is the value of the franchise contracts it holds, which stood at R7,6m at year-end. Its second largest asset is short-term loans to franchisees, which form part of their working capital. Spur's current asset ratio of about 1:1 resembles that of a typical, cash-based retail business.

Spur depends for its success on growth in turnover per outlet as well as in the number of franchisees. Aside from the watchwords of quality and value, Ambor is conscious of the need to expand the steakhouse chain and to develop other franchise concepts. That's why Pannerottis Pizza Pasta restaurants are being developed now.

Ambor can be well satisfied with results. He is providing a recipe for his franchisees to profit, for the consumer to enjoy fine fare at reasonable prices and for shareholders to receive an above-average return on their investment.

Reading the excellent results that Spur has produced is refreshing. The share is still an attractive investment. *Gerald Hirshon*



Last throw for SA's casi

Star 19/9/92. 288

POLICE are set to take swift and firm action against illegal casino operators as soon as relevant legislation, expected to be passed by Parliament before the end of next month, is in place. MANDY JEAN WOODS reports.

SOUTH Africa's booming gambling parlours are living on borrowed time, as a major police crackdown on "illegal" casinos is expected within weeks.

Deputy Law and Order Minister Gert Myburgh has warned that police will act swiftly against illegal casino operators as soon as the Gambling Amendment Bill is passed in Parliament during October.

According to the police, more than 1 000 illegal casinos are operating in South Africa. Myburgh, who is the immediate past chairman of the parliamentary standing committee on justice, says there is majority support for the Bill.

"The final meeting for the committee to discuss this matter has been brought forward by two weeks and it is now expected to meet on September 28 to finalise the Bill," he says.

"I am convinced that the obstacles encountered at the last parliamentary session have been overcome the Bill will be passed in the special sitting of Parliament in October.

"We will take strong and immediate action against offenders. With the new Bill in place, we will be able to police illegal gambling effectively. We have a special squad which deals with this kind of thing and we will be able to crack down as soon as the Bill is passed."

Operators have been amply forewarned about the Government's intention to prosecute illegal gaming places, he says. "But they have made purposeful, calculated risks, knowning that they had a certain period in which to operate and make money before being closed."

The proposed Bill redefines gambling in internationally accepted definitions and clearly closes the loophole which has allowed games of skill by substituting "games of chance" with "gambling games".

The maximum penalties for contravening regulations governing gambling are a fine not exceeding R200 000 or a maximum of 10 years' jail for an illegal operator and a maximum of R100 000 or a maximum of five years' jail for anyone caught playing at illegal casinos.

The Bill will clearly outlaw casinos as they exist at present in South Africa, a Justice Department spokesman says.

The issue of the reincorporation of the homelands must be dealt with in the country's new constitution and is not a matter for the Gambling Amendment Bill, Myburgh said when questioned about the future of the homeland casinos.

DP justice spokesman Tony Leon says that if the Government presses ahead with the Bill as it stands, it will be "an exercise in legislative stupidity. I think it is ill-conceived and flies in the face of all reality and commonsense."

The Gambling Association of SA (GASA) yesterday held an urgent meeting to formulate a response to President F W de Klerk's confirmation that the Bill would be passed during the coming parliamentary session.

GASA joint chairman Grant Kaplan said casino's were *de facto* legal because of their lengthy period of operation and everything possible would be done to get the Bill amended.

The matter of scratchcard games and lotteries will be dealt with by a commission of inquiry announced by Justice Minister Kobie Coetsee earlier this week. The commission will specifically investigate:

- The desirability of legalising lotteries and sports pools and their possible use for fund-raising for charity organisations.
- The desirability of legalising scratchcard games for fund-raising for charities.
- The rules and regulations to control them.
- Possible State taxation of these games.
- Statutory amendments necessary to accommodate any or all of these proposals.

"Before we even consider this Bill, the standing committee has itself to become a commission of inquiry," Leon says.

Bright for tourism

S(Times (6455) 288

IMPROVING relations between South Africa and the Arab world are expected to lead to a spurt in two-way tourism. 20/9/92

Flitestar's direct flights to Bahrain are due to start the ball rolling. In addition, Satour will promote SA as a new and exciting destination to the Middle East market at next month's exhibtion in Dubai.

Emirates, the fast-growing international airline of the United Arab Emirates, has indicated that it plans to start flights to SA.

It views SA as a gateway to Southern Africa and members of its management have already visited this country to investigate opportunities.

Once this service begins, tour operators in Dubai are expected to start marketing the emirate's attractions in SA.

No doubt Dubai's blend of modern facilities and Arab heritage will appeal to the SA traveller.

Dubai offers miles of fine beaches, warm water, desert, oases, mosques and bustling markets.

The city is a haven for the bargain hungry. Its modern shopping malls and ancient markets sell almost everything. All goods are tax free and bargaining is expected of customers.

Even when leaving the emirate, tourists will pick up a good deal at the duty-free complex at the airport. It is internationally recognised as one of the best stocked and least expensive in the world.

In addition to deep-sea fishing, scuba diving and a host of water sports, visitors may watch traditional sports like camel races.

A new sport, much enjoyed by expatriates, is wadi-bashing, which involves exploring dry riverbeds, dotted with water pools, in four-wheel drive vehicles.

But SA has its own set of attractions that will appeal to the Arab market. Keith Longstaff, senior general manager of the Middle East's largest travel agent, DNATA, says they include its novelty, beauty and variety. Major drawcards will be safaris, hunting and casino resorts.

Comforts

Mr Longstaff says Arab tourists, who can be "big spenders", travel in big groups, bringing along family and friends. They also like to bring their home comforts.

Many prefer renting a house or apartment to staying in a hotel and they often take an operated tour as a private party.

However, Mr Longstaff expects SA to be mainly visited by the large expatriate community in Dubai. They have available disposable income and some may have family members in SA.

He says the Arab market is small, but could grow once SA's attractions spread.

No-frills Lodges head for the JSE

R1bn ye… the new-…

By CIARAN RYAN

THE eight-hotel City Lodge group plans to list on the JSE in November through a private placing.

The major shareholder, Mine Pension Funds (MPF), will reduce its stake from 63% to 43% in favour of institutions, staff members, management and business associates.

Five-million ordinary shares and 5-million debentures are offered.

The offer values the group at R120-million. Net tangible asset a share fully diluted is 228,5c.

City Lodge chairman and MPF general manager Graham Dickason says the listing will "familiarise the investing public with City Lodge so that it can in future go to the market for its capital requirements".

"The company is mature enough to go for a listing. We prefer to have only listed investments on our books."

The family of managing director Hans Enderle, a former chairman and managing director of Holiday Inn, holds about 26% of the equity, valued at R31-million.

City Lodge was formed in 1985 by Mr Enderle and the MPF. The first City Lodge in Randburg, including the architectural plans and concept, were bought from Southern Sun for R6-million in 1985.

City Lodge pioneered the no-frills hotel concept in SA. The company grew from a pre-tax profit of R586 000 in 1988 to R15-million in the year to July 1992.

Its occupancies are more than 80% compared with a hotel-trade average of 49%. It will be the most profitable SA hotel chain listed on the JSE and is expected to attract institutional interest in a market starved of good-quality scrip.

The 1992 dividend was 20,7c. Assuming the shares are issued at 500c, the historical undiluted price earnings ratio will be 13,9. Fully diluted, the historical dividend yield will be 4,1% compared with a sector average of 2,2%.

The R75-million owing to MPF by City Lodge will be converted into 13,6-million compulsorily convertible debentures; 5-million of which are being offered to institutions and the public.

The group's effective tax rate is 43%. The proposed introduction of a Section 37E-type tax benefit for hotels — allowing them to write off between 10% and 20% of building costs a year instead of the current 5% — would add between R2-million and R4-million to the bottom line next year, based on a projected capital investment of R50-million for the year.

Mr Enderle forecasts a 25% growth in earnings in the year to July 1993.

"We are building two City Lodges and one Town Lodge.

● To Page 3



HANS ENDERLE: Pioneer to continue expanding at the rate of two hotels a year for the next five years

City Lodge

● From Page 1

They will add 40%, or 460 rooms, to our capacity. When complete we will have 1 650 rooms.

"We intend to continue expanding at the rate of two hotels a year for the next five years."

The City Lodge and Town Lodge trademarks have been registered in the US, UK, Australia and several European and Southern African countries in preparation for possible international expansion.

MPF has assets of R15-billion. Large-scale retrenchments on the mines reduced MPF's cash flow in recent years, although Mr Dickason says it has nothing to do with the listing.

On the day of listing — which may be delayed if market conditions are unfavourable — there will be 24,8-million shares and 13,6-million convertible notes in issue.

The balance sheet shows long-term liabilities of R12,9-million out of total capital employed of R103-million. Fixed assets are valued at R90,5-million and the company was holding cash of R12,7-million against current liabilities of R9-million in July 1992.

Sol back on throne

(288)

ST Times (Buss)

20/9/92

By CHERILYN IRETON

SOL Kerzner is back at the helm of Sun International.

In a deal concluded this week, Sun International acquired a 50% stake in Mr Kerzner's foreign operation, World Leisure Management, opening the way for his return as chairman of the hotel and leisure group.

The deal reunites much of the old Kerzner management team — separated when Mr Kerzner quit to head Royale Resorts in 1987.

The merged management will prepare for an assault on the international tourism market, says Mr Kerzner.

Discussions are under way for the acquisition of a resort in the Caribbean.

Mr Kerzner says: "It is a major transaction, but it is unlikely that negotiations will become final before the end of the year."

Sun International will not disclose the amount paid to Mr Kerzner for his half-share of WLM, saying it was not significant enough to warrant a formal announcement to shareholders.

Mr Kerzner says: "The deal is significant from a growth point of view and because of the consolidation of management. If we can put some international deals together, with the combined financial backing of the two companies, then we will become an important global player."

The management reshuffle that follows the deal results in Safren chief executive Buddy Hawton becoming deputy chairman. Sun International managing director Ken Rosevear will maintain control of the group's Southern African operations.

Peter Bacon, who was with WLM, has been appointed joint managing director and will take responsibility for Europe and the Indian Ocean operations, says a memo sent to executive staff this week.

Peter Venison, long-time right-hand man of Mr Kerzner, will be deputy managing director until early next year. He will return to Europe when the R800-million Lost City is up and running.

Mr Kerzner will continue to oversee the finishing touches to the project, but will focus more on international development.

SunBop managing director Peter Wagner will move to Sandton and become director of public affairs.

Mr Kerzner says it is non-

● To Page 3

Sol back

(288)

● From Page 1

sense that he has been lured back to sort Sun International out.

ST Times (Buss)

The group has been under pressure because of the huge growth in suburban casinos, the uncertain future of the homelands and the recession.

Mr Kerzner says: "We all know that the economy is going through a tough time. But once there is a political settlement, tourism will be the fastest-growing industry in the country, earning much-needed foreign exchange."

Mr Kerzner says President De Klerk's statement on Friday that gambling would be prohibited in "clear terms" during the next parliamentary session was good news for the country.

20/9/92

Mr De Klerk warned those planning casinos that the Government and the National Party did not like hard gambling.

He said casinos in the independent TBVC states would remain in future regions.

The gambling spirit was dangerous, Mr De Klerk said.

UTA to fly direct to Cape Town

FRENCH airline UTA will introduce direct flights from Paris to Cape Town next month — the first since the carrier started flying to SA almost 40 years ago.

The move follows similar earlier announcements by German carrier Lufthansa, Dutch carrier KLM and British Airways, despite travel industry speculation that major airlines will cut capacity on flights to SA shortly.

SAA and international carriers serving SA have denied any intention of cutting flights in the foreseeable future and have said they would increaseflights and services. UTA fares from Cape Town to Paris, London, Amsterdam, Frankfurt, Munich and several other European destinations would be available from R2 700 with certain conditions such as seasonal

STEPHANE BOTHMA

blackout periods and a R800 cancellation fee, UTA spokesman Wilma Lawson Turnbull said. B|DAY 22|9|92

In addition, UTA would introduce nonstop flights between Paris and Johannesburg and flights to Namibian capital Windhoek. The first UTA aircraft would fly into Cape Town on October 29, she said. The airline had been operating in SA since 1953 but this was the first time it would fly to Cape Town.

However, no traffic rights between Johannesburg and Cape Town and Johannesburg and Windhoek existed on the UTA flights and therefore domestic passengers would not be able to board a UTA flight at Johannesburg, she said.

Smoking ban hangs in air

B|DAY 22|9|92

CAPE TOWN — The Tobacco Action Group (Tag) — an anti-smoking lobby — yesterday urged government to support a proposed ban on smoking on international commercial flights.

Tag said the International Civil Aviation Organisation would consider a resolution to prohibit smoking on international flights at its meeting in Montreal, Canada, this week.

Tag, which represents the Heart Foundation, the National Cancer Association and the National Council Against Smoking, said the meeting would ask member states to phase out smoking on international flights as soon as possible but no later than July 1, 1994. A majority vote was needed, Tag said. — Sapa.

Greed blamed for poor crayfish sales

B|DAY 22|9|92

Political Staff

CAPE TOWN — Profiteering by restaurateurs — and not government's quota system — was why so few crayfish and perlemoen were consumed in SA, Environment Minister Louis Pienaar said yesterday.

His comment follows criticism that government was making available insufficient stocks for the tourist trade.

Pienaar said local demand for crayfish had been lower during the past few years than the 25% of the total commercial catch allocated for sale within SA.

Far from there being a shortage, permission had to be given for the unused portion of the local quota to be exported, he said.

"If restaurateurs did not have the wish to make extraordinary profits on these sought-after products — some rumours hint at 300% — South Africans would indeed scoop up the 25% of the production."

LINDA ENSOR reports that Western Cape Restaurant Guild chairman Aldo Girolo said it was impossible for Cape restaurateurs to obtain crayfish in season and they were forced to pay 10% to 15% more at the end of the season.

Western Cape Marine Society chairman Vic Kabalin, speaking at Fedhasa's AGM in Cape Town yesterday, said SA's resources of rock lobster, kingklip and abalone were being depleted by gross mismanagement. Signatures were being collected for a petition calling for exports to be stopped.

City Lodge plan to list welcomed by analysts

B DAY 22/9/92. 288

MARCIA KLEIN

THE proposed listing of economy hotel group City Lodge has been well received by market analysts.

They said yesterday although details of the company's performance were not yet available, they were expected to be good and growth prospects excellent.

City Lodge MD and co-founder Hans Enderle said the group planned to list on November 18, depending on the health of the share market over the next few weeks.

The placement of 5-million shares and 5-million convertible debentures would open on October 9 and close on November 4.

Enderle said City Lodge had attributable profit of R8,6m in the year to end-July and forecast a 25,6% rise in attributable profit to R10,8m in financial 1993.

An analyst said the group's occupancy rate of more than 80% was significant.

Most hotel groups had break-even occupancy levels of about 60% and were running well below this level.

However, any additional occupancy above break-even point "was pure net profit and generated cash", he said.

In City Lodge's case, it would have a lower break-even level than most other hotels as the cost of constructing its hotels, and some other fixed costs, were lower.

He pointed out that in Sun International hotels, occupancy rates were not as significant because of casino revenues.

Analysts said the economy, limited service concept was working well in SA.

Although City Lodge would experience some competition from Southern Sun's Formule 1 hotels, it had established itself since launching in 1985, and the public was obviously happy with its service.

Its rates compared favourably with most other hotel groups, he said.

With only eight hotels and three under construction, the prospects for expansion were good, analysts said.

In addition, any upturn in tourist trade — particularly if air fares came down and less wealthy visitors arrived — would see demand for City Lodge hotels increase.

Enderle said City Lodge had mainly serviced business travellers, and was refocusing its development strategy to benefit more directly from tourism.

"This will involve establishing lodges in major tourist areas".

He added that City Lodge had southern African development ambitions.

An analyst said Enderle had said in a radio interview that he held about a third of the shares and did not want to part with his stake.

This was a show of confidence in the company's future.

Although the stock market was depressed, he believed there would be investor interest as City Lodge appeared to be recession proof.

Call for tax cuts on hotels

288
CT 22/9/92

By AUDREY D'ANGELO
Business Editor

THE hotel industry — struggling in today's tough market conditions — needs tax concessions to help it prepare for an expected growth in tourism, Wolfgang Thomas, regional GM of the Small Business Development Corporation in the Western Cape, said yesterday.

But SA business has such a bad reputation for abusing concessions, and "employing shrewd chartered accountants to help milk them for all they are worth", that the government hesitates to give them.

Global competition

Thomas advised the regional conference of Fedhasa in the Western Cape to prepare a scheme with checks and balances to prevent it from being abused, and assure the Government it would take steps to ensure members acted responsibly.

Speaking at the conference luncheon, Thomas said the accommodation sector must modernise itself, become more competitive on a world level and expand its capacity to "meet medium-term increases in foreign as well as local tourists".

He thought the Government might be prepared to make tax concessions to encourage this.

Previous concessions had been abolished in line with recommendations by the Margo Commission, which had aimed at reducing levels of taxation.

This meant doing away with concessions and rebates. "If one sector pays less tax it means that another must pay more."

Now the pendulum was beginning to swing the other way. There were signs that the Government was prepared to consider offering tax concessions to selected industries.

This was in line with worldwide trends towards lower tax levels and fewer general tax rebates on the one hand and selective tax benefits for specific, targeted interventions on the other.

And it was likely that before long SA might have another commission to investigate tax structures — this time differently constituted from the Margo Commission, probably with more representation from the University of the Western Cape.

The hotel industry in SA was going through a difficult and complex process of structural adjustments

While the worldwide recession dampened tourism and hotel occupancy rates all over the globe, SA's political instability and severe economic recession put the hotel industry into a precarious position.

Under-utilised

This made investments into further capacities or upgraded facilities almost impossible out of own funds. High interest and tax rates also defeated attempts to expand or upgrade with the use of external loan funds.

But although hotel capacity was under-utilised at present the industry might find itself with far too little capacity in three or four years time.

Aldo Girolo, chairman of the restaurant guild, commented that no-one could reasonably be expected to invest in new hotels in the present state of the economy.

"But, once tourists start coming back and there is plenty of money, you will see investment in hotels. It is possible to put one up in as little as 18 months."

Restaurants in catch-22 on kreef quotas

(288) CT 22/9/92

Business Editor

CRAYFISH — once a speciality tourists expected to find in Cape Town restaurants — is now difficult for restaurateurs to obtain. And they have to pay as much as R45/kg for it, which means customers believe they are being ripped off.

Explaining this at the regional conference of Fedhasa in the Western Cape, Restaurant Guild chairman Aldo Girolo said 75% of commercially caught crayfish was exported and the other 25% was intended for the domestic market.

But, he and restaurateur Don Ball claimed, suppliers said they had no crayfish available and later asked for permission to export more than 75% because restaurants had not taken up their full quota.

Tourism

"We are in a Catch-22 situation," said Girolo. "We cannot get the crayfish and then we are told we did not take up our quota."

He and Ball supported a suggestion from Victor Kabalin, chairman of the Western Cape Marine Society, that crayfish and perlemoen should not be exported, but should be kept in this country to encourage the tourist industry.

Kabalin said this was the case in California, where "wild" perlemoen was not exported. "Tourists have to go to California to eat it."

Kabalin said the lobster resource in the US was obviously better managed than that in SA, since the crustaceans were plentiful and cheap there.

He accused SA commercial interests of depleting the crayfish resource by catching smaller specimens and females, and by killing many of the undersized juveniles which were put back into the water.

Traps were primitive and the crayfish were sorted for size by passing them through a grid, which sometimes damaged the undersized ones.

City hotels slash rates

CT 23/9/92 (288)

Staff Reporter

THE international tourism boom that was expected to raise occupancy rates in Cape Town hotels by close on 40% this year has failed to materialise and local hoteliers have been forced to slash prices to stay afloat.

The Central Statistical Services said the hotel occupancy rate in Cape Town had fallen by 2% relative to the first six months of last year when hotels had been 55% full.

The managing director of Protea Hotels, Mr Arthur Gillis, said the global economic recession combined with political unrest in South Africa had caused many local hotels to reduce rates 20 to 30%.

"After Boipatong our bookings of foreign guests dropped immediately by 50%," he said.

The general manager of the Cape Sun Hotel, Mr Simon Morpuss, said the winter had been "very tough" as international visitors had been put off by the political climate.

Political instability

Mr Gordon Oliver, chief executive officer of Captour, said he found the implications of political unrest depressing as the winter season had been quiet despite efforts by Captour to market seasonal attractions.

The marketing manager for a large national tour operator in Cape Town said yesterday that political instability had caused a 10% drop in foreign tour groups.

● A new Captour head office and South Africa's first comprehensive tourist information and service centre — "a one-stop tourism shop" — opened at the old SAA offices at Cape Town station last night.

The new office and centre were opened by the Administrator of the Cape, Mr Kobus Meiring, who said the venue was not only a first by South African standards, but also by world standards as it encompassed facilities such as telephone and fax, a travel agency, foreign exchange, a coffee bar, and tour and air bookings for local, regional, national and international destinations.

tem means any consultant can retrieve, permitted status.

Violence damming up potential tourism boom

(288)

B|DAY 23|9|92

GERALD REILLY

PRETORIA — Dammed-up enthusiasm for SA as a tourist destination would be released only when the level of violence in the country was greatly reduced, Satour chief director Ernie Heath said yesterday.

Heath, just back from a trip to the Far East, said SA tourism's potential there was as great as in other major markets.

Satour was intensifying its international public relations effort, particularly in Britain and France.

It was clear the momentum in tourism, which had marked the start of the year, could be regained if violence declined. Hundreds of potential tourists were in a "wait and see" mode, he said.

Heath said that in spite of the unrest, Satour did not expect a big decrease in overseas visitors in the last quarter of the year.

Because of the rundown state of the economy, continued inflation and unemployment, it was likely South Africans would tend to holiday closer to home and for shorter periods in December.

Rennies Travel MD Lillian Boyle said the decline in numbers of overseas visitors at year-end was not expected to be dramatic because it was a traditional time for family reunions.

But heavy overseas tour cancellations experienced during the year could continue into the new year, she said.

Only a dramatic political advance and a curb on violence could bring about a significant improvement in tourism from hard currency countries.

However, even with violence out of the way, "appalling" tourist services in SA, including hotels and restaurants, were a constraint, said Boyle.

Limited

National parks

– Metkor
the bal

Secret investment scam exposed

BDM 23/9/92

GRETA STEYN 288

A SECRET investment scheme offering huge returns for a stake in Spur Steakranches and purportedly involving Metboard was a hoax, spokesmen for the two companies said yesterday.

The bogus scheme did the rounds in the Cape with faxed promises of 25% to 55% profit a year for buying into Spur franchises. The letters claimed Metboard was sponsoring a fund that was investing in the franchises and was offering shares on a limited basis.

Metboard MD Errol Richa said the matter had been reported to the police commercial branch after an investor in the scheme tried in vain to trace the man — a Mr Muller — who was supposedly running the Metboard side of the investment.

Eastern Cape insurance broker Nicolas Flavio, the investor who tried to trace Muller, said he had already put up part of a total investment of R130 000. Flavio was told he was buying a share of the Spur in Randpark Ridge. When he questioned the high returns, he was told that upmarket areas could yield returns of R3 000 to R9 000 a month.

"What saved my bacon was that I insisted on speaking to Mr Muller before the money was transferred from a trust."

He also wondered about the need for secrecy and the absence of financial statements, but thought this might make sense since it was a limited offer.

A spokesman for Spur Steakranches said the letters he had seen made no mention of a specific steakhouse, but invited investors to put their money into "the Metboard sponsored fold of Spur franchises." The letterheads of a Johannesburg-based firm of attorneys had been used.

"They obviously wanted to use well established names to lure people," he said.

The Metboard/Spur cautionary said any cash, promissory notes, guarantees, disinvestment fees or other financial instruments exchanged in respect of the scheme would not occur any liability or obligation.

Sun International splits account

BIDM 24/9/92. (288)

MARCIA KLEIN

IN A surprise move, Sun International has split its prestige advertising account between four agencies.

Marketing director Ernie Joubert said yesterday the group had chosen various new agencies to handle its R27m account.

The agencies were Media Graphics, Hunt Lascaris TBWA, The Unit and DMB & B Direct.

The entire account, one of the largest in SA, was previously handled by Ogilvy & Mather, Rightford Searlle-Trip and Makin (O & M).

Industry sources had predicted the account would be split between two agencies, which would handle either the retail or the corporate side of the group's communications.

However, Joubert said the account was demanding, fast moving, complicated and large, and it was difficult for a single agency to cope with.

He said the group was, in fact, selling different brands, and each unit had its own special set of circumstances. Each agency would be able to focus on a major resort.

Media Graphics had been awarded Sun City and the Lost City, and some entertainment and events advertising, said Joubert.

Hunt Lascaris TBWA would handle the Carousel Entertainment World and the Morula Sun as well as the Fish River Sun, Mpekweni Sun, Amatola Sun and Mdantsane Hotel and Entertainment Centre — all housed in Sun Ciskei.

In addition, it was awarded the account for the four Swaziland hotels, and those in Lesotho, Botswana, Venda and Namibia, and the Riviera in Vereeniging.

The Unit was awarded Sunscapes, the Wild Coast Sun, Sun International corporate advertising, the Mmabatho Sun and convention centre, Molopo Sun, Thlabane Sun, Thaba'Nchu Sun and Naledi Sun.

All the direct response would be handled by DMB & B Direct.

Joubert said all the agencies would immediately start on new work, but O & M would retain a percentage of the billings until the end of November. Any international marketing of resorts would be handled by the relevant agency.

In terms of billings, the account would be split three ways.

DMB & B Direct and The Unit, which are both associated with D'Arcy, Masius, Benton & Bowles would take up about R9m worth of billings, while the other two agencies would take up about R9m each.

(continue,

SA TOURISM BOARD FM 2579/92

Tracking the money (288)

The SA Tourism Board (Satour) and the Auditor-General do not agree on how much money the State-funded organisation spends on attracting visitors to SA each year. The AG says less than a third of Satour's R53,4m in income for the fiscal year ending March 31 1991 was spent on promoting tourism — only R15,2m.

The AG, in his latest annual report, says that after R18,9m in staff remuneration, most of the rest of Satour's budget went to general expenses such as office rents, postage and telephone service, and to production, distribution and transport expenses. The report also mentions that Satour's new sumptuous head office in Erasmusrand, Pretoria, which it moved into officially at the end of last year, cost nearly R4m.

Satour disputes this breakdown of its budget. Derina Holtzhausen says 81,2% of Satour's income is spent on marketing. "The

FM 25/9/92 (288)

AG records all personnel, office accommodation, printing and communication costs as purely administrative costs. The staff of overseas offices, with the possible exception of an administrative staff member in each of the larger offices, are all marketing and PR personnel."

Satour, however, does not include this breakdown in its annual report. In fact, the report does not provide any information on the organisation's finances. Holtzhausen says the report, which covers the year to December 31, aims to include the country's tourism statistics for the calendar year but omits financial details because the fiscal year does not end until March 31. This year, however, the report was not released until August 5, more than seven months after the close of the period covered and well after the close of the fiscal year.

The lion's share of Satour's income in fiscal 1991 came directly from the government budget — R48,5m — while another R3,1m came from a tax on hotel rooms. It generated less than R2m on its own.

Satour is now collecting more than five times more revenue from the hotel tax. The tax on a night in a five-star room was raised on July 1 from 47c to R4,20, while the tax for four-star rooms went from 37c to R3 and rooms in other classes of hotels were hiked by similar amounts. The charges are now paid only on rooms that are occupied, while before government taxed all rooms, even if they were vacant. The tax is now projected to pull in R17m a year.

The hotel groups and other companies in the tourism industry, which benefit from however many tourists Satour attracts, believe that the organisation serves a vital function. But that does not stop them from being critical.

Protea MD Arthur Gillis says SA failed to attract as many overseas tourists as it should have over the past 20 years partly because Satour was ineffective and underfunded. "Though it is more effective than it was, it's still underfunded and can't afford the prolonged, extensive advertising that's needed."

Adds Nigel Diepering, the Southern Sun group's international sales and marketing director: "When we ask Satour to join us in a promotion the answer is always that it

Continued —>

BACK IN THE BLACK

After losing their boots in the first half-year period, participants in the *FM*/Cortech Business Game have recovered well, with more than half the teams showing a second-half profit. The highest recorded was more than R4m and the largest loss nearly R1m.

Just under half the participants are now showing a profit for the full trading year. The leader is Bremardi Pewi, from Afrox, with a profit of R3,7m. One team, from an academic institution, is showing a loss of R2m.

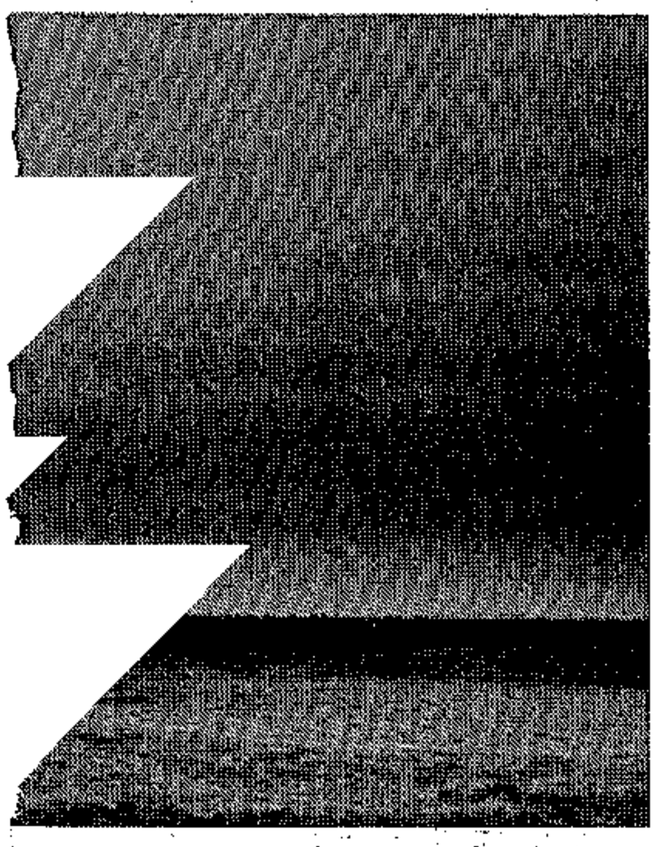
Other teams showing improved profits are Sweat Shop, from Standard Merchant Bank, and Sencorp, from Senbank. Teams Magnum Opus and Wonderfontein Grain & Mills continue to do well.

It seems that the combination of cheaper local sunglasses frames and increased prices in the simulated business environment helped enormously. However, as the teams enter their second year, it's possible that the higher prices achieved for their products might not be sustainable.

At the end of the current trading year five of the 25 competing teams will go into the final, which will be held at Cortech City, Sandton, on November 6. Players are competing for R34 000 in prize money put up by Cortech.

FM 25/9/92 (288)

AND CAN BE EXTREMELY DANGEROUS



The term "Afrikaner" can be used to indicate a unique breed of cattle. Or a certain type of flower. Or a dazzlingly broad spectrum of people – liberals, conservatives, rock stars, potjiekos experts, beauty queens, people of just about every hue in the South African rainbow.

Today, it is impossible to pin the Afrikaans speaking South Africans down to a single stereotype. The world around them is changing at a breakneck speed, and they are moving with it.

Their kind of radio station must acknowledge the vibrancy and variety of the modern South African scenario. And it should offer depth and insight into what's happening today.

Afrikaans Stereo is right on target. We're replacing the RSA (Afrikaans) station, broadcasting nationally on 100/104 FM. Our menu is aimed at that sector of the market that actually listens to radio and registers more of the advertising content than the casual listener would.

The divergent listenership of Afrikaans Stereo is united by one common denominator – the Afrikaans language. For many it is a highly emotional issue, for others their mother tongue is the one they simply feel more comfortable with.

Afrikaans Stereo invites you to come with us and discover a vibrant new target market.

For more information, contact Elize Duncan at (011) 714-3925

AFRIKAANS STEREO 100-104 FM

e r g r e n s e

LINDSAY SMITHERS-FCB 5896/E

doesn't have the money. But it expects us, and other hotel groups, to make rooms available when it mounts a promotion.

"It should get its act together overseas, where its performance ranges from very good to dicey. Going to the World Travel Market in Britain and holding indabas here every year are just the start. Lots more needs to be *done*."

But even with the boost in the hotel tax, it's unlikely Satour will ever be able to mount the kind of promotional campaign that Gillis and Diepering envision. In fact, a far better case can be made for disbanding Satour and freeing the money for more pressing concerns in the government budget.

Individual companies in the tourism industry already spend more than Satour on drawing tourists to SA. SA Airways, for example, spent R93m abroad in its last fiscal year. Southern Sun has budgeted R5m this year on marketing its hotels and resorts overseas, not counting the free rooms it makes available for promotional tours that it says are worth millions more. Sun International and Protea decline to disclose what they spend overseas.

Most industries have to get by without taxpayer-funded boards set up to find customers for them. There's no doubt that the tourism industry could do this job all by itself, and far more effectively than Satour ever could.

David Pincus

Foreseeing a disaster, or a new government

During the Seventies, when oil was selling for US$27 a barrel, Arie de Geus asked his line managers at Royal Dutch Shell to play along with a little game. What would you do, he asked, if the price fell to $15 a barrel? The idea seemed preposterous. After all, they were planning for the days of $35 a barrel. But to humour De Geus, they discussed the *unlikely scenario*.

Needless to say, when the oil price crashed to $9, Shell was prepared.

Rather than relying on a forecast, which is as good as relying on a crystal ball, scenario planning attempts to outline all the likely social, economic and political outcomes. And with SA's volatile environment on those scores, it's no wonder that scenario planning and its sibling, business continuity planning, have caught on here.



Shell . . . *ready for any scenario*

Paul Aucamp, business strategy practice leader at the Business Futures Group, explains the difference between forecasts and scenarios: "Forecasts are extrapolations of the past. Scenarios remove the tendency to attempt to walk backwards into the future."

The biggest drawback to using scenarios is that designing them and estimating their probability is time consuming. Also, scenarios tend to reflect their designers' wishful thinking or subjectivity.

But the big advantage of scenario planning is that it makes people consider possibilities that they would otherwise shrug off. "If the unexpected happens, you're better off than your competitor who never even discussed the scenario," says First National Bank's Andrew Lumsden.

Business Futures Group's Michael Olivier believes there are three pillars on which any scenario in SA depends: the political process, violence and the state of the economy. Though each factor exerts its own influence, the interplay between them exerts an equally powerful force.

Olivier has developed a range of scenarios based on various combinations of the three factors. For instance, he matches up a democratic outcome of political negotiations and decreased violence against the effects of a market-driven, a mixed or a socialist economy. By changing one of the variables, other scenarios emerge. And, for each one, businesses can plan accordingly.

Yet the point of the exercise is not the scenario itself but the broadening of top management's vision. Scenarios are better used "to highlight critical issues and to identify the environment's driving forces than to forecast the future," says Absa strategist Clive Brummer.

While scenario planners are trying to figure out how to grow the business whatever the future brings, business continuity planners are suggesting ways to keep the business up and running when disaster strikes. Though business continuity planning also uses scenarios, the chief difference between the two disciplines is that one plans for new and expanded business opportunities while the other safeguards against losing existing ones. There is, however, some overlap.

"In the mining industry, for instance," says Nigel Hendrikz, of Business Continuity Management, "we recognise the value to a company of R&D at a time when money is tight. The point is that part of its survival strategy is to be ready and positioned for action when the upturn comes."

Trade & Industry and Finance Minister Derek Keys told a similar story recently. When he set up his own part-time financial consultancy in 1965, his first client — a manufacturer of agricultural machinery and equipment — had been hard hit by the worst drought in more than 30 years. "I have based a 27-year career on the fact that as a financial consultant, I gave my client the courage to plan for the upturn." The company rationalised and restructured — in time to reap the benefits when the rain came.

When it comes to continuity planning, run-of-the-mill disasters such as floods and fire come to mind immediately; planning for less obvious ones is harder. Therefore, an important part of any investigation begins with a study of an enterprise's most vulnerable spots.

Nevertheless, "identifying the cause of a potential problem is not enough, you have to look at its effects," adds Hendrikz, whose company works with a methodology relied upon by many UK- and US-based multinationals.

The process involves looking at a business's entire product line, identifying which is the most important — and therefore the most vulnerable — and formulating a "Plan B" in the event of a disaster. The art is to anticipate not only what might go wrong, but also where, when and how.

Hendrikz stresses that business continuity planning concentrates not on short-term losses of profits, but on the longer view of providing for contingencies when an enterprise's continued existence is threatened.

In the motor industry, for example, he explains that at a typical plant that produces, say, 10 models, it is most probable that three or four of these are responsible for about 70% of income. These lines are therefore the ones that should receive special attention.

Another area of vulnerability might be the spraying of vehicle bodies because it represents a critical phase in the production process — no further work can take place until a painted body is delivered to the production line. The sprayers are thus in a position of power. One way to make the rest of the plant less vulnerable might be to make paint spraying an autonomous division, which could then contractually bind itself to production quotas. The failure to meet quotas would be reflected in workers' pay packets.

"Disasters are not always government's problem," he says, "and it cannot be held responsible for an individual business's ability to remain in business when disaster strikes. The current recession is an example, so are the widespread strikes of the past few months — businessmen have to take the initiative to see that they remain in business across the stoppages."

Councils oppose Wessels on joint administration

COUNCIL leaders from SA's seven largest cities are strongly opposed to Local Government Minister Leon Wessels' plans to merge white and black councils into joint administrations by January 1 1993.

It is claimed Wessels' proposals are financially and politically unworkable and would force huge rates increases on residents by next year.

A city treasury document currently circulating in Johannesburg City Council circles suggests a rates hike of more than 250% would be likely.

The prime grievance is the intended appropriation of white local authorities' non-domestic tariff and rates income for redistribution by an appointed administrator.

The appropriation of surplus income and creation of joint administrations were outlined by government earlier this year in the Interim

ADRIAN HADLAND

Measures and Provincial and Local Authorities Affairs Amendment Acts.

Johannesburg management committee chairman Ian Davidson said the move would place "severe restraints on the city's ability to raise finances".

With the demarcation of new joint administration boundaries, all SA cities would be expected to take on more responsibilities with less funds, he said.

It has also been proposed by government that local authorities' right to generate and distribute electricity, a major source of income, should be transferred to regional government.

Durban management committee chairman Peter Mansfield said the right of central government to interfere in city finances was a "very bad precedent for the future".

If all business rates and tariffs were appropriated and redistributed outside the city boundaries, a rates increase in Durban of more than 100% would be inevitable, Mansfield said.

The attempt by government to force joint administrations would also lead to serious political difficulties as the ANC and civic associations objected to the unilateral restructuring of local government, he said.

Cape Town executive committee chairman Louis Kreimer said he was "vehemently opposed" to Wessels' plans as companies already suffering among the highest rates in SA would be forced out of business.

The Major Cities Association (MCA), representing the seven largest cities in SA, would be meeting next week to formulate their objections to Wessels' plans for local government, Davidson, who is also MCA chairman, said.

NP's Louw supports gambling

SAKKIE Louw (NP Newton Park) yesterday played a card he could come to regret, when he opposed President F W de Klerk for insisting that hard gambling be banned.

This is not the first time the maverick MP has thumbed his nose at the spirit of the law and found himself firmly in the company of DP Justice spokesman and "free marketeer" Tony Leon.

But this is understandable. Merely three months ago, while government was trying to force through Parliament the controversial gambling legislation — Louw was opening a casino of which he was a co-owner.

And this was being done next to the NP offices in Port Elizabeth in space rented from the Cape NP.

As soon as Cape NP leader and Public Enterprises Minister Dawie de Villiers heard about it Louw was put out of business and came to Parliament stating he was opposed to nefarious gambling.

BILLY PADDOCK

But yesterday he said he supported the proposal that soft gambling, lotteries and pools be legalised as even the NG Kerk had practised and benefited from this form of gambling.

He said when he was a young boy he got people to guess how many beans were in a bottle. "In this way thousands of rands were raised for the church and the NP," he said.

Louw argued that De Klerk and the NP were being contradictory.

"A principle is a principle. I cannot accept that only a person like Sol Kerzner is allowed a monopoly on hard gambling just on the other side of the Fish River, while we on this side are prevented from doing the same," he said.

As a strong believer in the free market, gambling should be legalised and licensed, he said.

Squash stars beaten up

TWO squash players taking part in the World Open Championship were beaten up by four men at an Irish bar in Johannesburg on Tuesday night.

Derek Ryan, the Irish number one, suffered face and shoulder injuries while Simon Frenz, the German number two, sustained facial injuries.

The players, together with another German player Hansi Wiens and two friends, were visiting McGinty's bar when they were attacked by four men.

Earlier on Tuesday, Ryan had lost his first round match at the championship to England's Chris Walker. — Reuter.

Kolom 1	Kolom 2	Kolom 3	Kolom 4	Kolom 5
Kategorie	Voedingsmiddel	Temperatuur: Koelkamer/ Vrieskamer: Vervaardiger	Temperatuur: Koelkamer/ Vrieskamer: of vragruim: Verspreider, kleinhandelaar en aflewerings-voertuig	Temperatuur: Uitstallings-kabinet: Verbruikers-punte
3. Gaargemaakte pro-dukte	Melkprodukte, banketge-bak en voorafgaarge-maakte voedsel wat ver-koel gehou moet word om bederf te voorkom	− 1 °C	+ 1 °C	+ 4 °C

A. W. HEYNEKE,
Stadsklerk.

Burgersentrum
Crossstraat
GERMISTON.

(Kennisgewing No. 160/92)

288

SCHEDULE A

MAXIMUM TEMPERATURE AT WHICH PERISHABLE FOOD SHALL BE TRANSPORTED, DISPLAYED AND STORED

Column 1	Column 2	Column 3	Column 4	Column 5
Category	Food	Temperature: Cooling-room/ Freezer: Manufacturer	Temperature: Cooling-room/ Freezer or load space: Distributor, retailer and delivery vehicle	Temperature: Display cabinet: Consumer points
1. Frozen products	Ice-cream and sorbet with the exception of sorbet used for making sorbet cones	−25 °C	−22 °C	−19 °C
	Any other food marketed by a manufacturer as a frozen product	−18 °C	−15 °C	−12 °C
2. Refrigerated products	Fresh raw meat, fish and poultry	− 1 °C	+ 1 °C	+ 2 °C
	Partially cooked, pro-cessed, semi-preserved or preserved products that have to be kept cooled to prevent spoi-lage	− 1 °C	+ 1 °C	+ 4 °C
3. Cooked products	Milk products, confection-ery and pre-cooked food that has to be kept cooked to prevent spoi-lage	− 1 °C	+ 1 °C	+ 4 °C

A. W. HEYNEKE,
Town Clerk.

Civic Centre
Cross Street
GERMISTON.

(Notice No. 160/92)
(25 September 1992)

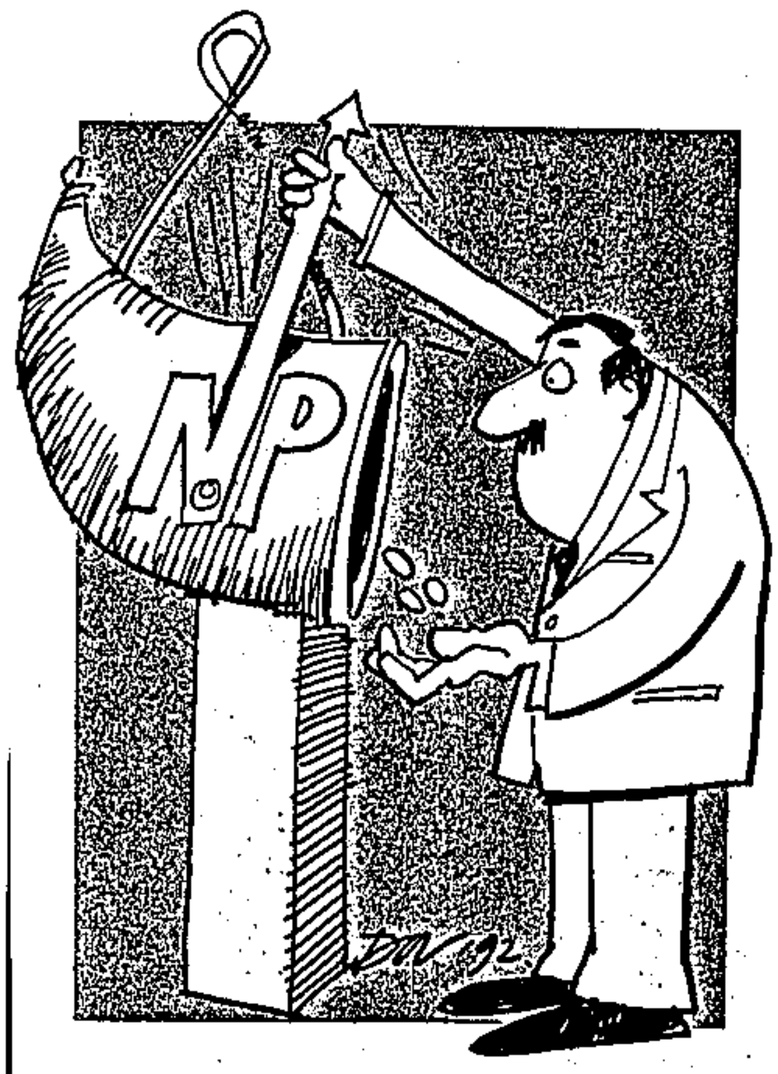
GAMBLING FM 25/9/92

Bandits in the HQ!

Until three months ago, veteran National Party MP Sakkie Louw was the co-owner of a slew of one-armed bandits installed in a Port Elizabeth building belonging to the NP. The building also houses the party's regional office.

This week, Louw, who represents Newton Park in PE, came out in strong support of the opening-up of casinos and the legalisation of gambling in SA. Alas, this is against the express viewpoint of his party. In doing so he has openly sided with Democratic Party MP Tony Leon, who has been critical of government's intended amendment of the gambling laws.

Louw this week admitted to the *FM* that the gambling machines (poker and other games) were set up in space he and a business partner rented from the Cape National



Party. They were installed on the floor above the Tudor Rose restaurant, which belongs to Louw and his partner.

"We were in the process of expanding the restaurant to the floor above when we decided to install these (gambling) machines for the time being," said Louw. "But that was three months ago. The machines have since been removed and that floor is now part of the restaurant."

Louw's pro-gambling stance and his admission that he has been running gambling machines come at a time when government is poised to introduce the controversial Gambling Amendment Bill. This is designed to close a loophole which allowed hundreds of "illegal" gambling dens to mushroom throughout SA. The Bill is expected to be approved by the parliamentary standing committee next week.

President F W de Klerk has also announced the appointment of a judicial commission to investigate certain lotteries, sports pools and fundraising activities.

Louw says he is totally in favour of legalised gambling and casinos in SA as long as the industry is strictly controlled and a large amount of the funds raised is donated to welfare. "I am not concerned about who runs it, whether it be the State or private enterprise, as long as it is licensed, preferably with the Liquor Board, and controlled as such."

He admits that his views are not those of his party: "However, I am a democrat and will abide by the decision of the majority of the NP. That does not mean, however, that I agree with it."

Louw also opposes the view that casinos and gambling only be allowed — after the re-incorporation of the independent States into SA — to regions where casinos now operate. "If Sol (Kerzner) is allowed to run a casino in Bophuthatswana (as part of the new SA), the man in Kakamas should also be allowed to apply for a gambling licence.

"To say that those people (like Kerzner) invested in the independent States when it was necessary to generate income in those areas, is tough luck. You either give everybody the opportunity to be part of the free-market system or you ban gambling altogether and close Sol's palaces as well. The fact is that those States are now going to be part of SA again."

Louw expects further opposition to his viewpoint from the Afrikaans churches. In the late Seventies, they voiced strong opposition to bonus bond schemes which supposedly generated funds for SA's defence requirements. Government eventually capitulated. Recently, the NGK's Johan Heyns has come out against scratch card operations.

The appointment of the judicial commission by government will also determine the future of scratch card operations like Ithuba's, currently being run on TV1. Over the past weeks, concern from various circles has been voiced about the percentage of funds raised, which privately owned companies like Games Africa, which runs Ithuba, donate to welfare and charities.

Last week, the *FM* reported that the SABC is analysing Games Africa's shareholding and financial projections while Ombudsman Judge Piet van der Walt is investigating certain complaints about the company lodged with him. *Eddie Botha*

FM 25/9/92 FOX

no p:e, after last year's losses. (288)

Generally, City Lodge paper will offer investors an entry into what looks a slick operation, niched at the limited services business and tourist traveller, providing cash flow as well as an underlying inflation hedge.

City Lodge has invested in all its hotel properties. However, two of 11, the Jan Smuts Town Lodge and Victoria and Alfred (V&A) City Lodge developments, both now being built, are on leasehold land. The Jan Smuts lease lasts 50 years, while V&A has a 45-year lifespan.

City Lodge's competitiveness will be enhanced by the inflationary environment. As building costs soar, it will be increasingly difficult for new operators to compete, assuming average returns are required. This makes City Lodge paper look attractive.

Despite this, there probably will be more competition at this end of the market, with retail, industrial and commercial development opportunities becoming increasingly scarce. Meanwhile, institutional cash flow continues, largely unabated. City Lodge should also retain its competitive edge through astute locations.

Southern Sun's lower-priced Formula One chain will remain an option to the traveller. But, so far, there is only one, also at Jan Smuts. There should be room for both City and Town Lodges and Formula Ones.

William Gilfillan

CITY LODGE FM 25/9/92

Looks attractive (288)

Assuming the company meets its forecasts, City Lodge will probably be listed on a forward p:e of between 11 and 13. This compares with Sunbop's and Transun's historical p:e ratios of 16,2 and 5,4. Karos has

TABEL

(1) Verseëling van aansluiting [artikel 9 (4) van die Raad se Rioleringsverordeninge]:

(2) Oopmaak van verstopte perseelriole [artikel 13 (4) van die Raad se Rioleringsverordeninge]:

(3) Verskaffing van aansluitings [artikel 7 (4) van die Raad se Rioleringsverordeninge]:

Werklike koste van materiaal en arbeid plus 15%.

A. J. BRINK,
Stadsklerk.

Stadhuis
Van Veldenstraat
BRITS
0250.

(Kennisgewing No. 62/1992)
(25 September 1992)

TABLE

(1) Sealing of opening [section 9 (4) of the Council's Drainage By-laws] per connection:

(2) Removing blockage in drains [section 13 (4) of the Council's Drainage By-laws]:

(3) Providing connections [section 7 (4) of the Council's Drainage By-laws]:

Actual cost of material and labour, plus 15%.

A. J. BRINK,
Town Clerk.

Town Offices
Van Velden Street
BRITS
0250.

(Notice No. 62/1992)
(25 September 1992)

RAADSKENNISGEWING 311 VAN 1992

STADSRAAD VAN GERMISTON

VOEDSELHANTERINGSVERORDENINGE

Die Stadsklerk van Germiston publiseer hierby ingevolge artikel 101 van die Ordonnansie op Plaaslike Bestuur, 1939, soos gewysig, die Voedselhanteringsverordeninge, hierna uiteengesit, wat deur die Raad ingevolge artikel 96 van voornoemde Ordonnansie aanvaar is.

INHOUDSOPGAWE

HOOFSTUK 1: VOEDSELHANTERINGSVERORDENINGE

Artikel	*Inhoud*
1	Woordomskrywing
2	Verbod op die hantering en vervoer van voedsel behalwe ooreenkomstig hierdie verordeninge
3	Standaarde en vereistes vir voedselpersele
4	Standaarde en vereistes vir fasiliteite in 'n voedselperseel
5	Standaarde en vereistes vir persone wat voedsel hanteer
6	Standaarde en vereistes vir voedselhouers
7	Standaarde en vereistes vir die uitstal, opberging en verkoop van voedsel
8	Vervoer van voedsel
9	Standaarde en vereistes vir klere
10	Pligte van 'n persoon in beheer van 'n voedselperseel
11	Ondersoek
12	Dwarsboming
13	Misdrywe en strawwe

HOOFSTUK 2: KODES

1	**Binnemuuroppervlakke/Binnewande**
1 (1)	Soort materiale waarvan binnemuuroppervlakke/binnewande gebou of vervaardig kan word
1 (2)	Afwerkings
1 (3)	Ander standaard afwerkings

BOARD NOTICE 311 OF 1992

CITY COUNCIL OF GERMISTON

FOOD-HANDLING BY-LAWS

The Town Clerk of Germiston hereby in terms section 101 of the Local Government Ordinance, 1939, as amended, publishes the Food-handling By-laws set forth hereinafter, and adopted by the Council in terms of section 96 of the said Ordinance.

TABLE OF CONTENTS

CHAPTER 1: FOOD-HANDLING BY-LAWS

Section	
1	Definitions
2	Prohibition of the handling and transport of food other than in terms of these by-laws
3	Standards and requirements for food premises
4	Standards and requirements for facilities in food premises
5	Standards and requirements for persons handling food
6	Standards and requirements for food containers
7	Standards and requirements for displaying, storing and selling food
8	Transport of food
9	Standards and requirements for clothing
10	Duties of a person in charge of food premises
11	Inspection
12	Obstruction
13	Offences and penalties

CHAPTER 2: CODES

1	**Inside wall surfaces/Inner walls**
1 (1)	Type of material inside wall surfaces/inner walls may be built or manufactured of
1 (2)	Finishes
1 (3)	Other standard finishes

Artikel		*Inhoud*
2		**Vloere**
2	(1)	Soort materiaal
2	(2)	Afwerking
2	(3)	Ander afwerkings
3		**Groottes**
3	(1)	Woordomskrywing
3	(2)	Faktore van belang by die bepaling van groottes
3	(3)	Groottes van hoërisiko-voedselbereidings-areas
3	(4)	Stoorruimte
4		**Bakke**
4	(1)	Handewasbakke
4	(2)	Opwasbakke
4	(3)	Voorbereidingsbakke
5		Rakke, staanders, kabinette, palette
5	(1)	Soorte materiale en konstruksie van die rakke, staanders, kabinette en palette
6		**Uitstal of opberging van onverpakte voedsel in oop houers**
7		**Uitsuigstelsels**
8		**Oorklere: Klere**
9		**Verklee- en eetarea of -ruimte met klere-opberggereiwe**
9	(1)	Verklee- of eetarea of -ruimte
9	(2)	Eetarea
10		**Voedselsmouse**
11		**Tuisnywerhede**

HOOFSTUK 1: VOEDSELHANTERINGSVERORDENINGE

Woordomskrywing

1. In hierdie verordeninge het 'n woord of uitdrukking waaraan in die Wet 'n betekenis geheg, is daardie betekenis, en tensy uit die samehang anders blyk, beteken—

"bederf" ook siek, onsuiwer, ongesond, verrot, geïnfekteer, besmet of ongeskik vir menslike gebruik''

"die wet" die Wet op Gesondheid, 1977 (Wet 63 van 1977);

"fasiliteit" enige apparaat, toerusting, gereedskap, gerei, opbergruimte, werkoppervlak, plek waar voedsel hanteer word, of voorwerp waarvan in die hantering van voedsel gebruik gemaak word;

"Gesondheidsbeampte" 'n mediese gesondheidsbeampte, gesondheidsinspekteur of veearts wat ingevolge artikel 53 (3) van die Wet deur die plaaslike bestuur gemagtig is;

"gesondheidsgevaar" enige toestand, gebeurtenis of handeling wat voedsel sodanig kan besoedel of besmet dat inname daarvan waarskynlik vir die gesondheid gevaarlik of nadelig sal wees;

"hanteer" verwerk, produseer, vervoer, vervaardig, verpak, voorberei, opberg, uitstal, verkoop of bedien, en het "hantering" 'n ooreenstemmende betekenis;

"houer" enigiets—

(a) waarin voedsel gehanteer of vervoer word; en

(b) waarmee voedsel in regstreekse aanraking kom;

Section		
2		**Floors**
2	(1)	Type of material
2	(2)	Finish
2	(3)	Other finishes
3		**Sizes**
3	(1)	Definitions
3	(2)	Important factors when determining sizes
3	(3)	Sizes of high-risk food preparation areas
3	(4)	Storage space
4		**Basins and sinks**
4	(1)	Wash-basins
4	(2)	Wash-up sinks
4	(3)	Preparation sinks
5		Shelves, stands, cabinets, pallets
5	(1)	Type of material and construction of the shelves, stands, cabinets and pallets
6		**Display or storage of unwrapped food in open containers**
7		**Extraction systems**
8		**Overalls: Clothing**
9		**Change-room and dining area or space with clothes storage facilities**
9	(1)	Change-room/dining area or space
9	(2)	Dining area
10		**Food vendors**
11		**Home industries**

CHAPTER 1: FOOD-HANDLING BY-LAWS

Definitions

1. In these by-laws a word or expression defined in the Act shall have that meaning, and unless the context indicates otherwise—

"container" means anything—

(a) in which food is handled or transported; and

(b) with which food comes into direct contact;

"Council" means the City Council of Germiston, the Council's Management Committee acting under the powers delegated to it in terms of the provisions of section 58 of the Local Government (Administration and Elections) Ordinance, 1960, and any officer to whom the Management Committee, on the authority of the Council, may delegate and has in fact delegated, in terms of the provisions of subsection (3) of the said section, the powers, functions and duties vesting in the Council in respect of these by-laws;

"facility" means any apparatus, equipment, tools, gear, storage space,working surface, place where food is handled, or object used in the handling of food;

"food" means a foodstuff as defined in section 1 of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972);

"food premises" means a building, stall, stand, construction, vehicle or other similar structure used in or in connection with the handling of food;

"**Raad**" die Stadsraad van Germiston, die Raad se bestuurskomitee wat handel kragtens die bevoegdhede wat ingevolge die bepalings van artikel 58 van die Ordonnansie op Plaaslike Bestuur (Administrasie en Verkiesings), 1960, aan hom gedelegeer is, en enige beampte aan wie die Bestuurskomitee ingevolge die bepalings van subartikel (3) van genoemde artikel op gesag van die Raad die bevoegdhede, funksies en pligte wat ten opsigte van hierdie verordeninge by die Raad berus, kan delegeer, en dit inderdaad gedelegeer het;

"**tuisnywerheid**" 'n privaat woning wat gebruik word vir die vervaardiging, bereiding en opberging van voedingsmiddels vir die doeleindes van verkoop aan die publiek;

"**vereis**" vereis deur 'n gesondheidsbeampte;

"**voedsel**" 'n voedingsmiddel soos omskryf in artikel 1 van die Wet op Voedingsmiddels, Skoonheidsmiddels en Ontsmettingsmiddels, 1972 (Wet 54 van 1972);

"**voedselperseel**" 'n gebou, stelletjie, staanplek, konstruksie, voertuig of ander dergelike struktuur wat by of in verband met die hantering van voedsel gebruik word;

"**voedselsmous**" 'n straathandelaar, venter of persoon wat ingevolge die Wet op Besighede, 1991 (Wet 71 van 1991), 'n lisensie besit om voedsel of voedingsmiddels te verkoop of te verruil of vir verkoop of ruil aan te bied of uit te stal;

"**voertuig**" ook 'n stootkar, waentjie, vaartuig, boot, skip, kar, fiets of ander vervoermiddel, en sluit houers wat gedra kan word in.

Verbod op die hantering en vervoer van voedsel behalwe ooreenkomstig hierdie verordeninge

2. Niemand mag voedsel vir verkoop hanteer nie behalwe ooreenkomstig hierdie verordeninge.

Standaarde en vereistes vir voedselpersele

3. (1) 'n Voedselperseel—

(a) moet in die geval van 'n gebou of ander konstruksie voldoen aan die regulasies uitgevaardig kragtens artikel 17 van die Wet op Nasionale Bouregulasies en Boustandaarde, 1977 (Wet 103 van 1977);

(b) moet op so 'n wyse ontwerp en gebou word dat die voedsel wat daarin of daarop hanteer word, beskerm word teen besoedeling of bederf deur gas, rookdampe, roetneerslae, stof, vog, direkte sonlig of chemiese of bakteriologiese besmetting of besoedeling;

(c) se binnemuuroppervlakke/binnewande mag geen oop voeë of nate hê nie en alle mure moet van skoonmaakbare en nie-absorberende materiaal wees, indien vereis;

(d) se vloere mag geen oop voeë of nate hê nie en moet van skoonmaakbare en nie-absorberende materiaal wees, indien vereis;

(e) se dak en plafon moet onderskeidelik water en stofdig wees, indien vereis;

"**food vendor**" means a street trader, hawker or person who possesses a licence in terms of the Businesses Act, 1991 (Act 71 of 1991) to sell or exchange food or foodstuffs or to offer or display same for sale or exchange;

"**handle**" means process, produce, transport, manufacture, package, prepare, store, display, sell or serve, and "handling" has a corresponding meaning;

"**health hazard**" means any condition, event or act which may pollute or contaminate food to such an extent that the ingestion thereof will probably be hazardous or detrimental to health;

"**Health Officer**" means a medical officer of health, health inspector or veterinary surgeon authorised by the local government in terms of section 53 (3) of the Act;

"**home industry**" means a private dwelling used for the manufacture, preparation and storage of foodstuffs for the purposes of sale to the public.

"**require**" means required by a Health Officer;

"**spoilt**" also means sick, impure, unhealty, rotten, infected, contaminated or unfit for human consumption;

"**the Act**" means the Health Act, 1977 (Act 63 of 1977);

"**vehicle**" means a barrow, cart, vessel, boat, ship, car, cycle or any other conveyance and includes portable containers.

Prohibition of the handling and transport of food other than in terms of these by-laws

2. No person shall handle food for sale other than in terms of these by-laws.

Standards and requirements for food premises

3. (1) Food premises shall—

(a) in the case of a building or other construction, comply with the Regulations promulgated in terms of section 17 of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977);

(b) be designed and constructed such that the food handled in or on them is protected from pollution or spoilage by gas, smoke fumes, soot deposits, dust, moisture, direct sunlight or chemical or bacteriological contamination or pollution;

(c) have no open joints or seams in the inside wall surfaces/inner walls and all walls shall be of cleanable and non-absorbing material, if required;

(d) have no open joints or seams in the floors, which shall be of a cleanable and non-absorbent material, if required;

(e) have waterproof roofs and dustproof ceilings, if roofs and dustproof ceilings, if required;

(f) moet voldoende geventileer en verlig wees, indien vereis;

(g) moet knaagdierdig wees soos bepaal in die Regulasies afgekondig by Goewermentskennisgewing
R. 1411 van 23 September 1966, indien vereis.

(2) 'n Voedselperseel moet voorsien word van—

(a) wasbakke met warm en koue water vir die skoonmaak van fasiliteite en voedsel en vir persoonlike higiëne, indien vereis;

(b) een toeganklike toilet en handewasbak met suiwer water vir elke 15 persone of gedeelte daarvan wat in die perseel werk of dit besoek;

(c) 'n voldoende voorraad seep of ander skoonmaakmiddels, naelreinigers en skoon wegdoenbare handeafdroogmateriaal of hande-afdroogtoerusting wat vir die Gesondheidsbeampte aanvaarbaar is;

(d) 'n genoegsame getal vullishouers met passende deksels;

(e) 'n verklee-/eetarea met klere-opberggeriewe, indien vereis;

(f) voldoende ruimte vir die hantering en opberging van voedsel, fasiliteite en eetgereedskap indien sodanige ruimte na die oordeel van 'n Gesondheidsbeampte nie elders beskikbaar is nie;

(g) 'n uitsuigstelsel wat gas, dampe, stoom of enige onsuiwerheid wat gedurende die hantering van voedsel kan ontstaan, verwyder, indien vereis;

(h) toereikende rakke, staanders of palette, indien vereis; en

(i) 'n toereikende toegang tot 'n agterplaas indien vereis.

(3) 'n Voedselperseel—

(a) moet skoon gehou word;

(b) mag nie 'n direkte verbinding hê nie met—

(i) 'n toilet of urinaal; of

(ii) 'n vertrek waar enige gas, rookdampe, stof of roetneerslag aanwesig is of kan ontstaan; of

(iii) enige area waar 'n handeling verrig word of 'n toestand bestaan wat die voedsel kan besoedel of bederf.

(4) Geen deel van 'n voedselperseel mag gebruik word nie—

(a) vir slaapdoeleindes; of

(b) vir enige doel wat die voedsel daarin kan besoedel of besmet; of

(c) terwyl voedsel daarin hanteer word, vir die was of stryk van kledingstukke of ander wasgoed.

Standaarde en vereistes vir fasiliteite in 'n voedselperseel

4. (1) Die oppervlak van 'n tafel, werkoppervlak of toonbank waarop voedsel hanteer word en enige toerusting, gereedskap of houer, of enige ander oppervlak wat regstreeks met voedsel in aanraking kom, uitgesonderd 'n slagterskapblok, moet gemaak wees van gladde, roesvry-, nie-giftige en nie-absorberende materiaal sonder oop nate of krake.

(2) Breekgoed, eetgerei, gereedskap, bakke, houers of ander sodanige fasiliteite—

(a) moet voor en na gebruik gereinig word; en

(f) be adequately ventilated and lighted, if required; and

(g) shall be rodent-proof as determined in the Regulations promulgated by Government Notice R. 1411 of 23 September 1966, if required.

(2) Food premises shall have—

(a) wash-basins with hot and cold water for cleaning facilities and food and for personal hygiene, if required;

(b) one accessible toilet and wash-basin with pure water for every 15 persons or part thereof who work in or visit the premises;

(c) an adequate supply of soap and other detergents, nail cleaners and clean disposable hand-drying material or hand-drying equipment acceptable to the Health Officer;

(d) an adequate number of refuse containers with fitted lids;

(e) a change-room/dining area with clothes storage facilities, if required;

(f) adequate space for handling and storing food, facilities and cutlery if such space, in the opinion of the Health Officer, is not available elsewhere;

(g) an extraction system which removes gas, vapours, steam or any impurity which may arise in the handling of food, if required;

(h) adequate shelves, stands or pallets, if required; and

(i) adequate access to a yard if required.

(3) Food premises—

(a) shall be kept clean;

(b) shall have no direct access to—

(i) a toilet or urinal; or

(ii) a room where any gas, smoke vapour, dust or soot deposit is present or may arise; or

(iii) any area where an act is performed or a condition exists which may pollute or spoil the food.

(4) No part of food premises may be used for—

(a) sleeping purposes; or

(b) any purpose which may pollute or contaminate the food in them; or

(c) washing or ironing clothing or other laundry while food is being handled there.

Standards and requirements for the facilities in food premises

4. (1) The surface of a table, working surface or counter on which food is handled and any equipment, tool or container, or any surface in direct contact with the food, excluding a chopping-block, shall be made of smooth, rust-proof, non-toxic and non-absorbent material without open joints or cracks.

(2) Crockery, cutlery, utensils, bins, containers or other such facilities—

(a) shall be cleansed before and after use; and

(b) mag nie gebruik word indien dit gekraak is nie.

(3) Enige gereedskap of 'n artikel wat volgens die oordeel van die Gesondheidsbeampte bedoel is vir eenmalige gebruik—

(a) moet in 'n stofdigte houer bewaar word totdat dit gebruik word; en

(b) mag nie meer as een keer gebruik word nie.

(4) Niemand mag voedsel hanteer nie op 'n oppervlak wat in subartikel (1) bedoel word of met 'n fasiliteit wat in subartikel (2) of (3) bedoel word wat meer as 100 organismes en enige patogene organismes per vierkante sentimeter bevat, voordat die voedsel daarmee in aanraking kom nie.

Standaarde en vereistes vir persone wat voedsel hanteer

5. (1) Geen voedsel, fasiliteit of houer mag hanteer word nie deur 'n persoon—

(a) wie se liggaam, en in besonder vingernaels, hande of klere, nie skoon is nie;

(b) wat 'n etterende abses of seer aan sy liggaam het of 'n draer is van 'n siekte wat deur voedsel oorgedra kan word, tensy 'n aanvaarbare sertifikaat wat deur 'n geneesheer uitgereik is ten effekte dat so iemand geskik is om voedsel te hanteer aan die Gesondheidsbeampte voorgelê kan word.

(2) Niemand mag—

(a) binne 'n area waar voedsel gehanteer word, spoeg nie; of

(b) rook of tabak op enige ander manier gebruik nie terwyl hy onverpakte voedsel hanteer; of

(c) 'n handeling verrig wat voedsel kan besoedel of bederf nie.

Standaarde en vereistes vir voedselhouers

6. (1) Niemand mag voedsel in 'n hermeties verseëlde houer verkoop nie wat—

(a) opgeblaas is of gas uitspuit, tensy—

(i) die houer 'n belugte drank bevat; of

(ii) die gas as bederfwerende middel gebruik word;

(b) geroes is; of

(c) so beskadig is dat dit lek of onverseël geraak het; of

(d) 'n lek het wat herseël is.

(2) 'n Houer moet skoon wees en vry van enige gifstof, bestanddeel of stof wat enige voedsel daarin kan besoedel of besmet.

(3) Voedsel, uitgesonderd voedsel wat as maaltye op 'n voedselperseel bedien word, met verkoop word in houers wat die voedsel daarin teen besoedeling of bederf kan beskerm.

Standaarde en vereistes vir die uitstalling, opberging en verkoop van voedsel

7. (1) Voedsel wat uitgestal of opgeberg word—

(a) mag nie in regstreekse aanraking met 'n vloer of die grond wees nie;

(b) moet vry wees van stof of enige ander onsuiwerheid.

(b) shall not be used if cracked.

(3) Any utensil or article which, in the opinion of the Health Officer, is intended for non-recurrent use—

(a) shall be stored in a dustproof container until it is used; and

(b) shall not be used more than once.

(4) No person shall handle food on a surface referred to subsection (1) or with a facility referred to subsection (2) or (3) containing more than 100 organisms or any pathogenic organisms per square centimetre before the food comes into contact with it.

Standards and requirements for persons handling food

5. (1) No food, facility or container shall be handled by any person—

(a) whose body, and especially his fingernails, hands or clothing, is not clean; and

(b) who has a suppurating abscess or sore on his body or is a carrier of a disease which can be transmitted by food, unless an acceptable certificate issued by a physician to the effect that such a person is fit to handle food can be submitted to the Health Officer.

(2) No person shall—

(a) spit within an area where food is handled; or

(b) smoke or use tobacco in any other way while handling unwrapped food; or

(c) perform an act which may pollute or contaminate food.

Standards and requirements for food containers

6. (1) No person shall sell food in a hermetically sealed container which—

(a) is blown or ejects gas, unless—

(i) the container contains an aerated drink; or

(ii) the gas is used as an anti-spoilage agent;

(b) is rusted; or

(c) is damaged such that it leaks or is no longer sealed; or

(d) has a leak that has been resealed.

(2) A container shall be clean and free of any toxic agent, ingredient or matter which may pollute or contaminate any food in it.

(3) Food, excluding food served as meals on food premises, shall be sold in containers which can protect the food in them against pollution or spoilage.

Standards and requirements for the display, storage and sale of food

7. (1) Food that is displayed or stored shall—

(a) not be in direct contact with a floor or the ground; and

(b) be free of dust or any other impurity.

(2) 'n Rak of vertoonkas wat vir die uitstalling of opberging van voedsel gebruik word moet skoon en vry van stof of ander onsuiwerheid gehou word.

(3) Voedsel, behalwe voedsel uitgestal in 'n bedieningsarea vir maaltye, wat onverpak of in 'n oop houer uitgestal word, moet op so 'n wyse van die publiek geskei word dat geen lid van die publiek die voedsel kan aanraak of daarop kan hoes of nies nie.

(4) Onverpakte voedsel wat uitgestal en opgeberg word, moet in houers uitgestal en opgeberg word en mag nie regstreeks in aanraking met 'n vloer of die grond wees nie.

(5) Niemand mag voedsel soos hieronder gespesifiseer vir menslike verbruik verkoop nie:

(a) Voedsel, gelys in kolom 2 van Bylae A, wat by 'n temperatuur hoër as die temperatuur teenoor sodanige voedsel gelys—

(i) in kolom 3 deur vervaardigers in koel- of vrieskamers;

(ii) in kolom 4 deur verspreiders of kleinhandelaars en afleweringsvoertuie;

(iii) in kolom 5 in uitstalkabinette by verbruikerspunte;

opgeberg, vervoer of uitgestal is na gelang van die geval.

(b) Voedsel wat by 'n temperatuur van minder as 65 °C verhit word.

(c) Bederfbare hittebereide voedsel wat by kamertemperatuur afgekoel het tot by 'n temperatuur laer as 65 °C.

(d) Voedsel wat 'n Gesondheidsbeampte rede het om aan te neem bederfbaar is en waarvoor nie voorsiening in subartikels 7 (5) (a) tot 7 (5) (c) gemaak is nie, en wat by 'n temperatuur bo 7 °C opgeberg, vervoer of uitgestal word.

(6) Niemand mag met enige voedsel smous nie tensy sodanige handeling vir die smous van sodanige voedsel deur die Gesondheidsbeampte goedgekeur is.

(7) Niemand mag 'n privaat woning gebruik vir die vervaardiging, bereiding, opberging, aanhou of verkoop op enige wyse van voedingsmiddels aan die publiek nie, tensy sodanige woning vooraf by die Gesondheidsdepartement geregistreer is.

Vervoer van voedsel

8. (1) Niemand mag voedsel in enige deel van 'n voertuig vervoer nie—

(a) tensy daardie deel eers in so 'n mate gereinig is dat chemiese of bakteriologiese besmetting van die voedsel verhoed word;

(b) saam met—

(i) besmette voedsel of dierlike afval tensy sodanige voedsel of dierlike afval voedsel in 'n aparte houer vervoer word;

(ii) gif of 'n nadelige stof;

(iii) iemand wat nie aan die bepalings van artikel 5 (1) voldoen nie; of

(iv) 'n dier.

(2) Behoudens die bepalings van subartikel (1) moet die vragafdeling van 'n voertuig wat gebruik word vir die vervoer van voedsel wat nie in stofdigte of verseëlde houers verpak is nie—

(a) se binnewand van 'n gladde, roesvry, nie-giftige en nie-absorberende materiaal wees sonder barste of krake en daar mag nie meer as 100

(2) A shelf or display case used for displaying or storing food shall be kept clean and free of dust or other impurities.

(3) Food, other than food displayed in a serving area for meals, which is displayed unwrapped or in an open container shall be separated from the public in such a way that no member of the public is able to touch the food or cough or sneeze over it.

(4) Unwrapped food which is displayed or stored shall be displayed and stored in containers and may not be in direct contact with a floor or the ground.

(5) No person shall sell food as specified below for human consumption:

(a) Food, listed in column 2 of Annexure A, which is stored, transported or displayed, as the case may be, at a temperature higher than the temperature listed against such food—

(i) in column 3 by manufacturers in cold or frozen storage;

(ii) in column 4 by suppliers or retailers and in delivery vehicles;

(iii) in column 5 in display cabinets at consumer point of sale.

(b) Food heated at a temperature of less than 65 °C.

(c) Perishable heat-treated food which has cooled down at room temperature to a temperature below 65 °C.

(d) Food which a Health Officer has reason to assume is perishable and for which no provision is made in subsections 7 (5) (a) to 7 (5) (c) and which is stored, transported or displayed at a temperature above 7 °C.

(6) No person shall vend any food unless such act has been approved for such food by the Health Officer.

(7) No person shall utilise a private dwelling for the manufacture, preparation, storage, keeping or sale in any manner of foodstuffs to the public, unless such dwelling has been registered in advance with the Health Department.

Transport of food

8. (1) No person shall transport food in any part of the vehicle—

(a) unless such part has been cleansed to such an extent that chemical or bacteriological contamination of the food is prevented;

(b) together with—

(i) contaminated food or animal offal unless such food or animal offal is transported in a separate container;

(ii) poison or a harmful substance;

(iii) any person who does not comply with the stipulations of section 5 (1); or

(iv) an animal.

(2) Subject to the stipulations of subsection (1) the cargo section of any vehicle used to transport food not packed in dustproof or sealed containers shall—

(a) be finished on its inner walls with a smooth, rustproof, non-toxic and non-absorbent material without cracks or fissures and no more than 100

organismes en geen patogene organismes per vierkante sentimeter, volgens erkende analitiese ondersoekmetodes bepaal, daarop aanwesig wees voor die voedsel daarmee in aanraking kom nie;

(b) stofdig wees; en

(c) nie gelyktydig vir die vervoer van 'n persoon gebruik word nie.

(3) Niemand mag voedsel van of uit 'n voertuig smous nie, tensy sodanige voertuig spesifiek goedgekeur is vir die smous van voedsel.

Standaarde en vereistes vir klere

9. (1) Die klere van iemand wat voedsel hanteer wat nie in 'n verseëlde houer verpak is nie, moet—

(a) skoon wees wanneer hy daagliks met voedselhanterings begin; en

(b) redelik skoon bly gedurende die werkskof terwyl hy voedsel hanteer.

(2) Niemand wat voedsel hanteer, mag klere dra wat na die oordeel van die Gesondheidsbeampte nie geskik is vir 'n bepaalde werksaamheid met betrekking tot die hantering of vervoer van voedsel nie.

Pligte van 'n persoon in beheer van 'n voedselperseel

10. Iemand in beheer van 'n voedselperseel moet toesien dat—

(a) maatreëls getref word om vlieë of ander ongewensde insekte of knaagdiere uit te roei;

(b) maatreëls getref word om te voorkom dat vlieë of ander insekte toegang verkry;

(c) vullis so dikwels as wat dit nodig is of vereis mag word, verwyder word uit 'n gebou waar voedsel hanteer word;

(d) vullis op so 'n wyse opgeberg en weggedoen word dat geen oorlas ontstaan nie;

(e) vullishouers—

(i) gereeld skoongemaak word; en

(ii) ontsmet word so dikwels as wat dit vereis word;

(f) proseswater doeltreffend weggedoen word;

(g) die perseel en fasiliteite skoon en netjies gehou word;

(h) geen persoon wat onverpakte voedsel hanteer enige juwele of versierings dra wat in aanraking met die voedsel kan kom nie;

(i) die Gesondheidsbeampte onmiddellik in kennis gestel word van enige geval van 'n oordraagbare en aanmeldbare siekte waarvan hy kennis dra, of vermoed aanwesig te wees, by iemand wat met die hantering van voedsel op 'n voedselperseel betrokke is;

(j) geen dier, behoudens die bepalings van enige Wet, gehou of toegelaat word nie in enige deel van 'n voedselperseel waar voedsel gehanteer word, behalwe dat—

(i) 'n gidshond wat 'n blinde persoon vergesel in die verkoops- of bediendearea van 'n voedselperseel toegelaat mag word;

organisms and no pathogens per square centimetre, determined by means of recognised analytical inspection methods, shall be present on its inner walls before the food comes into contact with them;

(b) be dustproof; and

(c) not be used for transporting any person at the same time.

(3) No person shall vend food from or from within any vehicle unless such vehicle has been specifically approved for the vending of food.

Standards and requirements for clothing

9. (1) The clothing of any person handling food not packed in a sealed container shall—

(a) be reasonably clean when he commences with food-handling daily; and

(b) remain reasonably clean during the working shift while handling food.

(2) No person handling food shall wear clothing which, in the opinion of the Health Officer, is unsuitable for a particular activity in the handling or transport of food.

Duties of a person in charge of food premises

10. A person in charge of food premises shall ensure that—

(a) measures are taken to eradicate flies or other undesirable insects or rodents;

(b) measures are taken to maintain the prevention of access for flies or other insects;

(c) refuse is removed as often as is necessary or may be required from a building where food is handled;

(d) refuse is stored and disposed of such that no nuisance arises;

(e) refuse containers—

(i) are cleansed regularly; and

(ii) are disinfected as often as may be required;

(f) process water is effectively disposed of;

(g) the premises and facilities are kept clean and tidy;

(h) no person handling unwrapped food wears any jewellery or ornaments that may come into contact with the food;

(i) the Health Officer is advised immediately of any case of a communicable and notifiable disease he may be aware of or suspects to be present in any person involved in handling food on food premises;

(j) no animal, subject to the stipulations of any Act, is kept or permitted access to any part of food premises where food is handled, except that—

(i) a guide dog accompanying a blind person may be permitted in the sale and serving areas of food premises;

(ii) lewendige vis, weekdiere of skaaldiere onder water gehou mag word totdat dit vir verbruik voorberei word;

(k) geen toestand in 'n voedselperseel ontstaan wat enige voedsel kan besoedel nie;

(l) enige gekookte of bereide voedsel wat nie toegedraai is nie, met skoon instrumente of apparaat hanteer word;

(m) die Gesondheidsbeampte so gou doenlik in kennis gestel word indien 'n nuwe perseel of uitbreiding van 'n bestaande perseel beplan word, en sodanige beampte binne sewe (7) dae daarvan van 'n sketsplan van die voorgenome gebou of veranderinge voorsien word;

(n) die bepalings van hierdie verordeninge en die kodes soos vervat in Bylae B, en na oordeel van die Gesondheidsbeampte vereis kan word, nagekom word.

Ondersoek

11. Enige behoorlik gemagtigde beampte van die Raad kan, vir enige doel wat verband hou met die nakoming van die bepalings van hierdie verordeninge, te alle redelike tye en sonder kennisgewing vooraf enige perseel waarop of waarin voedsel hanteer word, of ten opsigte waarvan sodanige amptenaar redelike gronde het om te vermoed dat voedsel daarin of daarop hanteer word, binnegaan en sodanige ondersoek, navraag, inspeksie en toetse in verband daarmee doen en monsters neem wat hy nodig ag.

Dwarsboming

12. Iemand wat versuim of weier om toegang te verleen aan 'n beampte van die Raad wat behoorlik by hierdie verordeninge of deur die Raad gemagtig is om 'n perseel, voertuig of struktuur te betree en te ondersoek as hy versoek om tot sodanige perseel, voertuig of struktuur toegelaat te word, of wat sodanige beampte in die uitvoering van sy pligte kragtens hierdie verordeninge dwarsboom of wat versuim of weier om inligting te verstrek wat hy wettiglik aan sodanige beampte moet verstrek of wat doelbewus aan sodanige beampte valse of misleidende inligting verstrek, of wat iemand wederregtelik verhinder om sodanige perseel te betree, begaan 'n misdryf.

Misdrywe en strawwe

13. Iemand wat enige bepaling van hierdie verordeninge oortree of in gebreke bly om daaraan te voldoen of veroorsaak of toelaat of duld dat iemand anders dit doen, begaan 'n misdryf en is by skuldigbevinding strafbaar met 'n boete van hoogstens R300 of by wanbetaling met gevangenisstraf van hoogstens 12 maande, of met sodanige boete sowel as sodanige gevangenisstraf, en in die geval van 'n voortgesette misdryf word hy aan 'n afsonderlike misdryf vir elke 24 uur of gedeelte van sodanige tydperk waartydens die misdryf voortgesit word skuldig geag en is strafbaar vir sodanige misdryf met 'n boete van hoogstens R100.

HOOFSTUK 2: KODES

Voorwoord

Die oogmerke van kodes of riglyne vir die voedselbedryf is om voorsiening te maak dat die ontwikkelling binne hierdie bedryf sonder onnodige vertragings geskied en dit trouens aan te moedig. Kodes word daargestel om die voedselbedryf beweegruimte of alternatiewe te bied uit keuses wat voorheen nie oorweeg is nie. Die beginsels berus op wetenskaplike geverifieerde feite en nie soseer op estetiese aspekte nie.

(ii) live fish, molluscs or shell-fish may be kept under water until prepared for consumption;

(k) no condition arises on food premises that may pollute any food;

(l) any cooked or prepared food which is not wrapped is handled with clean instruments or apparatus;

(m) the Health Officer is advised as soon as possible if new premises or extension of existing premises is planned, and such officer is provided with a sketch plan of the proposed building or extensions within seven (7) days of such advice;

(n) the stipulations of these by-laws and the codes contained in Annexure B, and as may be required in the opinion of the Health Officer, are observed.

Inspection

11. Any duly authorised officer of the Council may, for any purpose related to the observance of the stipulations of these by-laws, at all reasonable times and without prior notice enter upon any premises on or in which food is handled or in respect of which such officer has reasonable grounds to believe that food is handled, and perform such examination, inquiry or inspection and tests in connection therewith and take such samples as he may deem fit.

Obstruction

12. Any person who fails to give or refuses access to an officer of the Council duly authorised by these by-laws or by the Council to enter upon and inspect any premises, vehicle or structure if he request access to such premises, vehicle or structure, or who obstructs such officer in the execution of his duties under these by-laws or who fails or refuses to give information he is legally required to give such officer or who deliberately gives such officer false or misleading information or who unlawfully prevents a person from entering upon such premises shall be guilty of an offence.

Offences and penalties

13. Any person who contravenes any stipulation of these by-laws or fails to comply with any such stipulation or causes or allows or permits another person to do so, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding R300, or in default of payment thereof, to imprisonment for a period not exceeding 12 months, or to both such fine and imprisonment, and in the case of a continuing offence shall be deemed guilty of a separate offence for each 24 hours or portion thereof that the offence continues, and shall be liable for each such offence to a fine not exceeding R100.

CHAPTER 2: CODES

Foreword

The purpose of codes or guidelines for the food industry is to ensure that development within this industry takes place without unnecessary delays and, in fact, to encourage it. Codes are provided to give the food industry some scope or to offer alternatives that were previously not considered. The principles are based on the scientifically verified facts and not so much on aesthetic aspects.

Elke voedselperseel is 'n unieke eenheid vanweë die gebied waarin dit geleë is, die norme en waardes van die gereelde klante asook die soort produk wat verkoop word. Daarom is dit van die uiterste belang dat riglyne/kodes daargestel word wat aanvullend tot die wetgewing funksioneer om die vinnig verande-rende tendense asook die afsonderlike behoeftes van klante te omvat. Met laer insetkoste word 'n teeninflasionistiese atmosfeer geskep wat nogtans bydra tot die lewering van 'n gesonde voedselprodu̲k wat geskik is vir menslike benutting.

Die kodes funksioneer kortliks as volg: Alterna-tiewe, veral geskoei op aspekte wat 'n direkte invloed het op hoë finansiële uitgawes, is vooraf bepaal. Higiëniese aspekte is egter nie onderhandel-baar nie. Onderhandelinge geskied tussen die Gesondheidsdepartement en die handelaar om 'n keuse te maak uit alternatiewe wat wissel van hoë tot aanvaarbare standaarde. As die faktore wat 'n invloed op die bedryf het 'n behoefte aan 'n hoë standaard het, sal die handelaar hom daartoe verbind voel om die hoë standaard te handhaaf. Eweneens sal die handelaar wie se klante nie 'n hoë standaard verwag nie, berus by die aanvaarbare standaard.

1. Binnemuuroppervlakke/Binnewande

Daar word geag dat aan die bepalings van artikel 3 (c) van die verordeninge voldoen word deur voldoe-ning aan die bepalings van die ondergenoemde kodes:

(1) SOORT MATERIALE WAARVAN BINNEMUUR-OPPERVLAKKE/BINNEWANDE GEBOU OF VERVAARDIG KAN WORD

(a) Indien die mure van elke kamer in 'n gebou of konstruksie waar voedsel berei, geprodu-seer, verwerk of vervaardig word, gebou is van stene of sementbeton.

(b) Indien die mure van elke kamer in 'n gebou of konstruksie waar voedsel berei, geprodu-seer, verwerk of vervaardig word, gebou is van ander soliede of syferdigte materiaal as stene of sementbeton.

(c) Indien die binnewande van 'n ander voedsel-perseel as 'n gebou of konstruksie vervaar-dig is van 'n syferdigte of soliede materiaal wat hom daartoe leen om glad afgewerk te word, en maklik skoonmaakbaar en duur-saam is.

(d) Indien die mure/afskortingsmure van 'n per-seel waarin slegs groente en vrugte en ander fabriekverpakte voedselprodukte alleenlik hanteer word, gebou of vervaardig is van plaatmetaal, stangyster of ander soortgelyke materiaal.

(2) AFWERKINGS

(a) Indien die binnemuuroppervlakke van elke kamer in 'n gebou of konstruksie waar voed-sel berei, geproduseer, verwerk of vervaardig word, van stene of sementbeton gebou is en afgewerk is met soliede syferdigte materiaal of met geglasuurde teëls of ander soortge-lyke glad afgewerkte, duursame materiaal, van die vloervlak tot teenaan die plafon bedek is.

Each food premises is a unique unit because of the area in which it is located, the norms and values of the regular customers and the type of product sold. That is why it is of the utmost importance that guidelines/codes should be drawn up, complement-ing the legislation, to cater for the rapidly changing trends as well as the different needs of customers. With lower input costs an anti-inflationary atmo-sphere is created which nevertheless contributes to the provision of a healthy food product suitable for human consumption. 288

In brief, the codes function as follows: Alternatives, based mainly on aspects which have a direct effect on high financial expenditure, were determined beforehand. Hygienic aspects, however, are not negotiable. Negotiations take place between the Health Department and the trader to choose between alternatives ranging from high to accept-able standards. If the factors which have an effect on the industry demand a high standard, the trader will feel himself obliged to maintain the high standard. Similarly, the trader whose customers do not expect too high a standard will meet the acceptable stan-dard.

1. Inside wall surfaces/Inner walls

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (1) (i) of the by-laws.

(1) TYPE OF MATERIAL INSIDE WALL SURFACES/ INNERWALLSMAYBEBUILT/MANUFACTURED OF

(a) If the walls of each room in a building or con-struction where food is prepared, produced, processed or manufactured are built of bricks or cement concrete.

(b) If the walls of each room in a building or con-struction where food is prepared, produced, processed or manufactured are built of solid or impermeable material other than bricks or cement concrete.

(c) If the inner walls of food premises other than a building or construction are manufactured of an impermeable or solid material which lends itself to a smooth finish, and is easy to clean and durable.

(d) If the walls/partition walls of premises in which only vegetables and fruit and other fac-tory-packed food products are handled are built or manufactured of sheet metal, rod iron or other similar material.

(2) FINISHES

(a) If the inside wall surfaces of every room in a building or construction where food is pre-pared, produced, processed or manufactured are built of brick or cement concrete and finished in a solid and impermeable material or covered with glazed tiles or other similar smooth-finish durable material from floor level up to the ceiling.

(b) Indien die binnemuuroppervlakke van elke kamer in 'n gebou of konstruksie waar voedsel berei, geproduseer verwerk of vervaardig word en bedek is met die materiaal soos in 1 (a) hierbo genoem van die vloervlak tot 'n hoogte soos deur onderhandeling/behoefte deur die Gesondheidsbeampte vereis. Die gedeelte wat nie deur die materiaal soos gemeld in 1 (a) bedek is nie, moet glad afgewerk en met 'n ligkleurige wasbare verf geverf word.

(c) Indien die binnemuuroppervlakke van elke kamer in 'n gebou of konstruksie waar voedsel berei, geproduseer, verwerk of vervaardig word, van stene of sementbeton gebou en gepleister en glad afgewerk is met 'n dubbellaagpleister waarvan die afwerklaag bestaan uit 'n gipsbasispleister, en geverf word met 'n ligkleurige wasbare verf.

(d) Indien die binnemuuroppervlakke van elke kamer in 'n gebou of konstruksie, behalwe die kamer waarin voedsel berei, geproduseer, verwerk of vervaardig word, gebou is van sementbeton of stene en, indien nodig, van 'n gladde afwerking voorsien of geverf is.

(e) Indien die binnemuuroppervlakke van elke kamer in 'n gebou of konstruksie, behalwe die kamer waarin voedsel berei, geproduseer, verwerk of vervaardig word, gebou is van 'n ander syferdigte materiaal as sementbeton of stene en, indien nodig, van 'n gladde afwerking voorsien of geverf is.

(f) Indien die binnemuur/binnewand-oppervlakke van 'n vertrek waarin voedsel genuttig word in 'n gebou of konstruksie só vervaardig en afgewerk is dat dit die tema van die soort perseel komplementeer.

(g) Indien die binnewandoppervlakke, behalwe in 'n gebou of konstruksie vervaardig is van 'n duursame materiaal, soos plaatmetaal, glasvesel of watter materiaal hom daartoe leen dat dit duursaam en glad afgewerk kan word.

(3) ANDER STANDAARD AFWERKINGS

(a) Indien die bokant van 'n afskortingsmuur wat nie tot plafonhoogte gebou is nie, binne 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word met 'n skuinste van 45° oor die breedte van een kant van die muur tot by die anderkant daarvan glad afgewerk is met materiaal soos omskryf in 1 (a) en 1 (c).

(b) Indien die vensterbanke in 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word met 'n skuinste van 45° van die onderpunt van die vensterraam tot by die binnewand van die muuroppervlak glad afgewerk is.

(c) Indien die verbinding tussen vloere en mure in kamers van 'n gebou waarin voedsel berei, geproduseer, verwerk of vervaardig word met 'n skuinste van 45° afgewerk word met 'n minimum breedte van 150 mm, gemeet van die hoek wat só gevorm word na die vloer of muuroppervlak onderskeidelik, of andersins gewelf met 'n minimum radius van 20 mm.

(b) If the inside wall surfaces of every room in a building or construction where food is prepared, produced, processed or manufactured are covered with the material referred to in 1 (a) above from floor level up to a height as required by the Health Officer after negotiations or as needed. The part not covered by the material as referred to in 1 (a) shall be finished smooth and painted with a light-coloured washable paint. (288)

(c) If the inside wall surfaces of every room in a building or construction where food is prepared, produced, processed or manufactured are built of brick or cement concrete and plastered and finished smooth with a double layer of plaster, the final layer of which consists of gypsum-based plaster, and painted with a light-coloured washable paint.

(d) If the inside wall surfaces of every room in a building or construction, other than the room where food is prepared, produced, processed or manufactured, are built of brick or cement concrete and, if necessary, given a smooth finish and painted.

(e) If the inside wall surfaces of every room in a building or construction, other than the room where food is prepared, produced, processed or manufactured, are built of an impermeable material other than brick or cement concrete and, if necessary, given a smooth finish and painted.

(f) If the inside wall/inner wall surfaces of a room in which food is consumed in a building or construction are manufactured and finished in such a way as to complement the theme of the type of premises.

(g) If the inside wall surfaces, other than in a building or construction, are manufactured of a durable material, such as sheet metal, fibreglass or whichever material lends itself to a durable and smooth finish.

(3) OTHER STANDARD FINISHES

(a) If the top of a partition wall which does not reach up to the ceiling in a building or construction where food is prepared, produced, processed or manufactured is finished smooth with material as defined in 1 (a) and 1 (c) at an angle of 45° along the width of the wall from one side to the other;

(b) If the windowsills in a building or construction where food is prepared, produced, processed or manufactured are finished smooth at an angle of 45° from the bottom of the window frame to the inner surface of the wall;

(c) If the join between floors and walls in rooms in a building where food is prepared, produced, processed or manufactured is finished at an angle of 45°, with a minimum width of 150 mm, measured from the angle thus formed to the floor or wall surfaces respectively, or otherwise coved with a minimum radius of 20 mm;

(d) Indien die binnemuuroppervlakke van elke kamer in 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word, geen pypwerk bevat wat nader as 50 mm vanaf die muuroppervlak gemonteer is nie, met dien verstande dat alle pypwerk, uitgesluit waterafvoerpype, in die mure ingelaat word.

2. Vloere

Daar word geag dat aan die bepalings van artikel 3 (1) (d) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) SOORT MATERIAAL

(a) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel hanteer word, gebou/vervaardig is van sement, beton, staal of ander duursame materiaal met eienskappe wat dit daartoe leen om glad afgewerk te word en maklik skoonmaakbaar is.

(b) Indien die vloer van 'n ander voedselperseel as 'n gebou of konstruksie vervaardig is van 'n duursame soliede materiaal wat glad afgewerk is.

(2) AFWERKING

(a) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word, afgewerk is met keramiek of 'n ander suurvaste afwerking, en die voeë, indien nodig, met epoksie- of ander syferdigte materiaal gebryvul word.

(b) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word, afgewerk is met semibuigbare vinielvloerteëls of ander soortgelyke duursame materiaal wat 'n gladde oppervlak verseker.

(c) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word, afgewerk is met staalteëls.

(d) Indien die vloer van elke vertrek in 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word met 'n glad gestrykte sementlaag (float) afgewerk is.

(e) Indien die vloer van 'n vertrek in 'n voedselperseel waar voedsel genuttig word só afgewerk is dat dit die tema van die soort perseel komplementeer.

(f) Indien die vloer van 'n ander voedselperseel, as 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word, vervaardig is van 'n syferdigte materiaal soos plaatmetaal, metaal, glasvesel of watter materiaal hom tot 'n duursame en gladde afwerking leen.

(3) ANDER AFWERKINGS

Indien die voedselperseel dit regverdig, indien die vloer van 'n gebou of konstruksie waarin voedsel berei, geproduseer, verwerk of vervaardig word teen 'n effense helling gebou word ten einde proseswater deur middel van 'n vloerdreineringstelsel weg te voer na 'n effektiewe buitebeskikkingstelsel.

(d) If the inside wall surfaces of every room in a building or construction where food is prepared, produced, processed or manufactured contain no piping mounted closer than 50 mm from the wall surface, provided that all piping, excluding water drainage ~~piping~~, shall be chased into the walls.

288

2. Floors

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (1) (d) of the by-laws:

(1) TYPE OF MATERIAL

(a) If the floor of every room in a building or construction where food is handled is constructed/manufactured of cement, concrete, steel or other durable material having characteristics which lend themselves to a smooth finish and easy cleaning.

(b) If the floor of food premises other than a building or construction is manufactured of a durable solid material with a smooth finish.

(2) FINISH

(a) If the floor of every room in a building or construction where food is prepared, produced, processed or manufactured is finished in a ceramic or other acid-resistant finish, and the joints grouted, if necessary, with an epoxy or other impermeable material.

(b) If the floor of every room in a building or construction where food is prepared, produced, processed or manufactured is finished in semi-flexible vinyl floor tiles or other similar durable material which ensures a smooth surface.

(c) If the floor of every room in a building or construction where food is prepared, produced, processed or manufactured is finished in steel tiles.

(d) If the floor of every room in a building or construction where food is prepared, produced, processed or manufactured has a floated cement finish.

(e) If the floor of a room in food premises where food is consumed is finished in such a way as to complement the theme of the type of premises.

(f) If the floor of food premises, other than a building or construction, where food is prepared, produced, processed or manufactured is manufactured of an impermeable material such as sheet metal, metal, fibreglass or whichever material lends itself to a durable and smooth finish.

(3) OTHER FINISHES

If justified by the food premises, if the floor of a building or construction where food is prepared, produced, processed or manufactured is graded slightly to drain process water by means of a floor drainage system to an effective outside disposal system.

3. Groottes

Daar word geag dat aan die bepalings van Artikel 3 (2) (f) van die Verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) WOORDOMSKRYWING

(a) Vir die doel van hierdie kode geld die volgende woordomskrywing en beteken—

"hoërisiko-persele"—

bakkerye;
hotelle;
kantiene;
kleuterskole;
padkafees;
restaurante;
slaghuise;
smouse in bederfbare voedingsmiddels;
spyseniers;
voedselfabrieke;
wegneemete persele;

"Laerisiko-persele"—

delikatesse;
groentewinkels;
kafees;
supermarkte;
tuisnywerhede;

"voedselvoorbereidingsarea" 'n gebied waar alle aktiwiteite met betrekking tot voedselbereiding plaasvind, ingesluit die gebied waar finale voorbereiding geskied.

(2) FAKTORE VAN BELANG BY DIE BEPALING VAN GROOTTES

(a) Kommoditeite wat verkoop gaan word.

(b) Toerusting wat gebruik gaan word.

(c) Getal werknemers.

(3) GROOTTES VAN HOËRISIKO-VOEDSELBEREIDINGSAREAS

(a) Die maksimum oppervlakte wat toerusting beset, moet gelyk wees aan 55% van die totale voorbereidingsarea, met 'n minimum vloeroppervlakte van 4 m^2 waar van toepassing.

(b) Die oorblywende 45% van die voorbereidingsarea moet as onbelemmerde vloerruimte aangewend word vir werknemers in die verhouding van 3,5 m^2 vrye vloerruimte per persoon.

(c) Grootte van 'n mobiele voedseleenheid word bepaal na gelang van die behoeftes.

(4) STOORRUIMTE

(a) Die stoorruimte vir die kommoditeite wat in die voedselbereidingsarea berei word, moet gelyk wees aan 'n minimum van $\frac{1}{3}$ (een derde) van die totale voorbereidingsarea. Vir kommoditeite wat nie op die perseel berei word nie, moet addisionele stoorruimte verskaf word.

3. Sizes

(288)

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (2) (f) of the by-laws:

(1) DEFINITIONS

(a) For the purposes of this code the following definitions apply:

"high-risk premises" means—

bakeries;
hotels;
canteens;
crèches;
roadhouses;
restaurants;
butcheries;
vendors of perishable foodstuffs;
caterers;
food factories;
take-aways;

"low-risk premises" means—

delicatessen;
greengrocers;
cafés;
supermarkets;
home industries;

"food preparation area" means an area where all activities in connection with food preparation take place, including the area where final preparation is done.

(2) IMPORTANT FACTORS WHEN DETERMINING SIZES

(a) Commodities to be sold.

(b) Equipment to be used.

(c) Number of employees.

(3) SIZES OF HIGH-RISK FOOD-PREPARATION AREAS

(a) The maximum surface area to be occupied by equipment shall be equal to 55% of the total preparation area, with a minimum floor area of 4 m^2 where applicable.

(b) The remaining 45% of the preparation area shall be used as unobstructed floor space for employees in the ratio of 3,5 m^2 of free floor space per person.

(c) size of a mobile food unit shall be determined in accordance with the needs.

(4) STORAGE SPACE

(a) The storage space for the commodities prepared in the food-preparation area shall be equal to a minimum of $\frac{1}{3}$ (one third) of the total preparation area. For commodities not prepared on the premises, additional storage space shall be provided.

(b) Stoorruimte vir alle laerisiko-persele sal bepaal word na gelang van behoeftes.

4. Bakke

Daar word geag dat aan die bepalings van artikel 3 (2) (a) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) HANDEWASBAKKE

(a) Indien 'n konvensionele handewasbak(ke) met lopende water in 'n gebou of kontruksie voorsien is in die kombuis vir die gebruik deur personeellede.

(b) Indien 'n konvensionele handewasbak met lopende water vir alle voedselhanteerders voorsien is in 'n woonhuis waar voedsel berei word vir verkoop aan die publiek.

(c) In gevalle waar voedsel deur die publiek in 'n gebou of kontruksie as deel van 'n besigheid se bedrywighede sittend benut word, indien 'n konvensionele handewasbak(ke) met lopende water vir die kliënte voorsien word.

(d) Indien 'n handewasbak vervaardig van duursame roesvrye syferdigte materiaal voorsien word in 'n ander voedselperseel as 'n gebou of konstruksie vir die gebruik deur personeellede werksaam daarop.

(2) OPWASBAKKE

(a) Indien 'n opwasbak, in 'n gebou of ander konstruksie voorsien is met warm en koue lopende water daaroor aangelê wat beskik oor dubbelkomme met 'n minimum diepte van 230 mm en 'n inhoud van minstens 55 ℓ en toereikende droogbladdens, vervaardig is van vlekvry staal of 'n ander duursame roesvry syferdigte materiaal, geplaas is op 'n afstand van 100 mm van enige muur af, voorsien is in lengtes van 1,8 m, 2,3 m of sodanige lengte as waarvoor daar 'n behoefte bestaan en gekoppel is aan 'n funksionele beskikkingstelsel.

(b) Indien 'n opwasbak-cum-voorbereidingsbak met lopende water in 'n residensiële perseel geïnstalleer is waar voedsel vir verkoop aan die publiek berei word, wat beskik oor 'n enkel- of dubbelkom met 'n minimum inhoud van minstens 15 ℓ per kom: Met dien verstande dat waar 'n enkelkomopwasbak geïnstalleer is, daar gebruik gemaak moet word van 'n addisionele houer wat sal dien as 'n afspoelkom wat vervaardig is van 'n duursame roesvry materiaal en gekoppel is aan 'n funksionele beskikkingstelsel.

(c) Indien 'n opwas-cum-voorbereidingsbak met lopende water voorsien is in 'n ander perseel as 'n gebou of konstruksie wat beskik oor 'n enkelkom met 'n minimum inhoud van 5 ℓ, vervaardig is van vlekvry staal of 'n ander duursame roesvry syferdigte materiaal en gekoppel is aan 'n opgaartenk vir afvalwater wat op 'n geskikte stadium in 'n funksionele beskikkingstelsel geledig word.

(b) Storage space for all low-risk premises will be determined in accordance with the needs.

4. Basins and sinks

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (2) (a) of the by-laws:

(1) WASH-BASINS

(a) If a conventional wash-basin(s) with running water is provided, in a building or construction, in the kitchen for use by staff.

(b) If a conventional wash-basin with running water is provided for all food-handlers in a dwelling where food is prepared for sale to the public.

(c) In cases where food is consumed by seated members of the public in a building or construction as part of the business's activities, if a conventional wash-basin(s) with running water is provided for the customers.

(d) If a wash-basin manufactured of durable rust-proof impermeable material is provided in food premises other than a building or construction for use by staff working there.

(2) WASH-UP SINKS

(a) If a double-basin wash-up sink with a minimum depth of 230 mm and a capacity of at least 55 ℓ is provided in a building or other construction with running hot and cold water laid on over it, which wash-up sink shall have adequate drying slabs and be manufactured of stainless steel or some other durable rust-proof impermeable material, be placed at least 100 mm from any wall, provided in lengths of 1,8 m, 2,3 m or such length as there may be a need for, and connected to a functional disposal system.

(b) If a wash-up-cum-preparation sink with running water is installed in residential premises where food is prepared for sale to the public, which sink shall have a single or double basin with a minimum capacity of at least 15 ℓ per basin: Provided that where a single-basin wash-up sink has been installed, use shall be made of an additional container, which shall serve as a rinsing sink, manufactured of a durable rust-proof material and connected to a functional disposal system.

(c) If a wash-up-cum-preparation sink with running water is provided in premises other than a building or construction, which sink shall have a single basin with a minimum capacity of 5 ℓ and be manufactured of stainless steel or some other durable rust-proof impermeable material and connectd to a storage tank for waste water which is emptied at a suitable stage into a functional disposal system.

(3) VOORBEREIDINGSBAKKE

(a) Indien 'n voorbereidingsbak(ke) in 'n gebou of ander konstruksie voorsien is met slegs koue lopende water daaroor aangelê, wat beskik oor dubbelkomme of 'n enkelkom met 'n minimum diepte van 230 mm en 'n inhoud van minstens 55 ℓ en toereikende droogbladdens indien verlang, vervaardig is van vlekvry staal of 'n ander duursame roesvry syferdigte materiaal, geplaas is op 'n afstand van 100 mm van enige muur af, voorsien is in standaard lengtes van 1,8 m, 2,3 m of sodanige lengte as waarvoor daar 'n behoefte bestaan en gekoppel is aan 'n funksionele beskikkingstelsel.

(b) Indien 'n voorbereidings-cum-opwasbak met lopende water voorsien is in 'n ander perseel as 'n gebou of konstruksie wat beskik oor 'n enkelkom met 'n minimum inhoud van 5 ℓ, vervaardig van vlekvry staal of 'n ander duursame roesvry syferdigte materiaal, en gekoppel is aan 'n opgaartenk/houer vir afvalwater wat op 'n geskikte stadium in 'n funksionele besikkingstelsel geledig word.

5. Rakke, staanders, kabinette, palette

Daar word geag dat aan die bepalings van artikel 3 (2) (h) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) SOORT MATERIALE EN KONSTRUKSIE VAN DIE RAKKE, STAANDERS, KABINETTE EN PALETTE

(a) Indien die rakke en staanders vervaardig is van staal vir die opberg, plasing en uitstal van goedere of toerusting en so hoog bokant die vloerhoogte is dat dit onbelemmerde toegang verleen vir die effektiewe skoonmaak en inspeksie van die hele vloer daaronder (minimum hoogte vanaf vloeroppervlak—150 mm).

(b) Indien die rakke en staanders vervaardig is van glad afgewerkte behandelde hout vir die opberg, plasing of uitstal van goedere of toerusting en so hoog bokant die vloerhoogte is dat dit onbelemmerde toegang verleen vir die effektiewe skoonmaak en inspeksie van die hele vloer daaronder (minimum hoogte vanaf vloeroppervlak—150 mm).

(c) Indien palette vervaardig is van glad afgewerkte behandelde hout vir die opberg of eenmalige tydelike promosie-uitstalling van goedere en die nodige apparaat (vurkhyser) geredelik beskikbaar is om die palette te skuif ten einde die vloeroppervlakte daaronder skoon te maak.

(d) Indien 'n kabinet vervaardig is van behoorlik bedekte staal vir die opberg van goedere daarin en die kabinet so geplaas of geïnstalleer is dat die perseel effektief skoongemaak kan word.

(3) PREPARATION SINKS

(a) If a preparation sink(s) is provided in a building or other construction with cold running water only laid on over it, which sink shall have a double or single basin with a minimum depth of 230 mm and a capacity of at least 55 ℓ, adequate drying slabs if required, be manufactured of stainless steel or some other durable rust-proof impermeable material, placed at a distance of 100 mm from any wall and provided in standard lengths of 1,8 m, 2,3 m or such length as a need for may exist, and connected to a functional disposal system.

(b) If a preparation-cum-wash-up sink with running water is provided on premises other than a building or construction, which sink shall have a single basin with a minimum capacity of 5 ℓ, be manufactured of stainless steel or some other durable rust-proof impermeable material and connected to a storage tank/container for waste water which is emptied at a suitable stage into a functional disposal system.

5. Shelves, stands, cabinets, palets

The stipulations of the by-laws in terms of section 3 (2) (h) shall be deemed to have been met by the terms of the codes below:

(1) TYPE OF MATERIALS AND CONSTRUCTION OF THE SHELVES, STANDS, CABINETS AND PALLETS

(a) If the shelves and stands are manufactured of steel for storing, placement or display of goods or equipment and are at such a height above floor level that unobstructed access is provided for effective cleaning and inspection of the entire floor below them (minimum height from floor surface—150 mm).

(b) If the shelves and stands are manufactured of smooth-finish treated wood for storing, placement or display of goods or equipment and are at such a height above floor level that unobstructed access is provided for effective cleaning and inspection of the entire floor below them (minimum height from floor surface—150 mm).

(c) If pallets are manufactured of smooth-finish treated wood for storing or once-only temporary promotional display of goods, and the necessary apparatus (forklift) is readily available to move the pallets in order to clean the floor below them.

(d) If a cabinet is manufactured of properly coated steel for storing goods in it and the cabinet is placed or installed such that the premises can be effectively cleaned.

(e) Indien 'n kabinet vervaardig is van duursame glad afgewerkte en behandelde hout vir die opberg van goedere daarin en die kabinet so geplaas of geïnstalleer is dat die perseel effektief skoongemaak kan word.

6. Uitstal of berg van onverpakte voedsel in oop houers

Daar word geag dat aan die bepalings van artikel 7 (4) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) Indien die voedsel opgeberg of uitgestal word op rakke of staanders vervaardig ooreenkomstig die kode onder artikel 5, maar ten minste 500 mm bokant die vloerhoogte is.

7. Uitsuigstelsels

Daar word geag dat aan die bepalings van artikel 3 (2) (g) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) Indien 'n kap 'n uitleiding het wat die gasse en dampe op so 'n wyse wegvoer dat dit nie 'n oorlas vir die omgewing inhou nie.

Die installasie moet 'n drieledige doel dien:

(a) Dit moet stoom en vet uit die kookgebied verwyder om te voorkom dat dit versprei en op die mure en plafon van die kamer kondenseer.

(b) Dit moet voorkom dat kosreuke die res van die perseel deurdring.

(c) Dit moet die kamer belug en oormatige hitte verwyder.

Ten einde hieraan te beantwoord, moet die toestel behoorlik ontwerp, aangebring en in stand gehou word.

(2) Indien 'n kap aan die volgende maatstawwe voldoen:

(a) Die binnerand van die kap moet aan alle oop kante 'n horisontale afstand van minstens 230 mm by die kooktoestel(le) verbysteek.

(b) Die rand van die kap moet hoogstens 2 m van die vloer af wees.

(c) Die diepte van die kap, van die onderste rand af tot by die boonste rand, moet minstens 600 mm wees.

(d) Daar moet 'n suigwaaier aan die kap aangebring word wat so 'n vermoë het dat dit sal verseker dat 'n lugbeweging bewerkstellig word wat voldoende sal wees om die totale konveksiestroom van hitte en stoom, gegenereer deur die verhittingsproses, te verwyder.

(e) Die hele kap moet so ontwerp en gebou wees dat dit maklik skoongemaak kan word en in 'n versamelbak dreineer wat maklik verwyder kan word om skoongemaak te word.

(f) Wanneer daar vetopvangers verskaf word, moet hulle maklik skoongemaak kan word en in 'n versamelbak dreineer wat maklik verwyder kan word om skoongemaak te word.

(e) If a cabinet is manufactured of durable smooth-finish and treated wood for storing goods in it and the cabinet is placed or installed such that the premises can be effectively cleaned.

288

6. Display or storage of unwrapped food in open containers

The stipulations of the by-laws in terms of section 7 (4) shall be deemed to have been met by the terms of the codes below:

(1) If the food is stored or displayed on shelves or stands manufactured in terms of the code under section 5, but are at least 500 mm above the floor level.

7. Extraction systems

The stipulations of the by-laws in terms of section 3 (2) (g) shall be deemed to have been met by the terms of the codes below:

(1) If a hood has an extraction flue which disposes of the gases and vapours in such a way that no nuisance to the environment is created.

The installation shall serve a threefold purpose:

(a) It shall remove steam and grease from the cooking area in order to prevent it from spreading and condensing on the walls and ceiling of the room.

(b) It shall prevent food odours from penetrating the rest of the premises.

(c) It shall aerate the room and remove excess heat.

To this end, the device shall be properly designed, installed and maintained.

(2) If a hood meets the following criteria:

(a) The inner edge of the hood shall at all open ends project a horizontal distance of at least 230mm beyond the cooking device(s).

(b) The edge of the hood shall be a maximum of 2m from the floor.

(c) The depth of the hood, from the bottom edge to the top edge, shall be at least 600 mm.

(d) An extraction fan having a capacity which will ensure that air movement is established which is adequate to remove the total convection stream of heat and steam generated by the heating process shall be fitted to the hood.

(e) The entire hood shall be designed and built such that it is easy to clean and drains into a drip tray which is easily removed for cleaning.

(f) When grease traps are provided it shall be possible to clean them easily and they shall drain into a drip tray that is easily removed for cleaning.

(g) Tensy daar filters in die kap aangebring is, moet daar 'n verwyderbare bak in die kap aangebring word om die vet wat van die leiding afdrup op te vang.

(h) Indien vetfilters verskaf word—

(i) moet die waaier die wrywingsverlies van die betrokke soort filter onder werktoestande kan oorkom;

(ii) moet die totale filteroppervlakte sodanig wees dat die vereiste hoeveelheid lug wat die vervaardigers aangee as die ontwerpvermoë van die filters wat gebruik word, kan instroom;

(iii) moet die filtereenhede maklik verwyder kan word om skoongemaak te word;

(iv) moet daar opvangbakke aan die onderpunt van die filters geplaas word om opgegaarde vet wat nie aan die filter vassit nie op te vang;

(v) moet al die onderdele van die filters niebrandbaar wees;

(vi) moet die minimum afstand tussen die onderpunt van die filter en die kookoppervlak as volg wees ten einde die brandgevaar te verminder:

(aa) Geen oop vlam nie—750 mm.

(bb) Oop vlam van die houtskool tipe—1,5 m.

(cc) Ander oop vlam as in (ii)—1,0 m.

(i) Die uitleiding van die kap moet so 'n deursnee-oppervlakte hê dat die lugsnelheid in die leiding minstens 450 m/min. en hoogstens 670 m/min. is, en moet so gebou wees dat dit nie 'n getrommel of ander steurende geraas veroorsaak nie.

(j) Die uitleiding moet die gasse en dampe op sodanige hoogte en posisie of wyse wegvoer dat dit nie 'n oorlas vir die omgewing inhou nie.

(k) Daar moet gesorg word dat genoeg lug die kamer kan binnekom.

(3) Tekeninge en spesifikasies van alle kappe moet aan die Stadsgesondheidsafdeling voorgelê word sodat dit goedgekeur kan word voordat dit geïnstalleer word.

(4) Die voorgaande vereistes beteken nie dat geen ander installasies aangebring kan word nie, mits sodanige ander installasie net so doeltreffend is.

8. Oorklere/Klere

Daar word geag dat die bepalings van Artikel 9 (2) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) Indien elke persoon wat onverpakte oop voedsel, uitgesonderd vrugte en groente, vir verkoop aan die publiek verwerk, berei, vervaardig of verpak—

(a) oorklere dra vervaardig van 'n ligkleurige wasbare materiaal wat die liggaam van die nek tot minstens by die heupe bedek, met moue wat minstens tot tussen die skouer en die elmboog strek of die arm met 'n noupassende snit tot by die gewrig bedek;

(g) Unless the hood is fitted with filters there shall be a removable tray in the hood to catch the grease dripping from the flue.

(h) If grease filters are provided—

(i) the fan shall be able to overcome the friction loss of the type of filter under operating conditions;

(ii) the total filter area shall be such as to let in the required amount of air as specified by the manufacturer as the design capacity of the filter;

(iii) the filter units shall be easily removed for cleaning;

(iv) drip trays shall be placed at the bottom end of the filters to trap accumulated grease which does not adhere to the filter;

(v) all the components of the filter shall be fireproof; and

(vi) the minimum dimension between the bottom end of the filter and the cooking surface shall be as follows to minimise the fire hazard:

(aa) No naked flame—750 mm.

(bb) Naked flame of the charcoal type—1,5 m.

(cc) Naked flame other than as in (ii)—1,0 m.

(i) The extraction flue of the hood shall have such a cross-sectional area that the air velocity in the flue is at least 450m/min and not more than 670m/min, and shall be built such that it does not cause a rumbling or other irritating noise.

(j) The extraction flue shall dispose of the gases and vapours at such height and position or manner that it does not constitute a nuisance to the environment.

(k) It shall be ensured that sufficient air can enter the room.

(3) Drawings and specifications of all hoods shall be submitted to the City Health Department for approval before installation.

(4) The foregoing requirements do not mean that no other installations are permitted, provided that such other installation shall be equally effective.

8. Overalls/Clothing

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 9 (2) of the by-laws:

(1) If any person who processes, prepares, manufactures or packages unwrapped open food, excluding fruit and vegetables, for sale to the public—

(a) wears overalls manufactured of a light-coloured washable material which cover the body from the neck to at least the hips, with sleeves extending to at least between the shoulder and the elbow or covering the arm in a close fit to the wrist;

(b) 'n weggooibare/wasbare voorskoot oor sy normale kleredrag dra wat strek van die boonste gedeelte van die bors tot ongeveer by die middel van die bobeen;

(c) normale klere dra wat ooreenkomstig die maatskappy se beleid beskou kan word as 'n uniform, tesame met 'n voorskoot wat strek van die middellyf tot ongeveer by die middel van die bobeen.

(2) Indien elke persoon wat onverpakte bereide voedsel aan die publiek bedien om op die perseel te nuttig—

(a) wasbare oorklere dra wat die liggaam bedek van die nek tot minstens by die middellyf met moue wat minstens tot tussen die skouer en die elmboog strek;

(b) 'n wasbare voorskoot bo-oor sy klere dra wat strek van die middellyf tot ongeveer by die middel van die bobeen;

(c) klere dra wat ooreenkomstig die maatskappy se beleid beskou kan word as 'n uniform, tesame met 'n voorskoot wat strek van die middellyf tot ongeveer by die middel van die bobeen.

(3) Indien elke persoon wat dierekarkasse of onverpakte gedeeltes van dierekarkasse na 'n afleweringsvoertuig dra of van 'n afleweringsvoertuig na 'n voedselperseel dra oorklere dra vervaardig van 'n ondeurdringbare gladde materiaal met moue wat die hele arm bedek en voorsien is van 'n hoofbedekking wat so vervaardig is dat dit sal verhoed dat enige gedeelte van die kop of nek in aanraking met enige gedeelte van sodanige karkas kom.

(4) Indien elke persoon wat dierekarkasse of onverpakte gedeeltes van dierekarkasse op 'n perseel voorberei vir verkoop van die publiek 'n wasbare/wegdoenbare slagtersvoorskoot bo-oor sy klere dra wat strek van die bobors tot by die knieë.

(5) Indien elke persoon wat betrokke is by die slag van diere en die afslag van dierekarkasse by 'n abattoir 'n wasbare oorpak dra wat die hele liggaam van die nek tot by die enkels bedek, met moue wat minstens tot tussen die skouer en die elmboog strek.

(6) Indien elke persoon wat betrokke is by die opsny van dierekarkasse by 'n abattoir—

(a) 'n wasbare oorjas dra wat tot ongeveer by die middel van die bobeen strek, met moue wat minstens tot tussen die skouer en die elmboog strek;

(b) 'n wasbare oorbaadjie en voorskoot dra. Die oorbaadjie moet strek van die nek tot minstens by die heupe, met moue wat minstens tot tussen die skouer en die elmboog strek. Die voorskoot moet strek van die middellyf tot minstens by die middel van die bobeen.

9. Verklee- en eetarea of -ruimte met klereopberggeriewe

Daar word geag dat daar aan die bepalings van artikel 3 (2) (e) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) VERKLEE- OF EETAREA OF -RUIMTE

(a) Raadpleeg die Gesondheidsbeampte ten opsigte van 'n verklee-/eetarea vir minder as ses persone in diens.

(b) wears a disposable/washable apron over his normal clothing extending from the upper chest to about the middle of the thigh;

(c) wears normal clothing which may be regarded, in terms of company policy, as a uniform, together with an apron extending from the waist down to about the middle of the thigh.

(2) If any person who serves unwrapped prepared food to the public for consumption on the premises—

(a) wears overalls which cover the body from the neck to at least the waist, with sleeves extending to at least between the shoulder and the elbow;

(b) wears a washable apron over his clothing extending from the waist to about the middel of the thigh;

(c) wears clothing which may be regarded, in terms of company policy, as a uniform, together with an apron extending from the waist down to about the middle of the thigh.

(3) If any person who carries animal carcassed or unwrapped parts or animal carcasses to a delivery vehicle or from a delivery vehicle to food premises wears overalls manufactured of an impermeable smooth material with sleeves which completely cover the arms and is provided with a headgear manufactured in such a way as to prevent any part of the head or neck from coming into contact with any part of such carcass.

(4) If any person who prepared animal carcasses or unwrapped parts of animal carcasses on premises for sale to the public wears a washable/disposable buther's apron over his clothing which extends from the upper chest to the knees.

(5) If any person involved in slaughtering animals and skinning animals carcasses at an abattoir wears a washable overall which covers the entire body from the neck to the ankles, with sleeves extending to at least between the shoulder and the elbow.

(6) If any person involved in cutting up animal carcasses at an abattoir—

(a) wears a washable overcoat extending to about the middle of the thigh and having sleeves extending to at least between the shoulder and the elbow;

(b) wears a washable overjacket and apron. The overjacket shall extend from the neck to at least the hips, with sleeves extending to at least between the shoulder and the elbow. The apron shal extend from the waist to at least the middle of the thigh.

9. Change-room and dining area or space with clothes storage facilities

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 3 (2) (e) of the by-laws:

(1) CHANGE-ROOM/DINING AREA OR SPACE

(a) Consult the Health Officer about a change-room/dining area for fewer than six persons employed.

(b) Waar ses of meer persone in diens is indien 'n aparte verklee-/eetarea vir die geslagte met 'n minimum vloeroppervlakte van 6 m^2 voorsien word vir die eerste ses persone, met 0,750 m^2 vloeroppervlakte addisioneel vir elke persoon meer as ses.

(c) Indien die verklee-/eetarea voorsien is van—

(i) genoeg tafels en stoele vir die getal persone wat sodanige verklee-/eetarea sal gebruik;

(ii) genoegsame wasgeriewe; en

(iii) voldoende klere-opberggeriewe vir elke werknemer wat voedsel hanteer, welke geriewe van die volgende tipe kan wees:

(aa) Metaal- of draad-toesluitkassies.

(bb) Draadmandjies.

(cc) Enige ander goedgekeurde tipe klere-opberggerief.

(2) EETAREA

Waar 25 of meer persone in diens is, indien 'n afsonderlike eetarea met 'n minimum vloeroppervlakte van 15 m^2 voorsien word vir die eerste 25 persone, met 0,550 m^2 vloeroppervlakte addisioneel vir elke persoon meer as 25; met dien verstande dat 'n kleedkamer steeds vereis word.

10. Voedselsmouse

Daar word geag dat aan die bepalings van artikel 7 (6) van die verordeninge voldoen word deur voldoening aan die bepalings van die ondergenoemde kodes:

(1) KATEGORIEË VAN VOEDSEL

Vir doeleindes van hierdie kodes word voedsel waarmee gesmous word in die volgende kategorieë ingedeel:

(a) *Kategorie A*

Vrugte en groente.

(b) *Kategorie B*

Fabrieksverpakte roomys, sorbet, bevrore suikergoed, melk en melkprodukte, vrugtesappe en ander koeldrank wat verkoel moet word.

(c) *Kategorie C*

Fabrieksverpakte lekkers, neute, biltong, soet en sout happies, snoeperye, koeldrank wat teen kamertemperatuur opgeberg kan word, suikerdons en springmielies.

(d) *Kategorie D*

Gaar worsies gereed vir verbruik wanneer dit verkoop word sonder dat enige verdere bereiding nodig is, met dien verstande dat sodanige worsies verder berei kan word slegs deur dit in warm water te plaas. Gaar vleispasteitjies gereed vir onmiddellike verbruik. Broodrolletjies, worsbroodjies en toebroodjies. Gekookte eiers, tee, koffie en ander voorafverpakte drank. Enige ander goedgekeurde voedsel.

(b) If, where six or more persons are employed, a separate change-room/dining area for the sexes with a minimum floor area of 6 m^2 is provided for the first six persons, with an additional 0,750 m^2 of floor area for each person in excess of six.

(c) If the change-room/dining area is provided with—

(i) sufficient tables and chairs for the number of persons which will be using such change-room/dining area;

(ii) adequate ablution facilities; and

(iii) adequate clothing storage facilities for each employee who handles food, which facilities may be of the following type:

(aa) Metal or wire lockers.

(bb) Wire baskets.

(cc) Any other approved type of clothing storage facility.

(2) DINING AREA

If, where 25 of more persons are employed, a separate dining area with a minimum floor area of 15 m^2 is provided for the first 25 persons, with an additional 0,550 m^2 of floor area for every person in excess of 25; provided that a change-room is still required.

10. Food vendors

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 7 (6) of the by-laws:

(1) CATEGORIES OF FOOD

For the purposes of these codes vended food is classified into the following categories:

(a) *Category A*

Fruit and vegetables.

(b) *Category B*

Factory-packed ice cream, sherbet, frozen confectionery, milk and milk products, fruit juices and other cold drinks which have to be refrigerated.

(c) *Category C*

Factory-packed sweets, nuts, biltong, sweet and savoury snacks, dainties, cold drinks which may be stored at room temperatures, candy-floss and popcorn.

(d) *Category D*

Cooked sausages ready for consumption when sold without any further preparation being necessary, provided that such sausages may be prepared further by placing them in hot water. Baked meat pies ready for immediate consumption. Bread rolls, hot dogs and sandwiches. Boiled eggs, tea, coffee and other prepacked beverages. Any other approved food.

(2) Die eienaar moet jaarliks vir elke voertuig wat gebruik word vir die smous van voedsel 'n permit bekom van die Gesondheidsdepartement en moet die nommer van die permit op sodanige voertuig aanbring.

(3) Die naam en adres van die voedselsmous moet duidelik leesbaar en onuitwisbaar op 'n opsigtelike plek op die voertuig aangebring word.

(4) Wanneer onverpakte voedsel op 'n voertuig hanteer word, moet sodanige voertuig so ontwerp en gebou wees dat minstens 0,8 m^2 vrye vloerruimte per persoon op die voertuig beskikbaar is.

(2) The owner shall annually, in respect of every vehicle used for vending food, obtain a permit from the Health Department and shall affix the number of such permit to such vehicle.

(3) The name and address of the food vendor shall be indelibly and legibly affixed to the vehicle in a conspicuous place.

(4) When unwrapped food is handled on a vehicle, the design and construction of such vehicle shall be such that at least 0,8 m^2 of free floor space per person is available in the vehicle.

11. Tuisnywerhede

Daar word geag dat aan die bepalings van artikel 7 (7) van die verordeninge voldoen word deur die voldoening aan die bepalings van die ondergenoemde kodes:

(1) Slegs banketgebak, worsrolletjies, vleispasteitjies, terte, ingemaakte of gedroogde vrugte en groente, lekkergoed, konfyt- en vrugtekonserf en jellie mag in 'n privaat woning vir verkoop berei of verwerk word.

(2) Geen voedingsmiddels wat in 'n privaat woning berei of verwerk is, mag verkoop word op 'n ander perseel as 'n perseel wat vir die verkoop van voedsel goedgekeur en geregistreer is nie.

11. Home industries

Compliance with the stipulations of the codes below shall be deemed to be compliance with the stipulations of section 7 (7) of the by-laws:

(1) If only confectionery, sausage rolls, meat pies, tarts, canned or dried fruit and vegetables, sweets, jam and fruit preserves and jelly are prepared and processed for sale in a private dwelling;

(2) If no foodstuff prepared or processed in a private dwelling is sold on premises other than premises approved and registered for the sale of food.

BYLAE A

MAKSIMUM TEMPERATURE WAARBY BEDERFBARE VOEDSEL VERVOER, UITGESTAL EN GEBERG MOET WORD

Kolom 1	Kolom 2	Kolom 3	Kolom 4	Kolom 5
Kategorie	Voedingsmiddel	Temperatuur: Koelkamer/ Vrieskamer: Vervaardiger	Temperatuur: Koelkamer/ Vrieskamer: of vragruim: Verspreider, kleinhandelaar en aflewerings-voertuig	Temperatuur: Uitstallings-kabinet: Verbruikers-punte
1. Bevrore produkte.....	Roomys en sorbet met uitsondering van sorbet wat gebruik word vir die maak van sorbethorinkies	−25 °C	−22 °C	−19 °C
	Enige ander voedsel wat bevrore gehou moet word om bederf te voorkom	−18 °C	−15 °C	−12 °C
2. Verkoelde produkte ..	Vars vleis, vis en pluimveevleis	− 1 °C	+ 1 °C	+ 2 °C
	Deelsgekookte, geprosesseerde semi-gepreserveerde of gepreserveerde voedselprodukte wat verkoel gehou moet word om bederf te voorkom	− 1 °C	+ 1 °C	+ 4 °C

ANXIOUS PUNTERS *keep their distance*

Gamblers shun city casinos

Star 26/9/92

288

THE NUMBERS at city dens have dived since the announcement of pending legislation to crack down on gambling, reports MANDY JEAN WOODS.

ATTENDANCES at city casinos country-wide have experienced a drop of at least 50 percent since last weekend's announcement by President de Klerk that so-called "hard" gambling would be banned by legislation expected to be passed by Parliament at its special 10-day sitting beginning on October 12.

Casino operator Hymie Sussman says one of his group's newest casinos, Cradocks in Rosebank, has to date enjoyed full-house attendances on Saturday nights — "but last Saturday there were only four people there".

Gambling Association of South Africa (Gasa) committee member Frank Scheepmaker says casinos have been swamped with calls from people asking whether casinos are still open and expressing concern that they may be arrested.

"The statements by De Klerk and Deputy Law and Order Minister Gert Myburgh have had a huge effect. They have frightened people away and the situation is unlikely to change much until the matter is resolved," he says.

Gasa will be taking out full-page ads in national newspapers next week on the days it is presenting its case to the Parliamentary Standing Committee on Justice which is meeting in Pretoria to consider the final draft of the Gambling Amendment Bill.

If the committee approves it — and there is some dissension about whether or not this will happen — then the Bill will most likely be passed by all the Houses of Parliament and become law shortly afterwards. "We are going to fight this matter tooth and nail to the bitter end," Scheepmaker says.

Gasa supports the establishment of a strictly regulated gambling environment.

According to a document compiled by Gasa and submitted to the Standing Committee on Justice, it is clear that a "demand for gambling exists and is undeniable and, irrespective of any legislation which the Government passes, will not go away.

"What could be open, controlled and a source of enjoyment for the people and revenue for the State will mutate — if banned — into something sleazy, exploitative and riddled with vice, corruption and human tragedy."

Banning "hard" gambling would simply drive the industry underground and open it up to a criminal element, the Gasa report warns.

Gambling plan to raise millions

5/Times (Bus57) 27/9/92 (288) 27/9/92

By CHERILYN IRETON

A PLAN that would generate millions of rands for the Government and end Sun International's gambling monopoly will be presented tomorrow.

It is a last-ditch attempt to change the official stance on legalised gaming.

The proposal offers the cash-strapped authorities a way of collecting about R20-million from gambling licences and hundreds of millions more through VAT charged on casinos' gross winnings and increased company taxes.

The plan will be presented to the Select Committee on Justice by Karos chairman Selwin Hurwitz when it sits for the last time in Pretoria.

The meeting will consider changes to the Gambling Act to be put to Parliament at its special sitting in October.

Rooms

Mr Hurwitz is tired of "selective morality on gambling issues". He says the Government must look beyond the inevitable reincorporation of the TVBC states in South Africa.

It should avoid introducing hasty legislation that would entrench Sun International's casino monopoly. He says the monopoly has had a crippling effect on the domestic hotel trade in the past 15 years.

Mr Hurwitz proposes that only four- and five-star hotels — with a minimum of 100 rooms — be granted casino licences.

This would put an end to the estimated 1 000 small suburban-type casinos that have sprung up. It would open gaming to hotel operators other than Sun International.

It would provide the State with additional revenue.

Mr Hurwitz says suburban gaming halls are not paying licence fees or VAT. Tax payments by Sun International to Bophuthatswana are heavily diluted by allowances for capital expenditure projects such as the R800-million Lost City project, maintaining the indirect burden for revenue on SA taxpayers.

If hotels' income increases as a result of gaming, so would their corporate tax contributions.

There are 41 four- and five-star hotels in SA spread among private groups and individuals. Mr Hurwitz suggests that those who want gaming licences pay R500 000 for the initial one and thereafter high annual renewal fees.

"Government has to level the playing fields. It must on the one hand eliminate the small non-hotel operators who have no basis for continued existence and hold no benefits for the tourism industry and on the other hand it must end Sun International's monopoly."

Mr Hurwitz claims that Sun International's profit of R200-million in the year to June 1992, earned mostly from homeland operations, is more than the entire South African hotel trade earned in the same time.

Open

"Casinos are an integral part of the hotel industry. If we want a tourism industry then we have to ensure that gambling operates in an open but regulated manner."

Mr Hurwitz says a minimum of 100 rooms as a prerequisite for a licence would eliminate the building of small predominantly gaming hotels.

Three-star hotels would be encouraged to upgrade their facilities. That would help to meet the expected boom of high-quality tourists prepared to spend money.

Existing controls in the hotel trade, such as the liquor and hotel boards, would be sufficient to regulate gaming which would be restricted to people over the age of 18.

President De Klerk's statement that hard gambling will not be tolerated has given hoteliers little hope that they will be able to enter the gaming business.

Mr De Klerk says he has no doubt that gambling in the homelands will continue — whether or not they are reincorporated.

If the Gambling Amendment Bill goes through as is, it will outlaw casinos not in the homelands and will close the loophole that allowed games of "skill" to flourish. The Bill was tabled in Parliament this year, but was not passed because of strong opposition.

Mr Hurwitz urges the Government to consider the gambling issue responsibly by appointing a properly constituted commission or by extending the brief of the new commission under the chairmanship of Mr Justice Howard.

Car prices up 3%

5/Times (Bus57) 27/9/92

By DON ROBERTSON

CAR manufacturers will raise prices by about 3% this week. The increases will be lower than expected. They will take the increase in car prices for the year to between 11% and 12%.

This is the fourth round of increases for most manufacturers, all of which are concerned about the rising cost of vehicles.

At a maximum of about 14%, the increases are well below forecasts earlier this year when some manufacturers feared they would exceed the inflation rate. Last year, average price rises for cars were 18%.

Car sales this year are now expected to reach only 177 000, the lowest since 1977. This compares with projections at the beginning of the year of as high as 208 000 and last year's sales of 197 700. Light commercial sales are now expected to be 90 500 compared with the forecast of 104 500. Sales in 1991 numbered 100 400.

The industry estimates that about 85% of new cars are bought by the corporate sector and fleet companies. The affordability problem for the private motorist has become a significant factor and most manufacturers are compelled to price competitively.

In the small-car market, the price of the Fiat Uno has risen by 8% this year, the Mazda 323 and Toyota Corolla by 6%.

A small car cost 65% of the average family income in 1961. This rose to 90,2% in 1986 and to 96,5% last year.

Market leader Toyota will maintain prices until November 1 and then any increase is likely to be small.

Price rises to date have been kept at 9,2% throughout the range. The cost of top-selling Corolla has risen about 6%. The price rise for the year on this model will probably be kept to 9%. The overall increase should be about 12%.

Nissan has held price rises to 6,4% on average so far.

BMW has lifted prices by between 2,3% and 3% each quarter.

SA throws keys away

ST Times (B455) 27/9/92.

By KEVIN DAVIE: Washington

SOUTH AFRICA lost out this week on possibly a once-off opportunity to maximise its position in the world's most powerful financial institution, the International Monetary Fund.

"It was like throwing away the keys to the bank vault," says one observer.

At stake were the alternate director positions in the new Swiss-led constituency at the IMF and World Bank. The Swiss now hold the executive director positions on both boards. SA stood to get the two alternate positions permanently.

Poland

The Swiss constituency, which includes Poland and former Soviet republics Azerbaidjan, Tadjikistan, Usbekistan and Kirghizia, has only a few members. But including SA, it would be about 14th in voting power.

The inability of the Government and the ANC to reach consensus led the Swiss to give the two alternate director positions to Poland, the second-largest country in the constituency in voting power.

Although the issue had not been settled, it was believed that SA stood to get these two positions because its voting quota at the IMF exceeds that of Poland. Discussions between the Swiss and SA began some months ago and continued this week as Wednesday's voting deadline approached.

The Swiss had in the meantime promised the alternate director positions to the Poles. This meant that even if SA had joined the Swiss constituency, it would have been without the positions of the two alternate directors.

SA is unable to vote at the IMF because it does not belong to a constituency. It has a permanent representative at the IMF. Joining the Swiss constituency would have meant the loss of this permanent representative.

SA can still join a constituency — the Swiss have indicated that they are keen for it to happen. But SA is unlikely to get the alternate director positions permanently.

Finance Minister Derek Keys says: "Our interests will be adequately represented until there is an interim government."

He says the discussions with the Swiss were conducted intermittently for about two or three months.

Reserve Bank Governor Chris Stals says SA had the potential to negotiate a good position, but the failure to do so was part of the frustrations it faces. He says the Swiss constituency was not the only possibility.

Dr Stals says a daunting question is whether SA should be part of one of the African groups in the IMF.

Delays

The ANC's Trevor Manuel says the issue should ideally stand over. SA's 1% voting quota is "fairly tradeable".

Mr Manuel says the ANC was not responsible for the failure to join a constituency this week: "There were delays from their side. There was awareness of the issue for nine months."

Mr Manuel blames the delayed political process: "We all expected that an interim government would already be in place."

A boost for the islands

By CHERILYN IRETON

ST Times (B455)

THE deal that put Sol Kerzner back in charge of Sun International has spilled over into the group's Indian Ocean island operations which are to be consolidated and expanded. 27/9/92

Hotels in the Comoros and Mauritius will now fall under the banner of World Leisure Holidays, Mr Kerzner's tour wholesaler. It previously specialised in holiday packages to the Le Galawa Beach Hotel in the Comoros.

The enlarged World Leisure Holidays now includes the three Sun Resorts Mauritius hotels of Le Saint Geran, Le Touessrok and La Pirogue. It has set a turnover target of R60-million.

Although the deal is essentially an in-house restructuring, it gives World Leisure Holidays a new partner, Island Blythe (Mauritius). This group was a shareholder in Sun Resorts Mauritius. (288)

It has extensive interests in tour operations for the inbound traveller to Mauritius, Seychelles and the Comoros. It owns the Avis car-hire franchise on the three islands and serves about 100 000 tourists a year.

Bruce Hutchison, managing director of World Leisure Holidays, says the group now has an integrated travel operation which will enable marketing funds to be focused. It will stimulate expansion, particularly in the Seychelles.

Of the expected turnover of R60-million, about R6-million will go to retail agents in commission, R11,2-million to airlines and R37,5-million into the island economies.

Comores: 'No tourism drop'

CT 28/9/92
288

By AUDREY D'ANGELO
Business Editor

CHEAPER air fares to Europe have not affected the number of South Africans going on holiday to the Comores, says Bruce Hutchison, MD of World Leisure Holidays.

At present his company is sending 8 500 people a year from this country to the Le Galawa Beach Hotel on Grande Comore.

Lower prices

Now it is about to take over the marketing of package holidays at three hotels in Mauritius, as well.

This, says Hutchison, will result in lower prices through economies of scale "and even better value for money.

"We do not regard ourselves as competing with the airlines introducing new cut-rate services between SA and Europe because we are offering a different type of holiday.

"And South Africans flying to Europe find their rands do not go very far. They may go to the Indian Ocean once a year, or more, but a European holiday is somthing they may take only every two or three years.

"We are offering exceptional value for money — the air fare and seven nights in the Comores, with breakfast and dinner, currently cost R3 111 from Johannesburg on the Apex rate booked 42 days in advance.

"Without advance booking the normal rate is R3 499. But the senior citizen's package, available to people over 50 until the peak season starts in December, is only R2 999."

SA based World Leisure Holdings is a subsidiary company in the Sun International group.

Package holidays

This weekend Sun Resorts Mauritius — in which the controlling shareholders are Sun International (SA) and Island Blythe (Mauritius) — took a major stake in World Leisure Holdings and the Le Galawa Beach Hotel.

As a result, Hutchison told members of the travel trade, World Leisure Holdings will be marketing package holidays in three hotels on Mauritius — Le St Gerain, Le Touessrok and La Pirogue as well as the Comores.

His goal is an annual turnover of R60m.

Playing with a stacked deck

STAR 28/9/92.

(288) (292)

ONLY in South Africa could the Government turn gambling into a lose-lose situation for all the players. No-one wins with the succession of bizarre turns of the wheel we've seen so far with the Gambling Amendment Bill

In an attempt to hold all the aces with various constituencies the Government plays with not one stacked deck, but several. A supposed "moral majority" within rank-and-file National Party support has qualms about legalising the vice of gambling.

Yet, unusually, certain Nat MPs have broken the wall of caucus discipline and expressed unprecedented public doubts about the latest legislative moves to curb aspects of gambling in South Africa, but to ease restrictions for charitable gambling. Hence the wholly fictitious distinction between "soft" (acceptable) gambling and "hard" (sinful) gaming.

This is double-dealing in anyone's language. The Government is creating a distinction without a difference. The diffidence and the double-standards seen here plague the Government in its approach to other constituencies.

Its shrinking revenue and the growing bill for the sins of the apartheid past create a desperate need for cash. The use of lotteries to fund social spending is standard practice in many countries. So principle is sacrificed to pragmatism and a Commission of Inquiry is announced into lottery-style or sports-pools funding for welfare, health and education.

It is to be headed by Mr Justice Howard, Judge President of Natal. Fair enough, but what a hesitant and shame-faced way of tackling an issue that has been in the realm of public debate for at least a generation.

At the same time, the Government, through the Gambling Amendment Bill, seeks to close the loophole that has seen a proliferation of suburban casinos throughout South Africa.

The Bill is due to be discussed by the Justice Standing Committee; and President de Klerk has announced his intention to enact it in October. These casinos are now to be made firmly illegal in a kneejerk reaction that gives every indication of being an attempt to protect those children of apartheid — the homelands.

The casino business in the TBVC states is to be protected by clamping down on South African gamblers who gamble close to home. In effect, it means the monopoly enjoyed in the homelands by Sun International will be shored up by an Act of Parliament.

And the Cabinet dealing the cards in this situation claim to be converts to the doctrine of the free market! What we are getting here is a quick shuffle of the cards that takes no account of the fact that the dealer will soon be changed and the new game could very well be "reintegration".

A short-term sop to Sun International and the favoured status of TBVC casino operation could needlessly complicate the already thorny process of reintegrating the homelands into South Africa. Can we have gambling at Babelegi, but no gaming in "pure" Pretoria just 15 minutes' drive away? Protection to provincial/homeland gaming already affects the South African horse-racing industry — which at least pays a levy so the South African taxpayer benefits from the wagers of the South African punter.

The Democratic Party would favour strict "house rules" for gaming in South Africa which recognised the following realities:

1. Gambling can be addictive; it is not recommended, but Government is not in business to police ever moral nook and cranny of its citizens. People have a right to choose; even to choose to lose their money if they so wish. So-called "hard" gambling should also be subject to scrutiny by the Howard Commission of Inquiry for a determination as to how it can be strictly controlled and regulated inside South Africa.

2 The homelands precedent shows that substantial revenues can be provided to government by the casino industry. Sun International has proved that casinos linked to hotel resorts can boost tourism and provide jobs. This precedent should inform and guide our approach. Horse-racing in South Africa is one of the chief contributors to provincial coffers. 15 percent of all betting revenues is paid over by the racing industry to Pretoria. At the moment, local casinos operate with no such obligation.

3. Though legal, casino and gaming clubs need to be regulated and controlled — the provincial policing of the horse-racing industry is a good example of controls that work. We also don't require, or need, a casino in every cafe or suburb. A gaming commission should be established to set strict and objective grounds for granting gaming licenses.

4. The structure of the gambling industry and the running of lotteries and pools should be designed to provide on-going funding for social projects.

Such a open and pragmatic approach would at least ensure a fair deal all round.

At present, the double-standards and hypocrisy only increase contempt for the law. The danger is that current efforts to close loopholes while appearing to favour homeland monopolies will drive the suburban casinos underground.

Valuable police time will then be taken up on the new suburban casino beat when much more pressing matters should be focusing their attention.

A similar point can be made about the valuable time that Parliament is now lavishing on these problems of the Government's making.

The Gambling Amendment Bill is so much legislative junk food. It bloats the system; takes time to digest and diverts attention from the main course ... making progress toward a democratic South Africa. □

● *Tony Leon is the Democratic Party's spokesman on Justice.*

Casino pickets target parliament

288

LINDA ENSOR

CAPE TOWN — About 80 casino operators and staff members protested outside Parliament yesterday against the threatened shutdown of gaming establishments.

Posters carried by the demonstrators said, among other things: "Stop the violence not fun"; "Don't rob us of our jobs"; "Free enterprise is a Fairy Tale".

Signatures were also collected for a petition objecting to President F W de Klerk's announced intention of prohibiting casinos in SA. The petition called for the establishment of a commission to investigate all aspects of the matter.

"One wonders what pressure group can have such power and influence that even the government throws recognised democratic principles overboard," the petition said. It accused the government of double standards in allowing horse racing and other forms of gambling.

Director of one of Cape Town's largest casinos, Crown Casino Club's Gerhard Stotzel, said the demonstration was a protest against the proposed Gambling Bill.

Stotzel criticised De Klerk for taking no account of the wishes of 60 000 industry personnel and the investments of casino operators. He objected to Sun International's monopoly.

● Comment: Page 12

Take holiday soon, urges travel expert

STAR 30/9/92

#288

By John Miller

Tourists should take advantage of current low air, hotel and parks board fares because dramatic increases are forecast for the new year, according to Association of Travel Agents vice-president Rupert Lawlor.

Mr Lawlor said local tourists currently enjoyed leisure industry prices that were at bargain prices.

However, "it would not surprise me if companies did not review their positions in January", said Mr Lawlor.

He described the tourism market as a chicken-and-egg situation at present.

"If the market does not grow and everything gets put off, the infrastructure will not be in place when the boom occurs and people will again drive international tourists away."

During the past few months domestic air fares have been slashed.

Major hotel chains have also introduced various packages in an attempt to fill empty beds, and the National Parks Board last week announced discounts at certain of its parks.

Cathy MacWhirter, marketing manager of Rennies Travel, said: "No matter how much you advertise and offer discounts, the international tourist is more concerned about his safety than saving money."

Committee to discuss bid to ban gambling

288 2

27 m 30/9/92.

By Peter Fabricius
Political Correspondent

Parliament's joint standing committee on justice meets today to consider controversial legislation to ban gambling, — amid growing opposition to the Bill.

Moves are afoot within the National Party to allow a free vote on the Gambling Amendment Bill — due to be passed by Parliament early in October — because there is so much opposition to it within the party.

If a free vote is allowed, there is a strong possibility that the Bill could be rejected by Parliament. At least two NP MPs have publicly criticised the Bill, reflecting the deep underlying opposition to it.

However NP King William's Town MP Ray Radue, chairman of the justice committee, said this week that he was sure the Bill would go through.

NP MPs opposed to the Bill said there was little chance of blocking it after President de Klerk told the Transvaal NP congress last week that it would go through.

The Democratic Party has also strongly opposed the legislation and it is believed that there is strong opposition to it in the House of Delegates.

The casino and hotel industry has made strong representations to the Government against the Bill, arguing that its intention was to protect the Sun International casino monopoly operating from the nominally independent homelands.

Karos Hotels chairman Selwin Hurwitz rejected Government arguments that gambling was a regional concern in SA. He said the Sun International casinos were situated strategically to target the South African market and not that in the homelands.

SAB boycott averted

288

B|DAY 1|10|92

THEO RAWANA

A THREATENED boycott of SAB products by the National Taverners' Association was averted when the brewery agreed to most of the taverners' demands.

Soweto tavern operators threatened "mass action" against SAB last month after complaining that SAB lacked social responsibility, was forcing operators to take up its own insurance policies as collateral for credit, and that it had a discriminatory discount policy.

The taverners even took down posters advertising SAB products in their premises.

A meeting held in Soweto yesterday to report back on discussions between the association's executive and SAB was told that taverners who were not pleased with the SAB insurance policy should hand it to the executive as SAB had agreed to refund money paid.

Taverners' association executive committee member Phil Moatshe told the meeting: "Those who took the policies under duress should bring them to us. They are not life cover, as you were led to believe. Bring them back so that money you have paid in can be refunded."

Moatshe said SAB had agreed to pay the taverners for the advertisements displayed in their premises. "But wait until we see what advertising experts say the rates should be, before putting them up again," he warned.

In view of the violence gripping the townships, SAB had also agreed to donate money in the event of the death of a tavern operator or a member of his family, and in the case of a massacre in the shebeen — as had happened in recent months. The funeral would be the responsibility of both the taverners' association and SAB, the meeting was told.

SAB also agreed it would not introduce anything to taverners' association members without consulting the association, Moatshe said.

SAB could not be reached for comment at the time of going to press.

TAHITI IN THE TRANSKEI

FM 2/10/92

Sun International is spending R90m transforming Transkei's Wild Coast Sun into a South Sea island theme resort. The project is due for completion in December —18 months after work started. It was to have cost R75m but Transkei Sun International (Transun) decided on R15m of additional attractions including a bingo lounge, more children's facilities and undercover parking.

Transun chairman Ken Rosevear says the first phase of the development, completed last year, included new stone walls for the landward side of the complex and thatch-roofed walkways. Additions completed last month included an hotel, covered driveway, entrance and foyer with shops, including a clothing boutique, hairdresser and kiosk. There was 30% more casino space, 830 slot machines, panelled salon privé with sea view, bar and cashier, another casino restaurant and bar, covered parking for 1 100 cars and a tropical water garden.

Rosevear says: "The new casino is a break from tradition. In place of the usual dark interior there is an airy, well-lit room, full of bright colours. The focal point is a circular area under a dome in which a tropical island fantasy village is being created. This area of thatched-roofed huts will offer video arcade games and electronic fun fair games."

He adds that all of this "will increase the capacity of the Wild Coast Sun which already has more than a million visitors annually. But it's the Tahitian theme that makes the Wild Coast Sun so different."



Changing the Wild Coast theme ... *tropical theme*

GAMBLING

Stacking the deck

Get out of the way, the Gambling Amendment Bill is coming through. Political reforms? Economic reforms? They may just have to wait. We're shocked to find out that gambling's going on (and not where it's supposed to). Something must be done.

Parliament's multiparty standing committee on justice was to meet late this week behind closed doors in Pretoria to discuss the Bill. If it's passed at the special parliamentary session that begins October 12, the upstart casinos' Indian summer will be over.

But, while government is acting with uncharacteristic haste, the industry's players are hampering their cause with a spate of disjointed efforts to build a case for gaming in SA. All the players have called for gaming to be officially sanctioned, but all have different ideas on how this should be done and who should be allowed to operate casinos. These ideas, of course, coincide with each player's special interest.

Sun International, desperate to preserve its casino monopoly in the homelands, has come out openly in support of the Bill. Then there is Karos Hotels, which last week produced a detailed document on its vision of gaming in the country.

But the newly formed Gaming Association of SA, which is acting for the upstart minicasinos that have sprung up in the suburbs, takes a different view.

Sun International CE Ken Rosevear says the group has no problem with allowing gaming in SA proper but argues that it should be stringently controlled and tied to development of tourism and the economy.

Sun International has been hurt by the casino explosion — around 500 have popped up outside the homelands — and recently the company said casino staff who left the group to work in the new casinos may not be re-employed by Sun.

Sun wants a highly specialised body formed to look at gaming in SA and decide who will be able to participate. It believes that controls are needed to prevent criminal activity such as money laundering. "Government should close down these casinos and have a commission of inquiry to decide whether people want casinos and where they should be," Rosevear says.

He believes that licences should be awarded selectively to people who will invest in tourism. "Neither the country nor the people are benefiting at the moment — the only people who are, are the minicasino operators." This doesn't include the 10 000-15 000 people who work in the new casinos.

Karos Hotels chairman Selwyn Hurwitz says it is hypocritical of government to allow horse racing, lotteries and scratchcards that benefit the provinces or charities, while saying that casino gaming is morally wrong. "I say tax us — government can make hundreds of millions of rands taxing casinos."

He believes gaming should target the quality tourist and be allowed in four- and five-star hotels only — which he has.

Keeping casinos in the hotels, he adds, would ensure the industry remained reputable, crime-free and socially responsible. Only hotel residents or club members would be able to use gambling facilities and the fact that it was an hotel operation backed by substantial investment would mean gambling debts would be honoured.

Hurwitz denies he wants to join the Sun International club. "I'm not looking for a duopoly — of the 32 four- and five-star hotels that would qualify, we own only four." He also believes that no special boards need be appointed to regulate gambling because the hotel board would be able to monitor the industry. Rosevear replies: "This is an absolute joke; the hotel board can't even agree on hotel grading."

Gaming Association of SA joint chairman Grant Kaplan believes that the industry does need to be strictly controlled, preferably by a special board. "Regulate the bad guys out. If a potential casino operator does not have sufficient financial and personal standing, then he doesn't get a licence."

Government's haste has also generated heat from within its own ranks. Veteran NP MP Sakkie Louw, who believes that government is forfeiting millions of rands in tax revenue, has come out strongly in support of legalised gambling in SA.

Louw, however, says casinos should be allowed to operate only under the conditions proposed by Hurwitz, though poker, blackjack and slot machines should be allowed in what he calls smart restaurants.

If the Bill is passed, Louw says he will support it despite his feelings on the issue. But he is concerned at government's hastiness. "Why the speed? I'm worried." ■

TIME HOLDINGS FM 2/10/92.

Seeking an agreement

A major construction group is set to take an indirect stake of about 33% in TimeLife Insurance, a fast-growing life office and financial services company controlled by Time Holdings. An official announcement is expected within a fortnight. 288

Restructuring and unbundling of Time Holdings was forecast in the *FM* (*Companies* September 18). Through a deal which probably includes a rights issue of the unlisted TimeLife shares to Time Holdings' shareholders, the holding company expects to raise R20m-R25m by year-end.

Market talk is that Concor or LTA, both construction groups sitting on cash piles, might be among those wooing TimeLife; the former, in particular, seems interested in diversifying further. For Time Holdings, which has property interests extending to Botswana, it means a link with a large construction group, as well as the freeing of cash through the sale of part of the life office.

TimeLife is 66%-owned by Time Holdings and 29% by its MD Bill Haslam, with the balance spread among business associates. Time Holdings needs the money after taking severe knocks in its low-cost housing division, now sold to management.

Time Holdings has 3,5m TimeLife shares, which the market accords an embedded value of about R2,80 each. Net effect of the issue could be a cash injection, after issue costs, of about R9,4m to Time Holdings.

TimeLife has inevitably experienced new business strain, so stronger backing will be needed to consolidate the capital base and allow further expansion. Its expense ratio is around 22%, too high to be sustained but a figure that reflects the amount of broker-driven business written in the past two years.

A rights issue by TimeLife probably would not be the end of the restructuring. One view is that there could be a new major investor — perhaps taking as much as 50% — in the unlisted holding company, Timecon, which has 51% of Time Holdings. Timecon is controlled by Time Holdings chairman Colin Hibbert and family trusts. *Bryan Deans*

A novel approach offered to timeshare

B/Day 2/10/92

PRESENT economic conditions are contributing to the growing demand for timeshare accommodation as conventional holidays move further out of the reach of the man-in-the-street, industry players say.

This has created an additional niche in the market for an alternative system offered by Cape Town-based newcomer Renitas. 288

The group, which launched an aggressive national marketing campaign a few months ago, claims to have adopted a novel approach to conventional timeshare sales and service operations.

Reasonable

"We have done away with exorbitant commissions and charge a reasonable fee for each of the services we offer, whether this is buying, selling, renting or subletting holiday accommodation," says MD Christel Coetzee.

Part of the Renoir Group, the new one-stop resale organisation has become a prominent player in the highly competitive timeshare market and has already established a local and international client portfolio.

"Careful market research indicated there was a need for a resale organisation in the timeshare market and the response to this has supported these findings," she says.

Renitas offers timeshare owners and prospective owners a wide portfolio of services under one roof.

It has also established a strong levy subsidy fund and has secured low-interest backing from leading financial institutions.

All's not lost! Sol's dream of a city will be open on time

ST Times 4/16/92. 288

AT SUN-UP today the arid hills of the Pilanesberg reverberated to the crack of jackhammers, the drone of heavy-duty trucks and the buzz of nearly 5 000 voices.

Construction workers at Sol Kerzner's new hotel and water-world project were on site while most people were still in bed — and they'll be there well into the night.

The two-year project is in the final straight, and the race is on to complete the R800-million Lost City in time for its official opening on December 1.

It is one of the biggest structures of its kind in the world, and the pace on the hill above Sun City is frenzied.

Every worker knows that exactly six weeks from now, on November 15, the first paying guests will occupy their rooms in the monumental hotel Sol Kerzner has vowed will be among the world's 10 best.

Outside The Palace, builders on motorbikes and carrying walkie-talkies roar through a dustbowl that will, come December, be a water park with underground slides and rapid rides comparable with those offered at Euro-Disney and Disney World.

Trucks rumble between newly planted baobab, rain and dry forests, to which landscape gardeners add 8 000 indigenous and exotic plants each week.

Electricians put the finishing touches to a resort which will use as much electricity as a town the size of Hermanus and a water park that will consume 23-million litres of water.

In the hotel lobby — which is not dissimilar to St Peter's in Rome, with a 25m-high dome handpainted by artists lying on their backs — public relations officer Lesley Moore-Williams darts breathlessly among platoons of men in shorts and veldskoene and groups of foreign tour operators inspecting Southern Africa's newest tourist attraction.

Reservations are pouring in and some dates are booked out three months ahead.

Among early celebrity visitors were Miss France, Linda Hardy, and Miss Spain, Sofia Mazagatos, who will return next month to prepare for the Miss World contest on December 12.

Sun City Resorts chief operating officer Jerry Inzerilla is revealing none of the names on the guest list for the grand opening, but rumour has it that former US President Ronald Reagan and his wife, Nancy, will be among those watching the spectacular fireworks and laser show hosted by French composer Jean Michel Jarre, while top model Jerry Hall and actors Billy Dee Williams and Deborah Shelton are expected to take part in the Miss World contest, which will be televised live on M-Net.

On-the-job training of the 1 100 hotel employees is already under way, and their enthusiasm is contagious.

"We eat, breathe and sleep The Palace," said Crystal Court manager Kai Smit, sliding across the marble floor of a restaurant lit by a magnificent bronze and crystal chandelier, in which guests will sit on an island surrounded by a river and be entertained by a string quartet.

Down in the Elephant Wing the catering staff — those who were not despatched to refine their culinary skills at the Villa D'Este at Lake Como in Italy — attend lectures while workmen hammer overhead, putting the final touches to moulded columns more than eight metres high.

Meanwhile, Italian chefs imported to run the hotel's floating restaurant, Villa del Palazzo, sit beneath the life-size statue of Shawu the Elephant, co-ordinating the flights that will bring in fresh produce every day.

The 338 rooms will cost R610 a night for the standard, twin-bed version, and R100 more for the deluxe.

The 16 suites start at R880 and run to R10 000 nightly for the 400-square-metre King Suite.

It's the size of a house and offers a library, butler's pantry, sauna and spa bath, two bedrooms, a living room, guest powder room, two outside telephone lines and its own palm leaf-covered gazebo.

Menus range in price and style from the Villa del Palazzo where a dinner for two could cost R500 to Leonardo's in the revamped Entertainment Centre where a potato and mushroom pizza costs R18.

Access to the water park will be free for hotel guests. Day trippers — the park can hold up to 5 000 people — will pay R15 for children and R30 for adults. The price includes all rides, access to the wave pool and beach where surfers can challenge two metre high waves, walks through the forests and access to the Elephant Wing of The Palace.

Both day trippers and guests will benefit from the special effects created by artists imported from Hollywood, and which would make even Indiana Jones feel at home.

Most dramatic will be a nightly subterranean "volcanic eruption" when the carved stone bridge leading from the entertainment centre to the water park will rumble and shake, the eyes of a stone leopard sitting high above the bridge will flash and steam will gush from between the rocks nearby.

[redacted]

Report:
DAWN BARKHUIZEN

Picture:
ANDY KATZ

[redacted]

Munching through recession

288
ST Times (Buss)
4/10/92.

By JULIE WALKER

SPUR Steak Ranches has made a meal of the recession, lifting turnover by half to R13-million in the six-months to August.

"South Africans love eating out, in and out of recession," says chairman Allen Ambor.

Mr Ambor says the only way to out-trade competitors is by offering consistently high quality.

Menu prices have increased only once — by 10% — in the past 18 months and economies of scale having helped to keep costs under control.

There are 119 Spurs around the country and the highest growth potential lies in greater Johannesburg where the group has only 14 restaurants.

Mr Ambor says landlords are approaching Spur to become tenants because the outlets are strong traders and pull in customers.

Spur earned 17,9c a share — 45% up on the interim last year — and paid 11,5c in dividend.

The share price added 20c to a high of 460c this week, 12,6 times historic earnings.

Sol Kerzner, small casinos wage war of words on Act

ST Times (Cape Metro)

4/10/92

By JOCELYN MAKER, GLENDA NEVILL and DIANA STREAK

STAMP out small-time casino operators! That's the message from gambling heavyweight Mr Sol Kerzner, who said this week that the loophole in the law that allowed "corner cafe casinos" to operate was a disgrace.

But the chairman of the Gaming Association, Mr Grant Kaplan, which represents about 500 small casinos countrywide, is adamant that the industry should be allowed to flourish with certain stringent regulations.

Millions of rands would be lost if legislation went through parliament this month to stop the small-time operators, of which there were more than 500 who employed more than 60 000 people, he said.

Sun International has been hardest hit by a sharp decrease in business from the Cape area as a result of the ever-increasing number of casinos opening in the region.

As more and more gamblers prefer to stay home and gamble at local casinos, the company is losing out on gambling revenue and on money that would have been spent on accommodation and other entertainment at its various homeland resorts.

Outrage

Mr Gary van der Merwe, manager of the Highstead Manor casino is Sea Point, accused the government of having "double standards" towards gambling.

Horse-racing and scratch cards were both forms of "hard gambling", he said.

He questioned whether the convening of parliament's joint standing committee on justice — which is to consider the controversial issue this week — was a "sham" or a real attempt to explore the mushrooming casino industry in the light of the Gambling Amendment Bill.

Sources claim there are moves within the National Party to allow MPs a free vote on the Gambling Amendement Bill, scheduled to come before Paliament this month, because of opposition to it within the party.

Meanwhile casino owners are outraged by Mr Kerzner's derogatory comments about small operators.

Cape Town casino owners say they run "clean" operations and would welcome legislation to control the industry. At present no licences are needed by casinos.

They said casinos outside the homelands should not be banned and that Sun International had "written its own Gambling Act". The company employed 80 percent foreign staff who took their earnings home whereas local casinos employed South Africans, many previously without jobs, thus contributing to the local economy.

Mr David Block, who was casino manager at Sun City for eight years and now owns a casino in Sea Point, said Mr Kerzner appeared to be "above the law".

Exclusive

Mr Block said Sun International's table turnover had dropped by 45 percent this year "because people don't want to travel", expecially from Cape Town which is far from the major gambling establishments.

He said nothing was ever done about the bribery charges against Mr Kerzner in Transkei and the subsequent extradition request to the SA government.

"He paid a million to Matanzima for exclusive casino rights. He just doesn't want competition."

Major General Bantu Holomisa said his government would not "write off" the charges against Mr Kerzner in Transkei and he was still waiting for the SA government to respond to requests for his extradition.

Mr Kerzner denied allegations by "illegal" operators that he was behind State President F W de Klerk's declaration to disallow hard gambling in South Africa.

He also denied pumping millions of rands into the National Party in an attempt to prevent hard gambling.

"This is utter hogwash. I agree that changes to the Gambling Act should be made. The current situation and the loophole in the law is an absolute disgrace."

Mr Robert van der Merwe, director of Casino Royale International, one of the biggest gaming concerns with clubs in Cape Town and other major cities, said more than 1 500 people would be jobless if it was forced to close.

"There is no doubt that Sun International and Sol Kerzner are backing the government to stamp us out. Casinos should be given licences and monitored to the standard that the government requires," he said.

Kerzner opposed to legal gambling in SA

Sun International head Sol Kerzner came out last night against legalising gambling in South Africa and insisted it had to be developed as a tourist industry.

Speaking in a panel discussion on TV1's "Agenda", Mr Kerzner said gambling establishments should be properly organised and controlled to attract tourists and create job opportunities.

"Organised gambling is the only way to achieve this," he said.

"We, as a group, object to a few entrepreneurs opening up gambling schools. It has happened that gambling clubs have been taken over by criminals."

Gaming Association of SA president Grant Kaplan said he believed gambling should be opened up to entrepreneurs on a controlled basis. It was legal in the United States.

He said many thousands of South Africans regularly spent large amounts of money on gambling in neighbouring countries, when they could do so at properly supervised schools in their own country.

The Rev Demetris Palos of the Methodist Church said gambling was a compulsive habit like drinking.

There was need of regulations against gambling.

He said should TBVC states be reincorporated into South Africa, there would be a need to control gambling. — Sapa.

Spur boosts earnings 45 pc

Finance Staff

Spur Steak Ranches has trebled turnover in the past three years, and announced an increase of 52 percent to R13 million in the six months to August.

Interim earnings were up 45 percent to 17,87c (12,33c) a share and an interim dividend of 11,5c is being paid.

Chairman Allen Ambor and group magaging director Gerd Topat say Spur is well positioned to take advantage of cycles in the economy.

"In leaner times, customers rely on the basic, value-for-money items, and on the upswing we sell more luxury items such as larger steaks, hors d'oeuvres and desserts," Mr Ambor says.

Spur Holdings, which has a 64 percent holding in Spur Steak Ranches, reports a 51 percent growth in attributable income.

It is paying an interim dividend of 8,5c (6,5c).

Carousel 'resounding success'

By Sven Lünsche

Sun International Bophuthatswana plans further capital expenditure of R400 million in the year to end-June 1993, chairman Sol Kerzner says in the group's latest annual report.

The bulk of the money — R270 million — will be spent on the completion of the Lost City project and the balance on improving the facilities at the established resorts.

In the 12 months to end-June this year Sunbop spent R600 million on Lost City and The Carousel.

The original R1 billion budget for the year was revised to R1,15 billion.

Since its opening in November The Carousel had proved a "resounding success", attracting more than 11 000 visitors a day.

Mr Kerzner forecasts that the expected boost in visitors to both The Carousel and Lost City will offset the impact of the poor economic conditions and allow Sunbop at least to maintain earnings for 1992-93.

In the past financial year the group lifted earnings by 13 percent to R216 million on a 30 percent rise in turnover to just over R1 billion.

Sunbop operated at an occupancy rate of 73 percent compared with the 52 percent average for other South African hotels, Mr Kerzner says.

Kerzner urges govt to speed up gaming laws

MARCIA KLEIN

SUN International (Bophuthatswana) chairman Sol Kerzner has called on the authorities to give highest priority to the introduction of new gaming legislation.

In his 1992 annual review, Kerzner said the group's business had been seriously harmed by the proliferation of unregulated gambling operations.

In the year to end-June, attributable earnings rose 13% to R216m on a 30% turnover rise to R1bn.

Kerzner said inadequate and poorly drafted legislation had seen prosecution by police fail in the courts. This had led to the opening of many more operations in the past six months.

Sun Bop did not fear competition, but was "strongly opposed to an environment in which gaming is uncontrolled".

The situation was not conducive to the development of tourism.

Kerzner said gaming was one of the world's most strictly controlled industries "to guard against infiltration by undesirable elements". Historically, the industry was a target for organised crime.

Despite the effect of unregulated gaming operations, the opening of the Carousel Entertainment World in November had helped boost turnover.

The Carousel, which had attracted 11 000 visitors a day since opening, had affected revenues at the Morula Sun and — to a lesser extent — Sun City, resulting in a contraction of profit margins.

The group operated at an average room occupancy of 73%, down from 77% in the previous year.

During the year the R1bn capital budget for the Lost City and Carousel projects was increased by R150m "to cover cost escalations and increase the scope of the Lost City".

The offer of shares in lieu of a dividend and a rights issue raised R330m.

Capex for the year totalled R642m, of which about R600m was spent on the Carousel and Lost City.

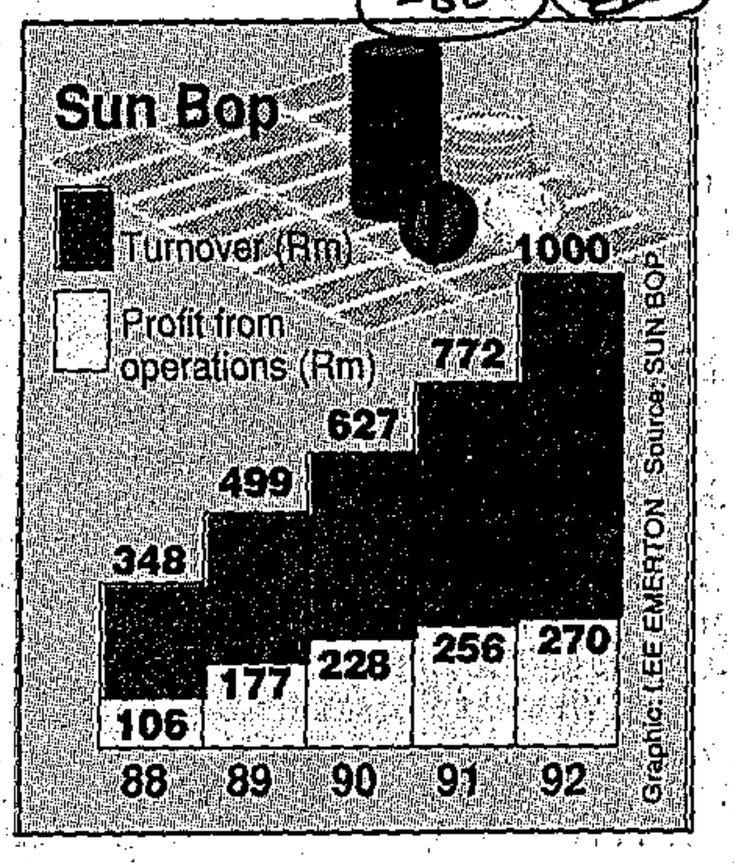
During the coming year, Sun Bop would spend R400m, about R270m of it on Lost City and the rest on improving facilities, including refurbishing Sun City Hotel and its casino.

Kerzner said earnings for the coming year should at least approximate those of the past year.

Sun International Ciskei (Sun Ciskei) chairman Ken Rosevear said in his annual review that the first weeks of the current year reflected no improvement in adverse trading conditions.

Sun Ciskei's earnings rose 2% to R29m in the year to end-June as a result of pressure on consumer spending, unregulated gaming operations and big wage increases. Its average occupancy was 4% down at 52%.

Hotel revenues improved slightly, but operating margins fell. Gaming operations showed satisfactory growth in revenues and operating profits, and this more than offset the decline in hotel profitability.



'Value for money' keeps Spur ahead in lean times

B|Dry 5|10|92

288

LINDA ENSOR

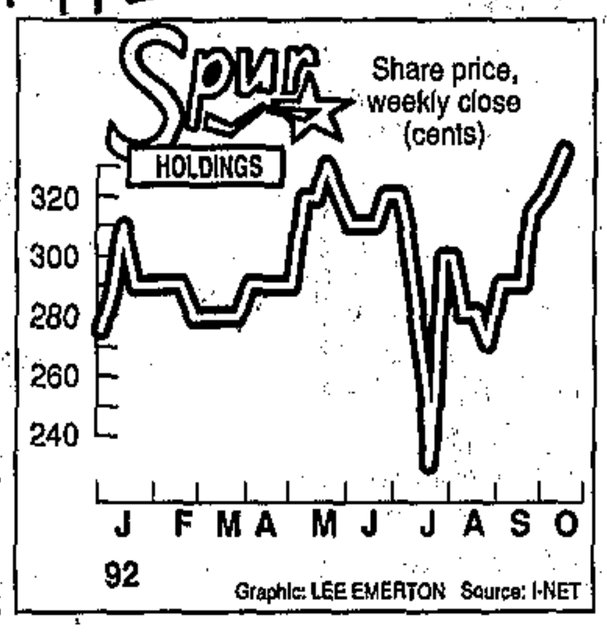
CAPE TOWN — The Spur Steak Ranches group of franchised restaurants maintained its excellent track record by notching up a 45% increase in earnings a share on a 52% rise in turnover in the six months to end-August.

This was in spite of the deep recession which knocked many other companies.

Earnings rose to 17,87c (12,33c) and a 35% higher dividend of 11,5c (8,5c) was declared.

Chairman Allen Ambor said market share was gained at the expense of competitors in the same category of restaurants and also at the expense of higher-priced restaurants as diners looked for lower priced fare.

"In leaner times customers rely on the basic, value-for-money items on the menu and in the upswing we sell more luxury items such as larger steaks, hors d'oeuvres and desserts," Ambor said.



The group, which consists of the 119-restaurant Spur, Panarottis (4) and Hard Rock (7) chains, had also benefited from goodwill built up over 24 years, from promotions and from introduction of new dishes.

Pre-tax income of R5,4m (R3,7m) showed an increase of 45% on a turnover rise of 52% to R13m (R8,6m) as margins slipped to 41,7% (43%).

However, maintaining margins at such a high level in a situation of escalating food inflation was an achievement, especially as there had only been one menu price increase in the past 18 months, Ambor said.

He said the franchising system brought with it economies of scale which enabled the chain to control price increases.

The second half of the year — traditionally the better half — was expected to maintain the momentum of profit growth.

Spur has 14 restaurants in greater Johannesburg, which would be the major area of expansion in future, Ambor said.

The group planned to open 12 new restaurants this year.

"We follow a conservative expansion policy and don't like to grow for growth's sake only. These days we are in the good position that landlords come to us first because they know we are strong traders who can pull customers."

Two new Panarottis had been opened during the six months.

Spur Holdings, which has a 64% stake in Spur Steak Ranches, produced a 20% growth in earnings a share and declared a dividend of 8,5c (6,5c).

Gambling may have gained a reprieve

Star 6/10/92

288

By Peter Fabricius
Political Correspondent

EAST LONDON — Gambling in South Africa appears to have been given another reprieve.

It is understood the issue of whether or not gambling should be legalised is to be referred to a judicial commission.

Parliament's joint standing committee on justice met yesterday to finalise the processing of the Gambling Amendment Bill which would have effectively outlawed the casino industry.

Although members of the committee have been sworn to silence about their decisions, it is understood gambling will not be summarily axed after the short session of Parliament as expected.

It was not clear last night exactly what had been decided but it was expected that a compromise deal would be announced today.

Although the gambling Bill in some form is still expected to be passed next week, it is believed there may be a moratorium on prosecutions against casinos pending a decision by the Howard Commission of Inquiry.

It now seems as though the Government has heeded the widespread advice that it should allow gambling, but only under strictly controlled conditions.

Raised Gambling Reprieve !

/ October 7 1992

Threatened casinos get a reprieve

STAR 7/10/92. (288)

By Peter Fabricius
Political Correspondent

EAST LONDON — The threatened casino industry is to be given a temporary reprieve while a judicial commission decides whether or not hard gambling should be legalised in South Africa.

This was announced at the National Party Cape congress in East London yesterday by Ray Radue, chairman of Parliament's Joint Committee on Justice.

After months of wrangling, the committee decided on Monday that the Gambling Amendment Bill, which will outlaw hard gambling, would be submitted to Parliament next week.

If passed, which is now almost certain, the Bill will impose an immediate ban on all hard gambling retrospectively to October 1, this year. But in a moratorium provision agreed upon this week, no prosecutions against gambling will take place until February 1 next year.

The moratorium will only apply to gambling operations begun on or before October 1 this year.

Meanwhile the Howard Judicial Commission, which is already investigating charitable lotteries, will have its terms of reference expanded to decide whether hard gambling should be allowed in South Africa.

Justice Minister Kobie Coetsee told the Cape NP congress yesterday that the main purpose of extending the commission's terms of reference was for it to consider whether gambling should continue to be allowed in the TBVC states, if they were reincorporated into South Africa.

Kersaf turnover breaks through R2bn barrier

MARCIA KLEIN

MAJOR new developments, notably the Lost City and Carousel projects, should enable leisure group Kersaf to achieve "acceptable earnings" in financial 1993, executive chairman Buddy Hawton says in the annual review.

Kersaf, whose major interests include Sun International, Interleisure and Douglas Green Bellingham, reported a 10% rise in attributable earnings to R181,4m in the year to end-June as turnover exceeded R2bn for the first time in the group's history.

Kersaf spent about R830,4m in the year, and would spend a further amount of more than R550m.

Funding of capex in the year ahead would "necessitate an increase of approximately R150m in external borrowings". Hawton said these borrowings should not materially change the gearing structure of the group, and gearing should not approach the self-imposed 60% limit.

Sun International reported a 22% rise in revenues and an earnings increase of 12%. Room occupancies of 63% were 5% lower than the previous year.

Offshore division Royale Resorts, which has direct holdings in three Mauritian resorts and one offshore casino, as well as indirect investments in several offshore casino operations, showed a 42% increase in earnings off a low base.

Hawton said in line with the objective that offshore earnings should show satisfactory long-term growth, Royale had reached agreement to acquire a 50% stake in Sol Kerzner's World Leisure Group, which held management contracts for offshore casinos.

Leisure and entertainment group Interleisure's earnings declined by 6% to R38,3m. It would spend R66m in the coming year, mainly in Ster-Kinekor.

Douglas Green Bellingham, in which Kersaf has a 50% stake, had a disappointing year with revenues down by 15%.

Trencor cautious in forecasts

EDWARD WEST

TRENCOR would be more than satisfied if earnings were maintained in the current financial year, chairman Neil Jowell said in his latest annual review.

However, he was unable to make a meaningful forecast because of uncertain trading conditions.

Domestic trading conditions were unlikely to improve this year, and the group's container exports were also facing difficult markets which were unlikely to improve in the short term, Jowell said.

On the other hand, Trencor's overseas operations were looking toward a modest improvement in profits.

The rand/dollar exchange rate had a significant effect on both the export and overseas operations and trends over the next 12 months were difficult to predict, he said.

Trencor's overseas and export operations, which contributed 60% of Trencor's R130m attributable income in the 1992 financial year to end-June compared with R105m in 1991, comprised the export of containers and trailers and their components built by Henred Fruehauf.

The international container market had continued to soften.

The main pressure on margins had been the creation of new manufacturing capacity in countries where exports were growing strongly.

Trencor's transport division continued to operate in depressed markets. Competition had intensified and Jowell believed many transport operators were not achieving returns that would keep them economically viable in the long term.

The express business Crosscape would take longer than projected to reach profitability, but overall, a moderate improvement in the division's contribution was forecast.

The group's tyre operations Tycon and Tredcor were expected to generate a good performance in the future, but structural changes in the industry would critically affect their ability to improve results this year.

Profit margins and competition in the group's trailer manufacturing markets — with volumes down to levels of 20 years ago — were such that returns were below economically sustainable levels.

The container manufacturing market had become so competitive that dollar prices had declined.

In addition, inflationary costs in SA were eroding manufacturing margins because selling prices were set in foreign currencies which were not depreciating in line with inflation rate differentials, said Jowell.

Murray & Roberts optimistic about Africa

ENGINEERING, construction and material supplies group Murray & Roberts says it sees reasonable prospects for new business in Zambia, Kenya, Ghana, Zaire and Angola.

Group commercial director Jeremy Ratcliffe told an investment presentation Murray & Roberts was gearing up for a renewed thrust into export markets and would set up permanent operations in selected countries, which he did not name.

It had completed considerable investigative work in Zambia, Kenya, Ghana and Zaire which indicated "reasonable prospects for future business", he said. A recent school construction project in Angola's Cabinda province had gone so well that more work there was anticipated.

Ratcliffe declined to specify the projects the firm had lined up in other African countries. He reiterated that trading conditions in the current financial year to end-june 1993 would be as tough as in the past year, when share earnings dipped to 458c (500c previously) after an increase in shares in issue to fund acquisitions.

"It will be a struggle to maintain earnings over the year ahead, but we are positive about growth prospects over the next three years to enable us to maintain dividends."

Total budgeted capex for the next three years was R2bn, which would be financed comfortably from operating cash flows, he said. — Reuter.

Timeshare cleans up its act

288

Star 8/10/92

By Frank Jeans

In a major drive to clean up the industry and afford buyers maximum protection, the timeshare industry has launched a new code of conduct effective from November 1.

Announcing what is regarded as the most revolutionary measures since the holiday-for-life concept was first established 10 years ago, the Timeshare Industry of South Africa (Tisa) can now crack down on the sharks of the business.

It is empowered to close down resorts which do not put their house in order.

The new measures will also bring about an end to one of the most controversial issues surrounding timeshare – the gimmicky and undesirable market-ing methods.

Protection

Spelling out the protection plans at a press briefing in Johannesburg last night, Steve Griessel, managing director of the South African timeshare swop organisation Resort Condominiums International (RCI), said:

"Strong measures to regulate the industry will include a mandatory five-day cooling-off period for timeshare buyers and the revised code of ethics applicable to all involved in the timeshare industry.

"The cooling-off period gives buyers the option of cancelling agreements within five days. Should they feel they have been pressured into buying.

"Some sectors of the industry have, for some time, come in for heavy criticism for their selling techniques," he said.

The introduction of this cooling-off measure will, it is believed, be an effective tool in addressing and overcoming the problem.

A timeshare standards council has been established by Justice Cecil Margo who will act as ombudsman.

If will be headed by Justice Cecil Margo who will act as ombudsman.

The council will also administer the code of ethics.

Tisa's power comes under the banner of the Harmful Business Practices Act.

A committee has also been formed to identify financially weak developments and to "facilitate the rescue of their resorts".

In line with this particular measure will be a guarantee which offers buyers a 15-year warranty of holidays in the event of a resort being liquidated and buyers losing occupancy rights.

Rhone-Poulenc faces police probe

FRENCH pharmaceuticals giant Rhone-Poulenc, already under threat of possible civil suits following a blaze at its warehouse north of Johannesburg, now faces a police probe, the Midrand Town Council announced on Wednesday.

In a letter to residents, the council said it would ask police to investigate the fire on September 19 in conjunction with the National Health Department, which issued the licence for Rhone-Poulenc to store chemicals.

Midrand town secretary Tom Pieters said the police and the department should make sure any party involved in the "disaster" had complied with the regulations.

The council has complained that Rhone-Poulenc did not warn its fire brigade about the chemicals on site until about two-and-a-half hours after fire crews arrived, and did not make a full disclosure until six days later.

Eighteen firemen were taken to hospital suffering from nausea, vomiting, skin irritation and diarrhoea, and six were found to have non-lethal amounts of organo-phosphates in their blood.

On Monday, Rhone-Poulenc appointed the Atomic Energy Corporation to conduct soil and air tests and put together a dispersion model to see where a cloud formed during the fire might have deposited toxins. The scientists were looking for dioxins, which may have been formed when phenol-related products in the warehouse burned, said warehouse general manager Simon Grimbeek.

Grimbeek said the samples may be sent to the US for analysis. Results would take at least three weeks to come back. An independent search for dioxins by a Pretoria company, based on samples around the site, is expected to yield results earlier.

Tests for organo-phosphate, benzene and other chemical poisoning carried out on Rhone-Poulenc's 49 workers and some 27 people in neighbouring offices, have come back negative.

The council has advised the nearby offices to have their air conditioning systems cleaned out. — Sapa-AFP.

Code of conduct approved for the timeshare industry

ANDREW KRUMM

THE Harmful Business Practices Committee had approved a code of conduct for the timeshare industry, said committee chairman Prof Louise Tager.

The code of conduct had been drawn up by the Timeshare Institute of SA and would allow the industry to regulate itself.

Tager added that a newly established industry watchdog, the Timeshare Standards Council would administer the code of conduct, and could turn to the committee for enforcement against unscrupulous timeshare operators.

Retired Judge Cecil Margo would act as industry ombudsman and head the council. The code would apply to all timeshare companies and developers to ensure that consumers were protected.

Resort Condominiums International MD Steve Griessel said the formation of the council was only part of a broad initiative by the institute to clean up the industry's image, and boost slowing sales.

Speaking at the launch of the Timeshare 2000 initiative yesterday, Griessel said the customer would benefit directly from a range of innovative programmes which would come into effect on November 1 this year.

One innovation was the introduction of a mandatory five-day "cooling-off" guarantee, which did away with pressure-selling tactics by salesmen.

"The cooling-off period gives purchasers the option of cancelling agreements within five days, should they feel they have been pressured into buying.

"This is one of the most significant changes as salesmen are going to have to become far more creative in their selling methods," he said.

Among other things the institute would offer a 15-year warranty to provide holidays to timeshare buyers whose resort had been liquidated, or who had lost their occupation rights, Griessel said.

Satour director Kobus Roux endorsed Timeshare 2000.

"The far-reaching changes will ensure the continued growth of this vital part of the tourism infrastructure, while at the same time eliminating undesirable practices."

NOT AS TENDER AS HIS STEAKS

288

FM 9/10/92

It was dark in the restaurant and past midnight. The launch party for the first Spur was over. All the guests, mostly family and friends, had gone. And Allen Ambor sat contemplating whether his new venture would work. That was 25 years ago this month.

Since that opening of the Golden Spur in Newlands in the Cape, Spur Steak Ranches have sizzled their way into 119 new Spurs, seven Hard Rock Cafes and four outlets of a new franchise operation, Panarottis Pizza Pastas.

Ambor's interest in restaurants began when he worked nights in a steakhouse as a waiter to finance his university education. After completing his BA and trying a frustrating job as an assistant to a personnel manager, he made up his mind to establish a steakhouse.

After many attempts to find suitable premises, the Newlands site was selected. Because Ambor could not afford an architect, the premises were designed with a draughtsman and the decor made by a friend who manufactured brass-plated lamp shades out of aluminium basins and old Koo peach tins with holes punched in them. He also made batiks for wall hangings. It was a shoe-string start.

Spur Steak Ranches was listed on the JSE in 1986. This week, it announced a 52% increase in turnover for the six months ended August 31. Attributable earnings grew by 45%; dividends by 35%.

Ambor appears to be much tougher than the tender steaks in which he specialises. He is known among his franchisees as a difficult customer. He knows he is demanding and proud of it: "When a franchisee becames an owner of a Spur Steak Ranch, it's like lending him my personal car to transport paying passengers. If he dents it he has to repair it. If he doesn't take pride of ownership in his business, I'm going to take my car back. I don't want passengers to think I maintain a crummy car," he says.

Ambor seems genuinely reticent about the limelight and prefers to push Spur's MD and his team. So, while he is proud of the way Spur has performed, he has more than his share of humility. He says: "I'd rather be anonymous. How else can the chairman walk into a Spur to check out the quality without being recognised?"



His spare time is spent at the cinema, on his bicycle or with his two children.

STOCKS AND LOUW PULL OUT

(286)

FM 9/10/92.

Pretoria-based Brian Stocks Properties (BSP) has sold all its interests in timeshare development and marketing company Southern Sun Time Sharing (SSTS). Sage Property Holdings, which previously had a 25% stake in SSTS, has acquired Stocks's 25% to match its shareholding with third partner, Southern Sun Hotel Corporation. Negotiations apparently started in June.

BSP majority shareholder and chairman Brian Stocks, together with BSP joint shareholder and financial director Alan Louw, plan "to look at other property opportunities." Stocks says he will continue, however, to serve on the seven SSTS shareblock boards around the country. These schemes, now over 96% sold out, are the Beacon Island Hotel, Umhlanga Sands, Sabi River Hotel and Country Club, Pine Lake Inn Timeshare, Cabana Beach Hotel, The Breakers and the Drakensberg Sun Hotel.

Stocks will have no further involvement with Mabula Lodge, which was rescued by SSTS late last year. He says the resort requires more development which will be undertaken by the Sage/Southern Sun partnership.

Stocks's main reason for pulling out is that "in the short term, we have little further development opportunity and have successfully sold most of the projects." Until the end of the month, Stocks and Louw will be transferring management control of SSTS from Pretoria to Johannesburg. Brian Stocks Properties, however, will remain in its Hatfield offices, though these are likely to be scaled down. ■

TIMESHARE

FM 9/10/92

(288)

Five days to cool down

Consumer research shows that seven out of 10 approaches to sell timeshare fail. This has spurred the industry to act against what it believes are the real culprits — high-pressure sales tactics. And so — along with several other measures designed to overcome a persistently negative image — it is introducing a five-day, mandatory cooling-off period in which buyers can withdraw from sales.

This is the first time such a clause has been introduced into SA property-related sales activity — though 14 days of cooling-off are common in the UK and Europe. (Some SA timeshare companies have a voluntary cooling-off period.) It is also different from overseas measures in that it is a self-regulatory step, not imposed by government.

The initiative — driven by a 13-member body formally known as Timeshare 2 000 — raises the question of whether SA property salespeople in general should not follow suit. High pressure sales tactics are not exclusive to timeshare. Estate Agents Board manager Andrew Harrison disagrees. He also denies that pressure is being brought to bear on the board by Business Practices Committee chairman Prof Louise Tager to introduce cooling-off in its own sphere.

Says Harrison: "Prof Tager has only mentioned the idea in passing. I believe cooling-off periods are fraught with difficulties — for example, they give potential buyers a chance to opt for another property."

Tager could not be reached for comment.



Tisa's Cominelli ... *grabbing a tiger by the tail*

Timeshare 2 000 convener Steve Griesel says it is for this very reason that the cooling-off period has been limited to five days as opposed to, say, 14. "This is long enough to escape sales pressure, but short enough to obviate shopping around."

Other measures Timeshare 2 000 has introduced to clean up the industry are:

☐ Enforcement of the timeshare industry's Code of Ethics by having it adopted by the Business Practices Committee — which can now immediately deem certain practices harmful; and

☐ The continued updating of this code and further refinement of marketing methods.

Timeshare 2 000 has appointed a subcommittee to find ways to save timeshare owners in weaker resorts in the event of failure.

Then there are guarantees. Timeshare Institute of SA, like Resorts Condominiums International, will now offer members a 15-year warranty of holidays in the event of resorts being liquidated and buyers losing occupancy rights. From November 21 1992, Tisa members — comprising 60% of the industry's 160 000 timeshare owners — will be offered similar guarantees over the initial 36-month period of their purchase.

The Code of Ethics — originally introduced by the institute — will apply to all members of the timeshare industry. It will be administered by a Timeshare Standards Council headed by Judge Cecil Margo, who will act as ombudsman. Members of the council will be drawn from independent organisations outside the industry.

Says new institute chairman Rioma Cominelli: "The industry unanimously agreed at a recent meeting, which produced Timeshare 2 000, that the steady growth in sales over previous years, while welcome, was being unnaturally achieved by increasing amounts of pressure at point of sale and marketing methods. Drastic measures have become necessary to eliminate poor operators, practices and unsound projects."

According to Cominelli, sales in 1992 are 15% down on last year — largely because of the recession. They now average about 1 700 new sales per month.

The market is possibly approaching maturity — though as Cominelli points out, Disney only entered US timeshare once that market had been cleaned up. ■

UMDLOTI SANDS FM 9/10/92

That sinking feeling

Umdloti Sands, the ill-fated Natal North Coast timeshare resort, faces closure within weeks unless it resolves its mounting debt crisis. About 300 timeshare owners at the resort attended a special meeting last week which was claimed to be the first AGM in two years. They were told their share block company owed more than R560 000 and might also be liable for a R1,2m mortgage raised this year. (288)

Not present were the resort's developer, Tilly Greenstein, or the man to whom she reportedly sold the bulk of her stake, British businessman Anthony Quayle (*Property* September 4). Organisers of the meeting say notices were pinned to the doors of their last known addresses.

It is estimated that an initial R350 000 is needed to overcome the immediate crisis and that it will take another five years to get everything shipshape.

Rioma Cominelli, chairman of the Timeshare Institute of SA, and MD of timeshare operators H Lewis Trafalgar Timeshare, says the institute has kept abreast of developments at Umdloti Sands and her company will be willing to offer its expertise to help ward off provisional liquidation.

The special general meeting was told that an application for the provisional liquidation of the shareblock company could be lodged with the Supreme Court in Durban next week. A committee of five directors headed by Umhlanga property valuer Bev Robinson has been elected to investigate ways of saving the resort. ■

Gambling operators to defy govt ban

288

MARCIA KLEIN

SMALL gambling operations would remain in business and would not wind down operations over the next three months, Gaming Association of SA (Gasa) joint chairman Grant Kaplan said yesterday.

Kaplan was reacting to Wednesday's announcement that hard gambling would be prohibited by Parliament within the next two weeks, but gaming operations already in existence on October 1 would have a three-month period of grace to wind down their affairs. BIDM 9/10/92

"By pushing through the Bill in its present form in the coming session, Parliament is pre-empting issues which in any event will be decided upon by the Howard Commission of Enquiry, which may well decide in due course that either some or all of such establishments now in existence will be entitled to continue trading permanently on some basis or another," Kaplan said.

The gaming operations would continue to trade until proposals were made by the Howard Commission, he said.

He believed the three-month period, which could be extended, was aimed at allowing the Howard Commission time to come up with its findings and not at giving the industry time to wind down.

Wednesday's announcement would stop the industry from growing, but existing players would continue to trade as usual. Sun International MD Ken Rosevear said he was disappointed with the decision, as it did nothing to resolve the issue.

The deal would further entrench the rights of the small operations for the period to February 1, he said.

If government had acted sooner, the gaming operations would not have proliferated to the extent they had and government would not be in the position it was in now. "Yet again, the situation was not dealt with conclusively," he said.

TIME HOLDINGS FM 9/10/92

Unusual refinancing plan

Concor's investment in Time Holdings seems to make sense for both parties. From the engineering and construction group's standpoint, the investment means an association is established with a life assurer, similar in principle to Rapp & Maister's connection with Liberty. (288)

The deal should also position Concor strongly in Botswana as Time Holdings has a relatively significant infrastructure there through its construction operations. Activity there should increase as Time Life has recently been granted a Botswanan life licence.

From Time's viewpoint, Concor's entry means the group will be recapitalised, which is important following the large knocks it has taken on low-cost housing. The slide in Time Holdings' share price meant it wasn't feasible to recapitalise through a rights issue.

The position between Time's construction arm, McCarthy, and Concor remains unclear. Time executive chairman Colin Hibbert declines to say whether the two will be merged.

The deal is complex. Concor will acquire a 50% stake in private company, Timecon, which holds 45% of Time Holdings. Hibbert, with his family trusts, will own the remaining half of Timecon.

As new Timecon shares will be issued to Concor at a cost of roughly R6,57m, and as Concor, with third parties, will subscribe for R11m worth of Timecon redeemable pref shares, Timecon will be significantly recapitalised.

Time Life, held 66% by Time Holdings, is then to be sold to Time Holding's shareholders at R2,80 a share in a R9,4m deal, to be underwritten by the recapitalised Timecon.

FM 9/10/92 (288)

This leg of the deal is unusual as holders of listed paper will be given the option to hold new paper, but in an unlisted company. Hibbert predicts Time Life will be listed around the end of 1995, provided market conditions are favourable.

Shareholders may choose to sell their rights rather than subscribe for shares in Time Life, but they should recognise that if they take the shares they will not be able to sell them through the JSE for several years. Hibbert says the unlisted paper will be traded informally, with an actuarial valuation undertaken annually to provide an indication of the share's value. Hibbert is following his own rights in Time Life.

The niche assurer, which started operations in 1988 and is targeted mostly at the A and B income groups, should start paying a dividend only in fiscal 1994.

Meanwhile, there is a rather unfinished look about the new structure. When asked if there are further steps envisaged, Hibbert declined to comment.

William Gilfillan

Amended Bill makes gambling really risky

By ARTHUR GOLDSTUCK

THE government would like the courts to view gambling as a crime four times more dangerous to society than drunken and reckless driving.

This is one of the hidden message behind the Gambling Amendment Bill, due to be debated in parliament shortly.

The maximum penalty for an illegal operator will be R200 000 or 10 years in jail, while anyone caught gambling can be sentenced to a maximum of R100 000 or five years in jail.

"This is right out of Jonathan Swift," Democratic Party (DP) justice spokesman Tony Leon said yesterday. "To be found guilty of drunken and reckless driving, the maximum fine is R24 000 or six years' imprisonment."

Leon is a member of the Parliamentary Joint Committee on Justice, which deliberated the Bill after it was passed to them by government. The committee accepted recommendations for an amendment that would allow a moratorium on "illegal" casinos until February 1. The amendment also freezes existing casinos at their October 1 level, prohibiting any new casinos from that date. This would give existing casinos an opportunity to wind up their establishments by February 1 — although the amendment allows the minister of justice to extend the moratorium.

Perhaps more significantly, the DP persuaded the committee to accept its recommendation to empower the Howard Commission, set up to examine "soft" gambling like lotteries, to investigate "hard" gambling as well. If the commission recommends a change to the new law, the Gambling Act will have to be amended again.

Leon believed the absurdity of the penalties involved would undermine the legal process in gambling cases.

"We've legislated in such an absurd fashion, its very unlikely anyone will land up in prison on a gambling charge," he says. "There is such a complete disparity with other crimes that I can't see such penalties being imposed. Mass murderers walk free in less time than that."

Suspicion of the Act being partly a government move to protect Sun International's gambling monopoly in the homelands is also confirmed by the Bill. It specifically provides for the continuation of gambling in the TBVC states.

Althougn Sun International spokesmen deny it, almost every recent financial report from its associate companies in the homelands has blamed the proliferation of "illegal" casinos for reduced profits.

City Lodge heads for JSE

288 EDWARD WEST

CITY Lodge will offer 5-million shares and 5-million debentures to selected institutions, employees and business associates at 480c an ordinary share and 550c a debenture when it lists on November 18.

The listing, by way of private placement, will capitalise the group at just under R200m, placing it in the top third of JSE companies in terms of market capitalisation. Many financial institutions and pension funds have responded favourably to the new listing.

A City Lodge spokesman said at the weekend that Sanlam, Old Mutual, Federated Life, Commercial Union, the Metal Industries' Pension Fund, Iscor Pension Fund and Syfrets were among those that would take up their allotments of ordinary shares. He said some wanted more stock than they had been offered.

City Lodge operates seven City Lodge Hotels and one Town Lodge in the economy segment hotel sector of the industry. Three more hotels, being built at a total cost of R50m, are due to be completed this year.

The listing prospectus, published today, forecasts taxed profit for the year ending July 31 1993 to be not less than R10,8m, representing earnings of 43,5c a share compared with fully diluted pro forma earnings of 33,5c a share in financial 1992.

A dividend of 9c a share based on 24,8-million shares was expected to be paid in

□ To Page 2

City Lodge

From Page 1

April 1993. Dividend cover would be maintained at 1,5 times. In 1992 a pro forma special dividend of 3,9c a share was declared which was not taken into account in the prospectus income statement.

The spokesman said City Lodge planned to develop two lodges a year in SA over the next five years. Tourism in the new SA was expected to provide not only higher room occupancy rates, but opportunities in the leisure accommodation field.

The Mine Officials' and Mine Employees' Pension Funds undertook to provide loans repayable over 20 years for the development of new hotels to a maximum of R58m, in addition to R16m as at July 31 1992.

On completion of the three hotels under development in Morningside, Jan Smuts Airport and Victoria & Alfred Waterfront, about R43m would have been spent, leaving R15m for further development.

The full benefit of the three lodges would only be felt from the start of the 1994 financial year owing to expected low initial room occupancies and the impact of servicing debt during the initial period of build-up of occupancy levels.

ANC plan to liaise on tourism lauded

288

THE ANC's plans to liaise with major tourist operators on the drafting of a comprehensive tourist policy has been welcomed by American Express Travel Services MD Rod Rutter 13/10/92

He said in a statement yesterday that the move was a positive and reassuring step towards realising the tremendous potential of the travel and tourism industry.

"Our image has suffered several hard knocks recently. A peaceful, stable and democratic society is a prerequisite for attracting overseas visitors in significant numbers." 13/10/92

Travel and tourism was the largest industry in the world in terms of employment, providing jobs for one in every 15 wage-earners. In SA, there were already about 370 000 people employed in the industry.

"Tourism Minister Org Marais has also unveiled valuable new initiatives in recent months. The active and positive involvement of politicians can only benefit the industry and the economy as a whole," said Rutter.

A comprehensive strategy would be essential as SA fought back from its previous status of international polecat to win its rightful place as a leading international tourist destination.

"This cannot happen without the participation of political decision makers, so the ANC's involvement is highly welcome," Rutter said. — Sapa.

IDC grants loan to Natal Parks Board

GAVIN DU VENAGE

THE Industrial Development Corporation (IDC) granted the first loan from its R600m eco-tourism fund this week to the Natal Parks Board, to be used for the upgrading of the Hluhluwe Game Reserve.

The R18m loan will be spent on the Hilltop Hutted Camp, to build facilities such as a restuarant and shop, and to modernise the rondavels.

IDC MD Carel van der Merwe said three other loan applications, for a total of R30m, had been approved. Another six were still being considered.

Of the approved eco-tourism loans, 33% were for the private sector and the rest for conservation authorities.

Our Durban correspondent reports that a new, R7m road is to be built through the Corridor Game Reserve to link the Umfolozi and Hluhluwe game reserves.

The road will improve game viewing opportunities for visitors and ultimately lead to the establishment of accommodation facilities in the Corridor.

The combined area, covering about 100 000ha and containing the world's largest concentration of rhino, will be known as the Hluhluwe/Umfolozi Game Reserve.

Changes to building societies tabled

LINDA ENSOR

CAPE TOWN — The Mutual Building Societies Amendment Bill, bringing mutual building societies into line with deposit-taking institutions in terms of minimum capital and reserve requirements, was tabled in Parliament yesterday.

The Bill empowers mutual building societies to issue permanent, unredeemable interest-bearing shares to drum up a hard core of capital.

This in turn will enable them to strengthen their capital bases to meet the new capital and reserve requirements.

The memorandum to the Bill, which would come before Parliament next year, said it had become imperative that mutual building societies be subjected to the same prudential requirements as deposit-taking institutions in the light of the greater freedom they had been granted by the adjustments made this year to their mandatory financial ratios. B|DAY 15|10|92.

Competitive

These new ratios made it necessary for mutual building societies to conform with a standard of risk management comensurate with the risk exposures that would be encountered as a result of the extension of their business.

New regulations came into effect on July 1 enabling mutual building societies to utilise their operating capital more profitably in the highly competitive financial services market.

The maximum ratio of operating capital that they were permitted to apply to business advances and general advances was increased from 30% to 70%. The minimum ratio of operating capital building societies were required to apply on housing advances was lowered from 70% to 30%.

Govt forces gambling legislation through

B|DAY 15|10|92. 288

Political Staff

CAPE TOWN — In spite of vigorous opposition, government yesterday forced its controversial anti-gambling legislation — which will outlaw "hard gambling" from February 1 — through Parliament.

Crucial to its success was the support of the ruling House of Delegates party, Solidarity, which had blocked the legislation in the standing committee before the end of this year's parliamentary session on June 19.

The DP, with support from the Labour Party, argued vigorously that the legislation should have been suspended until the Howard commission completed its probe into gambling.

However, the NP majorities in the House of Assembly and the Solidarity support in the HoD gave government the numbers it needed to push through the legislation.

In terms of an amendment to the Gambling Amendment Bill, the legislation will only become applicable on February 1. Justice Minister Kobie Coetsee said that this was to give "illegal" casinos time to wind up their business.

However, there was still hope for at least some of the estimated 2 000 casinos that have sprung up this year. Coetsee confirmed yesterday that the Howard commission was to be expanded to include an urgent investigation into the desirability of permitting gaming in regions or areas where it was presently banned.

It is understood that areas or cities such as Cape Town, without easy access to a homeland casino, could be considered for an exemption.

Coetsee yesterday defended government's actions, saying it had no other aim than to create order in the present chaotic hard-gambling situation.

The DP mounted a scathing attack on the legislation during the debate, with Houghton MP Tony Leon saying it was a "piecemeal", "futile" and "knee-jerk" measure which made a mockery of careful and considered law-making.

The CP supported the Bill as the party was "strongly opposed to gambling", said Roodepoort MP Jurg Prinsloo.

ANC 'will ignore FW's demands'

B|DAY 15|10|92

Political Staff

CAPE TOWN — The ANC has chosen to ignore President F W de Klerk's insistence that it must control its radicals before joining the NP in a government of national unity, saying "we have heard it all before".

Spokesman Gill Marcus said the ANC would not react to the President's hardline pre-conditions, but sources in the organisation have already described them as unacceptable.

Marcus said the ANC's reaction to De Klerk's speech in Parliament on Monday still applied.

In that, the ANC said the President's "indulgence of his McCarthyite proclivities was as undignified as it was puerile. That he and members of his party still entertain the hope of sowing tension in the ANC by targeting members who are communists betrays a naivety that is laughable," it said.

Sapa reports CP leader Andries Treurnicht called for De Klerk's resignation and demanded government crack down on the ANC.

● Comment: Page 8

CITY LODGE FM 16/10/92

Fairly priced issue (288)

At 480c per ordinary share and 550c per debenture, City Lodge's placing price seems fair relative to the hotel sector. But the sagging market makes evaluation a bit tricky and, anyway, the price is largely academic, with the public excluded from a first bite of the share.

Life offices and big pension funds seem happy with the price. Financial director Bill Dickson says most of the 5m 11% unsecured compulsorily convertible subordinated debentures, as well as 5m ords, have been placed. The listing is due on November 18.

The five-year profit history and forecasts look promising, and the listing is one of this year's more interesting. Dickson says the issue is a private placing because, at R51,5m, it was felt to be too small for a public offer.

City Lodge forecasts a 26% increase in attributable profit to R10,8m, and 25% increase in undiluted earnings to 43,5c. It expects to pay a dividend of 26c per share on dividend cover of 1,5. Undiluted NAV is 69c.

A forward yield of 5,4% is probably reasonable compared to the sector's average 2,2% and Sunbop's 4,8%. The p:e ratio, if forecasts are met, will be around 12 on diluted earnings and 11 undiluted. That's in line with Sunbop's 12,3 and Kersaf's 12,9.

But comparisons are difficult because of the niche market City Lodge has carved out for itself. Since the first lodge was opened in 1985 others have appeared, but, the group claims, are not really in direct competition.

A big plus is the favourable financing arrangements, with a big daddy in the joint Mine Officials & Employees pension funds, which bankroll the company and provide soft loans for expansion — for which they have undertaken to provide another R58m.

The listing is, in part, a move away from dependence on the pension funds, but enough capital is in place for City Lodge to complete three more hotels this year, taking the chain to 11 hotels with 1 600 rooms.

Plans to build an additional two hotels a year for the next five years seem ambitious, and in the present state of the hotel industry optimistic, but Dickson says US experience shows there is room for growth.

"About 25% of the US hotel market is limited service. On that basis we think SA could support about 5 000 rooms," he says.

Another advantage is a high asset base, shown as R112,5m in the pro forma statement. The group owns all its buildings, and nine of its 11 sites, as well as other property.

This takes rentals, and possible escalations, out of operating profits. Interest should remain relatively stable, thanks to the low-interest mine pension fund loans.

FM 16/10/92 (288)

Dickson believes City Lodge has enough capital to fund growth until about 1994. After that the market will probably be used to raise capital, if necessary.

Despite pressure on the hotel industry, the forecasts seem reasonable based on performance so far. Though working on tighter margins, Dickson says City Lodge has kept an 80% occupancy level this year, and expects it to fall only a few percentage points when the three new hotels are running next year. That compares with an industry norm of 48% for the first seven months of the year. *Shaun Harris*

LEISURE LODGES FM 16/10/92 (288)

Charting virgin territory

Leisure Lodges — the resort arm of the Three Cities Management Group — has been given the go-ahead to develop the first phase of a R12m-R15m lodge on the southern shore of Sibaya Lake in Maputoland. Leisure Lodges will be responsible for all aspects of development from structuring the participating partners to the design, finance, construction and management of the project.

Three Cities Hotels chairman Russell Stevens points out that discussions with Thornybush Game Lodge (*Property* October 2) were in fact between Leisure Lodges — not Three Cities — and Thornybush. Three Cities generally deals only with CBD hotels while Leisure Lodges specialises in resort management.

The first phase of the yet-to-be named Sibaya Lake resort will have 24 double-bedroom, luxury suites, a restaurant and bar. An excursion boat will take guests to see crocodile, hippo and, particularly, abundant bird life.

Sibaya is a 75 km² lake behind the coastal dunes north of Sodwana Bay in northern Zululand. Development on its southern shore will take place within a proposed 6 000 ha game reserve along the western side of the lake. The reserve will stock antelope and other game but not lion or elephant.

Stevens says guests will have access to neighbouring Natal Parks Board reserves to see the Big Five at Mkuzi, Hluhluwe and Umfolozi, as well as to Conservation Corp's Phinda, with which Leisure Lodges has reciprocal visiting agreements. The lake is considered too sensitive ecologically to host elephant and walking trails would be hazardous among dangerous predators.

Leisure Lodges will lease land occupied by the lodge from the Mabaso Tribal Authority. Stevens says the group is assisting in the development of a cash-crop project that will employ Mabaso tribe members.

continued

PROPERTY FM 16/10/92 (288)

The lake is under the control of the KwaZulu Bureau of Natural Resources. Both it and the KwaZulu Tourism Group have been hard at work to open Maputoland to tourism. Leisure Lodges is the first major project to be approved.

Rates per night will be competitive with top private game lodges. ■

GAMBLING FM 16/10/92

Going for broke

288

Now that the 1 500-odd upstart mini-casinos have won a stay of execution until February, proponents of open gambling are pinning their hopes for a permanent reprieve on the Howard Commission.

The commission, headed by Natal Judge James Howard, was appointed by parliament's Standing Committee on Justice last month to look at "soft" gambling — lotteries and scratchcards — but its mandate now includes "hard," casino-based gambling.

The other two people on the panel, who were all appointed by President F W de Klerk, are Mohale Mahanyele (53), executive chairman and CE of National Sorghum Breweries, and Prof Sybrand Strauss (62) of Unisa's Criminal Procedural Law Department. Mahanyele is also a member of the State President's Economic Advisory Council. Strauss was a founding member of Lawyers for Human Rights.

The commission, which meets for the first time in Durban next week, has called for written representations from interested parties to be submitted by the end of the month. When it will turn in a report is anyone's guess. "I have no idea when we'll be able to make any recommendations," Judge Howard says.

But the industry now has a foot in the door and intends to keep it there. Gaming Association of SA chairman Grant Kaplan believes that "the situation will remain unchanged until the commission has decided on the issue."

The four-month moratorium can be extended at the discretion of the Justice Minister, says Tony Leon, the Democratic Party's spokesman on justice. Leon is hopeful that the issue will end with government allowing hard gaming in certain areas and under strict control.

The mini-casino operators have often made the point that when the independent homelands are reincorporated into SA, provision will have to be made for the huge casinos already existing there, and it seems unlikely that government will turn around and outlaw them.

Though small, the commission appears to have the support of the interested parties, in contrast with other government commissions. The Viljoen Task Group on Broadcasting, for one, was harshly criticised because it was headed by the chairman of the SABC and was loaded with members who would not — and did not — recommend a wholesale deregulation of broadcasting.

Leon says: "The (Howard) Commission is less of an inside job (than the Viljoen group)." He believes that the outcome of the inquiry will depend heavily on the quality of the submissions.

The moratorium has not been welcomed by everyone. "We're disappointed; instead of answering questions, it's left a lot of uncertainty," says Ken Rosevear, CE of Sun International (SI), which operates the big casinos in the independent homelands.

While the official purpose of the moratorium is to give the mini-casino operators a breathing space to start winding down their operations and lay off staff, Rosevear believes they will "just hang in there."

SI has been hurt by the casinos. Last week, the group retrenched about 1 000 workers across its eight Sun Bop units in Bophuthatswana. Rosevear admits that SI has "lost a lot of people to these clubs." Visitors say crowds were thin at Sun City last weekend, the first weekend after the mini-casinos were given the legal go-ahead to do business for the next few months.

The uncertain future of the mini-casinos has affected their ability to advertise on the SABC. "It's a grey area and we don't want to be treading on the wrong side of the law," says an SABC employee, who acknowledges that the broadcaster has cancelled advertisements for the gaming houses.

Though the Gaming Association has appealed to the SABC on the basis that the amended Bill allows clubs to trade legally if they can prove they were operating before October 1, the SABC isn't budging.

SABC chief legal adviser Leander Gaum says the SABC would not accept advertising from any of the mini-casinos because that would be a legal offence. "According to the Department of Justice, no moratorium has been granted to publishers." ■

Row over beauty in belly of the beast

W/mail 16/10 - 22/10/92

288

The African National Congress' endorsement of the Miss World Pageant at Sun City has set off a bitter row.

By **GAYE DAVIS**

AFRICAN National Congress members in Bophuthatswana are outraged over an apparent deal struck between the organisation's cultural desk and Sun International giving the green light for the multimillion rand event — to be staged on December 12 as part of the opening celebrations for casino magnate Sol Kerzner's African-fantasy theme resort, The Lost City.

Also under fire is the ANC's international affairs head, Thabo Mbeki, who is accused of having developed a "cosy" relationship with Kerzner.

At issue is the ANC cultural desk's alleged failure to consult the organisation's members in the region, who are vehemently opposed to the political and economic mileage President Lucas Mangope's government will earn from the event — to be watched by 600-million television viewers in 60 countries.

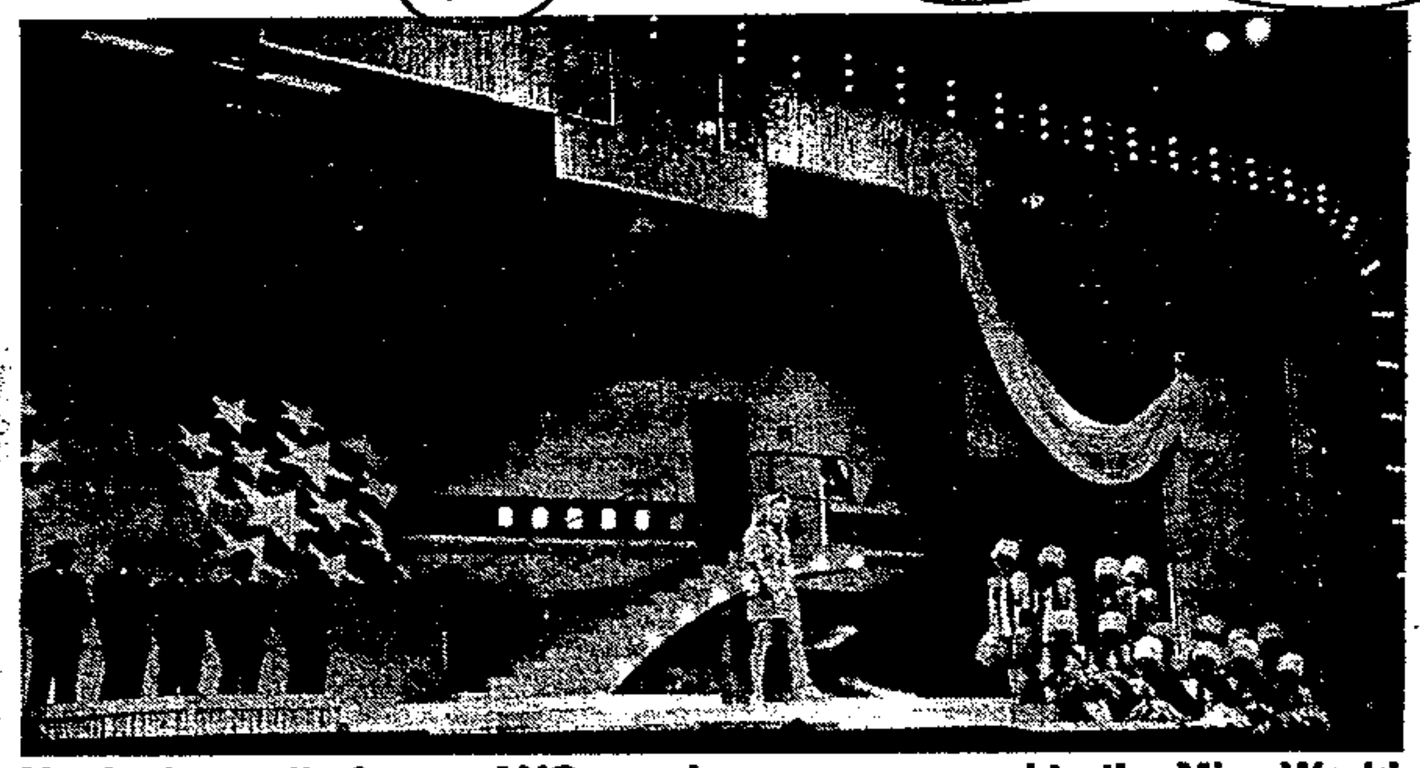
The pageant coincides with renewed agitation around the homelands in the wake of Bisho, including proposals for an ANC march on Mmabatho.

This week the ANC's Mafikeng branch called on the ANC's Department of Arts and Culture (DAC) to schedule an urgent meeting with Sun International, aimed at eliminating from the event the presence of Mangope, his cabinet ministers and officials, as well as the Bop flag and anthem.

Failing this, they want the event moved to another venue outside the homeland — and have threatened to unleash an international campaign of protest if it goes ahead as planned.

"The DAC maintains that Sun City is part of South Africa — but the reality is that taxes earned from the Miss World pageant will pay for repression in Bophuthatswana," said Mafikeng ANC branch spokesman Roy Williams.

He said members were questioning the relationship which had sprung up between Kerzner and Mbeki. Kerzner, adroit in keeping both sides of his bread buttered in smoothing the way for his showbiz extravaganzas, was photographed as a guest at Mbeki's birthday celebrations recently.



Not just a pretty face ... ANC members are opposed to the Miss World Pageant at Sun City

According to Williams, the Mafikeng newspaper, *The Mail*, recently announced that Miss Bop would be among the 80 Miss World title contenders, who include South Africa's Amy Kleynhans. A subsequent news report, however, stated that Miss Bop — to be chosen within a few weeks — would not be a contestant, but a hostess.

"Downgrading Miss Bop's role to that of hostess is no satisfaction to us at all," Williams said. "If the pageant is to be staged as a South African event then this must be explicit. There must be no Bop government role at all."

Mafikeng Anti-Repression Forum (Maref) chairman Andy Manson said negotiations between Sun International, the DAC, Maref and ANC structures in the region took place last year, with a view to drawing up terms under which entertainers could perform at Sun City and assist Bophuthatswana communities. "The next thing we heard was that this event was going ahead."

He said Maref wrote to the DAC and received a "woolly response". The issue was again raised with the ANC two months ago but nothing had been done.

Various organisations in Bophuthatswana have now formed committees to co-ordinate opposition to the pageant.

Group entertainments director for Sun International Ltd, Hazel Feldman, said yesterday: "I certainly don't see any necessity for a furore. We have been working with the ANC, Pan Africanist Congress and Azanian Peoples' Organisation on fundamental criteria established years ago for ongoing consultation with regard to international performers at Sun City."

Feldman said Miss Bop would not compete in the pageant as "a country must be a license-holder. Licenses are issued by the Miss World office in London, based on specific criteria relating to United Nations' recognition of a country".

ANC spokesman Carl Niehaus was unavailable for comment yesterday.

Rich Arabs keen to buy SA holiday homes

288

PETER DELMAR

DUBAI — Wealthy Arabs are keen to buy luxury holiday homes along SA's coastline.

An exhibitor at the current SA and the Gulf show, Hivest International director Ara Manuelian, said yesterday Middle East businessmen had shown great interest in investing in commercial, retail, residential and tourist property in SA, as well as in new developments.

Other businessmen confirmed the growing interest in exclusive residential properties.

Manuelian said his company would organise a number of tour packages for potential investors. Three groups had already visited SA, he said, and he was surprised by the interest shown this week.

Manuelian said he was representing a leading SA company — which he declined to name — looking for Middle East investment in SA joint ventures.

Meanwhile, Deputy Trade and Industry Minister David Graaf yesterday urged Arab businessmen to join SA in forming an Indian Ocean trade bloc.

Graaff told a seminar here that geopolitical shifts had left Africa and the Middle East outside the three major world trade groupings.

The development of a trade bloc encompassing SA, the African east coast, India and the Middle East should be considered a natural development which would benefit all the regions concerned. "We see Dubai as a natural window into the Middle East and I hope that you will see SA as a window into Africa," he said.

Like Dubai, SA was also at the axis of major east/west trade routes.

● See Page 3

COMPANIES

Gambling crackdown to help Safren

LINDA ENSOR

CAPE TOWN — A restriction on the nationwide operations of gambling houses would have a significantly positive impact on Safren's results for the present year, deputy chairman and CE Buddy Hawton said in an interview after the group's AGM at the weekend. BIDAS 19/10/92

He said economic conditions were proving more difficult than originally projected and the group was looking to cut costs right across the board in terms of efficiencies, structures, and buying procedures.

Hawton said Safren had embarked on an intensive cost reduction programme to become a more efficient and lower-cost supplier of goods and services. 288

Cash flow was vitally important to Safren and required even more attention in the light of the enormous investments made by the group over the past two years.

Once the costs of the Lost City and Carousel projects were over, the group would be reducing its capital expenditure significantly and this would improve cash flow.

Royale Resorts was being hit heavily by the international recession, especially in Europe and was fighting hard to keep market share. The group was continuing with its appraisal and discussion of international expansion of Royale Resorts, but was careful not to overstretch its management and executive team, especially in the light of the Lost City project.

Visa move 'an indication of confidence in SA'

VISA'S investment in SA demonstrated its faith in the future of the country and would contribute to trade and tourism in the southern African region, Finance Department director-general Gerhard Croeser said at the opening of Visa's offices in Johannesburg yesterday.

The move was an indication of the confidence Visa had in the area's potential, he said. BIDAY 20/10/92.

It also demonstrated Visa's appreciation of the sophistication of the domestic financial services sector,

SHARON WOOD

Croeser said, and the fact that SA was becoming accepted for the appropriate expertise it could provide. BIQ

"We are going to find increasing trade and tourism throughout the region and Visa will play an indirect role in this by oiling the wheels of tourism." 288

Croeser said the message was coming home that SA's economic problems needed to be solved, otherwise a future government was going to have a severe problem. "Hopefully the political posturing will disappear," he said.

Visa president and CE for Europe, Middle East and Africa, Jean Jacques Desbons, said the decision to open offices in SA was evidence that Visa thought the southern African region would be of growing importance to the organisation.

"It is a bet on the future and the best way to show it is to be here and invest here," he said.

BA geared for Cape tourism

(288) CT 31/10/92

By AUDREY D'ANGELO

BRITISH Airways (BA) is aiming ultimately at two direct flights a day between London and Cape Town, when the expected surge in tourism comes, regional manager Ian Petrie said yesterday.

With full loads this would bring approximately 800 people a day to the city.

BA planes have been calling at Cape Town for the past eight years, but until yesterday they all travelled by way of Johannesburg. Last night a new nonstop service began, increasing the number of BA flights to three a week.

Petrie said last night's plane was full to capacity. "We have very high load factors into Cape Town — between 35% and 40% of passengers on the route come here.

"And demand has been fantastic since the non-stop flight was announced. Bookings on some dates are 80% or 90% higher than last year."

He did not expect to lose market share to KLM, Lufthansa or UTA-Air France, all of which have started flights from Cape Town to Europe by way of Johannesburg this week.

"Nobody wants to go by way of Johannesburg if they can help it."

BA has brought its World Traveller fare down to R2 750 until November 19. Petrie thinks it unlikely that normal fares will drop below this level in spite of increasing competition.

"The value of fares currently being offered is excellent — people thinking of travelling should go now, particularly as the pound has weakened so much against the rand."

He would not comment on the likelihood of "seat sales" — in which a certain number of seats are offered at reduced prices on specific flights for which bookings are light — in the new year. But he said that BA's new Randsaver package, updated every year, would be announced in January.

Airlines are becoming increasingly competitive on the total packages of accommodation, car hire and other services they offer.

Petrie said he was confident that holiday traffic to SA would grow. "It is our hope that numbers will ultimately grow sufficiently for us to have two flights a day, as we do to some popular destinations in the US."

● Meanwhile, Swissair's nonstop service between Johannesburg and Zurich is currently about 70% full.

It was introduced a year ago and has resulted in a growth in total business.

"We find demand high on both routes, which means we are carrying a higher total number of passengers.

"The change means that we arrive at Jan Smuts at 8.10am, making the service more convenient for passengers going on to Cape Town. Coming by way of Nairobi we got in at lunchtime."

Swissair's hyperpex fare will be R2 600 from Johannesburg until November 19.

Liquor traders set for a boost

Sowetan 22/10/92 288

■ Beleaguered industry:

BLACK liqour traders are to be advanced in business by a mini-loan scheme being negotiated by the Trust Bank and the United Taverners' Association of South Africa.

Utasa general secretary Mr Stephen Moloko yesterday said that talks were at an advanced stage.

Utasa was also negotiating with the Development Bank of Southern Africa, the South African Breweries and other liqour wholesalers.

DBSA's senior project leader on business and entrepreneurial development Mr Neil Sapsford confirmed that negotiations were taking place between Utasa and the bank.

No finality had been reached. It was premature to comment but he said that "the bank will not necessarily grant loans but will assist as far as possible.

"We are also talking to other groups and commercial banks regarding developing business in the communities," he said.

These developments come in the wake of the slackening economy, violence, looting and robberies resulting in the closure of many bottlestores and taverns in black residential areas.

Moloko said although the liqour industry was booming, it had been plagued by instability in the townships.

He said they aimed to provide education and training and legal advice to their members and interested people.

For more information Moloko can be contacted at 29-0856/7/8.

End violence and watch tourism grow, says Sol

288

ARG 22/10/92

The Argus Correspondent

DURBAN. — Stop the violence and within two years Southern Africa would attract a million foreign tourists annually, who would splash out R8 billion — enough cash to create 150 000 jobs, says hotel magnate Mr Sol Kerzner.

He was speaking on the future of foreign visitors coming to South Africa as his Sun-International resort group prepared to open the multi-million-rand Lost City at Sun City.

Mr Kerzner said he could see political stability in the country in a short space of time — within months, not years.

"For there to be this growth, the violence must stop — once that happens the visitors will come. A substantial percentage will obviously visit Sun City, but this will not be the sole objective of their holiday.

"They will want to visit other centres of South Africa — they will want to go to Durban, to the Eastern Cape, to the nature reserves. They will also want to see the Victoria Falls in Zimbabwe.

"Air fares from Britain and Europe are expensive. When people come they will want to visit the whole region," said Mr Kerzner.

Speaking about the development at Sun City — where The Palace Hotel is being built in the "Lost City" — he said it would see the number of beds rising from 850 to 1 200 and the doubling-up of conference facilities.

He said a series of extravaganzas, similar to that being staged by French superstar Jean Michel Jarre for the official opening in December, were in the pipeline.

Other major events would be the Miss World contest, to be held for the first time in Africa, the Million-Dollar golf tournament and a host of cabaret acts.

KERSAF

FM 23/10/92 (288)

At play in the theme park

The Indiana Jones-style city gambles on a public willing to spend for fantasy

Bold as brass, Kersaf's board continues to raise the stakes. Perhaps that's what would be expected of a group whose primary business is in casino resorts; even so, spending R830m on capital projects in a year characterised by a continuation of deep and intensifying recession takes some nerve.

By far the bulk of capital expenditure projects is concentrated on Sun International, of which Kersaf holds 80% and which contributes 72% of total turnover. And the largest slice of this was devoted to Sun International Bophuthatswana's dramatic development projects.

Last November, the Carousel Entertainment World project north of Pretoria was opened. SunBop is proud of it and chairman Sol Kerzner says it has attracted on average 11 000 visitors a day. The downside is that the average spend has been lower than hoped for.

But the jewel in SunBop's crown is Kerzner's grandiose Lost City, which will open on schedule on December 1. Its total cost, including the Palace Hotel, will be about R830m, nearly R100m up on original estimates. Much of this, says MD Ken Rosevear, "is due to enhancements and extensions to the original concept and the intricacy of the ornamentation work that features throughout the Palace."

A visit to the project certainly impresses, as it's meant to do and as it should do — after all, the total cash spend would make a very nice contribution to establishing, for example, a deep gold mine. The Lost City incorporates lakes, rivers and waterfalls along with the Palace Hotel and new Gary Player-designed golf course.

Intriguingly, Kerzner's ability to translate his flights of fantasy into reality extend to the creation of a baobab forest. Undaunted by the time required for these arboreal aristocrats to reach maturity, Kerzner took advantage of bush clearing operations elsewhere and arranged to truck venerable specimens to a new abode as part of the Lost City. A 1 000-year-old specimen is reported to have adapted "nicely" to its new surrounds.

This ability to "make things come true" has always served Kerzner in good stead. Now he says, the Palace will be the finest hotel in the world. That's a tall order. The merits or otherwise — and there will certainly be detractors — of its curious architecture are one thing; but the best hotels usually owe little to brick and mortar. They invariably emphasise that indefinable quality called service.

Can Kerzner, SunBop and Sun International, noted more for entertainment and casinos, handle the conversion to hotel managers on the grand scale? Rosevear says the group can: "We've employed some of the finest professional hotel managers in the world to train the staff to run the Palace. If they can't do it, no-one can." Cynics, of course, will disagree.

Nor will the Palace be cheap. A standard double room will set a couple back R610 for the night. One of the King suites, accommodating four, will cost R10 000 for a weekend. Finding the Lost City's treasures will be an expensive exercise.



The Lost City *... big dreams, big revenues?*

Stockbroker Ed Hern Rudolph analyst and Sun City watcher Alan McConnochie says the real key to the success of Sun City lies in day visitors. "The magic of Sun City — and soon of the Lost City complex, the entertainment centres, the sporting attractions — they are all in place for one purpose and that's to get people who are looking for some fun to put their hands in their pockets and gamble."

Rosevear responds by saying: "Of course the whole ball of wax which is Sun City was necessary. How would you persuade people to travel these distances if it was simply to a gambling hall?"

But Lost City is something else. "We're well aware there are limits to growth if all we do is concentrate on the population of the PWV and its surrounds. Lost City is an acceptance of those limits. It is really an investment in the future of SA tourism. It will be a permanent attraction in its own right. And because the Palace will be world-renowned, people will go out of their way to get to it."

This suggests that Sun International is beginning the process of changing its underlying philosophy from gambling-centred entertainment venues to being among the world's elite hoteliers. Certainly it has a significant investment in that area: when the Palace is completed, Sun International will offer more than 4 600 hotel rooms at 30 venues, all in and around the subcontinent.

But gambling will remain the big draw-card. And the argument about where and where not gambling can legally take place in SA has an importance for Kersaf which shouldn't be underestimated.

The peculiar distribution of areas where gambling is permitted has its roots very largely in the religious sensitivities of the ruling political party. Increasingly, these look out of place in an SA in which the re-incorporation of "independent" countries is becoming a matter of "when" rather than "if". And loopholes in the Gaming Act, which have permitted a proliferation of gaming in major cities, have been of profound concern to Sun International.

Rosevear denies flatly that the group has been hurt to the extent suggested by advocates of unrestricted "gaming" — the more innocuous term the industry prefers to "gambling." He points to room occupancy rates down to 73% in 1992 compared with 1991's 77% — a fall he believes had as much to do with poor economic conditions as with any other factors. "First-quarter figures for financial 1993 show that we're marginally ahead at Sun City; occupancy of its three hotels in the first two weeks of October is about 89%."

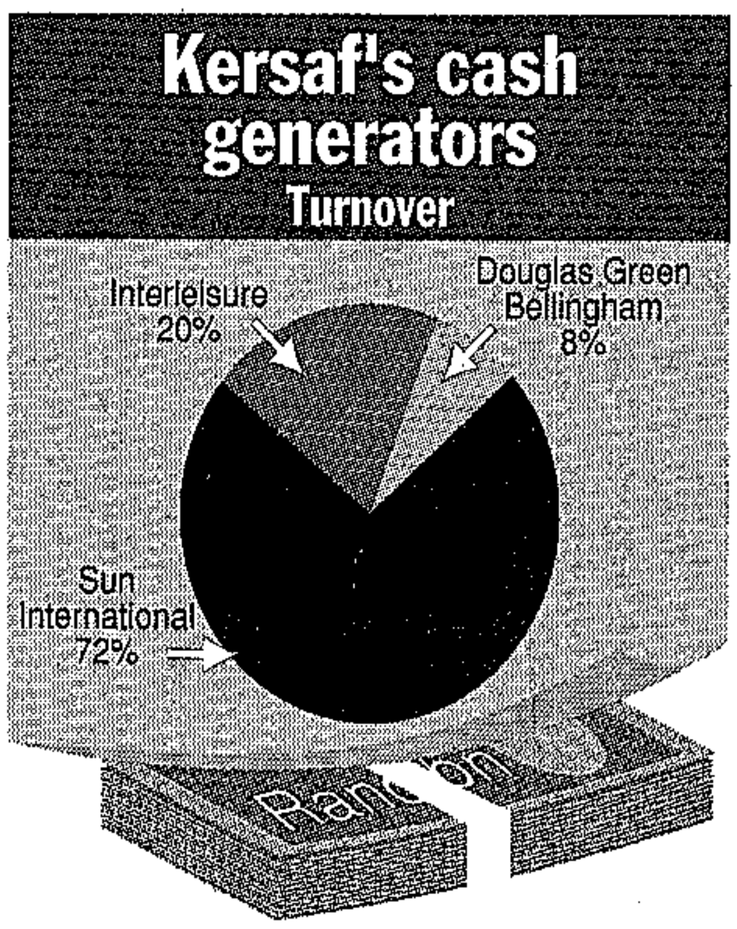
Room occupancy rates are one thing; the number of people using the gaming facilities another. Independent reports indicate that Sun City has been hard hit by the rash of casinos which have opened much closer to main population concentrations.

McConnochie estimates that fully 80% of Sun City's profit is rooted in gaming and that a colossal 90% of that comes from slot

Continued

Kersaf's cash generators

Turnover



machines, the ubiquitous one-armed bandits that lurk in every nook and cranny. Rosevear shakes his head in response to these figures and says: "It's very difficult to split the gaming and casino business from the hotels because of cross-subsidies." In other words, Rosevear's not telling.

Kerzner is much less reticent. He says the group is not afraid of competition; that's why it has built world-class resorts. But he's appalled at the thought of a gaming industry operating in an "uncontrolled, unrestricted and unregulated" environment. That's why he has argued so strongly in favour of the recent much-publicised amendment to the Gaming Act, whose effect will be to close, from February 1, the gaming outlets which have multiplied across SA over the past year.

"Historically, the gaming industry was a target for organised crime, which took advantage of the cash nature of the business for money laundering and drug trafficking operations," says Kerzner.

Expanding on the theme of welcoming competition, Rosevear says it's always been inevitable that SA will be opened to the gaming industry. "But what we really urge the Howard Commission (the body appointed to investigate both soft and hard gambling in SA) to do is to examine what has happened elsewhere in the world. I would hope that if licences are to be issued selectively — say one each in Johannesburg, Cape Town and Durban — they will be linked to the requirement that a real and genuine contribution has to be made to tourism."

Sun International's major operations are conducted through SunBop, Transun and SunCisk. Not much is happening in Ciskei aside from an R18m extension to the Fish River Sun, but Transun is playing host to a major renovation costing around R92m. The project at the Wild Coast Sun includes a redesign of the casino and refurbishment of hotel rooms and public areas and other facilities.

Transun has been an area of some worry. It is a single resort company and has been hard hit by a 33% compound rate of increase in wages and salaries over the past three years. Significant and unremitting pressure from the dominant union, Saccawu, has resulted in Transun's minimum wage escalating to R965 a month.

This hasn't been helped by the capital expenditure programme which has turned the hotel into something akin to a construction site. Rosevear says the project will be completed in time for the year-end holiday season. And he's relieved the new toll road linking the resort with Durban is now open. That, coupled with the removal early next year of "illegal" gaming operations, should help bolster the Wild Coast Sun's attractiveness.

Sun International itself has a significant share in the shadowy Royale Resorts, intended originally by Kerzner as the offshore arm. At one stage, Royale was partially owned by British & Commonwealth (B&C) before that company slid beneath the waves. B&C's holding has been assumed by an undisclosed new partner and, despite pressure, Rosevear will say only that "it's company policy not to reveal this information."

Meanwhile, Royale holds a 25% stake in three Mauritius hotels, in partnership with Mauritian interests. Rosevear concedes that the Mauritius tourist business has taken a hard knock, in line with global trends, but says these operations do not have a material impact on Sun's bottom line.

Kersaf's second arm is through a 37% interest in Interleisure, a listed company whose business includes film distribution, restaurants and fast foods, sports goods and film and TV production. Interleisure's results for 1992 reflect a small increase in turnover, lower trading margins and consequently lower net profits at R39,8m. The dividend was pegged at 11c; basically, however, it is less significant to Kersaf's overall results.

Nevertheless, it is worth noting that Ster-Kinekor, SA's dominant cinema exhibitor and a wholly owned subsidiary of Interleisure, had a flat year in 1992, selling 13,5m tickets. For those interested in statistics, *Basic Instinct* has become SA's highest performing movie, grossing R9m in box office receipts in its first two months. This will, no doubt, confirm the views of those who fear the country is fast degenerating into a sinkhole of immorality.

Sports goods was Interleisure's Achilles heel: MD Mike Egan says 1992 was the first year in which it noted a decline in the number of rounds of golf played across SA. Sales of golf equipment fell accordingly. He concedes Interleisure misread the market for running shoes. It stocked up when Nike announced that it intended to withdraw from SA. Instead, it delayed its departure by nine months, playing havoc with Interleisure's carefully laid plans to become the dominant player.

Kersaf's combined operations passsed R2bn turnover for the first time in 1992. After-tax profit rose 8% to R405,6m, helped by a sharp reduction in tax, and shareholders received an improved dividend of 147c a share. The balance sheet remains strong, borrowings accounting for a mere 16% of capital employed.

That, of course, has been Kersaf's secret all along. Quite apart from the fact that the barriers to entry for any would-be competitor are unusually high, Kersaf and its operating companies have made certain they are not at the mercy of lenders. SunBop, for example, offered additional scrip in lieu of dividends, and in February held a rights issue. The result was overwhelmingly positive and the company strengthened its position with another R330m of shareholders' money.

Everything now hinges around the success of the Lost City. Nearly R1bn is being invested in it. Kersaf chairman Buddy Hawton says: "Look, when we initiated this project we weren't expecting the economy to become as bad as it has. Still, we've reworked the figures and remain perfectly confident that the project will be a great success, though it may take longer than we planned." But given SA's current political and economic environment, is it still the sure-fire bet of which management was so confident at the outset?

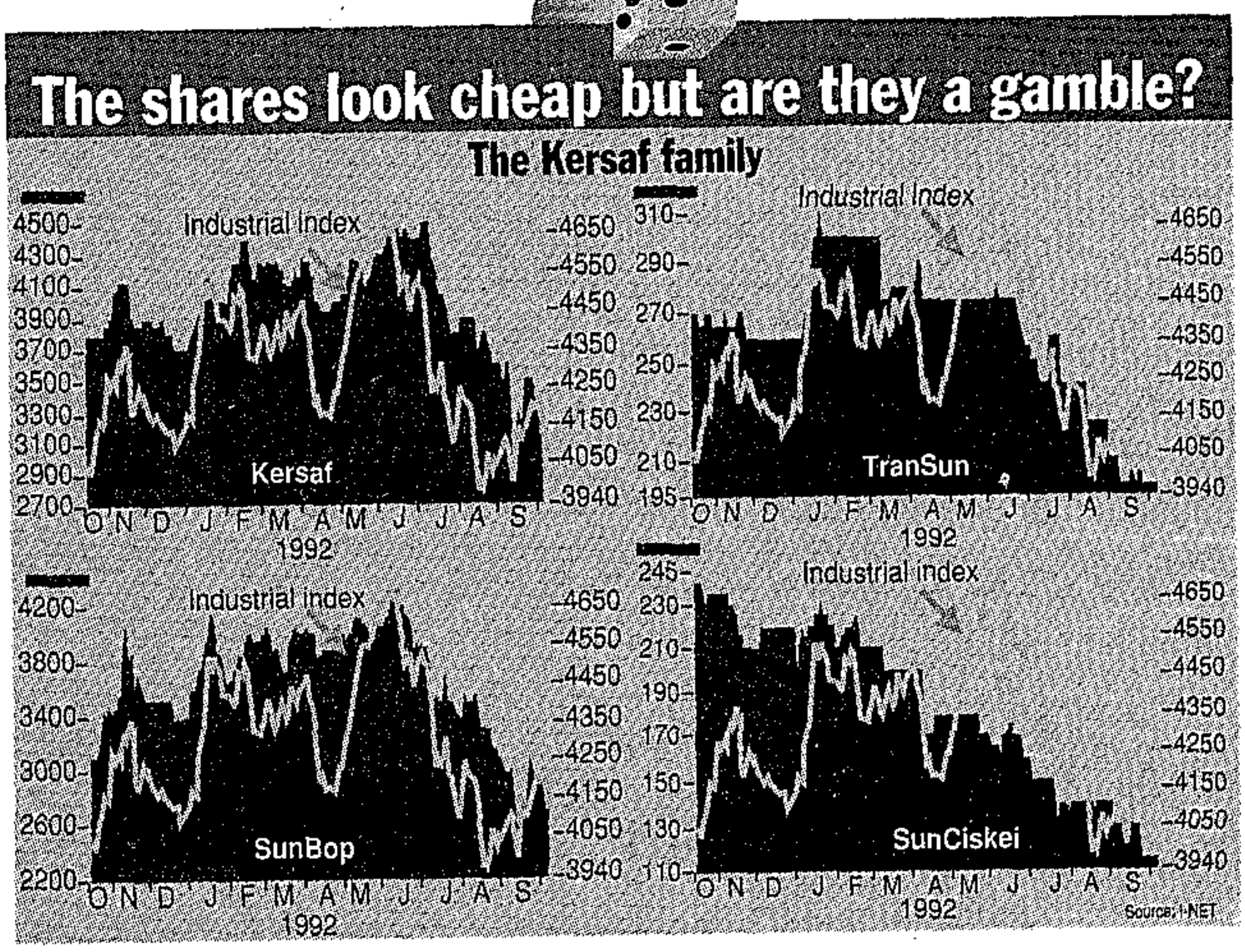
The group's history is characterised by the fact that it has consistently got it right. Now, its board has dealt from a new deck. Will its hand again hold the customary royal flush? Investors in stocks that analysts describe as "cheap relative to their assets and their ability to spin cash" will be wondering anxiously how things will turn out.

Well, that's what a gamble's about, after all.

David Gleason

The shares look cheap but are they a gamble?

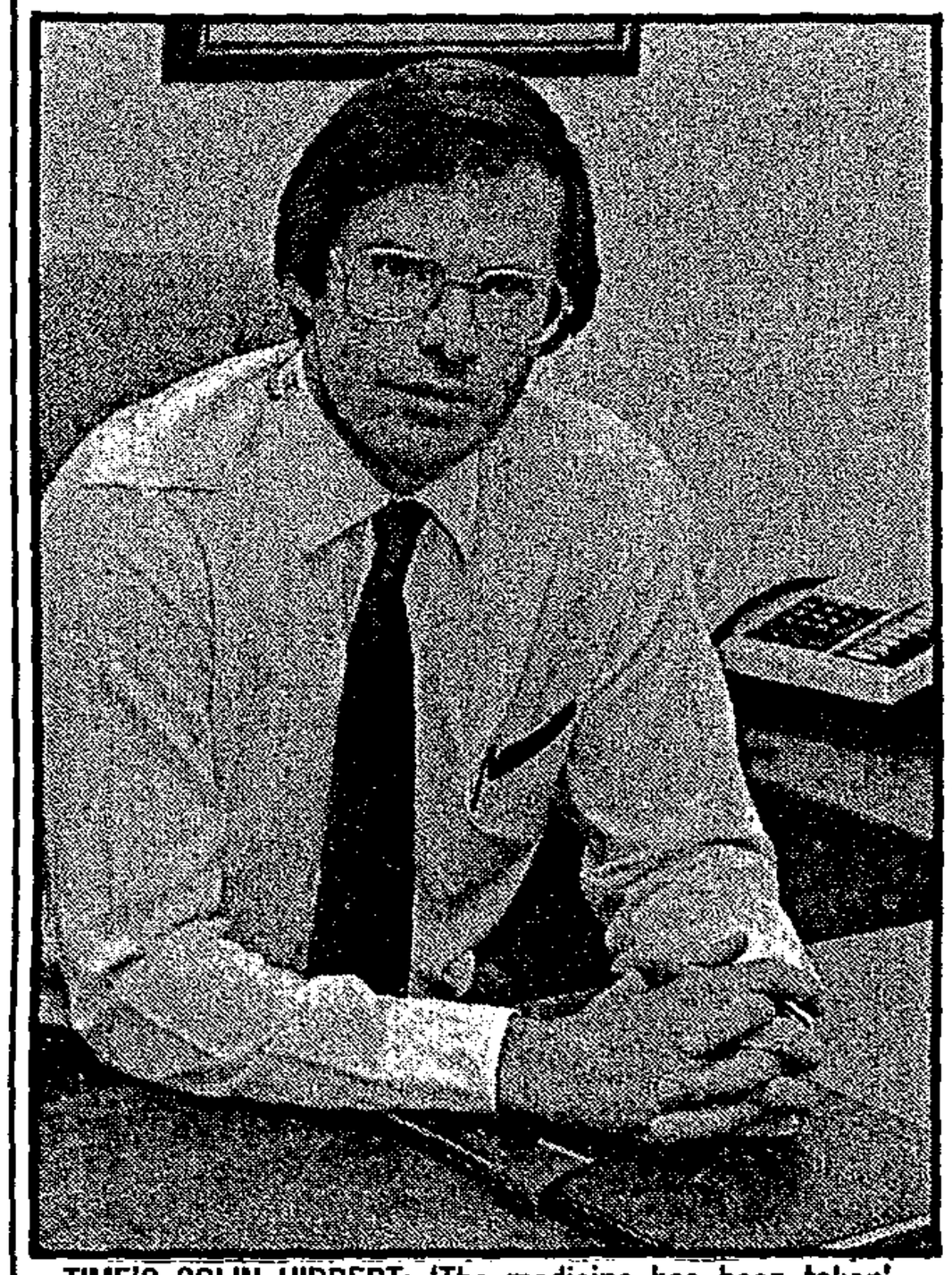
The Kersaf family



Time heals its housing hurts

DIAGONAL STREET by JULIE WALKER





TIME'S COLIN HIBBERT: 'The medicine has been taken'

ELSEWHERE in the world, the housing industry goes in cycles. But in South Africa it collapsed into a coma in 1989 and put Time Holdings into a poor state of health.

Chairman Colin Hibbert describes Time's predicament as inelegant.

It had been building 5 000 units a year for the middle-income black housing market.

Bonds were available, payments received by the lenders — in short, a business started in 1983 was right on track until bond boycotts led to the beginning of the end.

Without repayments there are no lenders and no industry. Yet Time had made major investments in land and infrastructure from which there was to be no more return.

"We decided to sell the operating companies of that business to their respective managements at the start of this year," says Hibbert.

"The other divisions — Botswana, property development and management, and our insurance company, Time Life — are doing well, but their performances have been masked by the housing losses."

Ruthless writeoffs led to a loss of R13-million for the year to December 1991. At the 1992 interim, Time was breaking even, a level Hibbert expects will be maintained this year.

[redacted]

Recapitalisation of the group was inevitable, and Concor has come on board as a non-managing investor. The relationship with Concor has developed in recent years.

"Concor was winning a lot of our contracting business on tenders and we got to know each other," says Hibbert.

"The strongly capitalised group was looking to broaden its business and there is a strategic fit with Time's restructured group."

Concor has invested R6,6-million for 50% of the unlisted top company of Time — Timecon — and together with third parties will subscribe for R11-million of redeemable prefs.

And in a rights issue with a difference, holders of Time shares have been offered the opportunity to subscribe for eight Timelife shares at R2,80 for 100 Time held.

Timelife will not be listed immediately, but the letters of allocation can be traded on the JSE for three weeks.

Hibbert expects Timelife to be listed in 1995 or so. This way, Time gets a cash boost of R9,4-million.

The life company started five years ago as a natural progression — offering insurance cover to mortgage holders.

In SA the reverse has been the usual path — the insurer comes first and property expertise develops later. Timelife has been moved sideways in this move, and will probably go on top sooner or later.

Hibbert is satisfied with the way things have turned out.

"The link between the property groups and the life company has been maintained, while at the same time repositioning Time Life more correctly within the overall structure."

He has forefeited half his control, but is still at the helm.

Shareholders should follow their rights to the life offer and stay aboard Time. Timelife has been pitched at discount to the value arrived at by independent actuaries because it will not be quoted for several years.

Time itself is 30c a share — below net asset value, whereas services companies usually trade at a premium.

[redacted]

Time's shareholders were faced with an unavoidable rights issue to repair the Time Holdings balance sheet. The current restructuring will offer shareholders who follow their rights an improved group structure and a direct investment into the fast-growing Timelife.

"The medicine has been taken," says Hibbert.

"It is still tough, but from 1993 the income statement should start to improve."

Sanlam in US deal to lease top Cape hotel

SANLAM Properties is negotiating with United States-based world hotel giants Hilton, Marriot and Western to buy or lease the five-star hotel planned as part of its R225-million development on the old President Hotel site in Bantry Bay, Cape Town.

Apart from the hotel, the development will include three luxury apartment towers, the first of which is being built at present. The development was launched this week.

According to a confidential source, Sanlam is negotiating various options for the hotel — to sell it as a shell for the purchaser to fit out or to finish it and lease it.

"Overseas investors appear to feel that South Africa — and Cape Town in particular — is stable enough to warrant an investment of this kind.

"All major tourist-related industries are very confident of the future here and are planning accordingly," the source says.

"Sanlam does not anticipate any difficulty in writing a management contract for the hotel. Just the style of the contract is at present being negotiated."

The project is a gigantic undertaking and builders Murray and Roberts will employ 600 people on site.

The first phase of apartments — of which the seventh-floor penthouse has already been sold for R4-million — has a sales value of R75-million, a

By EVE VOSLOO

spokesman for Seeff Residential Properties, sole agents for the project, said this week.

The hotel will probably be built before the other two apartment blocks.

Praised

It is estimated that about 8 000 people will be involved indirectly in the construction, including local companies making tiles, bricks and fittings.

Construction of the entire complex will take between two and three years.

Architect John Adler of Stauch Vorster has created a design which has been praised for its sensitivity in protecting views and providing open garden spaces around an "environmentally friendly" building.

'SA unrest no risk to tourists'

CT 27/10/92 (288)

By AUDREY D'ANGELO
Business Editor

THE average tourist is not at risk from violence in SA, State President F W de Klerk assured more than 1 300 senior executives in the international travel and hospitality industry — from 53 countries — yesterday.

And "within a year or two SA will no longer be looked at as one of the world's trouble spots. It will become one of the leading countries in the southern hemisphere".

Opening the annual conference of Skal International at the Good Hope Centre, the State President said: "Those involved in tourism would do well to invest in our country. Rich rewards await them."

He said uncertainty, continued violence in some areas and delay in the negotiation process were working against SA at the moment.

"I would like to assure you that these problems will be solved.

"The violence is obviously totally unacceptable. We are doing everything possible to end it, and it will come to an end.

"Nonetheless you will find that in the meantime the average tourist is not at risk.

"The standstill in the negotiations has basically been bridged and I am confident that good progress is once again possible.

"It is our goal to free SA from its divisions and conflicts, to unlock its tremendous potential, to play a positive role in the region of Southern Africa, to be an open gateway to Africa.

"We have much to offer to our neighbours and to the world."

SA had been "relatively isolated for a long time. This is changing fast. And with our restoration to the international community will come a tremendous surge of tourism.

"It is the government's policy to be helpful in the preparation for such developments. Our private sector also realises the importance of tourism and it is preparing itself for a new era.

"It is good to know that the international tourism agencies and sports administrators are rediscovering SA."

HOLIDAY SUPPLEMENT *Fun for entire family at Africa's most exciting entertainment complex*



There are games galore for children at The Carousel

Merry-go-round fun at Carousel

288

Sowetan 30/10/92.

■ EASY ACCESS Casino complex with facilities from pinball to slot machines is an easy drive on the N1

By Elliot Makhaya

THE CAROUSEL Hotel and Entertainment World in Bophuthatswana has become one of Africa's most exciting holiday complexes.

It was officially opened on November 6 1991, the eleventh Sun International resort.

One year on, The Carousel has made numerous inroads for the day-tripper in offering superb live entertainment, food from the five corners of the earth, supervised children's activities and the most colourful casino in the Southern Hemisphere.

Situated 55 kilometres north of Pretoria on the N1 Pietersburg Highway, The Carousel is served by a national road offering a quick and safe route for cars and buses.

Bus trippers booking with the Tour Co-ordinating Department are offered a special package including free casino entrance, a R10 double-up slots voucher and numerous discounts.

This holiday world offers a unique experience aimed at entertaining the entire family and is one of the most innovative complexes within the entire Sun International Group.

The exquisite Victorian style building characterises the funfairs that moved from town to town with the entire resort built around one of the most popular attractions of those times...the carousel...a merry-go-round with brightly painted horses, rising and dipping in a circle while young riders squealed in delight.

Glittering chandeliers

Inside the main entrance, with two glittering chandeliers hanging from the stained glass roof and ornamental tiles, a feast of shopping facilities and entertainment can be found.

The Victorian Court Coffee Shoppe offers light meals and snacks as well as superb coffees and bar facilities.

The Han Palace offers the best in Chinese and Taiwanese cuisine. The Squires Loft Explorers Club is a magnificent steakhouse adorned with mementos collected by great explorers.

The Cheyene Saloon is one of the three showbars with The Carousel, and is the largest entertainment venue within the complex, catering for 600 people and plays host to enthralling entertainment from Wednesday through to Sunday with live bands, comedians and The Carousel Showbelles, The Carousel's own Dance Company.

There is also a pool table and three state-of-the-art pinball machines. Pub lunch is served daily.

A great emphasis has been placed on children at The Carousel Entertainment World with 400 video arcade and simulator games to be found in Carnival Court as well as a tenpin bowling alley.

endour and the famous Victoria Falls

Captour's has new HQ

Sowetan 30/10/92.

■ SA's first fully comprehensive tourist information and service centre

By Elliot Makhaya

THE final trimmings are being added in preparation for the opening of Captour's new head office and South Africa's first fully comprehensive tourist information and service centre incorporating a private company, The Rendezvous.

Both this "one-stop tourist shop" and Captour's new look reflect the gearing and development of an infrastructure that will support the expected increase in tourists to the Mother City and environs.

The new centre, situated in Adderley Street on the station complex, is ideally positioned for in-bound and outward-bound tourists.

It offers telephone and fax facilities, a travel agency, foreign exchange, coffee bar, tour and air bookings (local, regional, national and international) and curio, jewellery, wine, restaurant, accommodation and leisure information.

Stephen Caine, director of the Rendezvous, said the centre was not only a first for South Africa, but also a first by world standards.

The head office is manned by a multilingual staff, seven days a week from 8.30am to midnight.

Captour was established in 1978 as the Cape Tourism Authority to provide tourist information and effectively market the Cape in the target market to potential holiday-makers from the PWV and Durban areas.

Hotel school must expand to meet tourism needs

THE Technikon Witwatersrand Hotel School will have to train many more students when SA's tourism "bomb" explodes, as it must eventually, says school director Reinie Mornet.

"As soon as an interim government is in place, foreign visitors will flock to SA and the tourism industry will be caught with its pants down. We are nowhere near prepared."

Hotel school lecturer Chris Francis says SA would have been attracting 15 times as many visitors as it does now if it had not been for the 1976 Soweto riots and former president P W Botha's Rubicon speech in 1985.

He says it has been estimated that SA could be earning R38,5bn during the next five years. However, the shortage of skilled manpower is a distinctive characteristic of the SA hotel industry.

SA's four hotel schools will be responsible for providing enough skilled labour to fulfil its needs.

Regarded by many as the country's leading hotel school, the 23-year-old Technikon Witwatersrand Hotel School will play a key role in this training.

It offers three three-year diploma courses:

- A National Diploma in Catering Management, preparing students for restaurants, private catering companies and hotels;
- A National Diploma in Hotel Management, which concentrates more on hotel skills; and
- A National Diploma in Food Services Management, based at the Eloff Street campus. Diplomates make careers in institutional and industrial catering.

Mornet says hotel school studies involve a six-month practical component, in keeping with the technikon's mission to be involved with industry and to produce job-ready graduates.

Catering

Students are placed at catering companies or upper grade accredited training hotels in SA, Namibia and Bophuthatswana. Mornet monitors students on the practical course. They are assessed by their employers on attitude, deportment, punctuality, quality and quantity of service.

The hotel school accepts about 60 students a year for each of its three courses. Applicants with reasonable matric symbols, leadership and sports achievements, and experience in a restaurant or the army's catering corps are preferred.

About 130 students graduate each year. They are usually snapped up by the industry, says Mornet.

Hotel school alumni include Sun City GM David Haysom, Sandton Sun GM Chris Najbicz, Southern Sun and Holiday Inns group development director Kevin Page, Indaba Hotel GM Gary Bisset, Boschendal cellar master Hilko Hegewisch, Protea Hotels MD Arthur Gillis, La Pirogue manager Andrew Slome and Protea Ritz Hotel GM Bernard Cassar.

Mornet says most diplomates go into hotels but are then lost to restuarants and private catering companies where hours and pay are more competitive.

Limited facilities preclude the training of more students. "It may be feasible to start thinking of a new hotel school at the Auckland Park campus towards 2000," says Mornet.

Most enticing resort

Sowetan 30/10/92 (288)

■ Lost City, a heaven-on-earth complex, to open soon:

By Mokgadi Pela

THE Lost City is a name that will soon be in the same league as Euro-Disneyland in Paris.

Situated at Sun City, it is destined to become one of the most enticing tourist attractions in the world.

The designers of this R800 million "heaven-on-earth" complex say it is a tribute to African art from past centuries.

The Lost City covers 25 hectares and centres on The Palace, which is described as the one-time home of kings. Around The Palace stretch indigenous gardens and exotic forests as well as rock and waterscapes.

The most attractive part of the Lost City will be The Palace. Its exterior is dominated by towers, decorated with sculptures of wild animals.

Surrounding the hotel will be a 25 hectare jungle. More than 1 600 000 plants, trees, shrubs and ground covers have been gathered from all over the world.

Water is said to have been an integral part of the life in this ancient valley. The jungle will be threaded with paths snaking past cascades and waterfalls, lakes and pools.

The project will open in December because the designers say everything is on schedule.

ineraries can be varied or you can make your own unique one

Travel choice is wide

Sowetan 30/10/92

By Elliot Makhaya

SPECIAL PLACES Off the beaten track: 288

LOGANS International Tour Operators offer a broad range of special places and activities not normally available to the traveller.

And this is in addition to the more popular destinations and excursions it offers. Their itineraries can be varied as required, or you can make up your own unique one.

Logans give advice on practical itineraries, flight routines and fares to save you money and maximise the enjoyment of your trip.

They have an experienced staff which can arrange all aspects of your holiday. They handle African safaris to Botswana, Zambia and Namibia.

The Okavango Delta in Botswana is one of the favourite destinations.

The vision of beauty and uniqueness takes on multiforms: to some it may mean crystal clear water, dugout canoes and exotic bird life, to others it may mean huge herds, lions and elephants and still there is a further group whose vision is that of the best fresh water fishing in Africa.

The water activities include boat rides, makoro trips, bird watching, fishing, swimming and walking. There is nothing more relaxing than gliding down narrow papyrus lined channels on a mokoro (wooden dugout) searching for rare and elusive birds.

The delta water is pure and crystal clear making the scenery all the more attractive. Game is generally not encountered at a typical water camp, although it is often present in the area.

Land activities in game areas include game drives and walking through diverse terrain offering excellent game viewing.

All camps are reached by light aircraft either from Maun or Kasane or by four wheel drive vehicles. Accommodation is authentic safari styled lodges offering rustic, comfortable facilities with good cuisine.

Jo'burg Sun goes budget

288

ADRIAN HADLAND

THE landmark Johannesburg Sun hotel in the city's CBD will be converted into a budget Holiday Inn at a cost of R6m. B10my

It was announced yesterday that the conversion, which would close the hotel between the end of December this year and the end of January 1993, would include the construction of a new entertainment centre featuring cinemas, restaurants and sports facilities. 30/10/92.

Southern Sun group MD Ron Stringfellow said it was the group's intention "to bring life back into the CBD".

"We are bringing a range of secure entertainment facilities directly into the hotel complex so guests will not need to leave the hotel to enjoy an evening out," he said.

The current Johannesburg Sun occupancy rate of around 47% indicated "that what is being offered at the hotel is in excess of customers' requirements", Stringfellow said.

A new pricing strategy was expected to pull occupancy from neighbouring hotels. The price of a double room in the new Holiday Inn Garden Court would be R119 a night. Stringfellow said "by changing the level of service and reducing the room rate, while maintaining product quality, we expect to increase occupancies significantly".

Staff cutbacks due to the conversion would be absorbed by three new hotels the group was building in Sandton, he said. The conversion of the hotel would be done in two phases.

The first R6m phase would involve the construction of the entertainment centre and refurbishment of the hotel's 670 rooms. The second would see the 115 suites of the adjacent Johannesburg Towers Hotel converted into 230 single rooms at a cost of R2,5m.

The Towers hotel would be mothballed until the group was ready to begin the second phase, Stringfellow said. He expected profitability within five years.

Satour, SAA in tourism drive

28
ET 30/10/92

PRETORIA. — The SA Tourism Board (Satour) and SAA have joined forces to launch marketing campaigns in France and Britain to promote South Africa as a tourist destination.

Satour said it would combine forces with SAA and the UTA airline of France in its marketing drive in Paris.

More than 300 travel agents specialising in long-haul travel were recently briefed at Villa Strassbourg in Deauville on the campaign which entails direct mail distribution of a brochure, Cap Sur L'Afrique Australe, highlighting tourist attractions in SA, Zimbabwe and Namibia.

Eight hundred travel agents will also be invited to participate in a 'phone-in competition and will receive Satour's new video and the brochure on South Africa.

Satour on Wednesday launched a similar marketing drive in Britain where a R2m national press and direct mail campaign introduces SA as "The most beautiful South".

● SA is among the first targets of British Airways' R93,4m advertising campaign, which started on SABC-TV last night.

Aimed at 500 million people in 33 countries — a little less than R1 a head — the campaign is part of an enormous R460m investment in services, products and image by the airline at a time of severe financial problems for most of the industry worldwide.

Its first showing in South Africa was a 60-second slot on TV 1's Agenda programme last night. — Sapa

Tourism starts taking off

DALE KNEEN
Weekend Argus Reporter

CAPE Town's tourism boom has begun, say travel bosses who believe billions of rands in foreign exchange are set to pour into the city over the next few years.

This week hundreds of foreign visitors arrived on board inaugural flights of three European airlines, most city hotels were jam-packed with foreigners and thousands of people flocked to the Waterfront where the glitzy new Victoria Wharf shopping centre opened its doors.

On top of this, 1 300 travel agents, airline executives, hoteliers and tour operators from around the world attended a Skal conference at the Cape Sun this week and are expected to boost the future number of foreigners visiting the city.

Captour's Mr Gordon Oliver said: "This could be the start of the tourist boom. They say a city reaps positive benefits from a Skal conference for at least two years."

French airline UTA, Dutch carrier KLM and Germany's Lufthansa began flights between European destinations and Cape Town this week.

British Airways also inaugurated a non-stop direct service between London and Cape Town — a move that tourism operators believe indicated the carrier's confidence in the city's potential.

Customs and Exise deputy director Mr Phillip Swart said additional staff would be recruited if other airlines, which have indicated their intention to fly to the city, began operating.

Travel industry insiders believe the city earned about R5-million in foreign exchange this week.

Much of the money came from delegates attending the Skal conference. The Skal Organisation is a "world-wide friendship" club which has members who own airlines, hotels and travel agencies all over the world.

The annual Skal conference was held in Munich last year and Sri Lanka the year before. This year's conference was attended by representatives from 54 countries. Next year, it is in Istanbul and in Los Angeles in 1994.

Mr Nigel Bichard, spokesman for the organisation, said the conference generated over R10-million in foreign currency and most of it was spent in Cape Town.

Skal delegates held meetings with municipal authorities, visited tourist spots like the National Botanical Gardens at Kirstenbosch and the wine route and were taken on scenic drives.

They also went to the Waterfront, where the spectacular Victoria Wharf shopping complex opened yesterday. The centre houses the premises of some of the city's top clothing designers, crafters and restaurateurs.

President De Klerk attended one of the congress's functions and participants viewed it as a "tremendous success".

Mr Oliver said some of the delegates arrived with "negative perceptions" of the country, but "there was a tremendously positive spirit while they were here".

No rooms for blacks at hotel

South 31/10 = 4/11/92 (288)

By Quentin Wilson

BLACK holidaymakers are still being turned away from Stormsvlei Hotel, a holiday resort about 35 km from Swellendam in the Boland.

I experienced this last week when a SOUTH colleague and I tried to book into the one-star resort for the night.

Receptionist Ms Cozette Brand first told me that a room was available but then quickly changed her mind when she realised that my colloeague, Mr Mansoor Jaffer, was Indian.

"I'm sorry but we do not give rooms to Non-Europeans. It is unfortunate, but I am afraid those are our rules," Brand said while averting her eyes and making her way to another section of the hotel.

As she was leaving, we asked for an explanation.

"I don't want to argue about it, but look, it says 'Right of admission reserved', so I am afraid you must go to another hotel. There is one in Riviersonderend (20 kilometres away)," she said, trying to get away.

Rather than leave, we decided to wait in the foyer where there is a bar.

After 10 minutes, I tried to order a drink. Same story. Even though, the hotel runs an off-sales bottle store which sells liquor to all races, only whites could be served at the bar.

Brand reappeared. "Ja, I can serve you, but I can't serve him," she said pointing to Jaffer without looking at either of us.

"What makes you more human than me?" Jaffer asked calmly.

"I don't want to argue about it — its just that we're not multi-racial," she said while a black worker was polishing a stool behind her.

Later the owner, Mrs Mary Spies, was asked about hotel policy.

"This has nothing to do with you," Spies said, "The quicker you get off Stormsvlei and stop intefering the better. If you don't like what we do, then you can shoot yourself, but you are not going to get anything from me. I'm not going to talk about it, you can write whatever you like in your story but things won't change here."

A burly white man standing next to her, who refused to give his name, then proceeded to push me out the hotel and slammed the door.

SA Greeks to raise profile

IMPROVING SA-Greek relations have prompted members of SA's 80 000 Greek families to endorse a book about leading members of their community in an attempt to promote trade and tourism between the nations.

Behind the project is SA-born Danny Anagnostopoulos, recently returned to this country after studying and working in Greece and now an SA citizen.

He believes it is high time the Greek community raised its profile above the inaccurate "cafe owner" perception held of it by South Africans. Many prominent Greeks deserve recognition in their respective fields.

Sandra Gordon, managing director of publisher Platinum Publications, describes Greek Forum as a kind of Who's Who of SA's Greeks — the largest expatriate community in the world.

Greek Forum will comprise up to 150 pictures and profiles — in English and Greek — of businessmen, artists, performers and community leaders.

Due in January, it will be distributed in SA and Greece at such places as tourism centres, chambers of commerce, churches and cultural centres.

Fall in tax rate offsets Carlton Hotel's losses

A 66% fall in its tax rate helped Anglo American Properties (Amaprop) offset increased losses from the Carlton Hotel in the six months to end-September.

While turnover rose 20,1% to R120,47m (R100,3m previously), net operating profit fell 1,2% to R31,94m (R32,33m).

Chairman Gerald Leissner said vacancies in the portfolio had remained relatively static during the review period — at about 9% for offices and 4% for shops.

"The difficulty is that rental levels are under pressure and new and existing space is being let at static to lower levels. These difficult conditions will be reflected in our results over the next five years," he said.

Interest paid rose 6,1% to R12,76m (R12,02m), resulting in a 5,6% fall in pre-tax profit to R19,18m (R20,31m). However, a 66% drop in tax paid to R1,47m (R4,33m) pushed taxed profit up 10,7% to R17,72m (R16,01m).

As a result, earnings rose 15,6% to 35,86c a share (31,03c), while the dividend was maintained at 15c a share. The Carlton Hotel had reported a loss of R2,1m for the six months from a R1,4m loss in the comparable period last year.

"I am optimistic that the downgrading of the Johannesburg Sun will be of benefit to the Carlton.

PETER GALLI

"While we may lose some occupancy, we could make this up in an increased rate," he said.

Land sales were higher as a result of the launch of Silver Lakes Country Club Estate east of Pretoria. However, no profits would flow until proclamation, and this was not expected this year.

Amaprop had invested in the infrastructure and land. A decision had been taken not to proceed with any new developments for some time.

Upgrading

While there had been no acquisitions or disposals in the period under review, about R20m had been ploughed into landscaping, upgrading and refurbishing a number of its properties, Leissner said.

A long-term lease was also in place with associate Compass Property Holdings to develop the Durban Station site at a capital cost of about R23,5m, and revamps of Devonshire House in Braamfontein and Highpoint in Hillbrow were being investigated.

"I expect taxed profits in the second six months to be similar to these, assuming there is no improvement in profit from land sales activity and the Carlton Hotel," he said.

Club Mykonos to opt for rescue operation

BPM 5/11/92

288

LINDA ENSOR

CAPE TOWN — An overwhelming majority of Club Mykonos investors yesterday appeared to have voted in favour of the rescue operation proposed by the Club Mykonos Homeowners' Association rather than for the liquidation of the resort.

Investments in the project total is about R350m.

A meeting, chaired by retired judge of appeal G P C Kotze, was held at the Good Hope Centre for investors to hear details of the association's proposal and to vote.

In terms of the proposal — endorsed by the curators — interested parties would give up a third of their rights and capital in return for a third of the equity of a restructured company, giving them a profit share.

Association chairman Reg Riley said 17 schemes of arrangement arising from one main scheme would be needed. Each class of investor would elect representatives to the board.

The running of the resort would be put out to tender and money to repay the debentures would come from the sale of 186 sectional title and timeshare units to realise about R93m. The association predicted sales of three units a month for five years. A debtors book of R19m would be recovered over five years.

"We anticipate that over the first five years more than 90% of the financial liability would be repaid to investors," Riley said.

Masterbond curator Franz Malherbe said liquidation was the worst possible alternative.

"If it can survive on a hand to mouth basis in the bad times then surely it stands a chance to trade itself out of its difficulties ..."

There were conflicting rights to Club Mykonos assets, but on the assumption of the validity of the debenture bond claims and the invalidity of the lease, Masterbond debenture holders would only receive about 24,2c in the rand and concurrent creditors 4,5c on liquidation.

If the bond was valid, but the lease ranked preferent, Masterbond debenture holders would get 13c in the rand and concurrent creditors 10c.

FM 6/11/92 (288)

(room only), and R405 double. Corporate rates are R245 single and R315 double. Carlton Court rates are R500 single and R590 double. A suite is R870 a night.

Southern Sun's new Holiday Inn Garden Court Johannesburg is competing directly with Karos Hotel's three-star Johannesburger Hotel on the corner of Twist and Wolmarans streets.

The Johannesburger's single rates are R99,50 (including bed and breakfast) and R121,50 for two people sharing.

It substantially undercuts the all-suite, four-star Braamfontein Protea Hotel on De Korte Street, where singles pay R305 (room only) and doubles R370. The corporate rate is R229 single or double.

Compared with Southern Sun's Downtown Inn — the old Landdrost Hotel — on the corner of Twist and Plein streets, one of its few unbranded hotels and the equivalent of three stars, the Garden Court's rates are keener. At the Downtown Inn, singles pay R172 (room only) and doubles R212. Corporate rates are R146 single and R180 double.

The Downtown Inn's lease expires at the end of next year but no decison has yet been made about its future.

A spokesman for the Inn says: "Like many other hotels in the group, it will be considered in our overall rebranding strategy."

Worrying competitors

The Johannesburg Garden Court's planned conference and entertainment centre is worrying competitors. It will initially have two levels and comprise a Chinese restaurant, review bar, cinema complex, shops and conference facilities.

The conference facilities will be similar to existing ones. Food and beverage outlets will remain but will be refurbished. The emphasis is on providing a full range of secure, in-house entertainment facilities, which will ensure that guests do not need to leave the building.

It would be a big plus if the group could secure casino rights.

In Sandton, Southern Sun is taking a more active stance towards hotel development. It is building the new five-star Sandton Towers hotel in Fifth Street; it also plans to refurbish the Sandton Sun and has purchased a site directly opposite Sandton City on the corner of Katherine Street and Rivonia Road for a new R20m Holiday Inn Garden Court Sandhurst hotel.

The Garden Court will open late next year, with construction beginning early in the year. A total of 160 rooms are planned, mainly in the configuration of the famous Holiday Inn double-double room. In keeping with Garden Court philosophy, rates will be quoted per room.

In addition to having a residents' bar, the new hotel will operate a breakfast room offering full English breakfasts.

The four-storey hotel, to be set in a low-rise office complex, has been designed to blend into the surroundings. ■

HOTELS FM 6/11/92

Different tunes (288)

Southern Sun's announcement that it will convert its five-star Johannesburg Sun to a two-star Holiday Inn Garden Court has been welcomed in some quarters.

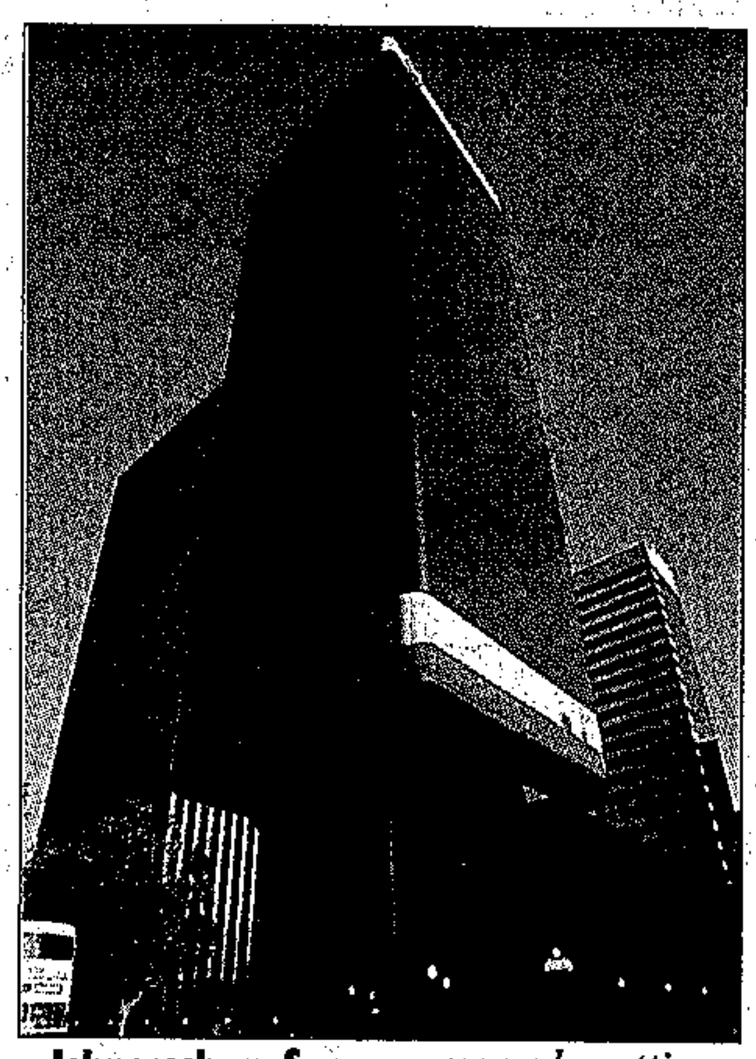
The five-star Carlton Hotel — operated by Three Cities Hotels and owned by Ampros — is especially pleased. It now has a virtual monopoly of the five-star market in the city centre.

Says Three Cities Hotels MD Nick Martin: "We've always felt there wasn't enough room for two big five-star hotels in Johannesburg because the market just isn't there. We hope it will benefit our business."

It is too soon to tell what effect the hotel's conversion will have on the city's other hotels, including one in Braamfontein, but it will undercut its competitors.

As Southern Sun is pitching the hotel at fairly low rates — R119 a room regardless of single or double occupancy (room only) — the market is also becoming increasingly stratified.

At the top of the hierarchy, The Carlton is quoting standard single room rates of R335

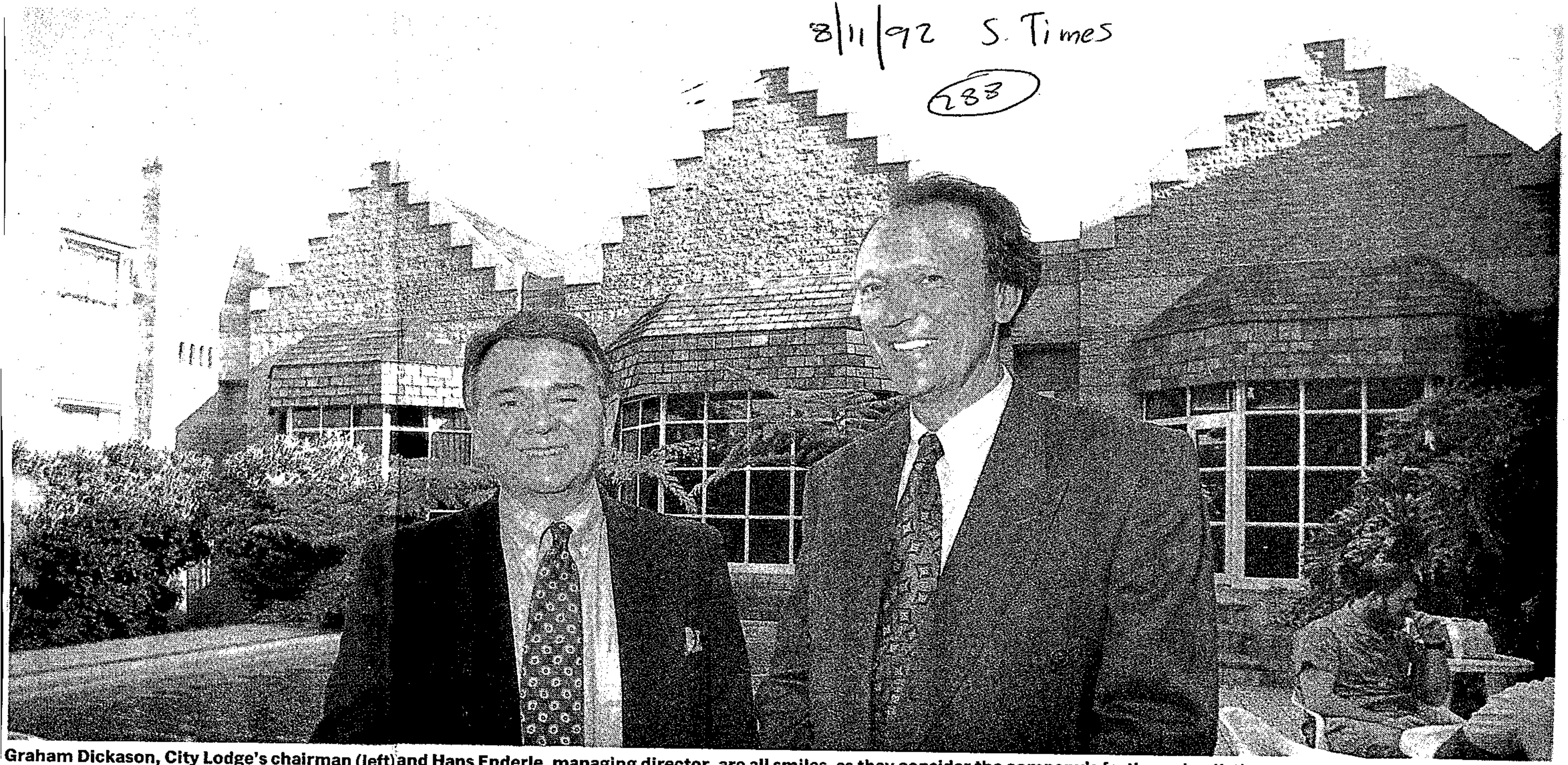


Johannesburg Sun . . . *now undercutting the competition*

CITY LODGE GOES PUBLIC

8/11/92 S. Times

288



Graham Dickason, City Lodge's chairman (left) and Hans Enderle, managing director, are all smiles as they consider the company's forthcoming listing on the JSE

Times 8/11/92.

IN exactly 10 days time — Wednesday, November 18 — the City Lodge group will join the ranks of South Africa's listed public companies on the Johannesburg Stock Exchange.

With its market capitalisation expected to be around the R200-million mark, the company will automatically be in the top third of the JSE's member companies in terms of share market worth. (288)

Graham Dickason, general manager of MPF Management Services and City Lodge's chairman, says the listing will realise an ambition that has been held since City Lodge was formed in 1985.

"We have now reached a size where it is more beneficial for City Lodge to become a public company and afford the investment community an opportunity to participate in the company's future," he said.

"With plans to develop two hotels a year over the next five years it is important for the group to have the right corporate structure so that it can develop the solid foundation that has been built up over the past seven years."



Guests like this one will soon be able to own a share in City Lodge

THREE NEW LODGES TO OPEN SHORTLY

S1 Times 8/11/92

THE City Lodge group, which opened its doors in Randburg in 1985, is in the process of opening two more lodges in the Johannesburg area and one in Cape Town.

These will be a City Lodge in Morningside, Sandton; a Town Lodge opposite the existing City Lodge near Jan Smuts Airport; and a City Lodge in Cape Town's prestigious Victoria and Alfred Waterfront development.

With occupancies of the group's three existing Jo'burg lodges running at over 80 percent, the addition of 295 rooms to the market is bound to be well-received by the travelling public.

One wing of the 135-room Jan Smuts Town Lodge has already been completed and the rest of the lodge should be fully operational by Christmas.

The first 80 rooms of the new Sandton Morningside lodge will be opened shortly and this lodge should be in full swing by mid-March 1993.

The first 60 rooms of the Victoria and Alfred Waterfront City Lodge are scheduled to open in time for the Christmas holidays and all 164 rooms should be available for occupation by February next year.

Hans Enderle, City Lodge's founder and managing director, says that all three lodges are being established to meet growing demand for value-for-money, limited service hotel accommodation in Johannesburg and Cape Town.

"The Jan Smuts Town Lodge is the first in the Transvaal and only the second Town Lodge in South Africa," he explained.

The only other Town Lodge is at Bellville in the Cape.

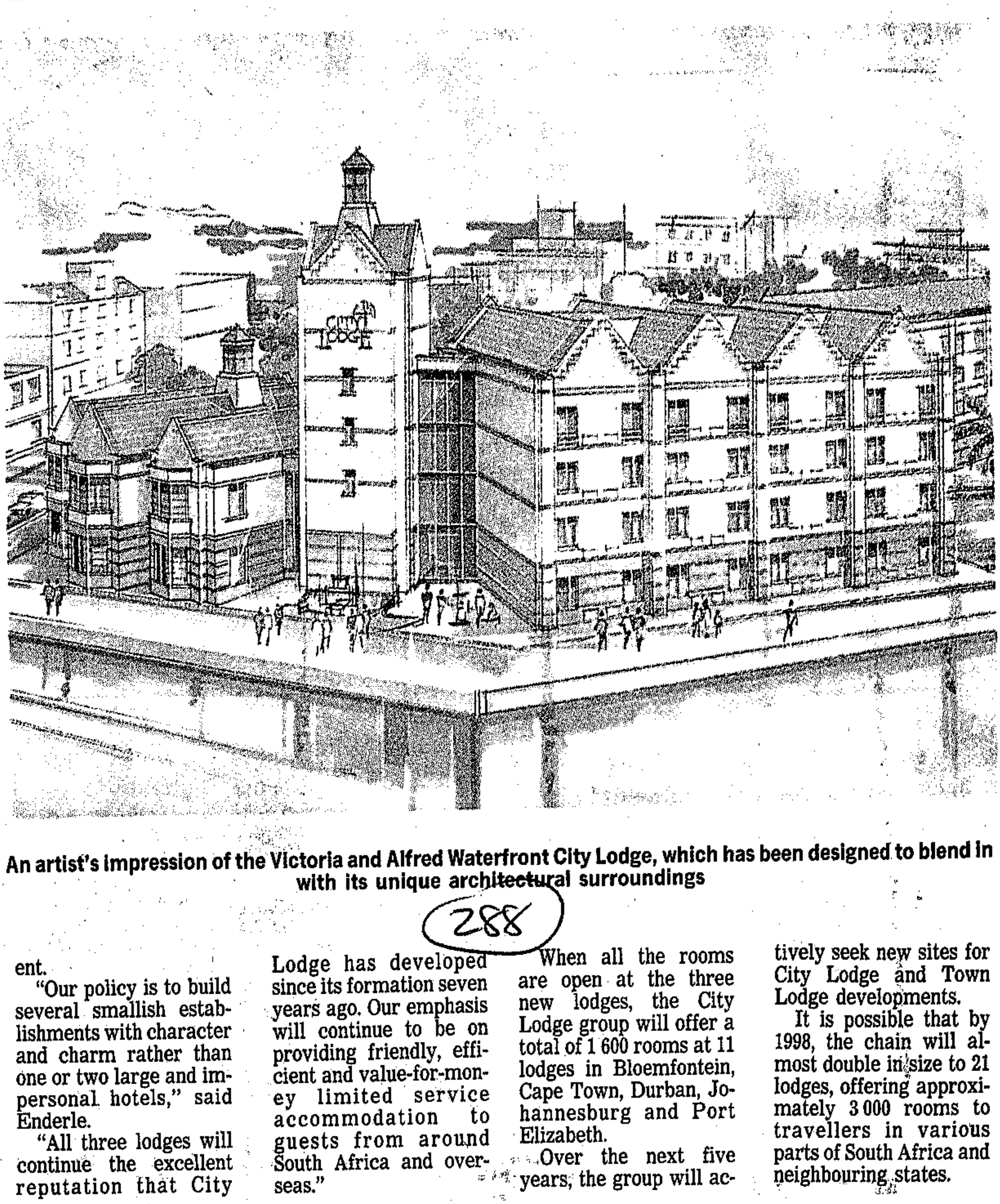
"We developed the Town Lodge concept specifically for smaller centres and to complement our existing lodges in the larger centres."

Town Lodges have fewer and smaller rooms than City Lodges, showers instead of baths, and their prices are 20 percent to 30 percent lower than at City Lodges.

The Sandton Morningside City Lodge, opposite the Morningside Clinic, is the third City Lodge in the Sandton/Randburg area. With the Sandton Katherine Street and Randburg lodges consistently running near capacity occupancies, the need for another lodge swiftly became appar-

LODGES ORTLY

8/11/92
S. Times



An artist's impression of the Victoria and Alfred Waterfront City Lodge, which has been designed to blend in with its unique architectural surroundings

288

ent.

"Our policy is to build several smallish establishments with character and charm rather than one or two large and impersonal hotels," said Enderle.

"All three lodges will continue the excellent reputation that City Lodge has developed since its formation seven years ago. Our emphasis will continue to be on providing friendly, efficient and value-for-money limited service accommodation to guests from around South Africa and overseas."

When all the rooms are open at the three new lodges, the City Lodge group will offer a total of 1 600 rooms at 11 lodges in Bloemfontein, Cape Town, Durban, Johannesburg and Port Elizabeth.

Over the next five years, the group will actively seek new sites for City Lodge and Town Lodge developments.

It is possible that by 1998, the chain will almost double in size to 21 lodges, offering approximately 3 000 rooms to travellers in various parts of South Africa and neighbouring states.

City Lodge likely to enjoy premium

S/Times (Buss) 8/11/92

By CHERILYN IRETON

WHEN City Lodge makes its Diagonal Street entrance on November 18 it will be only the second South African hotel group on the JSE boards.

The listing follows the placing by the Mines Pension Funds of R51,5-million worth of shares and debentures in the eight-hotel chain.

The shares, placed at R4,80 each, are expected to trade at a 10% to 15% above the issue price if the market holds its present levels.

Karos

Based on early demand for the shares, some brokers suggest a trading price of about R5,50, which would give a market capitalisation of above R200-million.

City Lodge joins Karos as the only two quoted SA hotel chains. The rest of the JSE's hotel sector are Sun International subsidiaries operating in the homelands.



HANS ENDERLE: In the bag

The listing dilutes the Mines Pension Funds' shareholding to 42,8% from 63%. However, the funds retain joint control with City Lodge founder and managing director Hans Enderle, who keeps his 26,2% stake.

Mr Enderle says institutions have picked up 10,1% of the issued capital and the public 17,2%. Executives and management now hold 3,7%.

Among those to take up shares are Sanlam, Old Mutual, UAL, Syfrets, Norwich Life, Federated Life, Commercial Union, Metal Industries Fund and Iscor Pension Fund.

The convertible debentures, with an 11% coupon, attracted the additional attention of Liberty Life and Rand Merchant Bank Asset Management, says Mr Enderle. The Mines Pension Fund holds 8,6-million of the 13,6-million convertible notes, the institutions have picked up 3,4-million and the public 1,6-million.

These notes, worth R27,5-million at the issue price of R5,50, will convert to ordinary shares — one for one basis — when City Lodge's dividend equals 60,5c a share.

The dividend is expected to be 26c in 1993, yielding 5,4% on the issue price.

The group plans to open three hotels at the start of 1993, boosting growth prospects. These "no-frills projects" — in Sandton, the Victoria and Alfred Waterfront and at Jan Smuts Airport — have been funded by the Mines Pension Funds at an total cost of roughly R125 000 a room.

Mr Enderle says the existing hotels have operated at occupancy levels above 80% for most of 1992. This compares with a trade average of about 50%. The addition of another 460 rooms at the start of the year is expected to enhance City Lodge's profit propects.

Focused

This view is supported by the joint sponsoring brokers for the listing. A Davis, Borkum, Hare & Co report says investors can look to real earnings growth from this niche focused group.

Martin & Co suggests that the listing will give access to a business with good prospects and in a substantial growth phase.

Mr Enderle says City Lodge's 500 staff members have each been given 100 shares. Many have taken up additional scrip, which was offered at the same terms available to the institutions.

What Joan

Airlines and hotels turn to tourist package deals

BIPay. 9/11/92. (288)

MAJOR airlines and hotel chains are increasingly turning to package deals in a bid to attract tourists.

Locally, Flitestar has introduced its Escape plan, in terms which it has joined forces with Budget Rent-A-Car, Diners Club and the Southern Sun Hotel group to offer a wide ranging package.

MD Jan Blake says the system works on the accumulation of Starmiles calculated on every Flitestar full fare domestic flight, car rentals, hotel accommodation and Diners Club purchases.

This means travellers earn additional credits every time they make use of one of the partners in the scheme.

Also, to make its package more attractive, the scheme gives members three years to earn and redeem Starmiles, unlike other packages which restrict the credit to 12 months.

At the bottom end of the scale, rewards for Starmiles include free domestic tickets and at the top benefits include an Amazon adventure, two return economy class tickets to London, a Caribbean cruise or a camel trekking safari.

British Airways, which accounts for a large number of tourists coming into and leaving from SA, has such a plan. As a result of a deal with Kenning Car Rental, visitors receive lower car rental prices, unlimited mileage and free Automobile Association service.

If you book a British Airways Car Hire Holiday, free services include unlimited mileage, an information pack with maps, British VAT, vehicle insurance including third party, fire, theft and passenger liability excluding initial collision damage waiver.

The service can also be extended, through the airline, to other parts of the UK and to certain destinations in Europe.

Cars for hire include Peugots, Rovers, Metros, Escorts, Sierras and Montegos.

KLM includes a rented car for a week in the price of the air ticket. The offer is available in Holland as well as England and Scotland and in the UK there is no extra drop off charge. Competitive rates are also offered if the customer wishes to take the car for longer than the week.

The scheme was introduced in October and will run until March, after which its success will be reassessed. An airline spokesman says it has been very popular so far.

Karos Hotels to consolidate

MARCIA KLEIN (288)

KAROS Hotels, which has undergone an extensive and prolonged refurbishment programme, had entered a phase of consolidation, chairman Selwin Hurwitz said in the annual report.

Although short-term profit had been affected by the fact that many of the group's rooms and facilities were unavailable, Hurwitz said the long-term effect of its refurbishment programme would be considerable.

The programme was virtually complete and the company had entered a period of rationalisation now that Karos had strengthened its competitive position in the market. In the year to end-March, Karos reported an attributable loss of R3,9m from a profit of R4,1m in the previous year.

Hurwitz said the violence that had accompanied the breakdown in political negotiations had affected tourism. But Karos believed that an acceptable political dispensation was imminent, and tourism was set to accelerate significantly. B|DAY 9/11/92.

Karos had continued with its upgrading and refurbishment programme. The Polana Hotel in Maputo, which reopened in July, was expected to make a meaningful contribution to the group profit.

In January, Karos acquired the Edward Hotel in Durban for R3,3m, ensuring its representation "in a key tourism area".

Hurwitz said room occupancies of 57% for the year were slightly ahead of the previous year.

Although turnover was up by 25%, the increased cost of operating leases and interest saw the company show a loss of R3,9m.

Hurwitz said the present monopolistic gambling situation needed to be curbed and gaming facilities should be extended.

Trading for the first six months of the year would be weak, but Karos expected to return to profitability in 1993. The extent would depend on political conditions and a reduction in prime lending rates, Hurwitz said.

Brighter and safer Christmas this year?

(288) CT 10/11/82

By TOSH LEVETT-HARDING

SEA POINT faces a brighter Christmas this year with plans to upgrade the lighting along the beachfront from Three Anchor Bay to Saunders Rock.

The city's assistant electrical engineer, Mr Gordon Munro, said: "Our areas are dimly lit during the festive season and the bright lights of Somerst West put us to shame.

"The Atlantic coastline area springs into life at night and that's where we need the bright lights — where they can be seen and enjoyed."

Protection

He was supported by Councillor Chris Joubert, who said: "We not only want a brighter Christmas but also a safer one and I am going to motivate the council to employ beach constables on a 24-hour basis during the festive season.

"The Green and Sea Point Ratepayers Association has given me its backing to provide greater protection to the large number of tourists who like to wander along the promenade late at night."

Mr Joubert said he felt the expenditure would be justified as it would help to boost the tourist trade.

Tourist influx

He said it was well known that security at the Waterfront was tightly controlled and added: "We must marry ourselves with the Waterfront."

We are not competing against them but are following their example and our security should be as good as theirs, and beach constables employed on an around-the-clock basis could ensure this.

"I also suggest that they should not only patrol the Atlantic coastline but should also be employed along the False Bay coast because Muizenberg also has a big influx of tourists at Christmas.

"Safety is the keynote if we are to increase our tourist trade."

Sun group's shining success

STRATEGICALLY located all around the country are the Holiday Inn hotels, well-known for their warm welcome and their value-for-money standards.

Holiday Inn hotels offer full service, as well as banqueting and conference facilities.

The big news from Holiday Inn is that all room rates now include breakfast, so the famous eat-as-much-as-you-like breakfast buffet costs not one cent extra.

A major development in the Southern Sun Group has been the establishment of the Holiday Inn Garden Court chain of hotels. These selected service hotels offer all the room comfort and space associated with Holiday Inn, but without the extra facilities of room service, porterage and large banqueting and conference amenities.

Good news

Holiday Inn Garden Court hotels are situated in Durban, Bloemfontein, Port Elizabeth and Cape Town, as well as in a number of smaller centres such as Harrismith, Ermelo and Kimberley. Good news is that at these hotels the rate is charged per room, whether the accommodation is shared by one, two or three (in some cases, even four) people. Rates vary from R119 to R139 per room.

The first Formule 1 hotel in South Africa opened this year near Jan Smuts Airport and two others are scheduled to open soon in the Johannesburg area, in Sandton and Berea.

The rate at Formule 1 is R74 per room and each room, with private shower and toilet facilities as well as colour TV, is designed to accommodate three people.

With its strategy in place and its objectives clearly defined, the Southern Sun Group is on the path to success.

It extends warmest wishes for the success of the Sowetan Nation Building programme and will continue to play its part in taking South Africa confidently into the future.

Servants: Call to consult Workers

287
CT 11/11/92

JOHANNESBURG. — The Domestic Workers' Association (DWA) yesterday expressed concern that it was not consulted about negotiations between Cosatu and the government regarding the extension of the Basic Conditions of Employment Act to domestic workers.

DWA chairwoman Ms Maggie Oewies said the association had been negotiating with the government since 1974, and she also served on the Manpower Commission which made recommendations about the working conditions of domestic workers. She said she found it strange that these recommendations were now seen as part of an agreement with Cosatu.

welcome legislation

She nevertheless welcomed the proposed legislation.

In its reaction, the Domestic Employers' Association of South Africa (DEASA) said it was critical to the interests of every domestic employer in South Africa that any draft legislation concerning domestic workers be submitted to the DEASA as well.

DEASA national chairwoman Mrs Claire Read said the agreement between the minister of manpower and Cosatu was too general in its scope.

● Meanwhile, farmers in the Transvaal, Free State and Natal have condemned the agreement.

Free State farmers yesterday expressed their amazement and disappointment at the "one-sided" statement by Minister of Manpower Mr Leon Wessels and Cosatu on three labour laws that will apply to agriculture from March, 1993.

Reacting to the farmers' discontent, Mr Wessels said yesterday the country could not wait for the SA Agricultural Union to produce concrete proposals for a consolidated labour law for agriculture. — Sapa

Ghost town a turn-off for tourists

288

21/11/92

Staff Reporter

CRIME and business hours-only shopping in Cape Town's CBD — which turned the city into an after-hours ghost town — were among criticisms in a panel discussion last night.

The gripes were raised at Captour's 14th AGM in Milnerton.

Captour members complained that locally produced wine was marked up by 200 and 300% in restaurants and hotels and less-expensive house wines were not available as was the case in other countries.

Mr Herbert Hirsch, president of the Cape Town Chamber of Commerce,suggested that the city council look at ways of attracting residents to the CBD, saying city residents would in turn attract visitors and "give life to the after-hours ghost town".

Lost City sets level for future projects

B Dmy 11/11/92. (288)

PETER GALLI

THE experience gained by Schneid Israelite, project managers on the R800m Lost City project at Sun City, will stand the company in good stead for any future major projects, says director Jules Schneid.

"The pace and pressure has been intense from the outset. The project has taken 28 months from the conceptual stage. In any circumstances this would have been a difficult job, as new technology was introduced and local staff had to be trained.

"Not one project in the southern hemisphere has, I believe, been produced in this time frame and to this quality of design.

"The tender, design and construction phases almost all overlapped, and design and building were almost parallel events."

The snagging (attention to defects) has already been completed, and The Palace hotel has been handed over to management. The first paying guests will start occupying the rooms later this month.

The remainder of the job was to deal with latent defects and to supervise the final finishes.

"We believe this has been both a remarkable experience and monumental achievement," says Schneid.

Project managing the Lost City was a daunting task and superb learning experience, as the company was responsible for all activities related to the project, which involved 50 disciplines, employed 350 subcontractors and about 6 000 workers.

Site and off-site activities had to be monitored, and there were meetings on coordination, design and budget run. There were 20 management staff on-site, including five partners. "In addition, we had become involved in procurement of furnishings as a result of our involvement in a similar capacity at The Carousel resort."

Schneid Israelite had been involved with Sun City as project managers from the resort's inception.

One of the most difficult aspects of the Lost City project was the precast construction system, which introduced a totally new technology — the artificial ageing of the buildings and maintaining this appearance.

Mock-ups had been made of "everything" and because of the intricacies of the finishes, resources often had to be brought in from elsewhere.

"Our staff were stretched to the limit, working long hours but still maintaining high quality finishes and construction. Despite the pressure, there was never any thought of compromise," Schneid says.

Much of the specialised work with expensive materials was done in the early hours of the morning because of international time differences and need for consultation with advisers overseas.

The US architects supplied only conceptual drawings. These had to be translated into detailed working drawings, which created additional problems with the introduction of new technology.

The project has been designed to function with as little maintenance as possible. The building has been constructed with "hard finishes" that cannot deteriorate, while the painting is designed to age.

"We will be involved in the refurbishment of the main Sun City hotel and are tying up the loose ends at the Lost City. Having achieved this we are confident we can tackle any major projects in a project management role," Schneid said.

Dispute under the sun

JOHANNESBURG. — A dispute has been declared with leisure giant Sun International at the Wild Coast and Ciskei Sun hotels by the South African Commercial, Catering and Allied Workers Union.

ET 11/11/92

Indications of boom in timeshare secondary market

B/DMJ 11/11/92 (288)

ANDREW KRUMM

INDUSTRY players believe the timeshare resale market has boomed over the past year, but are unsure by how much, because the secondary market has no central database.

RCI MD Steve Griessel, whose organisation is primarily involved in timeshare exchanges, estimated the secondary market had grown by a maximum 20% in 1992 to about 10 000 weeks, from 8 000 weeks in 1991.

Griessel said his figures were based on research conducted by RCI in 1991.

"Although this growth is significant within the secondary market, the resale market remains small compared to the size of the total timeshare market of 176 000 weeks."

Time & Time Again MD Helene Samuels said there were three major reasons for growth in the secondary market. First, timeshare was one of the first things to go when the consumer was financially hard-pressed, and the recession had enlarged the sellers pool.

"Second, fewer new resorts have been launched of late and some demand has reached the resale market."

The third reason was that the secondary market had benefits the primary market could not match.

"Prices in the resale market come at a discount as they do not include the huge marketing costs, such as commissions and other expenses, borne by the buyer in the primary market."

"There is also no VAT on timeshare resales between individuals — an additional saving for the buyer."

BUSINESS Restaurateur took good advantage of scrapping of the Group Areas Act

Lucky spreads goodies

Sowetan 12/11/92

SCIENCE GRADUATE Restaurant owner committed to job creation and black advancement:

288

By Joshua Raboroko

SCIENCE graduate Mr Lucky Kwele of Soweto did not waste time when the Group Areas Act was scrapped, opening Johannesburg's Central Business District for trading by all race groups.

He is the managing director of the Mi-Vani Restaurant and Fast Foods Company at the corner of Pretoria and Twist streets in Hillbrow, Johannesburg.

Lucky's restaurant is patronised by members of all population groups.

His ambition is to open other restaurants in the city as well as in the townships.

He employs 17 well-trained people.

"It is my ambition to create employment opportunities for many people," he said from his plush offices this week.

He said he ventured into business because "I wanted to be my own boss. I was given encouragement by my wife who is a medical practitioner in the city."

"I wanted to be my own boss. I was given encouragement by my wife who is a medical practitioner"

Lucky was born in Naledi, Soweto, and typical of a township youth was among the pupils who fought against the system of Bantu Education.

After matriculating in 1981 he went to study at the University of the North (Turfloop) but was expelled for taking part in a boycott.

His spirits were not dampened and he continued to study and obtained his Bachelor of Science degree from Wits University in 1989.

He became director of a musical group although his ambition was to become a businessman.

He managed to obtain a loan to start his business.

Lucky is considering selling franchises of his business in the township to enable blacks to buy shares - he is committed to black economic empowerment.

"I see my business as a challenge to show that blacks can make it," he said.

During his leisure he watches sport and plays music. He is married to Dr Thabisile Kwele and the couple have one child.

"I see my business as a challenge to show that blacks can make it"



Moving up ... Lucky Kwele.

CLUB MYKONOS

The art of compromise

The revival of the leisure property market over the next four years will be crucial to the success of an ambitious plan to save Club Mykonos.

The complex scheme put forward by the Club Mykonos Homeowners' Association (CMHA) was agreed to by a majority of homeowners, investors and creditors at a meeting in Cape Town last week. The results were due to be reported to the Supreme Court on Wednesday.

In essence, the plan means creditors and investors will forfeit one-third of what is owed to them and homeowners will give up one-third of their occupation rights *(Property* August 21). The forfeited debt will be replaced with equity and homeowners will be given sectional title ownership of their properties to replace their current shareblock rights.

The success of the scheme hinges on the sale of the 73 accommodation units that will become available when the homeowners give up a third of their rights as well as the sale of 17 unsold units and 97 planned additional units.

Total sales revenue over five years is forecast at around R65m which, together with about R25m from the continued repayment of money still owed to Club Myknos, will virtually settle all outstanding debt (reduced by one-third).

The CMHA believes it can sell the units and save the development. An encouraging sign of public confidence is the steady stream of holidaymakers to the resort over the past year in spite of the recession and negative publicity.

CMHA spokesman Ridge Riley says peak occupancy rates (including homeowners) are around 87%. Unused accommodation units — called kalivas — are let to the public and maintained and serviced in a similar style to a hotel.

The CMHA has successfully kept Club Myknos operating for almost a year since the curators stopped financing day-to-day running costs last December. Operations have been funded from income generated by visitors. In the 10 months to September, operations showed a loss of only R20 000. A significant profit would have been posted had it not been for essential capital spending of R400 000 during the year.

There's no doubt that Club Myknos is a unique development suitable for upmarket tourism. It's also possible that it may qualify for a casino licence, depending on the findings of the Howard Commission currently investigating the future of gambling in SA.

But whether prospective holiday home purchasers have sufficient faith in the rescue bid to pay what appears to be an average of around R340 000 for outright ownership of a unit remains to be seen.

Riley says final selling prices have not been determined. For the purposes of the viability study, prices ruling on September 30 1990 were used. The cost of a two-bedroom kaliva at that time was R500 000 — though the price included substantial marketing and commission costs.

He says the development is in a favourable position. It has R19m in debtors' cash on hand plus substantial completed stock. "We simply have to keep on a level track and sell steadily over a period of time."

He says in future kalivas will be sold either outright to a single purchaser or to syndicates of up to eight co-owners.

Masterbond curator Jeff Malherbe describes last week's agreement, reached between a variety of parties with conflicting interests, as "a miracle." He says the situation could easily have degenerated into bitter squabbles and long legal battles which would have destroyed any hope of saving the scheme.

"The turning point came when we decided that all legal rights would be accepted at face value."

Riley says agreement was reached when all parties realised that every claim was defective to some degree and that nothing would be achieved by pursuing them. The CMHA's ability to keep the resort operational and its commitment to making the plan succeed also impressed many creditors.

Issues that have complicated the unravelling of the matter — such as an unregistered 99-year lease — will be resolved in a series of Schemes of Arrangement in terms of the Companies Act within the next four months. ■

Your passport to shopping pleasure

By Justin Pearce

SHE WAS wearing a floral pantsuit, he was wearing a trendy blonde haircut and a shirt open to the solar plexus. Their arms round each other, their free hands holding shopping bags, he bent down and she raised her face for a long kiss as they walked, sated, towards the carpark.

Any moment they would light up cigarettes and the scene would transform into an ad for Courtleigh Satin Leaf.

The new Victoria Wharf shopping mall is the sort of place where you go to pretend you're in a cigarette ad. Whether your preference is for the yuppie-ish Satin Leaf, the fun-filled world of Peter Stuyvesant, or the Olde English kitsch of Rothmans, it's all there for you.

"Yuppie" is the cliché that springs to mind. But the customers aren't. Last weekend the middle-middle-class turned out in force.

They gazed with interest at the expensive little boutiques but it's unlikely they bought anything there. Victoria Wharf also has plenty of the chainstores that spread like acne to every new commercial development. It's just that here they come gift-wrapped.

CNA has gold lettering on the shopfront. The male checkout staff at Pick 'n Pay wear ties that look as if they could have been bought at any of the expensive little boutiques out in the mall. Some of them also wear badges saying "I am a part-time casual".

This branch is called a "Pick 'n Pay Pantry". Heaven forbid that anyone should mistake it for a supermarket. Yet most of the items on the shelves are exactly what you'd find at your local branch, and, give them credit, no more expensive. All that distinguishes the merchandise from lesser Pick 'n Pays are the microwave-and-eat dishes, the ready-to-eat salads, deserts and baroque yoghurts: "Champagne Rhubarb" must take the prize for the most outrageous flavour.

Then there's Nando's, the takeaway whose other branches are done out in garish red and green plastic. Here it's all bare wood and ceramic tiles with scenes of 15th century Portuguese navigators. On the menu is a message from the proprietors: "Centuries ago it was our Portuguese ancestors who discovered these shores ..."

Internationalism is packaged behind the glitter: Greek, French, Italian. There is even a halaal takeaway with salomies and samoosas — the first time the Waterfront has seen anything genuinely Capetonian.

The anticipated clientele is similarly multinational. The information booth has the word "information" in English, Afrikaans, Xhosa, German, French, Spanish and Portuguese. The Xhosa version is spelt wrongly.

I put on a thick foreign accent and asked the information lady: "Do you speak Cherman?" She did. I regretted being too pale to be an authentic Xhosa speaker, as I would have liked to test them on that one. Given the spelling error, I wouldn't hold much hope.

Nor were there any Xhosa-looking people in the vicinity whom I could ask to help. While it's not true that the Waterfront is a whites-only space, its present clientele seems to consist entirely of those who may vote in the tricameral parliament.

Most of the glamour and exhorbitant prices are to be found in the row of restaurants facing the quayside. To the left is the old embarkation point for Robben Island prisoners. On Friday night, men in tuxedos and women in cocktail dresses were queueing up next to the razor wire to embark on a cruise. The real people hung around munching pizza slices or ice creams and watching the tugs or the trapeze artists.

That's what Victoria Wharf is all about: your chance to mix with the rich and the beautiful while you do your routine Pick 'n Pay shopping or take the kids out for a weekend treat. Like a cigarette ad, it lets you fantasise about the lifestyle you never had, before the beautiful people shimmy back to the Victoria and Alfred Hotel, and you drive the kids back to Athlone or Plumstead.

Residents outraged about liquor licence

15/11/92
ST Times (Cape Metro) 1/11/92.
288

By EVE VOSLOO

RESIDENTS of Bergvliet and Meadowridge collected about R15 000 in five days last week towards R30 000 they need to fight a liquor licence granted despite "strenuous" objections.

The chairman of the Bergvliet/Meadowridge Ratepayers Association, Mr Donald Craythorne, said this week that the Rebel Discount Liquor organisation had been granted the licence in a small shopping centre in Howard Drive, Meadowridge despite "literally hundreds" of objections.

He said the bottle store would be located in the community centre of Meadowridge close to two retirement homes, two nursery schools, a high school, a library, a bowls club, a tennis club and "many, many homes".

"The idea is grotesque and will devastate the community heart of Meadowridge," he said.

"Despite all this, the MD of Rebel claims the area needs a bottle store. This arrogant and intransigent attitude unleashed a wave of anger at the annual general meeting of the Bergvliet/Meadowridge Ratepayers Association on November 2."

Another resident of the area said they were determined to stop the bottle store as there were already three others nearby.

"This is another case of people being pushed around by big business. It is happening all over the place and we are determined to stop it."

Residents were collecting money to appeal to the Supreme Court, she said.

"We are also organising protests, anti-rebel banners and boycotts, marches and other anti-rebel events."

Mr Craythorne said: "The residents are angry. They want answers, such as why their views were not accepted. We are rebels with a cause!"

Wine Shop determined to fight Liquor Board

B|DAY 16/11/92 (288)

LINDA ENSOR

CAPE TOWN — Wine retailer Vaughan Johnson and wine farmers are to fight the refusal of the Liquor Board to grant Vaughan Johnson's Wine Shop at the Waterfront a special liquor licence which would enable it to open seven days a week.

The Liquor Board has said that the R1,8m wine shop, which offers wine tastings and lectures and has facilities for cultural events, is just the same as an ordinary bottle store.

A furious and disappointed Vaughan Johnson has vowed that the "archaic" decision of the Liquor Board would not be taken lying down, adding that he had the support of wine farmers.

"The Waterfront is expecting 9-million visitors this year and is an ideal place to promote Cape wines. More than 50% of the visitors come to the Waterfront on Saturday afternoons and Sundays, yet we have to close our doors at 1pm on Saturdays - the only shop of about 200 that has to."

The decision was attacked last week by Pepkor chairman Christo Wiese, who said the board often enforced regulations that were absurd.

"While Sunday trading is allowed at Groot Constantia estate and DF Malan airport, an application to do the same at the Victoria & Alfred Waterfront, Cape Town's biggest tourist attraction, has just been turned down."

Meanwhile, our Cape Town correspondent reports that KWV deputy CE Kobus van Niekerk, reacting to criticism of the SA wine industry by Wiese, said SA wines were the cheapest in the world.

Wiese told the congress of the SA Society of Oenology and Viticulture that sales were stagnating because wine had become too expensive. He singled out KWV for "exerting a stranglehold on the industry" in setting a minimum price for wine.

Van Niekerk said at the weekend SA wines "offer undoubted good value for money". The real minimum producer price for natural wine had dropped by 21% since 1980, Van Niekerk said.

"The producer price of 88c a bottle actually represents only 9% of a bottle of wine costing R10 and 22% of a bottle of wine costing R3,99 at a retail outlet."

The consumption of natural wine in SA, he said, had grown by about 3% a year since 1980.

However, Stellenbosch Farmers' Winery MD Frans Stroebel said he agreed with Wiese that free market principles should be applied in the industry.

Muggers force peace observers to move

MANY of the UN and EC peace observers have moved out of their five-star hotel in central Johannesburg because of muggings in the area.

Nearly 50 envoys from various countries are staying in Johannesburg, and others are stationed in various parts of the country to monitor public violence.

Fewer than 10 are still living in the Carlton Hotel, the rest having moved — as one diplomat put it — "to more amenable pastures" after making their own accommodation arrangements.

At least four members of the group have been attacked and robbed barely metres from the hotel, and a Norwegian diplomat on a one-day stopover had his pockets emptied a few hours after his arrival.

With a bit of time to spare after a meeting, the Norwegian went for a stroll to do some sightseeing, and was mugged.

Jim Anderson, security liaison official for the delegations, said alternative arrangements for the monitors still in the hotel were being considered, and a decision would be made shortly.

Carlton Hotel GM Stephen Ford said the hotel had held consultations with the delegation heads, and every possible step was being taken to ensure guests were adequately protected.

He said talks with Law and Order Minister Hernus Kriel and local police chiefs had been held, and a number of security measures had been taken.

☐ Satour says 130 Carlton guests and 119 guests at the Johannesburg Sun have been mugged this year. Both hotels were providing armed escorts for residents, the Sunday Times reported yesterday.

GAVIN DU VENAGE

Tax breaks ahead for SA tourism

From CHRIS BATEMAN

LONDON. — New tax incentives to expand and improve the tourism industry in South Africa were being considered by the government, the Minister for Information and Tourism, Dr Org Marais, said here yesterday.

Addressing the launch of the South African stand at the World Travel Market expo in Earls Court, Dr Marais said the tax incentives would be for new developments and refurbishments by industry members.

Another scheme in the pipeline was voluntary registration and grading for all establishments at which guests would pay a daily levy to Satour.

The money would be used by Satour to market tourism. The establishments would in turn receive a marketing and technical incentive package, plus access to Satours marketing platforms in SA and overseas.

Dr Marais said that in the first six months of this year, tourism to SA rose 14% over last year, with over 200 000 overseas arrivals.

With 1,7 million tourists expected by the year 2 000 conservation had become vital and the government supported programmes which enabled travellers to "personally assist" threatened environments and poverty-stricken communities. The Natal Parks Board was the first to benefit with R17,5m given by the Industrial Development Corporation to re-develop its hutted camp at Hluhluwe Game Reserve.

The IDC had reserves of R600m for similar financing, he said.

Tourism providing a beacon of hope

By TOSH LEVETT-HARDING

TOURISM is providing an important beacon of hope in the gloomy South African economic climate, Captour chairman Alderman Louis Kreiner told the organisation's annual meeting at the Cape Turf Club in Milnerton last week.

"Political uncertainty, frustration, the shrinking value of the rand, and high inflation hold our economy and tourism industry in a vice," he said.

But there was hope, he added. "The decision of foreign airlines to fly to Cape Town has encouraged us in our efforts to promote the Western Cape."

Significant change

Mr Kreiner said Captour had reviewed its own role in the industry which had resulted in a sharpening of marketing and promotional effectiveness.

"The appointment of Mr Gordon Oliver as chief executive officer was the most significant organisational change during the year under review," he said.

Mr Oliver said: "Captour takes a serious view of its role and its contribution to the economic development of the Western Cape."

British Airways hits turbulence

LONDON — British Airways said yesterday pre-tax profit fell 23% in the second quarter from a year before, but was still up 23% for the entire first half.

The UK flag carrier took a £16m hit from currency fluctuations in the second quarter.

More importantly, British Airways said its passenger yields fell 6,8% in the first half and said it saw no sign of business picking up in the second half.

In addition to the currency fluctuations, British Airways added that part of the profit decline was accounted for by a £25m gain on aircraft sales in the second quarter of 1991.

Looking ahead, company chairman Lord King said that "prospects for the second half of the financial year remain uncertain". Although traffic is seen growing, the business traveller was unlikely to return to the airline until the world economy improved, he said.

King said the results were "not at the level we would like". However, he took pains to note that his airline was not among the international carriers directly contributing to annual industry losses likely to exceed $2,5bn.

Speaking of the airline's major markets and other cial factors, the airline said, operating profit actually rose 2,4% in the second quarter.

Taiwan has highest forex reserves

TAIPEI — Taiwan accumulated a record $89,5bn in its foreign exchange reserves by the end of September, the highest in the world, Central Bank of China officials said yesterday. BIDAY 18/11/92

The figure represented a jump of $13bn from a year ago, the officials said, attributing the increase to an appreciation of the Taiwan currency to the dollar and interest increments.

They said 60,81% of the reserves was denominated in dollars, 22,28% in Deutschmarks and 11,04% in yen.

From its reserves, the the bank has refinanced overseas projects by both private and state-run enterprises and poured $7bn into the fledgling local interbank market. — Sapa-AFP.

Nampak Limited

Registration number 68/08070/06

11,25% SERIES A UNSECURED DEBENTURES 1993/1997

DECLARATION OF PAYMENT OF DEBENTURE INTEREST NO. 25

NOTICE IS HEREBY GIVEN that interest at the rate of 11,25% per annum in respect of the six months ending 31 December 1992 (equivalent to 5,625 cents per R1,00 debenture for the six months

B.D 18/11/92

288

Conservation of historic sites is high on agenda

WITHOUT its historic buildings — some dating back to the 17th century — Cape Town would not have as great a charm as it does.

However, preserving that cultural heritage in the face of the pressing demands of development requires vigilance on the part of the authorities.

The National Monuments Council (NMC) — responsible for vetting projects affecting buildings more than 50 years old — is often attacked for holding back development.

Generally, though, says NMC regional manager Ashley Lillie, Cape Town's city council has a good track record on conservation, and the NMC is always ready to compromise.

He believes Capetonians are aware of their role as custodians of their cultural heritage, and that the city council has become increasingly supportive as it realises the value of conservation for tourism.

The city's oldest building is the Castle, completed in 1679 and currently undergoing major restoration.

Valuable

"It is vital that the survey and conservation of archaeological sites be incorporated into planning and development programmes at the earliest possible stage and that preliminary surveys are undertaken well in advance of construction work," Lillie says.

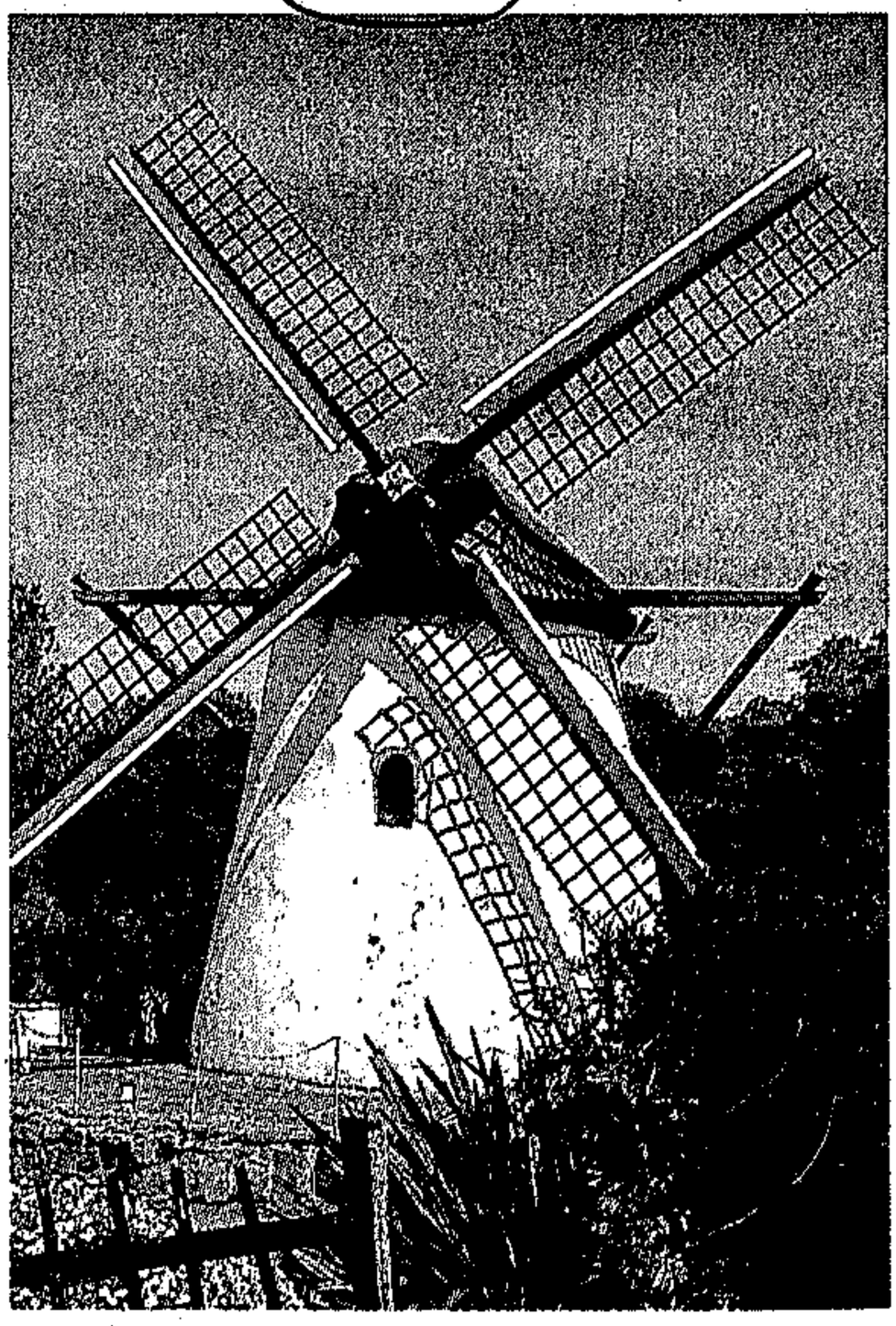
City council development co-ordinator Philip Theron says the council would be unlikely to approve demolition of old buildings to make way for high rise structures, as old buildings are valuable tourist attractions with a high revenue-generating capacity.

However, conservation in future will depend on finding acceptable economic uses for historic buildings so that they can fund their own maintenance.

The trend is to keep the environment intact rather than have isolated buildings surrounded by nondescript modern structures.

The National Monuments Act protects all palaeontological, archaelogical and historical sites. It is an offence to destroy, damage, alter, remove from its original site or excavate any such site or material without a permit from the NMC.

If convicted of an offence in terms of the Act, a person could be liable for a fine up of to R10 000, two years' imprisonment, or both.



Mostert's Mill.

The NMC has initiated a rock art management programme and is investigating ways to use rock art for education and tourism without damaging it by too much exposure.

The work of the NMC is greatly impeded by a critical shortage of funds and staff. Four people are responsible for the whole of the western Cape.

In its latest financial year, the NMC received R2,9m for administration expenses and R795 000 as a capital amount — not enough, says Lillie, to restore one building.

Dramatic improvement in service standards needed

STANDARDS in Cape Town's restaurants and hotels will have to improve dramatically if the city is to attract foreign tourists, industry sources say.

Captour CE Gordon Oliver emphasises the need for staff training to ensure better service. Captour and the Cape Town Chamber of Commerce are to link up to promote a service ethic in the tourist sector.

Cathay's Don Ball says standards of service in Cape Town are "disgustingly poor", leading to many complaints from foreign tourists.

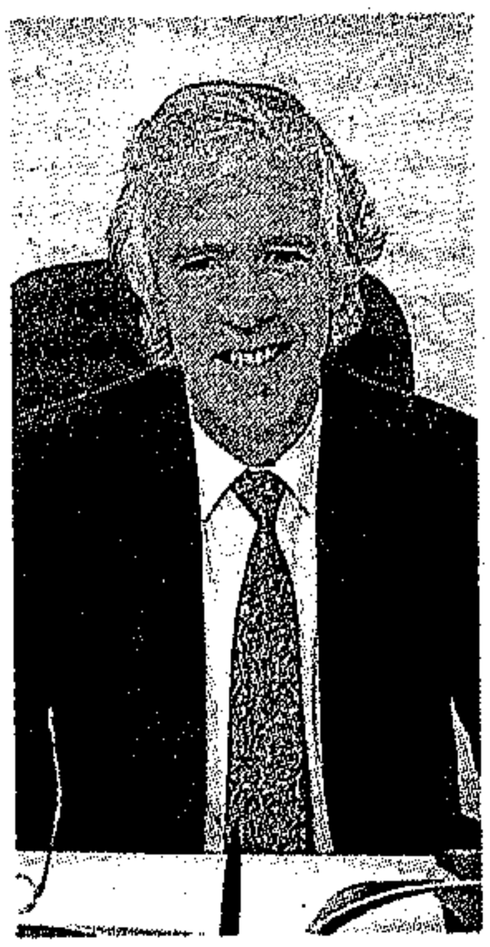
Restaurateurs and hoteliers have failed to recognise the problem, which stems from inadequate training of staff.

Protea MD Arthur Gillis believes standards in SA are atrocious compared to those abroad.

Nevertheless, the Cape region has a good selection of high-quality restaurants, with a number scoring well in a national competition organised by American Express and Style magazine.

Grand Roche Hotel in Paarl came first and Buitenverwagting second in the deluxe category while in the popular categories the L'Auberge du Paysan in Somerset West and Le Quartier Francais in Franschhoek took a joint third place.

Fedhasa Western Cape Restaurant Guild chairman Aldo Girolo says the problem of standards arose particularly with the opening of the Victoria & Alfred Waterfront, which was not equipped to handle the unexpectedly large number of visitors. This has led to the perception that Cape Town restaurants generally offer poor service, he says.



GORDON OLIVER



ARTHUR GILLIS

Prices charged for food by waterfront restaurants are high, but this reflects the forces of supply and demand, Girolo says.

He feels it is natural that the waterfront has taken business away from other restaurants, but says that the development has also contributed to an overall growth in the market by attracting more tourists.

But for restaurants located in the centre of the city a revitalisation of the CBD at night is vital.

Oliver agrees but says this will come about only through development of a residential component to the city. He says development of District Six as a residential suburb is vital.

Girolo says the restaurant trade has had a tough time during the recession, with companies cutting back sharply on their entertainment allowances.

High food prices added to the problems, and with market resistance to higher prices, it has not been possible to pass on the extra costs. Eating habits have changed as diners switched from meat, crayfish and prawns to pasta.

However, the signs for the coming season look good.

18/11/92 B.D 288

Muizenberg set to regain status

MUIZENBERG is set to regain its status as a prime tourist resort once the multimillion-rand revitalisation of the False Bay coast has been completed.

Long-term investment in Muizenberg could amount to as much as R350m, while the redevelopment of Kalk Bay, Muizenberg East and St James is also planned.

Proposals

Cape Town city council's executive committee has chosen two of the 14 proposals submitted by private sector developers for the project, which is expected to get under way next year.

Council development coordinator Philip Theron says the aim is to redevelop the beachfront by providing leisure, entertainment, commercial and residential facilities. A new hotel is also planned.

"The False Bay coast ... should be marketed as a unique region, like the winelands." Surfing, sailing, scuba diving and mountain-climbing are just some of the attractions.

Theron says it is necessary to convert Muizenberg — in decline for the past 10-15 years — from a rundown village into a major tourist resort and to create job opportunities.

The council, which owns about 58ha in Muizenberg, has allocated several million rands to improve beachfront infrastructure and general landscaping.

The old railway station has already been restored and its usage changed to accommodate commercial activities.

It is proposed that an existing pavilion be redeveloped to include a leisure centre, bowling alley, health club, indoor water sports, cinemas, and an ice or roller skating rink.

Theron says the city will use its land as a catalyst to developing the coast.

The SA Rail and Commuter Corporation, which has about 3365m² in Muizenberg, is also involved in the area's revitalisation.

Earmarked

Most of the land available has been earmarked for nonpermanent residential facilities such as holiday accommodation, time share, or hotels, all with related restaurant and entertainment facilities.

Theron says development will proceed only after negotiation with the local community.

Special rates lure winter visitors

HOTEL bookings for the Christmas season are looking good, but the short festive season will not do much to counteract the long winter in the industry, which has seen hotel occupancies nationwide plummet to 49%.

Southern Sun's winter at all its Cape Town hotels was quieter than normal, but forward bookings from mid-October to end-December look strong, says group operations director Chris de Kock.

The perception that Cape winters are something to avoid has affected hotels, many of which have offered cut rates to attract visitors. Corporate cutbacks have also knocked occupancies.

Protea MD Arthur Gillis says the recession has placed such pressure on disposable incomes that without special packages, holidays are unaffordable for most people.

"I shudder to think what our occupancies would be like without the packages." Protea's averaged 55% against the industry average of 49%.

Warns

While some people in the industry believe Cape Town has insufficient hotels to cater for an influx of foreign tourists, estimated to reach 900 000 by 1996, Gillis warns against the folly of building new hotels based on "highly debatable" projections.

To build a hotel on a profitable basis and get an adequate return on the investment, an occupancy of 60%-65% is needed.

Protea Hospitality Corporation executive chairman Otto Stehlik says rather than build new hotels, SA's hotels should be refurbished to satisfy the needs of the international tourist.

He believes that about 30 000 of the 46 000 rooms available in SA require refurbishing at a cost of about R20 000 each, or a total cost of R600m — the amount voted by government for the development of an ecotourism infrastructure.

Western Cape Growth Organisation executive director David Bridgman says that if tourism in the Cape is to grow at the desired 20% a year, there will not be sufficient facilities of international standard to cope with the demand. Ways will have to be found to attract tourists during the winter months before there will be new investment in hotels.

De Overberger a base for day-trips

DE OVERBERGER Country Hotel and Conference Centre is situated 115km from Cape Town on the outskirts of Caledon in the foothills of the Swartberg, with views over rolling wheat and barley fields.

The hotel is marketing itself as a base from which tourists can conveniently conduct day trips into the southwestern Cape. GM Brian Macaskill says tourist attractions include the winelands, flower routes, Bontebok National Park, De Hoop Nature Reserve, Cape Agulhas, Hermanus and Arniston.

"Recreational facilities at the hotel include the famous hot water springs, a health centre with a gymnasium, nature walks, a swimming pool, jacuzzi, volley ball, tennis, squash and a children's play room.

"A nine-hole golf course and bowling greens are available less than five minutes' drive away," Macaskill says.



GEORGE LOOPUYT

Arts council responding to changing community needs

18/11/92 B/day 288

SA's arts councils are involved in turbulent change as the process of democratisation penetrates all aspects of society.

Capab is responding to the changes, attempting to make its facilities accessible to community arts projects and taking its work into the community.

But however well-intentioned, it seems unlikely that this will satisfy the demands of community art groups for a role in decision-making and control.

Nico Malan theatre complex director George Loopuyt believes that during the process of political settlement, the perception of arts boards — in his view unfairly tainted with the brush of being state institutions — will improve.

Nevertheless, thought has been given to the creation of new structures within Capab, and an internal committee has been established to co-ordinate contact with communities.

Community performing arts groups use the Nico Malan complex for shows, while other groups borrow equipment and sets.

"We are willing to help where we can, but we don't have unlimited resources. As barriers break down, we will learn more ways we can work together," he says.

Capab's Nico-for-all project, which uses final dress rehearsals as well as sponsorships to bring groups to certain performances, enabled 23 887 disadvantaged people of all ages and cultures to be exposed to 49 productions in the year to end-March 1992.

Outreach

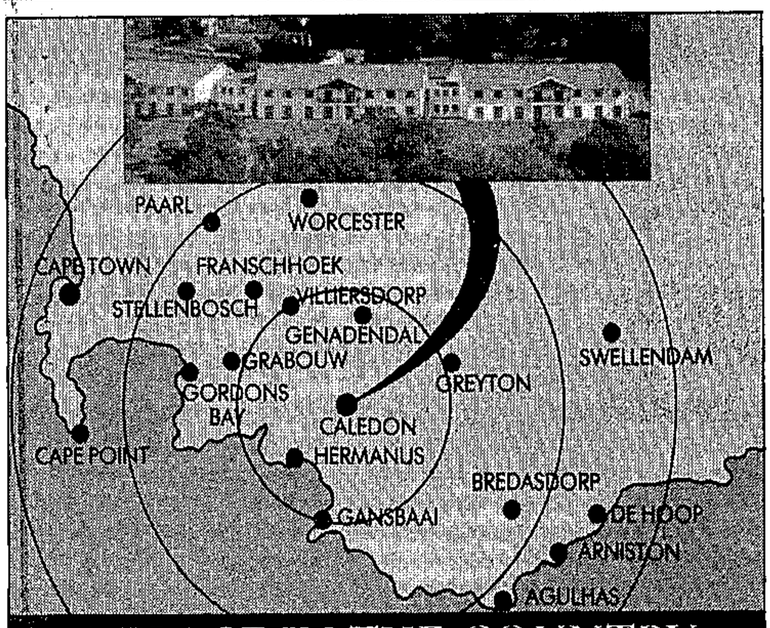
The Nico also has a township outreach programme which sends groups to schools to perform set works and plays.

Last month a two-week community youth groups festival was held at the Arena Theatre.

Loopuyt says Capab should also be involved in fostering local talent.

However, he is not optimistic about the theatre being an attraction for tourists, believing that they will have seen most productions of high quality abroad, and that there is a paucity of local work that would attract them.

The arts are suffering as a result of the recession, and Capab has had to resort to staging commercial productions which are guaranteed box office success, or restaging productions for which there are already sets and costumes.



A PLACE IN THE COUNTRY
THAT'LL WASH THE CITY AWAY

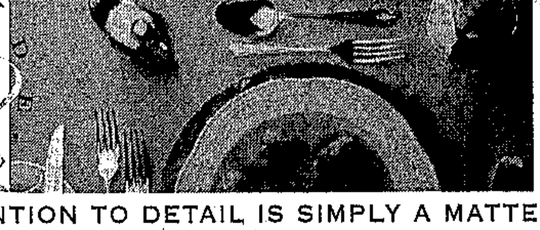
One hour's drive from Cape Town you'll find the perfect tonic for city pressure, in the hub of the Western Cape. De Overberger hotel. Set in the rolling hills of Caledon, it's a stone's throw from venues such as the De Hoop Nature Reserve, Genadendal, Agulhas. Hot mineral pools, country cuisine, hiking trails and a fully equipped gym make it the ideal getaway. For less than you think.
Phone (0281) 41271 for more information.

De Overberger

***TYYY THE COUNTRY HOTEL
& CONFERENCE CENTRE

BOSMAN'S RESTAURANT

VOTED BEST RESTAURANT IN SOUTH AFRICA



WHERE ATTENTION TO DETAIL IS SIMPLY A MATTER OF COURSE

Summer Gourmet Wine Festival

COMMENCING ON 27 NOVEMBER IS OUR NIGHTLY SUMMER WINE FESTIVAL. FRIDAYS WILL BE EXTRA SPECIAL:
CELLAR MASTER JOHN COLLINS WILL PRESENT INTERESTING WINE TOPICS FOLLOWED BY A WINETASTING FROM 18H30 TO 19H30.
THERE WILL BE A CHOICE OF THREE-, FOUR- OR FIVE COURSE GOURMET SET MENUS (AT PRICES RANGING FROM R62.50, WINES INCLUDED - THIS IS UNBELIEVABLE VALUE). EACH COURSE IS COMPLEMENTED WITH A DIFFERENT WINE OF A RARE AND EXCELLENT CAPE VINTAGE.
STAY THE NIGHT WITH OUR SPECIAL BED & BREAKFAST OFFER: R150 PER PERSON SHARING.
LIMITED COMPLIMENTARY TRANSPORT AVAILABLE.

BOSMAN'S RESTAURANT GRANDE ROCHE HOTEL *****T-YYY PLANTASIE ST. PAARL TEL:(02211) 63-2727
BEST HOTEL WINELIST IN SOUTH AFRICA (DINERS CLUB AWARD) AND
BEST RESTAURANT IN SOUTH AFRICA (AMERICAN EXPRESS GOLD CARD / STYLE MAGAZINE AWARD)

PRO-AD 139/054

PROPERTY

Sea Point hard-hit by Waterfront popularity

ANDREW KRUMM

THE Victoria and Alfred waterfront development may have been good for the tourist trade in Cape Town, but its success appears to have been bought at the expense of Sea Point, where trading is on the decline.

However, at least one form of commercial activity — property development — remains successful, although many elderly residents complain of escalating rentals as prices rise.

Seapoint councillors John Sonnenberg and Joe Rabinowitz say the *joie de vivre* previously associated with Seapoint has moved to the Waterfront, and local traders, especially those involved in entertaintment, are feeling the pinch.

Rabinowitz says "no one will risk money to set up new businesses there", and Sonnenberg says business in the suburb is becoming seasonal.

But property developers do not seem too perturbed about the slowdown in trading activity and continue to apply for rezonings and the unbundling of stands.

The most recent example is Sanlam's planned development of sectional title apartments, one of which recently sold for R4m to a Cape Town buyer.

Sanlam plans a hotel complex on adjoining land but first needs approval of the city council, which is "trying to be accommodating".

Town planner Neville Riley says the council is attempting to unbundle Sanlam-owned parcels of land on and around the site, and tie them together notarially to allow the hotel development to take place.

He adds, however, that there is some resistance from the community to rezonings, and residents are increasingly taking matters to court.

Another city official says that apart from a "succession of court cases" he expects resistance from residents on the refurbishment of a block of flats on the Clifton beachfront.

Rabinowitz says another problem with the Sea Point area is lack of parking, which led to the demise of Regent's Road.

"Some hold out that a planned Woolworths development on the corner of Regents and Kloof roads is the great hope for the area, since it would come with two levels of parking. But I do not think so."

Councillor Chris Joubert, who owns a shop in Sea Point and is active in the local traders' association, was not available for comment.

Panel probes value for money to tourists

CT 17/11/92 (288)

By TOSH LEVETT-HARDING

WELL-KNOWN radio personality Nigel Murphy was bombarded with questions when he chaired a panel discussion entitled **Is Cape Town outpricing itself?** at the Captour AGM at the Cape Turf Club, Milnerton, last Tuesday.

The panel comprised Mrs Maureen Thomson, marketing manager of the Waterfront, Mr Otto Stehlik of Protea Hotels and Mr Aldo Girolo of the Restaurant Guild.

Mrs Thomson opened the discussion by saying: "I think we must look closely the subject of giving value for money and everybody in Cape Town should be prepared to do this."

Seafood

Councillor Jack Frost, Captour's deputy chairman, said: "My complaint is about wine sales and restaurant charges, which I think are abnormally expensive. Surely it should be possible to get a good house wine at a fair price?"



QUESTION MASTER: Radio personality Nigel Murphy at Captour's annual meeting.

Picture: PETER STANFORD

Murphy passed this query to the panel. Mr Stehlik said he had a lot of sympathy on this score as Cape Town was a wine-producing area and in the same way people should also expect excellent seafood.

"But for every R100 we take we have to pay R60 in overheads and the comparison in selling wine in restaurants and at bottle stores is not relevant."

Security

Another speaker said the city became a "ghost town" at night and there was little to attract tourists. If shops remained open until 11pm this would be a tremendous boost — particularly for Sea Point.

Murphy put it to the vote and the majority favoured shops remaining open until 8pm.

Alderman Louis Kreiner, Captour's chairman, said the success of the Waterfront was based on security and cleanliness.

Murphy said many interesting points had been made from the floor to the panel and that a "feedback" should be given to Captour's chief executive officer, Alderman Gordon Oliver.

Natal violence hits tourism

Own Correspondent

DURBAN — The wave of violence sweeping Natal has caused a massive drop in foreign bookings for holiday accommodation over Christmas.

However, hotel and publicity association spokesmen said the violence has not affected local tourism over the festive season.

But tourists from other parts of Natal were staying away from Durban's overcrowded beaches.

"Our bookings for the week after Christmas (from December 26) are pretty strong — around 80% — but prior to that, from the start of the season on December 14, we have only about 40% bookings," Fedhasa chairman Mr Alan Gooderson said. 284

He said the media coverage of the "chaos" on Durban's beach front during last year's festive season had dealt a "devastating" blow to Durban hotels.

South Coast Publicity Association spokesman Mr John Tack said holiday accommodation during the "peak" week was about 99% booked and it would be "very difficult to find a bed during that time". But bookings were at about 60% from the beginning of the holidays until then. CT 18/11/92

On the North Coast, "everything is full", said Dolphin Coast Publicity Association spokeswoman Miss Sharon Wessels.

City Lodge makes its JSE debut today

HOTEL group City Lodge lists today on the JSE's beverages, hotels and leisure sector.

Analysts expected the ordinary shares to list at a slight premium to the 480c issue price, with the debentures expected to come on the market at the issue price.

City Lodge's private placement of 5-million ordinary shares at 480c and 5-million convertible debentures at 550c each was fully subscribed. Major institutions, including Sanlam, Old Mutual, Syfrets, UAL, Iscor Pension Fund, Commercial Union and others, had taken up the offer.

MARCIA KLEIN

A City Lodge spokesman said the company was expecting to come on to the market at a premium of up to 10%, and believed the listing would be successful.

In its prospectus, City Lodge forecast taxed profit for the year to end-July 1993 to be not less than R10,8m, and a dividend of 9c was expected to be paid in April 1993.

Storm brews as taverners opt for boycott

B/DAY 19/11/92

288

THEO RAWANA

THE 25 000-member National Taverners' Association said yesterday a boycott of SAB products would go ahead because the brewer had "reneged" on agreements that had averted earlier action.

Association PRO Saint Madlala said members would be selling Zambezi Lager, a brew the association began importing from Zimbabwe earlier this year.

SAB refused to grant the "preferential discounts" it said the taverners demanded, and warned of the violence that might erupt if other people were forced to observe a boycott.

The parties seemed to have buried the hatchet at the end of September when the association's executive said the SAB had agreed to most of the taverners' demands. These included the scrapping of a requirement that taverners should take up an SAB insurance policy as collateral for credit, the brewer should pay operators for displaying its advertisements on their premises and should donate money in the event of mass killings at shebeens.

Madlala said the executive committee, which had been "reining in" members who had long demanded a boycott, would tell them to go ahead next week

SAB public affairs manager Adrian Botha said the brewery could not deviate from its policy of not giving preferential financial treatment. "Everyone gets the same treatment." He said SAB was worried about the possibility of violence the boycott might trigger.

Madlala said his organisation had "mobilised all the political, labour and other groups. But we have left out schoolchildren and intimidation; it's all voluntary."

City Lodge makes its debut on JSE

BD Fri 19/11/97 288

MARCIA KLEIN

CITY Lodge made its debut on the JSE yesterday, closing at a 6,3% premium to the issue price of 480c a share in fairly good trade.

The group's ordinary shares reached a high of 520c and a low of 500c. In 73 deals, 303 700 shares worth R1,7m changed hands.

The preference shares, which were issued at 550c, closed at 560c in lower volume trade. The closing prices of the ordinary and preference shares give City Lodge a market capitalisation of R202m.

In terms of the share issue, the Mines Pension Fund has 42,8% of the shares, MD Hans Enderle and family 26,2%, institutions 10,1%, executives and management 3,7%, and the public 17,2%.

Breweries face boycott threat

Sowetan 20/11/92

288

■ **DEMANDS REJECTED** SAB denies there is favouritism or preferential discouts:

LIQUOR TRADERS ARE to consider boycotting SA Breweries' products when they meet at Uncle Tom's Hall in Soweto next Wednesday.

The National Taverners Association yesterday warned that similar action might be decided against spirit and wine distillers if they fail to meet their demands next year.

NTA chairman Mr David Mokoena said the decision was taken after talks between them and the SAB broke down for the second time.

He said the parties could not agree on major demands, which included granting "preferential discounts", economically empowering black traders, and the favouring of white dealers to be stopped.

An SAB spokesman yesterday said the company deplored and was "extremely concerned" about any talk of a boycott in these "sensitive times", particularly when the root cause of the alleged action lay in a call for them to give "preferential financial treatment" to NTA members.

"We cannot accede to such a request as we have never and will not discriminate for reasons which should be patently obvious," the spokesman said.

He said the NTA was not the sole representative body of taverners nationally, adding there were also other important associations like the SA Taverners Association and the United Taverners Association of Southern Africa.

"Boycotts will exacerbate tense situations, leading often to violence as we believe that, particularly in these troubled times, they are not appropriate action," he said. Mokoena said they would consult trade unions, community and political organisations because "our people are involved in liquor - both as a business and as workers".

ST 20/11/92

Union calls vote on hotels strike

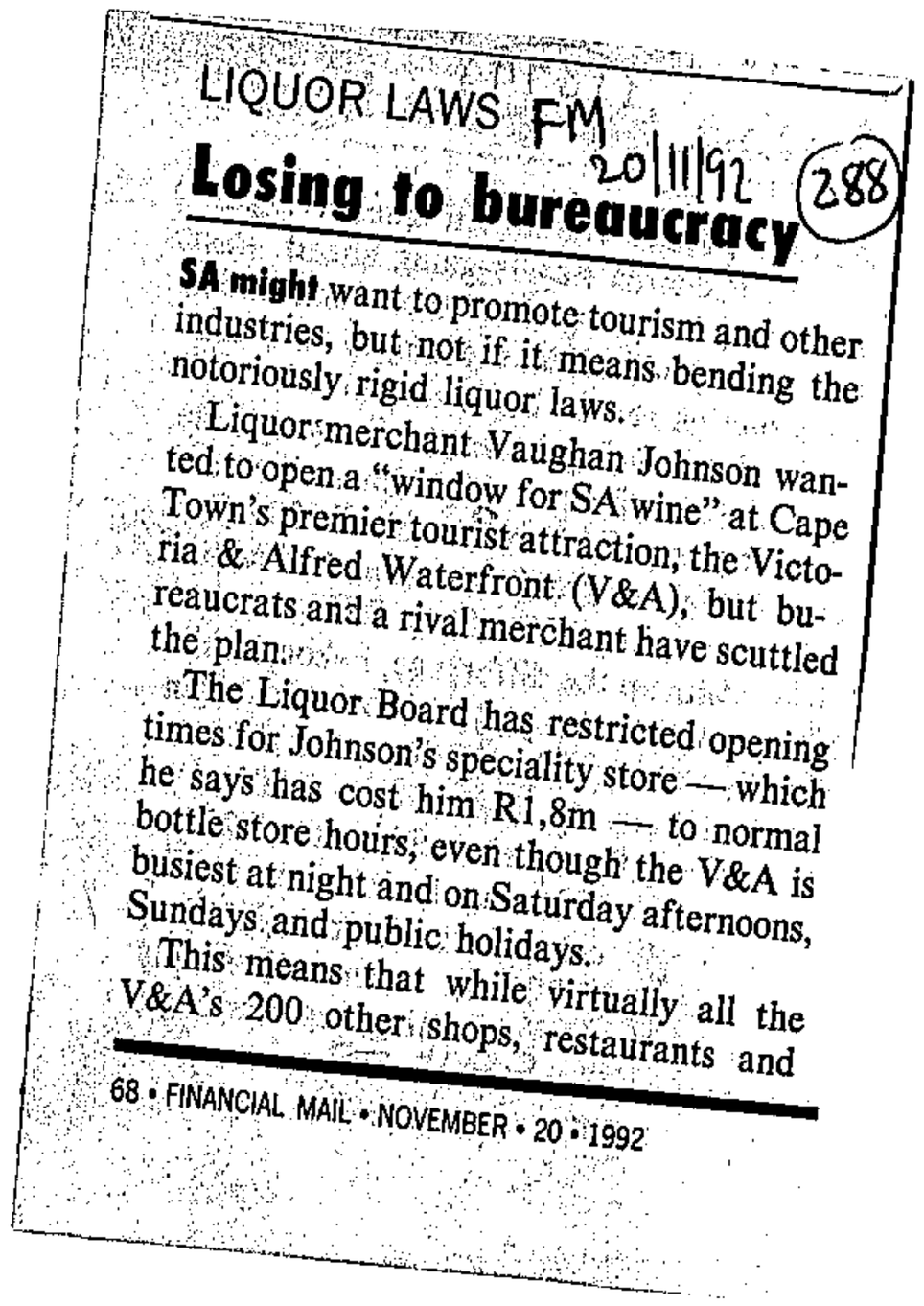
EAST LONDON. — The SA Commercial, Catering and Allied Workers Union is to hold a strike ballot today at all Sun International hotels in Ciskei following a deadlock between management and the union over retrenchment proposals.

The deadlock occurred earlier this week over the union's demands that retrenchments be stalled and a centralised bargaining forum be initiated.

Sun International Ciskei's regional manager, Mr Graham Vass, said after a meeting on Tuesday had ended in deadlock, that the company had given notice of its intention to retrench at least 290 employees.

To minimise the number of retrenchments, the company was offering voluntary retrenchment to all employees within the negotiated bargaining unit and early retirement to all employees over 50, he said.

Mr Vass said an urgent interdict had been applied for to prevent further disruption. — Sapa



LIQUOR LAWS FM 20/11/92 (288)

Losing to bureaucracy

SA might want to promote tourism and other industries, but not if it means bending the notoriously rigid liquor laws.

Liquor merchant Vaughan Johnson wanted to open a "window for SA wine" at Cape Town's premier tourist attraction, the Victoria & Alfred Waterfront (V&A), but bureaucrats and a rival merchant have scuttled the plan.

The Liquor Board has restricted opening times for Johnson's speciality store — which he says has cost him R1,8m — to normal bottle store hours, even though the V&A is busiest at night and on Saturday afternoons, Sundays and public holidays.

This means that while virtually all the V&A's 200 other shops, restaurants and

FM 20/11/92 (288)

pubs are open seven days a week to cope with demand from an expected 9m visitors this year, Johnson will have to close during the most lucrative trading times.

Johnson, who also operates a speciality wine and spirit store in Illovo, Johannesburg, applied for an extended hours licence, but it was turned down this month. No reasons were given. Liquor Board chairman Daan Botha refuses to discuss the matter. Johnson vows to fight on for an extended hours licence.

Though a "special" licence was granted, it still restricts trading to 9 am-6 pm on weekdays and 9 am-1 pm on Saturdays, the same times as an ordinary bottle store.

Johnson says support for his application was widespread and included the V&A management, the Cape Town Tourism Board, KWV, wine estates and co-operatives, and tour operators. But it was opposed by Marcows Cellars, which operates a chain of bottle stores in the city, including one not far from the V&A. MD Les Marcow says that if Johnson is allowed to open after hours, everyone else should be able to do so.

Johnson agrees. "All liquor stores should be able to trade when it suits their customers." He says the V&A is the perfect setting to show visitors the full range of SA wines and to promote the winelands. While spirits and beer will be sold, 90% of the available space will be devoted to wine sales and tastings. "I certainly don't want to become a corner liquor store."

Marcow denies that his objection was based on jealousy, because The Wine Society, a company in which Marcows has a "small" interest, was an unsuccessful applicant for the V&A liquor store concession.

He says he was personally opposed to The Wine Society's application because he didn't believe the concept would succeed unless trading was allowed on Sundays. That was also why Marcows did not apply.

"I can understand that Vaughan Johnson is upset, but in my view there is no reason why he should get a special licence. If the Liquor Board wishes to change trading times then so be it, but the playing fields must be level for everyone."

There may be some relief for Johnson, though perhaps not in time for the festive season tourist rush. Government is expected to amend the current liquor laws next year because it now believes they are not in keeping with the move towards business deregulation on the one hand and the needs of tourism development on the other. ■

Karos keeps its nose above water just

288
B/DM 20/11/92

DUMA GQUBULE

KAROS Hotels just managed to keep its nose above water with an attributable profit of R23 000 for the half-year ended September.

This followed an attributable loss of R3,9m for the year to end-March.

Chairman Selwin Hurwitz said the group had succeeded in reversing the previous year's loss and expected that the second half, traditionally a better trading period, would provide improved profits.

Turnover advanced by a fifth to R50,4m (R42,1m) and operating profit by 46% to R13,8m (R9,5m).

Hurwitz said new facilities had become available as renovated hotels had come on stream, resulting in a higher turnover. Operating margins had improved significantly due to strict cost and asset controls.

Operating leases, interest, depreciation and ammortisation absorbed R12,5m (R11m) and the pre-tax profit came to R1,3m compared with a loss of R1,5m the previous year.

An associate contributed R1,1m and R2,3m was paid to holders of preference dividends. Attributable earnings were R23 000, or 0,1c a share.

Hurwitz said Karos had spent R120m over the past 40 months upgrading its facilities. This had been financed by a combination of shareholders' funds, convertible preference shares and debt.

The programme was mostly completed and the group would now enter a period of rationalisation where reduction of debt would be a priority over the next two years.

The group hoped to reduce debt (including redeemable preference shares) to 40% of shareholders' funds from the present 71%, he said.

Hurwitz expected a much stronger second half. Recently started gambling operations, which had added to profits only in the last two months of the interim period, would make a more meaningful contribution in the second half.

Major redevelopment completed last month at the Karos Indaba Hotel would also have an impact.

Hurwitz said the group was now excellently represented in key tourism areas of southern Africa and was well placed to compete effectively in the expected tourism upswing.

TOURISM (288)

Home alone

FM 20/11/92

The foreign tourism boom that should have rocked Durban this month fizzled out —the November cancellation rate for international bookings in the city's hotels stands at 80%.

Fear of violence and continued stagnation of the world's economies, in Europe and Britain in particular, combined to fuel the flop, says Alan Gooderson, chairman of the Natal and Durban divisions of Fedhasa.

With airline deregulation and the resulting lower airfares, bullish international carriers stepped up speculative advance bookings in anticipation of a surge in package tours during the European winter. That never materialised, hence the high level of cancellations.

Gooderson stresses, however, that 90% of Durban's travel business comes from local holidaymakers, especially from the Reef. Things aren't looking that bright in this arena either, though the peak week between Christmas and New Year looks promising for the 13 205 holiday beds within 20 km of the Durban city centre. "Hotels for this period are roughly 80% booked. However, the rush normally occurs only after December 11, when people know whether they're getting good Christmas bonuses."

He is less positive about the pre-Christmas period. "Durban is usually 60% booked for the period leading up to Christmas by this time of year. However, we seem to be following the recessionary pattern of the past two years. Reservations for this period now stand at only 40%."

He says hoteliers have adopted a pragmatic approach to the problem: a collective decision has been taken to offer accommodation at low, rather than peak, season prices.

Says Gooderson: "The advantage we have over Cape Town, which seemed the preferred destination for many Vaalies last year, is that Durban has taken steps to eradicate the

CONTINUED —P

BUSINESS & TECHNOLOGY

FM 20/11/92 (288)

perceived beach overcrowding problems of the past few years. We are a lot closer to the PWV and, to holidaymakers, that means proportionately lower travel costs. So their hard-earned rands can stretch much further in these financially difficult times." ■

Armed guards take tourists out on Rand

(228) ARG 21/11/92

PETER DAVIES
Weekend Argus Correspondent

JOHANNESBUIRG. — Burgeoning crime in the inner city has forced luxury hotels to take the unprecedented step of deploying armed guards to protect tourists.

Just across the way from the Johannesburg Sun hotel, the Smal Street satellite police station includes a 47-strong force with the sole task of protecting and accompanying foreign visitors through Johannesburg's crime-plagued CBD.

Liaising with travel agents and hotels like the Sun, the Tourist Protection Unit provides armed escorts for visitors wanting to sample downtown shopping malls.

The TPU was set up about a year ago and will continue until December 15, when the sun sets on the Johannesburg five-star hotel and it is converted into a one-star garden court Holiday Inn.

The service extends as far afield as the Johannesburg Zoo and Gold Reef City in the southern suburbs.

At any given moment five force members await tourists in the safe lobby of the hotel.

The TPU is an unusual concept born of extraordinary times and has an operating routine that is a trifle unorthodox too.

Should visitors choose to shun a pistol-packing escort, members of the TPU follow at a distance, keeping an eye on camera-carrying travellers.

TPU members go to some lengths to ensure they mingle undetected with the city's mugger population. Tatty jeans, T-shirts and veldskoens seem standard garb.

The sergeant leading me through the Smal Street mall wore dirty black jeans, a holed T-shirt, baseball cap and dingy canvas shoes. The disguises work well. Sometimes too well.

"Once I was arrested for drinking in public," said the sergeant. "I was waiting on a street corner, monitoring a tourist couple. I had a beer can and was arrested by one of my colleagues. He only believed me when I showed him the can was filled with water."

The TPU's busiest days are the daylight hours of Saturday and Sunday when the city streets are almost deserted.

R30m hotel complex for Milnerton beach

S/Times [Cape Metro] (288)

22/11/92

A NEW R30-million hotel and apartment complex is to be built at the Dolphin Beach development at Milnerton.

Apartments will range from bachelor flats to threebedroom duplexes and sold for between R175 000 and more than R500 000.

Apartments owners will have access to the hotel facilities, including a swimminmg pool, "sky-loft" restaurant housed in a separate pavilion and a cocktail lounge with sea views.

John Rabie, chairman of Rabie Property Developers, which is jointly developing the resort with Equikor, said the hotel was scheduled for completion by December next year.

The hotel — with the restaurant, shopping facility, pool and 45 sectional title apartments — formed the final phase of Dolpin Beach development.

He added that when completed the R110 million resort would have a total of 210 sectional title apartments.

Special deal for tourists

(288)

(Times Cape Metro)

CASH-STRAPPED South Africans who have to think twice before spending in Europe or the USA may find things easier nearer home.

Helping to spread the buying power of the rand in Mauritius and the Comores is a special discount card introduced by World Leisure Holdings.

The managing director, Bruce Hutchison, launched the card last week at a function attended by travel agents.

Holidaymakers booking with the company, which is the largest operator to the Indian Ocean from South Africa, will automatically qualify for a Paradise Card.

"Exchange rates are likely to worsen," said Mr Hutchison. "The savings associated with the card will go some way to giving the South African tourist a better deal."

22/11/92

He estimated that holidaymakers making good quality purchases, using the amenities and having hotel meals with drinks could save up R2 000.

The discounts extended to car rentals, beauty treatments, diving and fishing excursions.

Golfers get one free round of golf and there are free casino chips to the value of about R20, while children get accommodation discounts.

Tax incentive bid for tourism industry

BDay 23/11/92

288

STEPHANE BOTHMA

AN investigation into the possibility of greater tax incentives for companies engaged in promoting SA as a tourist destination is under way.

SA Tourism Liaison Council chairman Rupert Lawlor said the council commissioned a probe by business advisory firm Arthur Andersen and Associates.

Lawlor said a greater understanding was needed of what the industry was doing internationally to promote SA as a destination and that recommendations should be prepared on tax incentives to assist those tourism-related companies involved in marketing exercises abroad.

"After all, if tourism is to fulfil predictions that it will be the number one revenue generator in SA by the year 2000, tangible encouragement must be given," he said.

Two incentive schemes were already in place — the general export incentive scheme (GEIS) and the Export Marketing Allowance (EMA).

"GEIS only applies to 'qualifying claimants' who are manufacturers who export directly or manufacturers who export goods using agents or export trading houses," he said.

Exports that qualified for GEIS were goods which had undergone a production process in SA and which had not been specifically excluded.

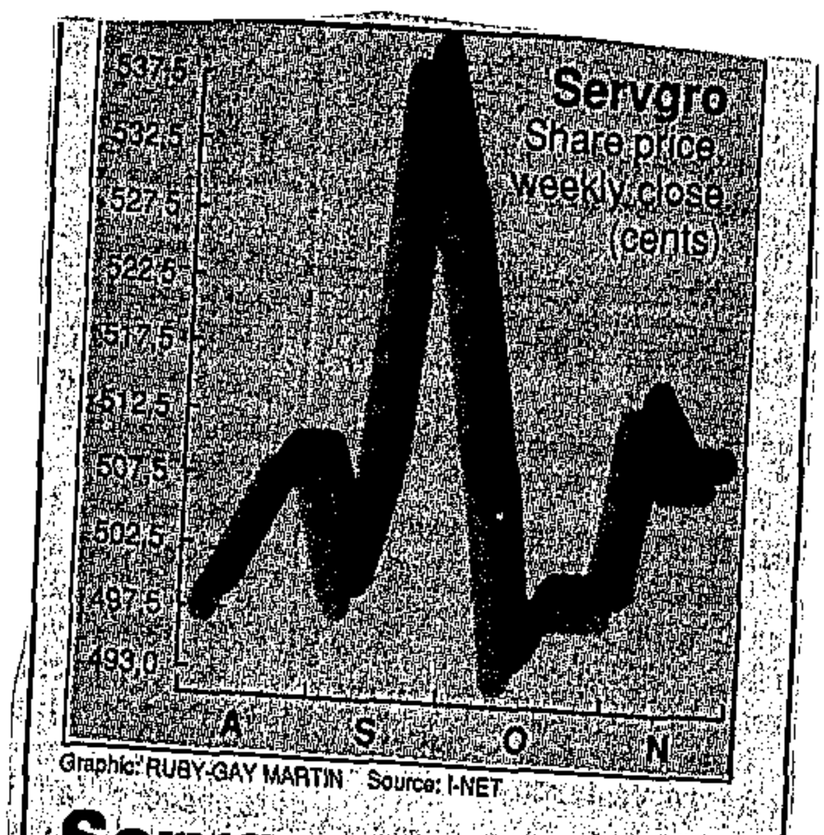
Lawlor said EMA involved limited assitance offered to certain export initiatives which did not involve the manufacture and sale of goods.

Four schemes were available under EMA. These were primary export marketing research which compensated exporters for marketing costs incurred in establishing export markets; outward selling trade missions aimed at employers or organisations who travelled abroad to initiate and conclude contracts; travel expenses assistance for inward buying trade missions comprising potential importers of SA goods; and exhibition assistance which encouraged the introduction of products to foreign markets.

He hoped a combination of both schemes could be negotiated in order to recognise and encourage innovation and development in the industry.

On completion of the investigation, proposals would be put to the Trade and Industry Department requesting either a special tax incentive or that money be set aside.

The tourism liaison council was formed to encourage growth in SA tourism and to facilitate effective communication between the tourism industry and statutory bodies.



Graphic: RUBY-GAY MARTIN Source: I-NET

Servgro on track to meet forecast

MARCIA KLEIN

NEWLY listed Servgro International has increased interim earnings 10% to 23,4c (21,2c) a share, and is on track to meet its prospectus forecast of a 10% earnings rise for the year to end-March.

The group — which has interests in Interleisure, Teljoy, Avis, Fedics, Interpark, Price Forbes and Naspers — reported a 13% rise in attributable profit to R24,6m (R21,7m) and declared an interim dividend of 7,5c a share.

The group's results to end-September were better than chairman Peet van der Walt had forecast.

Servgro's turnover increased 8% to R434,5m from R401,8m, and operating income rose 9% to R60,1m (R54,9m), reflecting an improvement in the operating margin.

Income from associates and investments grew 11% to R6m (R5,4m), bringing profit before interest up 10% to R66,1m from R60,3m in the previous year.

After a reduction in the interest bill to R6,4m (R7,5m) and an increase in taxation, profit after tax was 8% higher at R38,6m (R35,8m).

Van der Walt said results were off a high base in the previous year, when earnings grew 19,5%.

□ To Page 2

Servgro

Although the various companies had adapted well to the political and economic environment, there was room for further cost containment and reductions, and better management of working capital.

Unlisted companies had performed well, but listed Interleisure and Teljoy had produced marginally lower results than the previous year on the back of lower consumer spending.

However, in the quarter since Interleisure reported to end-June, cinema audiences had increased with the opening of new cinemas, Sunday films and a growth in attendances.

Naspers, from which Servgro received only dividend income, was expected to maintain its high level of earnings recorded in the previous year, Van der Walt said.

□ From Page 1

In November, Price Forbes reached agreement with Safren and Willis Corroon to buy the Willis Faber Enthoven Insurance Broking Group. Van der Walt said the newly acquired company was not expected to make any significant contribution to profits this year, but benefits would be felt in the next year.

Although he did not expect trading conditions to improve over the next six months, Van der Walt said the 10% growth in earnings would be achieved on the group's enlarged capital base.

Servgro would also "keep on the lookout for acquisitions", he said.

The share, listed on August 7, closed yesterday at 510c, after reaching a high of 550c soon after listing and a low of 500c earlier this month.

Beach Hotel revamped

(288)

DURBAN'S 113-bedroomed Beach Hotel has completed the second, R1,2m phase of its refurbishment programme. The bedrooms, entrance and foyer have been modernised, and the nightclub replaced by two conference rooms capable of accommodating 250 delegates.

BIOM 25/11/92

BUSINESS BISCN will expand its involvement in black business through franchising

The lowdown on franchising

Sowetan 26/11/92

By Mzimkulu Malunga

■ **FRANCHISING** A quick way for blacks to join mainstream economy:

A CONFERENCE ON FRANCHISING will be held at the Carlton Hotel on December 8 and December 9.

The objective of the gathering is to encourage black entrepreneurs to get involved in franchising and joint ventures.

"Franchise business has a proven format and it is easier to manage compared to a new and untested enterprise," said Leyland Hazelwood, chief executive of the Black Integrated Commercial Support Network in South Africa.

BICSN is jointly organising the conference with the Washington based International Franchise Association.

According to Hazelwood, his company was commissioned by the United States Agency for International Development (Usaid) to develop strategies for the advancement of black entrepreneurship in the country.

Over ten US franchise companies and around 200 local and international entrepreneurs are expected to attend the conference. Registration fee is R990.

In addition to international and local speakers delivering papers on a variety of topics on the dynamics of franchising, there will also be workshops on wide range systems for franchise ventures.

> **"Franchise business has a proven format and it is easier to manage compared to a new and untested enterprise"**

The workshops will entail advising participants on methods of developing a franchise operation, the legalities involved, partnerships as well as managing such a business.

Due to its proven record of success, financial institutions were less conservative in financing franchise ventures.

"Franchising has been called the single most successful marketing concept ever and in the US alone a new franchise business opens every 17 minutes.

"We believe it is poised to take off in South Africa in the 1990s," said Hazelwood.

Franchise business was prioritised mainly because it was seen as the fastest and easiest way for a black business break into the mainstream of the South African economy.

A BICSN study on how the corporate world arrived at purchasing and contracting decisions as well as on problems encountered by black business in selling to the formal sector was under completion.

"This will allow us to develop a targeted strategy for expanding markets for black business both locally and abroad," he said.

The second phase of the BICSN involvement in South Africa would be the establishment of an equity capital fund.

Warning on ANC's policy

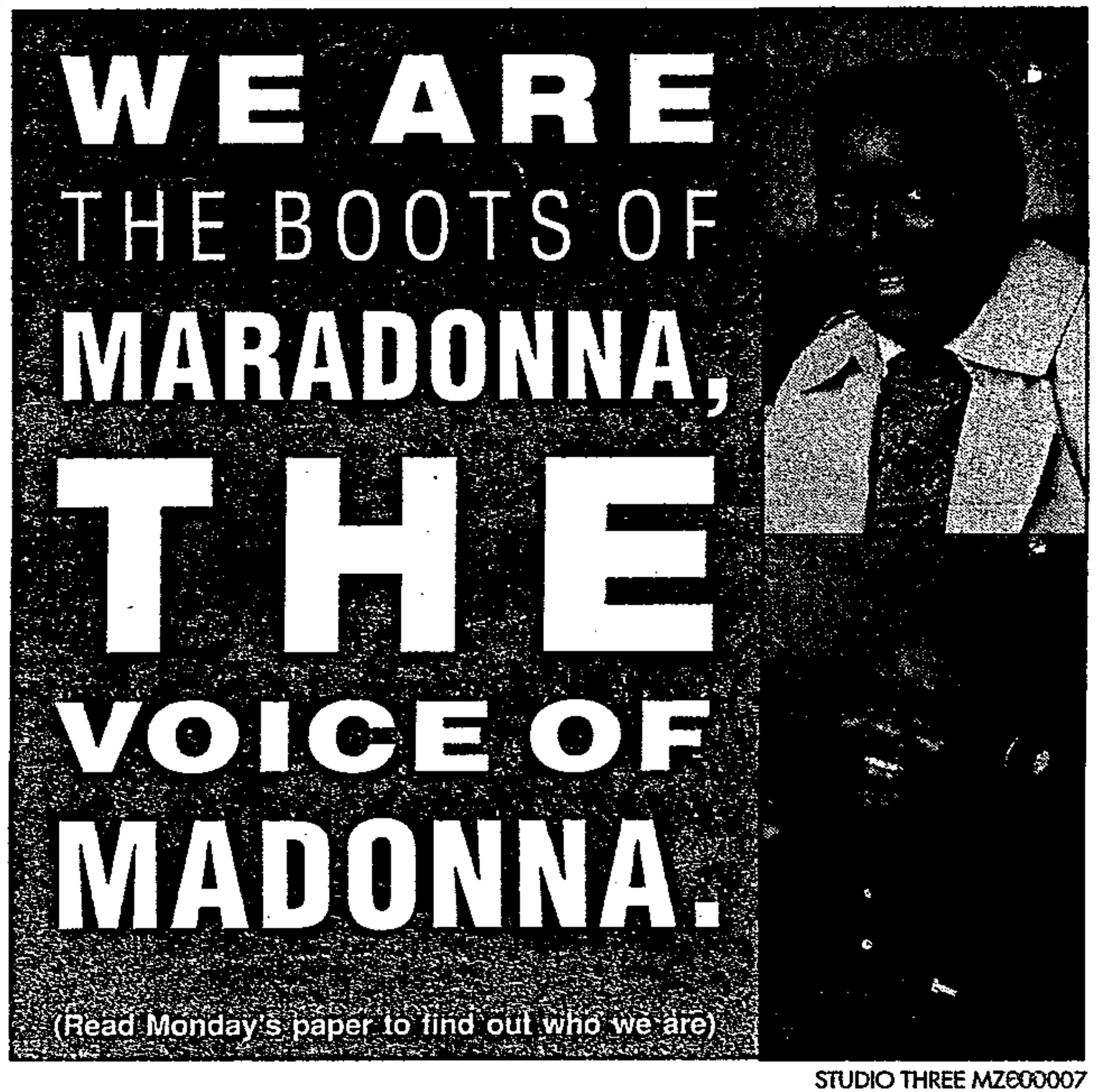
Sowetan 26/11/92

■ **A clear commitment to the free-market system needed:**

SYFRETS portfolio manager Mr Tony Gibson this week said South Africa's financial markets would remain in a gloomy state until the ANC had spelt out its economic policy on key issues.

He said although the ANC had made "positive changes" in its economic thinking, a great deal of clarity was still needed.

"As the gloomy state of our financial markets clearly shows, foreign and local investment capital will not be forthcoming while this uncertainty persists."



STUDIO THREE MZ000007

Taverners join forces

BIOM 26/11/92 THEO RAWANA 288

TWO national taverners' organisations have joined forces to boycott SAB products from Monday.

The National Taverners' Association (NTA), which threatened a boycott last week after talks with SAB deadlocked, was joined by the SA Taverners' Association (Sata) at a meeting in Soweto yesterday.

The organisations said their combined membership was 40 000 and they would mobilise SA's 100 000 black liquor operators to achieve a total boycott of SAB.

NTA and the SAB had been discussing several issues including discounts for NTA members, payment for displaying SAB advertisements, and the SAB contributing to funeral expenses.

Last night SAB beer division marketing director Barry Smith said: "If Sata intends joining the boycott, SAB is extremely disappointed because Sata has not raised any of these issues with us. SAB reiterates that it has not reneged on any agreement made with the NTA, and approved minutes will confirm this."

He said the boycott threats could be seen only as a tactic to press SAB into giving preferential discounts exclusively to NTA members, and disputed the organisations' membership claims.

NTA liaison officer Saint Madlala said the "indefinite" boycott would involve only refraining from stocking and selling SAB products and that monitors would ensure there was no intimidation.

Govt falls short on tourism

STAR 26/11/92

By Sven Lünsche (288)

The government has been criticised for its lack of commitment to tourism.

Gavin Simpson, executive chairman of Holiday Africa, which this week received the State President's Award for Export Achievement, said yesterday the government's tourism policies contradicted its recommendations in the recently released White Paper on the industry.

He cited the scrapping of the export marketing incentive for tour operators in April and Satour's meagre R60 million a year budget as examples of lack of commitment.

He said: "Such policies make it extremely difficult to market South Africa as a destination for overseas tourists."

Tourism could develop into a major employer and export earner with relatively little financial support.

According to Satour figures, SA should attract about one million visitors by 1995 and 1,75 million by 2000, creating almost 80 000 jobs and earning about R24 billion in foreign exchange by the turn of the century.

Simpson said that with government support SA could attract 4,5 million visitors by 2000, equivalent to one percent of the expected international tourism market, compared with a mere 0,25 percent at present.

However, despite the apparent lack of official support, the industry had shown satisfactory growth.

For the first seven months of the year the number of visitors from overseas had increased by 16,1 percent to just over 300 000.

The satisfactory growth rates (Satour has targetted growth of 18 percent for 1992) compared with a 4,5 percent rise in overseas visitors last year at a time when the Gulf War had depressed tourism internationally.

The 521 000 overseas tourists last year spent R2,76 billion, of which 28,4 percent went on accommodation and 17,4 percent on meals.

FM 27/11/92 (288)

ON TARGET

Six months to	Sep 30 '91	Mar 31 '92	Sep 30 '92
Turnover (Rm)	401,8	409,1	434,5
Operating inc (Rm)	54,9	44,6	60,1
Attributable (Rm)	21,7	20,6	24,6
Earnings (c)	21,2	20,1	23,4
Dividends (c)	—	16,7	7,5

two.

The new inflight kitchen of 67%-held Air Caterers (Swissair owns the rest) will be opened at Jan Smuts airport on December 3. The new kitchen has direct access on to the runways, a significant improvement on the previous arrangement when the kitchen was in Isando. As Air Caterers supplies almost all the foreign airlines flying out of SA, Fedics dominates the locally supplied airline food industry.

In November, Price Forbes acquired local insurance broker Willis Faber Enthoven from Safren and UK-based Willis Corroon, extending Prices's corporate base significantly. Willis's geographical spread, with significant exposure in Cape Town and Johannesburg, complements that of Price Forbes. Van der Walt declines to give the purchase price, which was funded using cash.

In fact, with gearing of only 17% and considering that Sankorp is prepared to reduce its 74% holding, Servgro has significant means with which to make further acquisitions.

Though Servgro's 12,3 p:e remains at a significant discount to the 15,6 p:e of its largest contributor, Interleisure, the rating is fair.

William Gilfillan

SERVGRO FM 27/11/92 288

Unlisteds to the fore

Servgro's unlisted contributors came to the fore when listed Teljoy and Interleisure, both consumer-orientated, felt the pressure from lower disposable incomes.

When Servgro was listed in August, the *FM* noted that the share offered investors the only entry into the unlisted entities. These comprise risk management and insurance broking business Price Forbes, car rental and full maintenance lease business Avis, a 22% stake in publishing group Naspers, food group Fedics and parking garage operation Interpark.

Interim EPS increased 10% to 23,4c (1991: 21,2c), on which a dividend of 7,5c was declared. Full-year EPS should rise 10%, in line with the prospectus forecast.

Teljoy's and Interleisure's contribution to trading profit declined to 40% (47%) as their results dropped marginally, while the unlisted operations came through strongly. Chairman Peet van der Walt says Avis, Fedics and Interpark enjoyed "good growth," while Price Forbes "showed an improvement." Servgro's accounts reflect only the dividend received from Naspers, which increased to R1,1m for the publishing group's full year to end-March from R880 000 in the previous period.

Three deals have been consummated since listing. Fedics has established a joint venture company with SAA, supplying the airline (as well as a few others, including Flitestar) with its food requirements. Though Fedics has supplied SAA for some time, Van der Walt notes the joint venture ensures the establishment of a long-term relationship between the

Hotel and liquor chain Aroma strengthens its market position

B10Mny 27/11/92. (288)

LINDA ENSOR

CAPE TOWN — Hotel and liquor chain Aroma Liquor Holdings strengthened its previously precarious position markedly in the six months to end-August, producing earnings of 1c a share.

At the last interim Aroma's earnings were slightly above breakeven level, having suffered an 83% decline from the 1990 period.

They recovered in the second half of 1991 to produce annual earnings of 3,1c a share.

Chairman and MD Mike Kovensky said both the hotel, the Cape Rendezvous, and the liquor division benefited from aggressive marketing campaigns and improved service.

Costs had been monitored carefully and the anticipated benefits from Aroma's substantial investment in computerisation and management information systems was being realised, said Kovensky.

Turnover rose 31% with the bottom-line performance benefiting from improved operating margins and the relatively small growth in finance charges.

Net operating income rose by 41% and attributable profit by 279% to R144 000 (R38 000).

Kovensky said the repositioning of the liquor chain into a middle to upmarket operation with a strong pricing presence had paid off and Aroma had gained market share despite the downturn.

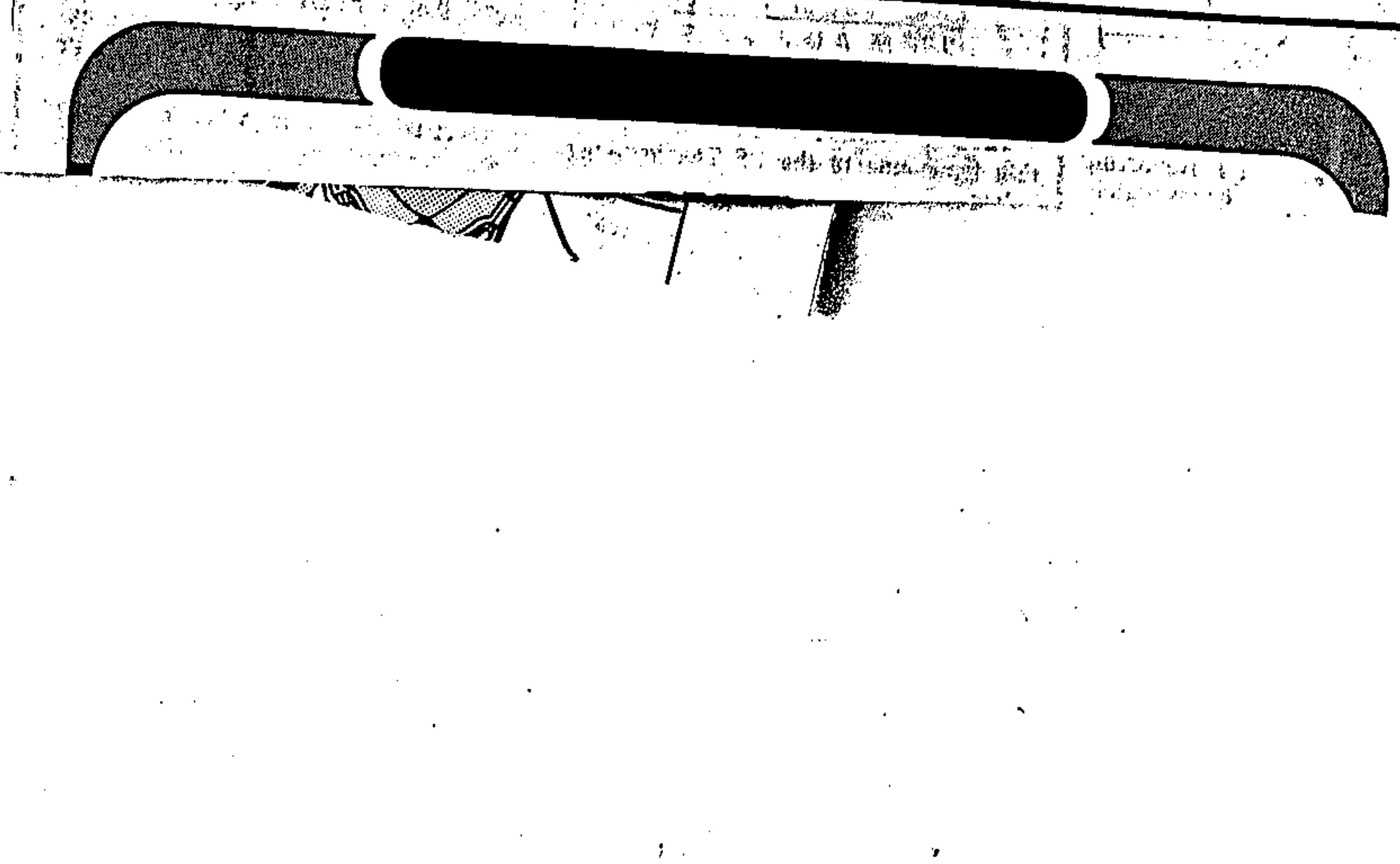
The operating margin had strengthened as the computerisation programme had cut down enormously on shrinkage and had improved stock management and stock turns.

The change in product mix had also played a role.

Occupancies at the hotel improved but at a lower average room rate so that the revenue generated was at a lower margin.

Losses were reduced significantly and the hotel was near to breakeven point.

Hotel bookings for Christmas were reasonable and while the liquor trade expected a 4% drop in sales over the season, Kovensky hoped Aroma would be able to maintain its growth momentum.



Taverners' association disputes SAB statement

THEO RAWANA

THE SA Taverners' Association (Sata), which this week joined the rival National Taverners' Association (NTA) in boycotting SAB products, yesterday disputed SAB's statement that Sata had never raised contentious issues with the brewer.

Sata general secretary Dave Moshapalo said yesterday the organisation had discussed areas of unhappiness with SAB as early as 1989, when the brewer's labour dispute with the Food and Allied Workers' Union (Fawu) had resulted in a call for a boycott.

SAB marketing director Barry Smith, reacting to Sata's decision to join the boycott, which starts on Monday, had said SAB was surprised because Sata had not raised the issues in question with the brewer.

Among the issues Moshapalo mentioned were that SAB was giving huge sponsorship to football, was refusing to grant Sata members use of wholesale depots, and had refused to pay members for displaying its advertisements at their premises.

"The SAB wants to be manufacturer, distributor and retailer, and we are treated only as customers," said Moshapalo. He said Sata had on several occasions told the NTA executive it was "talking to a brick wall" and would never get SAB to address their demands.

"Now that they have seen the light and decided on a boycott, we are happy to join them," he said.

Boycott may mean big loss to SAB

By Abdul Milazi

South African Breweries (SAB) stands to lose "hundreds of thousands of rands worth" of sales in Soweto next month, following the National Taverners' Association (NTA) decision to launch an SAB beer boycott on Tuesday.

SAB spokesman Adrian Botha said it was difficult to estimate the Soweto taverners' beer consumption as they were in the minority. Taverners nationwide sold 172,2 million litres of beer a year, to the value of R579,5 million.

However, he admitted SAB was concerned about the boycott because "it came at a time when people need beer".

The boycott was sparked by SAB's refusal to grant "preferential discounts" to NTA members.

Differences between the NTA and SAB appeared to have been resolved in September when NTA officials said SAB had agreed to scrap a requirement that taverners take up an SAB insurance policy as collateral for credit, or pay to display SAB advertisements on their premises.

Instead of SAB products, the NTA would sell Zambezi Lager, imported at "slightly" higher cost from Zimbabwe.

The SAB owns a "small percentage" of the total shares in the Zimbabwe National Breweries (ZNB), which brews the Zambezi Lager, but NTA spokesman Saint Madlala said that was "of no significance".

"Even though they own shares in the Zimbabwe breweries, they make most of their profit from their own products," said Madlala.

Taverners had already placed enough orders of Zambezi Lager for the festive season, he said.

By De Mille, via Rider Haggard

W/Mail 27/11 - 3/12/92 (288)

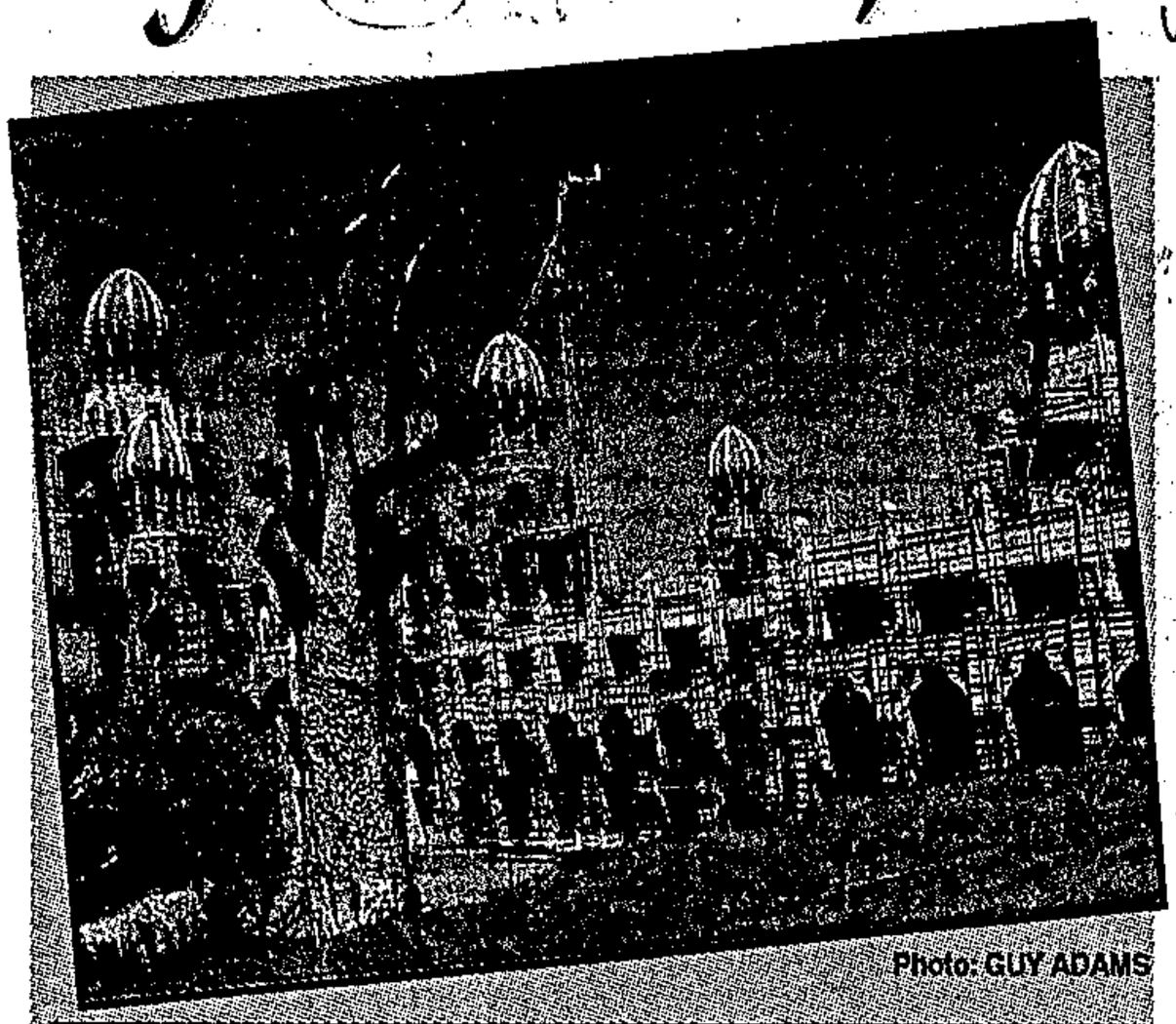


Photo: GUY ADAMS



Mega-ideas: Sol Kerzner in his favourite pose, dwarfed by the life-sized bronze elephant which graces the hotel courtyard. Below, the palace under construction, a transported baobab in the foreground ... 'an eye for detail and an apparent disregard for the costs'

W/Mail 27/11/92 - 3/12/92 (288)

FROM Cecil B de Mille out of Rider Haggard, the Lost City complex and its centrepiece, the Palace Hotel, are most reminiscent of a movie set.

Like a movie, the Lost City is gambling on the imagination of the public — in this case, to the tune of R830-million. The fictional vision will have to draw in both local and foreign crowds to succeed.

The awesomely overdone hotel is only part of the story. The Lost City is also designed to lure people to Sun City's gaming halls. Unlike the Superbowl, which only occasionally offers an act powerful enough to draw the punters to Sun City, the Lost City complex will be a permanent tourist attraction, open on all weekends and holidays, as will the new golf course.

At R600 per room, the Palace Hotel is not cheap for South Africans. As an indication of other costs, there is a superbly presented if a touch pretentious "afternoon tea" at R45 for two — before tips. But foreign tourists are clearly the target market and in dollars these are not exorbitant prices.

Much higher rates were said to be envisaged initially. They have probably been lowered to fill in the gap with curious locals before the foreign tourists arrive.

There is filmic illusion involved in the numbers game: while the Lost City has been used to generate massive publicity, Sunbop's Carousel — a small, recent development north of Pretoria — is likely to prove more profitable because it attracts more day-trippers. The Carousel cost R325-million and is attracting double the visitors the Lost City expects.

Sun International owns 39 percent of Sunbop, so they gain either way. And in any case, it's not the local but the international market that's the target of the Palace Hotel in the medium term, says Sun International's Ken Rosevear.

He claims Palace rates are not expensive. "It costs less than the Sandton Sun right now, which is full," he notes, then adds that "obviously the South African market will go for shorter stays of one or two nights".

Hoping the marketing will go down well overseas, Rosevear believes the Lost City will attract tourism to the greater region. Sun International only

CAN THE LOST CITY POSSIBLY PAY FOR ITSELF? IT'S A LONG-TERM GAMBLE WITH NO SHORT-TERM FIREWORKS, REPORTS REG RUMNEY

sees the Palace getting two or three days out of a tourist's 14-day stay.

Rosevear stresses the company is not looking for a short-term return on Lost City.

Granted, as he points out, it's better to build when times are bad. And, given entrenched building cost inflation, delays are expensive. But isn't the timing of this particular project off? The Western world economies are still in recession. South Africa's own recession is being compounded by seemingly intractable violence.

Neither the Lost City nor the Palace will be cheap to run. The latter also depends on a high level of service to continue to attract foreign tourists.

Another potential problem is the view a future government may have of homeland casinos. Already, the growth of "illegal" gambling operations in major cities — on the very doorsteps of the punters — has hurt Sun International.

What will happen in future to regulation of gambling is impossible to say. However, it is unlikely any future government will be able to pass up the revenue provided by casinos.

Regulated casinos are easier to get tax from than the grey area operations that have mushroomed in the major centres.

What could cut into Sun International's profitability is a new government taking a bigger cut of the group's casino turnover. This figure has never been disclosed, though Rosevear says it is "not the lowest in the world".

Reincorporation of the homelands could even help Sun International. It would remove the stigma that still hangs over Bophuthatswana, which must be keeping at least some international tourists away.

It's a long-term gamble, and in the short term, expect no fireworks from the Lost City other than those provided by Jean Michel Jarre.

the fact that detectives — who by some accounts had received training at Sun City — were accompanied by croupiers provided by Sun International to lend their expertise to the prosecutions.

At the special parliamentary session in September, the government outlawed all gambling — trying to soften the political impact by giving existing casinos until February to wind up and promising a commission of inquiry. Sun International justified its support for the crackdown by arguing that the intruders into the business were uncontrolled operators ripping off the public.

Kerzner's leverage over central government is also suggested by the Transkei bribery saga. Transkei's Major-General Bantu Holomisa has demanded Kerzner's extradition from South Africa, after the latter's admission that he had paid a R2-million bribe to secure gambling rights in the homeland. Despite the existence of an extradition treaty, the request has been met, in Holomisa's words, by a "stony silence" from Pretoria.

But apartheid has also been a mixed blessing. Set fair to be the Rupert Murdoch of the gambling industry, Kerzner's attempted move into Atlantic City was wrecked by his South African background. It happened again in Australia and then in France, in 1988, when the government blocked a planned partnership with Lucien Barriere.

Now the apartheid worm is really turning: though Mangope promises Bophuthatswana will retain its independence for 100 years, the reality is certain to be otherwise. The collapse of the homeland system is another potential threat to Kerzner's gambling empire. Local agitation around Mangope's despotic rule is growing and Sun City, Bophuthatswana's soft underbelly, is more and more the target of protest.

With its international guests and high media profile, the Lost City launch is a gift for local activists, who know that an embarrassment for Kerzner is a problem for the government. Scheduled hangings, retrenchments at Sun International and Bophuthatswana's ban on public meetings have all sparked threats of protests to coincide with the launch.

With characteristic suppleness, Kerzner is now cultivating the rising elite. He is said to be close to African National Congress foreign affairs chief Thabo Mbeki, and recently made his Bryanston mansion available to the ANC for a sumptuous reception for Africa Unity Games athletes. Zinzi Mandela honeymooned at one of the Mauritius hotels as Kerzner's personal guest after her recent society wedding.

With the ANC, Sun International is a co-signatory of a new South African arts and culture foundation.

If the rest of Africa is anything to go by, Kerzner will steer his flagship through these troubled waters. But it just may be that the homelands, the foundation of his empire, will be his undoing.

Fiddling the odds? No way, says Sun

By ARTHUR GOLDSTUCK

EVERY good capitalist knows that the more you spend in pursuit of wealth the more you earn. At Sun City's slot machines, that dictum is turned inside out. The more you spend there, the more slowly you lose your money.

Every slot machine comes with a built-in payback percentage — and the higher the denomination of coins you throw in, the higher your percentage payback.

The payback — the percentage of the money fed into slots that is regurgitated into the hands of gamblers — is set at an overall 6,7 percent for casinos in the Sun International group, according to managing director Ken Rosevear. The figure differs from machine to machine, but, if you're the working class type whose very disposable income does not stretch beyond the 20c slots, the payback ranges from 86 to 93 percent. The overall average for the 20c and 50c machines is 89,7 percent. If you've graduated to the R5 machines, you're talking 96,5 percent.

This all sounds very generous, but it means that the house can never, in the long run, lose to the punter.

The laws of probability say the punter must lose eventually but, at 97-odd percent, the random nature of probability gives the punter an almost-even chance of walking away with a fortune.

However, as the opening of the Lost City looms, rumours are flying thick and fast that the odds on the slots — Sun City's main cash cow — will be altered to a more favourable payout to the house. Some rumours set the payback as low as 68 percent. This apparently is normal practice at peak times like public holidays and long weekends.

Rosevear dismisses such allegations as "a lot of nonsense . We order the machines from the factory with the percentage payback set. We specify what payback we want; whether it is for instance a machine that will pay one 90 percent jackpot, periodically, or 10 jackpots of nine percent, frequently."

On traditional slot machines, with mechanical reels which spin every time the handle is pulled, the odds are set by the amount of cherries, bells, sevens, or whatever might be the jackpot symbol of choice, that are painted on the reels. The odds can only be altered mechanically, by changing the reels at the factory.

"You can look at the analogy of black and white marbles," says Rosevear. "If you have one black marble and nine white ones, you have one in 10 odds of coming up with the black marble. To change the odds, you just add marbles."

Newer machines, with computerised displays of those jackpot images instead of reels, work on the same principle, says Rosevear. "The amount of images are built into the microchip controlling that machine. To change the odds, the microchip must be sent back to the factory."

The most important argument against rumours of fiddled odds, he says, is that it would simply not be good business sense.

"In fact, over the years in South Africa and internationally, the percentage of the casinos' take has come down. People are not just gambling, they are buying entertainment. They expect to lose their money, but they want to enjoy themselves. If they just lost their money, they wouldn't come back. The philosophy that all casinos work on is that people are buying adrenalin."

A toothless watchdog

THE real problem with Southern African casinos is the lack of a respected, independent gambling commission to oversee the operations and to enable competition.

Sun City falls under Bophuthatswana's Gaming Board, an arm of the homeland's Justice Department. This hardly inspires confidence among the critics. The homeland's dependence on taxes from Sun City's gambling profits — up to 15 percent of such profits are paid in taxes, according to Rosevear — would hardly inspire it to act as a fierce watchdog. And Bophuthatswana's track record in the justice area is, to be generous, lamentable.

Rosevear denies that Sun International controls the Gaming Board by "remote control", but acknowledges that it has to be its own best watchdog. "We're a quoted company, we have internal auditors, we have external auditors, so we have to be scrupulous in overseeing our operation."

(400 whole page

BEHIND THAT LOST CITY GLITTER ...

When taste is the enemy of creativity

w/mail 27/11 - 3/12/92. (288)

YOU CAN HARDLY HAVE MISSED THE NEWS BY NOW: SOL KERZNER'S LOUD, BRASH MONUMENT TO EXTRAVAGANCE IS OPEN TO GUESTS. BUT TRY AS YOU PLEASE, IT'S HARD NOT TO ADMIRE THE ENERGY.

THE aesthetes and the militants would like to bury Sol Kerzner — but let us begin by praising him. He has guts, he has energy and he has vision.

The Lost City, due to be launched next week, is not the "eighth wonder of the world", as his publicists would have it, any more than it is — as their "legend" tells it — a fabled lost city rediscovered and restored to its former splendour.

But it probably qualifies as the largest theme resort and gambling complex in the southern hemisphere.

Tasteless it may be — but taste, Picasso noted, is the enemy of creativeness.

Set on 25ha, it is made up of the Palace, a 350-bedroom hotel (ranging up to a king's suite at R8 000 a night); a play centre incorporating water slides running as shafts through make-believe gold and diamond mines and a surf pool, complete with beaches and 2m high, artificially created waves; a "bridge of time", which shakes to the roars of scheduled 'quakes and leads to the "treasure temple", a huge cavern seemingly hacked out of rock, with 500 slot machines to accept the sacrifices of worshippers at what the puritanical might characterise as a veritable Temple of Mammon.

From dramatic animal sculptures, magnificent mosaics and awesome chandeliers to the services of special effects designers familiar to the credits of such films as *Star Trek, Alien* and *Superman,* the Lost City displays an eye for detail and apparent disregard for cost which points to Kerzner's striking generosity of entrepreneurial spirit. On present estimates, it will cost him and his backers R830-million — not bad for the son of a Russian Jewish street hawker.

Born in 1935, he had his first taste of the business world as a child, helping flog chips and chewing gum at the family's corner café in downtown Johannesburg. He took an accountancy degree at Wits University — as well as the South African Universities' welterweight boxing title — by which time his parents were in the hotel business, running a small establishment in the back streets of Durban.

Kerzner joined them and then branched out on his own, persuading former clients to back him in developing a site outside Durban. Work had started on the project when he decided he needed some overseas experience — giving rise to his first overseas trip, to Miami.

"I did it all in two days," he says. "I got in a cab and told the guy, 'Let's just keep driving' and we finished at two o'clock in the morning." He had seen every hotel in the Miami area. He decided they had nothing much to teach him and finished the Durban project as planned. The result was the Beverly Hills at Umhlanga, South Africa's first five-star hotel. Kerzner was only 29.

Five years later, he went into partnership with South African Breweries to develop Southern Sun, which by 1983 ranked among the 20 most profitable hotel chains in the world. That year, he split from SAB and Southern Sun, taking the group's casino interests with him to form Sun International, including the gambling flagship, Sun City — opened in 1979 — and three hotels in Mauritius. He then moved on to buy out casinos in all four "independent homelands", as well as Lesotho, Swaziland and Botswana.

Apartheid has been the foundation of Kerzner's fortune. It was the homeland system, and Pretoria's hypocrisy in tolerating gaming there while banning it in the rest of South Africa, which launched him. He gets a little irritated by questions about the morality of his investments in the bantustan system, insisting he tried to put pressure on Pretoria at an early stage to end apartheid. This may be true, but it is equally true that his various casinos have been a cornerstone of the bantustan edifice.

The full story of the relationship between Sun City, Sun International and Bophuthatswana President Lucas Mangope and his government is far from told. But the recent report of the Parsons Commission on kwaNdebele illustrates the high stakes — in terms of life and death, as well as monetary rewards — that can be involved.

The report revealed that in 1983 Sun International was hard at work trying to persuade kwaNdebele chief minister Simon Skosana to assume "independence" and go into the casino business. According to evidence given to the commission by a National Intelligence Service member, JH Victor, Sun International took Skosana and a notorious cabinet colleague, Piet Ntuli, on a trip to Disneyland and the casinos of Las Vegas.

"The casinos made very little impression on the ministers," recounted Victor, who had the job of riding shotgun for Skosana. "But they were so impressed with Disneyland that they were fire and flame to sign an agreement with Sun International on the same day." He told the chief minister such a decision would require South African cabinet approval — "something which caused disappointment with the ministers and with Sun International".

With the fervour of gamblers intent on the jackpot, the kwaNdebele leaders continued to pursue independence, only to be defeated by a popular uprising which reduced the small homeland to a state of near civil war.

Like his relationship with Mangope, the nature of Kerzner's links with Pretoria is not publicly known. But if the experience of the past couple of years is an indication, they are close.

In 1989, a couple of small-time Johannesburg operators, Hymie Susman and Ibraham Houssein, unintentionally delivered a thrust to the heart of Kerzner's empire when they spotted a loophole in the law: in its definition of gambling as a game in which the element of chance outweighed that of skill. They promptly invented their own variation of that most popular of casino-table games, blackjack, renaming it "Black-o-Jack" and designing the rules so that skill marginally outweighed chance.

When a prosecution failed, casinos erupted across the country. Further police raids followed and their intention, of protecting Kerzner's homeland monopoly, was underlined by



Artifice comes alive

DESIGNER jungle. That's what Sun International has created in the environs of the Lost City.

Three-hundred-year-old baobabs weighing up to 75 tons were trucked in. A giant wild fig tree was sliced into three and transplanted — it is now sprouting leaves.

More than 1,8-million plants, trees, shrubs and ground covers have been collected in less than two years to create different zones — rain forest, mist forest — around the Palace.

An artificial wetland has been created on the roof of the hotel's parking lot and is used on an experimental basis to filter water used in the Lost City's water features. "If it works we'll chuck out the artificial filters and use more natural wetlands as filters," says Sol Kerzner.

It's only two years and a few months since the first trees were translocated and already there is 40m-high canopy, a rich collection of shorter trees and a dense jungle of ferns, creepers and ground cover.

The artificial jungles have become a living ecosystem. Animals have moved in. A rare white-faced duck made itself a home in one of the lakes. Monkeys, mongoose and even a python have been spotted in the forest. Some guests say the frogs in the forest keep them awake at night.

Eddie Koch



Nearby, the REAL lost city

A REAL lost city stands on Sun City's doorstep. It is the 13th-century Tswana settlement of Molokwane, 6 kms 45km from Sol's fantasy civilisation.

In fact, the Pilanesberg is covered with evidence of hundreds of Iron Age Tswana stone settlements.

The Molokwane or Schurkraal settlement lies just 15km west of Rustenburg on the Sun City road.

The boundary wall is made of local stone. Huts once stood on the now-empty outer circles. Cattle and other livestock were kraaled in the inner ring while the men from the settlement congregated in meeting areas in the centre.

"Molokwane was one of the largest concentrations of Iron Age Sotho-Tswana peoples who occupied the area for at least two centuries," writes Julius Pistorius in a book on the settlement.

Stanley Hall, Wits University archaeologist, suggests that fantasy creations like the "lost city" will replace the history that hasn't yet been told. "In the absence of real history, things like the Lost City fill the space and time," he says.

Ferial Haffajee

Beer battle comes to a head

w/mail 27/11 - 3/12/92.

The showdown between sheebeen owners and SA Breweries commences this weekend.

MONDLI MAKHANYA *reports*

HAVING crushed every opponent that dared challenge its control of the local beer market, South African Breweries is now facing an attack from a different quarter: the township taverners who give it access to its biggest market.

The National Taverners Association will this weekend initiate a boycott of SAB's products in protest against alleged discriminatory behaviour by South African Breweries and a charge that it reneged on agreements reached with the NTA three months ago.

In many ways the conflict is a David and Goliath affair and reflects the utter helplessness of retailers in the face of a powerful sole supplier.

At the core of the conflict lies the NTA's requests for preferential treatment — a demand SAB has declined to accede to. SAB, say the taverners, must prove its much vaunted commitment to black economic empowerment by granting the taverners preferential discounts.

They accuse SAB of racism, claiming white wholesalers are receiving the discounts the brewer is refusing them.

Denying this claim, SAB's Beer Division chairman Graham Mackay says the company is not prepared to afford the taverners "special privileges" simply because they are black.

"We have this kind of pressure all the time from small bottle store owners and big wholesalers to hotel groups. But we reject it because if you give a discount to anybody, everyone will start asking for it," he says.

Mackay reckons the demand for discounts stems from certain powerful individuals within the NTA who are in the red.

"Many areas of the trade are not doing well. People are competing on prices and now owe us hundreds of thousands of rands. They now want us to bail them out by giving discounts," he says.

The NTA is in pretty much the same weak position on the issue of point-of-sale material which the brewery gives taverners for display in their outlets.

Whereas the taverners want payment to display this promotional material, SAB says its policy is not to pay for it and the taverners have the option to display it or to ignore it.

Other grievances the NTA says SAB has stonewalled on are the brewer's insistence that taverners should use the Fedlife insurance policy which it administers rather their own policies as collateral.

The taverners also have complaints about SAB's insistence that they should pay up front for empty bottles, and SAB's refusal to deliver to certain townships.

They want SAB to donate money to the funerals of shebeen massacre victims.

The taverners say SAB agreed to most of these demands in October but have failed to stick to them. Hence their decision to take on the giant which controls 99,4 percent of the beer market and 60 percent of the liquor market.

Madlala believes SAB's almost monopolistic hold on the beer market has been bad news for retailers.

"In the days when there was still ICB and Luyt Lager we used to get a lot of incentives to assist us in promoting their beer. But now there is no such thing, as we have helped them become this big monopoly."

SAB's giant share of the market also means no effective action against the brewer — even the NTA's threatened boycott of SAB products — can hope to be successful. For how does one garner enough support to convince beer guzzlers, 80 percent of whom are black, to sacrifice their beer for the cause of "black economic empowerment".

"More than just asking people to sacrifice their beer, they are asking traders to commit suicide by virtually suspending their business," says Mackay.

UNIVERSITY OF CAPE TOWN
SALDRU LIBRARY

REPUBLIC OF SOUTH AFRICA

REPUBLIEK VAN SUID-AFRIKA

Government Gazette
Staatskoerant

R1,00 Price • Prys
R0,10 Plus 10% VAT • BTW
R1,10 Selling price • Verkoopprys
Other countries **R1,40** Buitelands
Post free • Posvry

Regulation Gazette
Regulasiekoerant

No. 4992

Vol. 329 PRETORIA, 28 NOVEMBER 1992 No. 14446

PROCLAMATION

by the

State President

of the Republic of South Africa

No. R. 134, 1992

COMMISSION OF INQUIRY INTO LOTTERIES, SPORTS POOLS, FUND-RAISING ACTIVITIES AND CERTAIN MATTERS RELATING TO GAMBLING

Under the powers vested in me by section 1 of the Commissions Act, 1947 (Act No. 8 of 1947), I hereby amend Proclamation No. R. 112 of 1992, published in *Government Gazette* No. 14300 of 23 September 1992 by substituting the words "Commission of Inquiry into Certain Lotteries, Sports Pools and Fund-Raising Activities", wherever it occurs in the Proclamation and Schedule thereto, by the words "Commission of Inquiry into Lotteries, Sports Pools, Fund-Raising Activities and Certain Matters relating to Gambling".

Given under my Hand and Seal of the Republic of South Africa at Cape Town this Twenty-third day of November, One thousand Nine hundred and Ninety-two.

F. W. DE KLERK,

State President.

By Order of the State President-in-Cabinet:

H. J. COETSEE,

Minister of the Cabinet.

77366—A

PROKLAMASIE

van die

Staatspresident

van die Republiek van Suid-Afrika

No. R. 134, 1992

KOMMISSIE VAN ONDERSOEK NA LOTERYE, SPORTPOELE, FONDSINSAMELINGSAKSIES EN SEKERE AANGELEENTHEDE BETREFFENDE DOBBELARY

Kragtens die bevoegdheid my verleen by artikel 1 van die Kommissiewet, 1947 (Wet No. 8 van 1947), wysig ek hiermee Proklamasie No. R. 112 van 1992, afgekondig in *Staatskoerant* No. 14300 van 23 September 1992 deur die woorde "Kommissie van Ondersoek na Sekere Loterye, Sportpoele en Fondsinsamelingsaksies", waar dit ook al in die Proklamasie en die Bylae daarby voorkom, deur die woorde "Kommissie van Ondersoek na Loterye, Sportpoele, Fondsinsamelingsaksies en Sekere Aangeleenthede betreffende Dobbelary" te vervang.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Kaapstad, op hede die Drie-en-twintigste dag van November Eenduisend Negehonderd Twee-en-negentig.

F. W. DE KLERK,

Staatspresident.

Op las van die Staatspresident-in-Kabinet:

H. J. COETSEE,

Minister van die Kabinet.

14446—1

GOVERNMENT NOTICE

DEPARTMENT OF JUSTICE

No. R. 3259 (288) **28 November 1992**

COMMISSION OF INQUIRY INTO LOTTERIES, SPORTS POOLS, FUND-RAISING ACTIVITIES AND CERTAIN MATTERS RELATING TO GAMBLING

It is hereby notified for general information that the State President has been pleased to—

(a) Amend and extend the terms of reference published under Government Notice No. R. 2709 of 23 September 1992 in relation to the Commission of Inquiry into Certain Lotteries, Sports Pools and Fund-Raising Activities, which was appointed on 21 September 1992, by the substitution for those terms of reference of the following:

"To inquire into and report on—

1.1 the desirability, in view of the prevailing financial, social and ethical values, of legalising lotteries, sports pools and other forms of betting games that are currently not authorised by law or otherwise, and, if the legalisation of such lotteries, sports pools and other forms of betting games is found to be desirable, the question whether the proceeds or a part thereof should be used for welfare, health, education and other social purposes;

1.2 the desirability or not of legalising scratch-card systems used in contravention of any act in fund-raising campaigns for raising funds for welfare, health, education and other social purposes;

1.3 the manner in which, the criteria according to which and the persons or organisations by which such fund-raising campaigns, lotteries, sports pools, other types of betting games and scratch-card systems should be controlled and/or run;

1.4 the question whether a part of the proceeds of such lotteries, sports pools, other forms of betting games and scratch-card systems should, through taxation or otherwise, be used for financing any specific social State expenditure;

1.5 the manner in which such tax or levy is to be implemented;

2.1 the desirability of legalising in certain areas and/or regions, gambling games that are currently prohibited by law on the basis of the following criteria:

(a) the social and ethical values in the country in general and, in particular, those that may be relevant in any such region or area;

GOEWERMENTSKENNISGEWING

DEPARTEMENT VAN JUSTISIE

No. R. 3259 **28 November 1992**

KOMMISSIE VAN ONDERSOEK NA LOTERYE, SPORTPOELE, FONDSINSAMELINGSAKSIES EN SEKERE AANGELEENTHEDE BETREFFENDE DOBBELARY

Hierby word vir algemene inligting bekendgemaak dat dit die Staatspresident behaag het om—

(a) Die opdrag wat by Goewermentskennisgewing No. R. 2709 van 23 September 1992 afgekondig is ten opsigte van die Kommissie van Ondersoek na Sekere Loterye, Sportpoele en Fondsinsamelingsaksies wat op 21 September 1992 aangestel is, te wysig en uit te brei deur dié opdrag deur die volgende te vervang:

"Om ondersoek in te stel na en verslag te doen oor—

1.1 die wenslikheid al dan nie om loterye, sportpoele en ander vorme van dobbelweddenskappe wat tans nie by wet of andersins gemagtig word nie, aan die hand van heersende ekonomiese, maatskaplike en etiese waardes te magtig, en, indien die magtiging van sodanige loterye, sportpoele en ander vorme van dobbelweddenskappe wenslik bevind word, die vraag of die opbrengs of 'n gedeelte daarvan aangewend moet word vir welsyns-, gesondheids-, onderwys- en ander maatskaplike doeleindes;

1.2 die wenslikheid al dan nie om krapkaartstelsels te wettig wat in stryd met 'n wet gebruik word in fondsinsamelingsaksies om fondse te werf vir welsyns-, gesondheids-, onderwys- en ander maatskaplike doeleindes;

1.3 die wyse waarop, die maatstawwe waarvolgens en die persone of instansies deur wie sodanige fondsinsamelingsaksies, loterye, sportpoele, ander vorme van dobbelweddenskappe en krapkaartstelsels beheer en/of bedryf moet word;

1.4 die vraag of 'n gedeelte van die opbrengs van sodanige loterye, sportpoele, ander vorme van dobbelweddenskappe en krapkaartstelsels aangewend moet word vir die finansiering, by wyse van belasting of andersins, van enige spesifieke maatskaplike Staatsuitgawes;

1.5 die wyse waarop sodanige belasting of heffing moet geskied;

2.1 die wenslikheid om dobbelspele wat tans by wet verbied word in bepaalde gebiede en/of streke te wettig, en wel aan die hand van die volgende maatstawwe:

(a) Die maatskaplike en etiese waardes in die land in die algemeen en veral dié wat in so 'n streek of gebied ter sake mag wees;

(b) the impact on the economy of the country in general and the significance of such an exception for the socio-economic development of such region and/or area and/or region and/or area adjacent to such region and/or area; and

(c) the relevant and known constitutional development actually occurring and that may occur;

2.2 the manner in which, the criteria according to which and the persons or organisations by which such exceptions are to be determined and/or controlled and/or operated, what regulatory powers are indicated and the levels at which such powers may be exercised;

2.3.1 the question whether a part of the proceeds of such exceptions should, through taxation or otherwise, be used for financing any specific social State expenditure;

2.3.2 the manner in which such tax or levy is to be implemented;

3. the statutory adjustments to be made in order to implement any recommendations made in respect of the above; and

4. any other matter in connection with these terms of reference on which the Commission wishes to report.

(b) die impak op die ekonomie van die land in die algemeen en die betekenis van so 'n uitsondering vir die sosio-ekonomiese ontwikkeling al dan nie van so 'n streek en/of gebied en/of 'n streek en/of gebied naasliggend aan so 'n streek en/of gebied; en

(c) tersaaklike en bekende staatkundige ontwikkeling wat werklik heers en moontlik is;

2.2 die wyse waarop, die maatstawwe waarvolgens en die persone of instansies deur wie sodanige uitsonderings bepaal en/of beheer en/of bedryf moet word, welke regulerende bevoegdhede aangewese is en op welke vlakke sodanige bevoegdhede uitgeoefen kan word;

2.3.1 die vraag of 'n gedeelte van die opbrengs van sodanige uitsonderings by wyse van belasting of andersins aangewend moet word vir die finansiering van enige spesifieke maatskaplike Staatsuitgawes;

2.3.2 die wyse waarop sodanige belasting of heffing moet geskied;

3. watter statutêre aanpassings gemaak moet word om gevolg te gee aan enige aanbevelings gedoen ten opsigte van bostaande; en

4. enige ander aangeleentheid in verband met hierdie opdrag waaroor die Kommissie wens verslag te doen.

PHYTOPHYLACTICA

This publication deals with plant pathology, mycology, microbiology, entomology, nematology, and other zoological plant pests. Four parts of the journal are published annually.

Contributions of scientific merit on agricultural research are invited for publication in this journal. Directions for the preparation of such contributions are obtainable from the Director, Agricultural Information, Private Bag X144, Pretoria, to whom all communications in connection with the journal should be addressed.

The journal is obtainable from the above-mentioned address at R12,50 (VAT included) per copy or R50 per annum, post free (Other countries R15 per copy or R60 per annum).

PHYTOPHYLACTICA

Hierdie publikasie bevat artikels oor plantpatologie, mikologie, mikrobiologie, entomologie, nematologie en ander dierkundige plantplae. Vier dele van die tydskrif word per jaar gepubliseer.

Verdienstelike landboukundige bydraes van oorspronklike wetenskaplike navorsing word vir plasing in hierdie tydskrif verwelkom. Voorskrifte vir die opstel van sulke bydraes is verkrygbaar van die Direkteur, Landbou-inligting, Privaatsak X144, Pretoria, aan wie ook alle navrae in verband met die tydskrif gerig moet word.

Die tydskrif is verkrygbaar van bogenoemde adres teen R12,50 (BTW ingesluit) per eksemplaar of R50 per jaar, posvry (Buitelands R15 per eksemplaar of R60 per jaar).

Shebeen dilemma

ARG 28/11/92 (288)

■ Shebeen doorbells ring at all hours and neighbours complain about the disturbance caused by street fights and other antisocial behaviour, but police are tied by the law.

TYRONE SEALE
Weekend Argus Reporter

Police say their hands are tied by law

THE convenience offered by thousands of home-based, unlicensed liquor traders across the Cape Flats is vastly overshadowed by the social problems these outlets create.

But as long as drinkers are forced, in terms of the Liquor Act, to have meals when they drink or off-sales outlets are restricted to certain trading hours, shebeeners' doorbells will keep ringing.

And that means shebeeners' neighbours will continue to be inundated with noisy drinking sessions, street fights, customers' cars blocking their driveways, urination against garden walls, sex in public and the constant stream of petty thieves and burglars who trade stolen goods for sundowners.

"On the one hand it is a service, but on the other one has to consider the problems shebeens bring to neighbourhoods where people are trying to create a decent life for themselves and their children," says Captain Alwies van Schalkwyk, who will head the Wynberg district narcotics bureau from December 1.

Speaking to Weekend Argus this week, Captain Van Schalkwyk reacted to community claims that police were not tough enough in acting against home-based bootleggers. He said the Liquor Act of 1989 had considerably restricted police powers.

Weekend Argus put to Captain Van Schalkwyk a complaint from the Surrey Estate Nightwatch Patrol in Athlone, based on a November weekend during which a shebeen in Ruimte Road was monitored.

The report noted 44 cars had stopped at the shebeen between 11pm and midnight on the Friday and 30 during the same hours on the Saturday.

The report said police arrived and did nothing to disturb people who had bought liquor at the shebeen.

"A few of the customers returning from the shebeen said they couldn't purchase their liquor, as the police were there."

But, according to Captain Van Schalkwyk, the customers had no reason to fear.

"Under the old Liquor Act, of 1987, it was an offence for people to buy liquor from a shebeen, but that fell away when the new Act was introduced. In the past we could harass buyers and use their purchases as evidence against the dealers.

"Now it is an offence for the shebeener to sell to you, and we are forced to trap the dealer, or to raid the premises and confiscate liquor.



Captain Van Schalkwyk

"But the law says the benefit of the doubt should be given to the suspected dealer in, for example, a case where he can prove the liquor was to be used for entertainment at home.

"The result is we confiscate large quantities of liquor and the dealers claim in court they were going to use the liquor for a braai or a wedding.

"If the person is convicted, the conviction is based only on the sale of the one or two bottles bought by the police trap."

Captain Van Schalkwyk said while maximum penalties for first offences were R10 000 or five years in jail and while these could be doubled if a similar offence was committed within five years of the first conviction, shebeeners still found a way around the law.

"Many shebeeners have teams of 'butlers' working for them, so this week you catch one butler, and next week another, and this means you never get a second conviction against an individual.

"At the same time the owner of the business argues he or she did not know about the transactions and claims the butler was acting on his own when he made the sale. This makes it difficult to act against the kingpin."

Although the Liquor Act stipulated that wholesalers had to keep a record of buyers who bought 50 litres and more, shebeeners were crafty enough to take along teams of helpers to wholesalers.

"This way they can collectively buy vanloads of liquor without having individual buyers exceed the 50-litre limit.

While police had to contend with these legal loopholes, they were also confronted by the complaints arising from the backyard liquor industry.

"In many cases, shebeeners turn to gangs for protection of the business and the customers, and this immediately attracts unsavoury elements, leaving the community vulnerable.

"This would be diminished if people could buy liquor 24 hours a day from businesses that have business zonings from local authorities and where normal trading restrictions would apply."

Captain Van Schalkwyk said police seldom received complaints about shebeens in African townships, as other liquor outlets were virtually non-existent, and as shebeens were a refined social institution.

The Liquor Board also exercised control over township shebeens as the Board issued permits to taverners.

"Nothing stops the Board issuing licences to dealers in other areas, but dealers in other townships simply will not apply for permits as these will entail applications for rezonings and an opportunity for the community to object."

CHEERS TO SAB BEERS!

Cl Pres 29/11/92

Taverners vow to turn off the taps

288

By MOSES JOHANNES

BEER drinkers have been asked to make the ultimate sacrifice from tomorrow – boycott South African Breweries products.

The call, which many have described as a "tall order", was made at noisy meeting of the National Taverners' Association (NTA) and the SA Taverners' Association at Uncle Tom's Hall in Soweto this week.

The shebeeners' demands are in turn regarded as a tall order by SAB. They include:

- Discount for bulk purchases "as in white circles";
- Contributions towards victims of political violence in shebeens and taverns;
- Representation in directorship of the breweries; and
- Remuneration for "free advertising" on billboards and posters in shebeens..

From tomorrow, the NTA and Sata will lead pickets at SAB depots around the country. The two organisations will also urge their supporters and members to boycott SAB products. They will, however, continue selling other brands of liquor.

NTA public relations officer Saint Madlala said: "We need to hammer some sense into the stubborn brains of the SAB's hierachy. It is high time we showed the SAB that a black person will take the extreme course in order for our genuine grievances to be given thought and addressed."

Sata secretary-general David Moshapelo said: "The SAB is making a grave mistake in concluding that the black liquor industry is easily manipulated because of the existence of different national organisations.

"We may be running different national organisations in the black liquor industry, but we are jointly committed as far as our common interests are concerned. We will fight the SAB to the bitter end."

Moshapelo added the decision would be reviewed, pending SAB's reaction.

In a joint statement, NTA and Sata said political, trade union and civic organisations had been consulted and had "pledged their unqualified support".

Reacting to SAB comment that the boycott would lead to violence, Madlala said only the "third force" would implement such violence.

Madlala said his members had been "urged to be as disciplined as they can and to guard against the anticipated dirty tactics that may come from those who are against the boycott".

An SAB spokesman said: "We deplore, and are extremely concerned about any talk of a boycott in these sensitive times, particularly when the root cause of the alleged boycott lies in a call to us to give preferential treatment to members of NTA."

This would be "discriminatory against other sections of the liquor trade".

He said the NTA had not discussed the matter with the breweries.

City must smile, smile smile as tourists roll in

■ Captour's advice and information service has been expanded to teach Capetonians about the social and economic importance of welcoming visitors to the Mother City.

TYRONE SEALE
Weekend Argus Reporter

'TIS the season to break into song every time you see a tourist go the wrong way up Long Street, ask directions to the Golden Acre, ask you to translate an Afrikaans billboard or hold up the supermarket queue with traveller's cheques.

Patience is a virtue. And the magic figure is EIGHT. Seven helpless tourists do not make a summer.

For every eight visitors to the city, one job is created locally — and that, says Captour public relations officer Ms Lauren de Wet, is worth all the patience and friendliness in the Tavern of the Seas.

With Spoornet reporting occupancy of 90 percent and 60 percent on the Trans-Karoo and Trans-Natal trains to Cape Town in the past few days, Capetonians can expect traffic jams and shop queues to be longer — like our enviable summer nights.

All this means that the people of Cape Town will have to work harder on their smiles and open the sluices of hospitality to the tens of thousands of seasonal tourists.

"The Cape is now the No 1 destination in South Africa. Great hospitality and quality service will keep us in this position," said Ms De Wet this week.

She said Captour, the province's leading promotional agency, already had begun the welcoming process.

Next Friday, the Welcome To Care Town campaign will be launched at the D F Malan Airport domestic arrivals hall where Mayor Mr Frank van der Velde, Captour management and minstrels will entice visitors with flowers, estate wines and samoosas.

Three days later, Captour, on behalf of the Western Cape, will spell out the words "Welcome to CT" on Camps Bay beach.

Eleven groups representing a spectrum of the Cape's tourist industry will stand in a staked-out formation over 100 m and hold umbrellas which will be opened on cue to spell out the welcome.

This event will be followed by a sky advert display reading "Welcome to Cape Town" with hang gliders coming in over Camps Bay shortly afterwards.

Ms De Wet said Captour would run programmes to educate Capetonians about the role of tourism in the region and in which black South Africans would be encouraged to join the tourism joy-ride.

Earlier this year, Captour chief executive officer Mr Gordon Oliver said it was imperative, in the light of pending political changes, "that Captour now begins to make effective moves to bring the black business community on board with a view to their being part of the decision-making and marketing strategies".

Tourism was not "a purely white, exclusive, businessman's activity".

TOURISTS will flock to the country's fairest province again this festive season

1 001 reasons to visit C ape

STAR 30/11/92.

288

Whatever your fancy, the Cape has something to offer — from the wonderful Winelands to sparkling beaches.

The western Cape has long been the most desirable holiday destination in SA. But apart from the attraction of the sea, why do thousands of visitors flock to this area?

Could it be the sun-drenched beaches of Clifton and Camps Bay, the spectacular view from Table Mountain; or the buzz of the Victoria and Alfred Waterfront?

Maybe it is the world-renowned Cape Winelands route that stretches for miles, all the way up the West Coast. A glass of good red wine, a plate of bobotie or maybe a traditional "braai", watching the sun go down — the ultimate Cape indulgence.

What about the luscious fruit and healing mineral waters of the Overberg region? Could they be the attraction? Or could it be the Cape's luscious seafood?

The Cape has attractions for all tourist tastes.

Cape Town has a rich heritage and is facing a renaissance as a tourist attraction. Streets and squares are becoming people places and exciting new shopping and social precincts have opened.

It is a place for everyone, with a mixture of people, places, cultures and architectural styles waiting to be explored.

The Victoria and Alfred Waterfront development has grabbed the imagination of Capetonian and tourist alike.

The trip by cableway to the top of Table Mountain is also a must, as is a stroll through the world famous Kirstenbosch National Botanical Gardens situated on the slopes of Table Mountain.

Another popular garden to visit is the Company's Gardens at the top of Adderly Street, within and around which are many museums, galleries and the Houses of Parliament.

The Castle of Good Hope, the country's oldest building and other historic buildings are within an easy walk of one another.

Hout Bay — with its delightful harbour, home to Mariner's Wharf — is a quaint village. On the way you will pass the beautiful beaches of Clifton, Camp's Bay and Llandudno.

The False Bay coastline is home to visiting whales between August and November and there are many visible shipwrecks, shrouded in mystery and intrigue.

The Breede River Valley is the largest of the fruit and wine-producing valleys of the Cape.

And the Ceres district is surely the most fertile area in SA. Together with the Bokkeveld, the region dominates SA's export of peaches and pears.

Robertson, Worcester, McGregor and Montagu are rich in the ingredients a winemaker needs for the creation of noble wines; hot summers and cold winters, and fertile, lime-rich soil.

Nature lovers and those in search of tranquillity, sparkling air, fragrant-fresh fruit, noble wines and brandy need look no further than this lovely valley.

The Winelands was the first area outside Cape Town to be settled in the 17th century and it boasts a rich and varied architectural heritage. The visitor can enjoy a wide selection of interesting shops and intimate restaurants.

The local wine routes offer the opportunity for cellar tours guest houses and caravan parks to historic manor houses and luxury hotels.

All sporting facilities, including golf and trout fishing, are available. angling and other watersports can be enjoyed along the nearby False Bay coast.

The Overberg, which incorporates the Agulhas lighthouse at the southern-most tip of Africa, stretches from the Hottentots Holland mountains, and is surrounded by the Riviersonderend and Langeberg range.

The superb coastal area, from Betty's Bay down to the mouth of the Breede River, forms another border. This rugged coastline boasts the breeding place of the indigenous Bontebok and the Southern Right Whales.

From quaint, historical little villages with thatched roofed cottages, unique museums, cosy inns and rural tranquillity in the nature reserves, to popular resorts with modern entertainment and luxury accommodation, the Overberg is able to satisfy the needs of the traveller, botanist, photographer and angler.

In the Western Cape, the Swartland offers the traveller a kaleidoscope of different landscapes. Best known for its wheat production, undulating wheat-fields abound, interspersed by vineyards which produce high quality wines.

Cape is fairest in terms of price

STAR 30/11/92 (288)

An aggressive marketing campaign designed to prove that Cape hotels are truly affordable over the December holiday season has been mounted by Protea Hotels.

Labelled "The best holiday in the Cape for a Drop in the Ocean", Protea is offering five nights' accommodation at six of its Cape hotels for an incredible R799.

Affordable

Valid from now until January 31, the offer is for two adults and two children under 10 years old sharing with their parents — at a mere R159 a room a night.

Marketing services manager Alan Duke says Protea is positioning itself in the marketplace as the group with "affordable, full service hotels" — hence the idea to launch the Five Nights for R799 package.

"Our research tells us that many people wait until late before deciding where to go for their annual break; that they still believe hotels are unaffordable; and that they are under the mistaken impression accommodation is non-existent in the Cape over December.

"We are aiming particularly at the late decision-makers by showing them our hotels are affordable and that there is accommodation aplenty, particularly over the first two weeks of December and again after the first week in January," says Duke.

Hotels participating are the five star Lord Charles Hotel at Somerset West, the four star Ritz Protea Hotel in Sea Point and the four star Capetonian Hotel on the Cape Town foreshore, the three star Don Protea Hotel in Sea Point, the three star Van Riebeeck Hotel at Gordons Bay and the three star Cumberland Hotel at Worcester. A limited number of rooms are available a night at each hotel.

Outstanding

The Lord Charles, overlooking the Strand and Gordons Bay, is on the doorstep to the winelands and fine beaches. It is one of the finest five star hotels in South Africa.

Towering over the cosmopolitan Sea Point is the Ritz Protea Hotel with its mostly sea-facing rooms and an outstanding revolving restaurant offering spectactular 360 degree views.

The Capetonian Hotel with its superb seafood restaurant is a stone's throw from the Nico Malan, Cape Town's theatreland, the central business district and the new Victoria and Alfred harbour development with its many shops, bars, restaurants and cinemas.

Within closer proximity to all the waterfront attractions is the Don Protea Hotel while the Van Riebeeck Hotel is equally well positioned for lovers of the outdoors.

The Cumberland Hotel, situated in what is known as the Capital of the Breeds River, offers numerous attractions including South Africa's largest brandy distillery, the Kleinplasie Cultural Museum and the Karoo National Botanic Gardens.

The wonder of the Waterfront

STAR 30/11/92.

288

Cape Town's Victoria and Alfred Waterfront has leapt into the international tourist league.

The revitalisation of Cape Town's historic harbour forms part of a worldwide trend, what makes this waterfront so special is the unique contrast and blend of quayside entertainment and activities.

The Victorian buildings have retained their original harbour character. Patrons not only have a chance to relax at a tavern or restaurant on the water's edge but they can view the activities of the tugs and fishing boats.

The Waterfront has become the favoured place for Capetonians and visitors to relax, socialise, dine, shop, enjoy a drink or an evening of theatre, listen to jazz or take to the water in a variety of boats.

With the introduction of the Victoria Wharf, the Waterfont has been established as the Cape's premier shopping destination.

In traditional Cape style the Waterfront has re-introduced a fresh produce market where seasonal Cape fruit and vegetables can be bought from farmers.

The SA Maritime Museum is housed in the old workshop 17, appropriately situated next to the historic Robinson Dry Dock.

In the quayside, Victoria and Alfred Hotel guests are delighted to wake up to the atmosphere of the harbour and Waterfront.

A bus service is operational between the Waterfront, central Cape Town and Sea Point.

For further information contact the Waterfront information Centre at (021) 418-2369.



These Soweto shebeen patrons were yesterday probably having their last swig of a commodity that has driven a deep wedge between shebeeners and beer conglomerate SAB. Shebeeners in the area have decided to boycott SAB products.

PIC: JOE MOLEFE

Beer boycott set to begin today

Sowetan 30/11/92 ~~454~~ ~~482~~ 288

By Mzimasi Ngudle

■ Other taverners say decision to boycott was not unanimous:

THE boycott of South African Breweries products goes into full swing in Soweto today, National Taverners Association president Mr Peggy Senne said yesterday.

Despite the call for a postponement from the South African Taverners Association (Sata), Senne said the boycott would kick off in Soweto today and then spread to other areas, depending on the reaction from the SAB.

The boycott will affect all brands of beer. The company has a near-monopoly on clear beer production. Imports from Zimbabwe are expected to replace SAB products.

Sata said that it would support "a boycott of such magnitude only if proper consultation was made".

"The National Taverners Association, with respect, has not consulted with the Sata executive nor its president. What is more, the executive of the Sata has not met with its affiliates," SATA president Mr Sam Tuntubele said.

Tuntubele was reacting to a call for the boycott taken at a meeting of the NTA and SATA at Uncle Tom's Hall in Soweto last week.

He said the decision was not binding on the other Sata regions.

Sata national secretary general Mr David Mojapelo reportedly said "the SAB is making a grave mistake in concluding that the black liquor industry is easily manipulated because of the existence of different organisations".

In white circles

The shebeeners are demanding discount for bulk purchases "as in white circles", contributions towards victims of political violence in shebeens and taverns, representation in SAB directorship and remuneration for "free advertising" on billboards and posters in shebeens.

An SAB spokeman reportedly said shebeeners were asking for preferential treatment that would be discriminatory against other sections of the liquor trade.

"We deplore and are extremely concerned about any talk of a boycott in these sensitive times," he said.

Shebeeners said the main reason for the boycott was the loss of profits they had to sustain because of low prices at which they sell beer.

Shebeen patrons interviewed yesterday supported the decision to boycott SAB beer.

next *Talk*back topic

The Sowetan/Radio Metro Talkback Show throws open the lines on Monday. This is your chance to phone in and express your views on any subject.

Dial the hotline (011) 714-8063

Analysts optimistic about Lost City

(288) MARCIA KLEIN

THIS week Sun International Bophuthatswana (SunBop) launches its most ambitious project to date, the R850m Lost City at Sun City.

Market analysts said the question on most people's minds was whether the new project would work, and whether the massive investment would drain Sun Bop's future profitability.

Most analysts said the project represented a costly risk, but believed it would work and that the formula was right.

Some said there was a certain amount of nervousness over whether Sun Bop had overcapitalised, but said recouping the investment was always intended to be a long-term affair.

There was some confusion over how much the group would make in the opening weeks, with a full hotel, the Miss World contest, the Million Dollar Golf Challenge and the Jean-Michel Jarre concerts.

However, an analyst said the spin-off effects, including local and international publicity of the resort and television rights, would be substantial.

But the group would still have to fill the new hotel — at around R600 a night.

Sun Bop had intended to build the Lost City during the recession and open it as the economy turned. Analysts said the fact it had come on stream at the wrong time was not a cause for concern.

It would take some time before the Lost City generated a decent return.

An analyst said Sun Bop's turnover had risen strongly in the second half of its last financial year, largely through the opening of the Carousel Entertainment World and despite the recession and the increase in unregulated casinos.

Taverners, SAB may meet on beer boycott

THEO RAWANA

THE SAB and the National Taverners' Association (NTA) may meet on Thursday to try to resolve the taverners' boycott of the brewer's products, SAB said yesterday.

The NTA and the SA Taverners' Association (Sata) decided last week to start the boycott yesterday after disagreements over discounts, sponsorships and payments for advertisements at taverners' premises.

SAB said in a statement yesterday that the parties would "tentatively" meet on Thursday.

It said during a picket by a small group of NTA members outside SAB's Baragwanath depot yesterday, a request was received for a meeting with SAB management. "At this meeting, which was attended by members of the NTA executive, it was agreed that both parties should meet to try to resolve their differences," said SAB.

An SAB spokesman said the company would meet the NTA, provided there were no preconditions for such a meeting.

"We wish to reiterate our concern over the question of intimidation and the possible violence that could flow from a boycott," he added.

He said shots had allegedly been fired into the air yesterday when a beer delivery truck owned by an independent contractor had been looted during a delivery to a non-NTA-affiliated bottlestore in Soweto.

"Many of the Baragwanath (depot) drivers, who are independent contractors, were allegedly warned at the weekend that if they delivered beer they would be attacked and their trucks burned," he said.

NTA spokesmen could not be reached for comment.

Talks proposed to avert Lost City showdown

(288) ARG 1/12/92

SHARON SOROUR, Labour Reporter

SUN International has offered to meet union leaders from Cosatu and its affiliate Saccawu in a bid to avert a showdown at tonight's opening of the R800 million Lost City's entertainment complex.

Cosatu and Saccawu (SA Commercial, Catering and Allied Workers' Union) have called for a boycott of Sun International hotels and the Miss World pageant unless the company re-employs thousands of workers retrenched by the group.

They also threatened to disrupt the opening of the Lost City complex if the company did not change its position on the retrenchments and did not recognise the union before today.

Union general secretary Mr Papi Kganare called on workers to support a 30 km protest march to Sun City from Rustenburg on Saturday.

However, Sun International human resources director Mr Rob Rimmer said the company responded to Saccawu's demand yesterday by proposing that a meeting be convened between the general secretaries of Cosatu and Saccawu and a Sun International delegation led by chief executive Mr Ken Rosevear.

Mr Rimmer emphasised that such a meeting "should not in any way be seen as tacit agreement to Saccawu's demand for the establishment of a centralised bargaining forum".

Saccawu had not yet responded to the company's proposal, Mr Rimmer said.

Mr Kganare said yesterday Sun International had moved to institute an interdict against industrial action in Ciskei and Transkei.

Sun International had obtained an interdict restricting the union from embarking on a legal strike at the Wild Coast Sun in Transkei on the grounds that the homeland's labour laws did not oblige employers to "negotiate" but to "consult".

They contest that they have consulted and, therefore, the union has no right to embark on legal action. What is surprising is that the court granted the interdict without the union being notified or being given a chance to respond," he said.

Sowetan 2/12/92

Mourning for 7 000

AN act of mourning for the more than 7 000 people who have died in political violence in Natal since 1987 will precede a mass peace prayer rally in Durban later this month.

The service at Westridge Park tennis stadium on December 13 will be conducted in English, Zulu and Afrikaans by church leaders of several denominations. Political leaders, various consular corps and international monitors have been invited to attend.

Taverners gauge impact

TAVERNERS are meeting today to assess progress in their four-day boycott of South African Breweries beer. A joint meeting of the National Taverners Association and the SA Taverners Association will be held at the NTA offices in Soweto to gauge the impact of their confrontation with the liquor giant.

The two organisations would also prepare for tomorrow's meeting with SAB in an attempt to resolve the dispute. They staged pickets in front of SAB's plant near Baragwanath Hospital during the past two days. Sowetan 2/12/92

Epileptics unemployed

THE vast majority of people with epilepsy in townships and squatter camps on the West Rand, including Soweto, are unemployed, according to a study by the South African National Epilepsy League (Sanel). Sowetan 2/12/92.

There are about 50 000 people with epilepsy in Greater Soweto, Kagiso, Munsieville, Bekkersdal, Evaton, Lekoa, Mohlakeng, Sebokeng, Sharpeville, Boipatong, Orange Farm, Weiler's Farm and Alexandra, Sanel said yesterday. "The majority of the 50 000 people are unemployed - indications are that the number of unemployed people with epilepsy in this area can be as high as 39 000."

Kerzner's recipe for success

B|PM 2|12|92

288

MADDEN COLE

IT WAS more than coincidence that the concept of the R850m Lost City and Palace Hotel project originated in a small Durban beachfront hotel, quaintly named The Palace.

That was 35 years ago, and it was Sol Kerzner's first hotel. But already he had the nagging ambition to create the total hotel resort.

The small Gillespie Street hotel — Palace in name only — was acquired in 1958. It was Kerzner's first step into the hotel industry, but the venture became the foundation for his hotel empire, built on the simple but effective principle of providing entertainment for guests.

Kerzner, a young chartered accountant at the time, ran the hotel on a part-time basis after taking over the lease for R15 000. There was an immediate transformation, and the establishment which offered daily, weekly and monthly rates became a holiday resort hotel overnight.

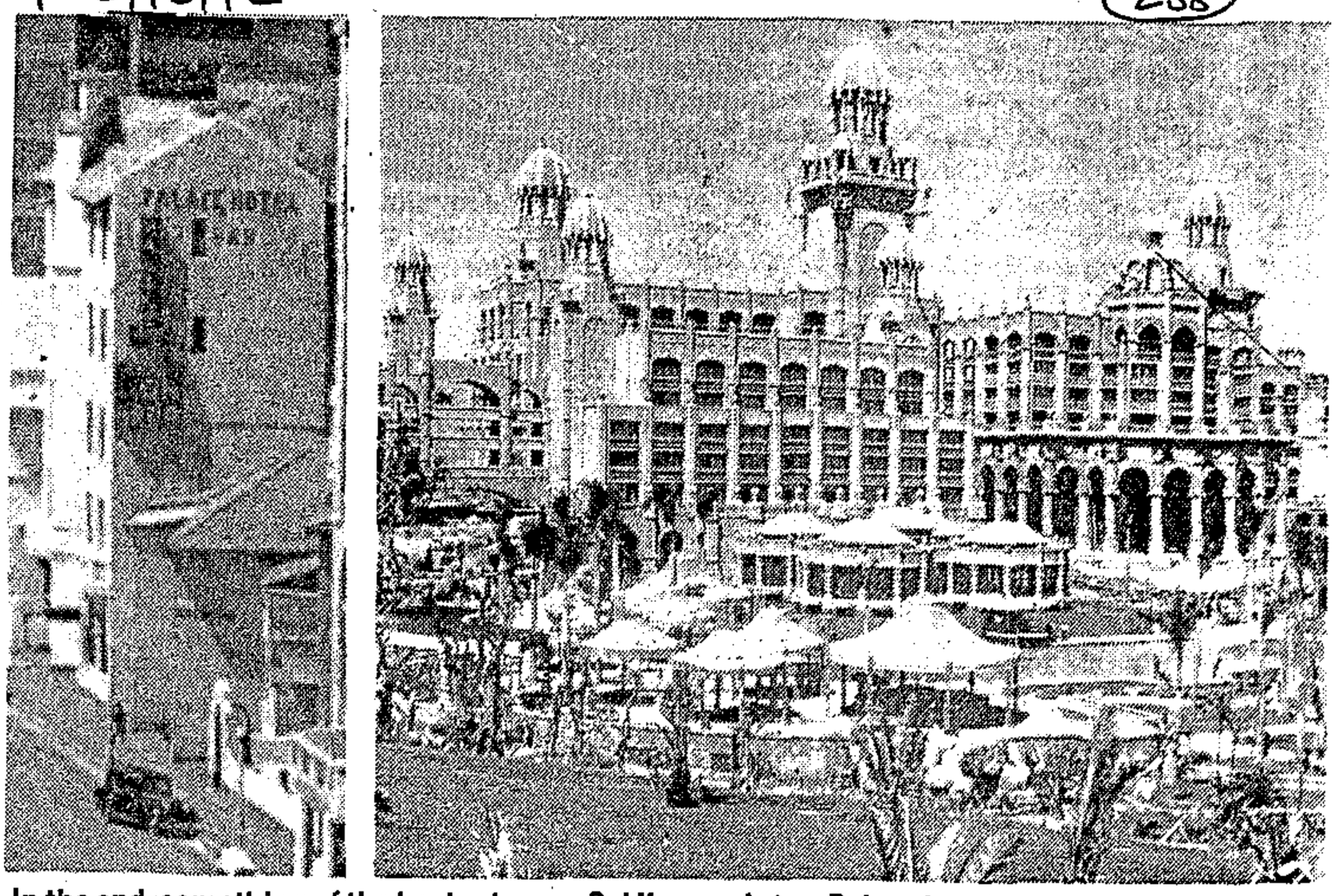
"Out went the weekly and monthly tariffs, and I offered only a daily rate of 12/6 (R1,25), with three meals thrown in. And for a room with a bath, the charge was 15/6 (R1,55)."

But Kerzner felt the hotel lacked "action", something holidaymakers demanded.

"So I converted the diningroom, at the end of the passage on the ground floor, into a nightclub — the Baq Room." Much of the conversion was done by Kerzner himself, who helped redecorate the room and paint the venetian blinds for special effects.

There were talent contests, and patrons could dance to music provided by a resident band. The Baq Room quickly became a popular haunt with visiting seamen, university students and Transvaal holidaymakers. The hotel prospered and turnover hit R50 000 a year.

"Entertainment is an essential feature of a resort or tourist hotel, and with the opening of the Baq Room, The Palace qualified as a resort hotel."



In the end, something of the beginning . . . Sol Kerzner's two Palace hotels, separated by 35 years

The total hotel resort was only two steps away.

Kerzner's next and more ambitious step was to take over the Astra Hotel in Field Street in 1962. Again the diningroom gave way to entertainment. This time it was called the Talk of the Town, which quickly became a popular city night spot.

"I pinched menus from leading hotels, decided which offered the best fare, and then pinched the chef," said Kerzner.

International celebrities, who now figure prominently on the guest or entertainment lists of the Sun International hotel chain, knocked on Kerzner's door soon afterwards. There was the night Stanley Baker came to dinner. It was shortly after Talk of the Town had opened, and Baker was in SA filming Zulu. Kerzner's way of running the establishment impressed him, and he later booked into the hotel with the entire cast, including Michael Caine.

Kerzner believed Talk of the Town was a success because it set a new standard and introduced an element of excitement. He was then a committed hotelier, and two years later, after he had given up a junior partnership in a leading firm of Durban accountants, he set out to realise his ambition to build "a great hotel". He chose an undeveloped site on the beachfront at Umhlanga Rocks.

"I wanted to build the best hotel in SA, and my desire to do so was based partly on vision and partly on gut-feeling." The result was the Beverly Hills, SA's first five-star hotel. The day of the total hotel resort had arrived.

Beverly Hills was on the beach, had its own swimming pool and nightclub — the Cococabana — and offered haute cuisine. It created a stir among holidaymakers and was an immediate success.

"The hotel met most the holidaymakers' requirements on the spot, and the Cococabana was sensational. It was not necessary for guests to go elsewhere for their entertainment.

"What the Beverly Hills did was to herald a new standard in resort hotels, something that was missing in the industry and which people have become accustomed to."

Kerzner's foundation for his hotel empire was firmly laid. The Elangeni followed in 1968 and a year later he formed Southern Suns in partnership with SA Breweries.

By 1983 the company was operating 30 luxury hotels, including five-star establishments such as The Landdrost. The Johannesburg Sun followed. Then, splitting with SAB, he founded Sun International.

In between these developments, Sun City was opened in 1979. Other casino hotels followed, progressively providing more elaborate entertainment.

Now he has produced the ultimate form of entertaiment that only a dream merchant could devise — The Lost City and Palace Hotel complex. It is in a different world from the old Palace Hotel where it all started, yet in many ways it is the culmination of Kerzner's original idea — to provide the total hotel resort.

Brewer flattens beer boycott threat

THE boycott of SAB products by the National Taverners' Association (NTA) and SA Taverners' Association (Sata) was dealt a blow yesterday with hoped-for alternative supplier National Breweries of Zimbabwe denying it had any dealings with the taverners.

The two associations launched an indefinite boycott on Monday, saying the Zimbabwean brewer would fill the void left by SAB beers with its Zambezi Premium Lager, which the NTA had been importing since March.

But yesterday National Breweries of Zimbabwe marketing director George Katz denied he had had any contact with the NTA. Speaking from Harare, he said even if his company were supplying the NTA, it would not be able to satisfy the market SAB commanded in SA.

"I keep hearing these stories about the NTA importing beer from us, but I have never met the NTA. They have never been in touch with us."

THEO RAWANA

He said he had seen news articles about the NTA importing beer from Zimbabwe, but he did not know their source.

His company's exports were minimal, but "odd lots" were sold to agents. However, his company would have known if its product was being supplied to SA at any significant level.

The NTA could not be reached for comment yesterday.

SAB public affairs director Adrian Botha said yesterday he was looking forward to a constructive meeting with the NTA and Sata tomorrow.

On Monday, there were reports of looting and intimidation to enforce the boycott. But Botha said by yesterday, when SAB delivery trucks had not delivered in Soweto, there had been no more than "some reports of intimidation".

● Comment: Page 8

Wealthy buying up Knysna's Leisure Isle

ANDREW KRUMM

ONCE marketed as the working man's holiday destination, Knysna's Leisure Isle has done a turnabout and is fast becoming the preserve of the wealthy.

Property prices on the island have rocketed from the low R30 000s for 670m² and upwards about 10 years ago, into the millions.

The latest development on the island in Knysna Lagoon is no exception. It is known as Island Cove, and joint developers S T Evans Projects and Summercon are asking between R1,025m and R1,2m for each of the 24 units under development.

S T Evans MD Stan Evans said this was "well-priced" compared with the cost of real estate on the Heads and for other Knysna waterfront properties. Some properties on the Heads were going for R5,5m and upwards, even though some had "pondokkies" on them, he said. BI DM 2/12/92

"People who have lived here for years are selling up and moving to less imposing but cheaper accommodation in the town itself."

The 24-unit Island Cove development occupied the 17 500m² site of the former Leisure Isle Hotel, and when completed would front onto a small-boat harbour presently under construction, and the Leisure Isle Country Club.

The first phase of four units was now selling. Evans said two sales had already been concluded, while another four prospective buyers had reserved stands.

Buyers could acquire single- or double-storey, four-bedroomed units either on a whole ownership basis or via a home syndication, he said. The cost of a syndication was R165 000 for six weeks a year.

This allowed for up to eight owners in each syndicate, who received a fully furnished home as part of the deal. All owners would become members of the body corporate.

The project is being financed by the NBS on a phased basis and De Huizemark are the sales agents.

SAB boycott takes to the township streets

288

THEO RAWANA

HUNDREDS of people joined anti-SAB processions through Soweto streets yesterday as boycotting organisations drummed up community support against the brewer, National Taverners' Association (NTA) spokesman Saint Madlala said yesterday.

The NTA and the SA Taverners' Association (Sata), which began a boycott of SAB goods on Monday, staged pickets at the SAB's Baragwanath and Chamdor (Krugersdorp) depots yesterday and then led processions in Soweto, Madlala said.

The SAB and the organisations are meeting to resolve the dispute, which was triggered by disagreements between the SAB and NTA over discounts, sponsorships and payment for advertisements on taverners' premises. BIOAM 3/12/92

Madlala said people came out in their hundreds to join the procession of hooting cars in Soweto's streets.

"We are conscientising the people, drumming up support for our boycott, and the people are joining in. They are angry with SAB," he said.

Madlala said the processions were peaceful — if noisy — and there were no reports of intimidation.

National Breweries of Zimbabwe marketing director George Katz said on Tuesday his company — which the organisations had said would supply beer in the absence of SAB products — had no dealings with the taverners.

Madlala said his organisation was getting supplies through another source.

SAB public affairs director Adrian Botha confirmed that the parties would meet this morning.

Sapa reports that SAB said the boycott had spread yesterday from Soweto to Bloemfontein and Welkom.

SA tourism under fire

SA TOUR operators in London mounted a quick damage-control exercise yesterday as the murders of Britons Elizabeth Over and Julie Godwin featured among the day's top news items.

Weary Satour manager Russel Barlow-Jones said after grillings from every major London newspaper, television and radio station: "This is the last thing we really need now".

Sunday 3/12/92

(288)

NEWS

Resorts still bar blacks

By Shehnaaz Moosa

Contrary to popular belief, apartheid is not dead — it's alive and kicking in Pretoria's lush private resorts.

Black foreigners, looking for holiday accommodation this Christmas, may be a bit confused when encountering the phrase "We're not open".

Locals know, however, that the all-too familiar utterance does not mean that resort owners themselves have taken a break.

A snap survey of Pretoria's five private resorts — Hennop's Pride, Barefoot Inn Hotel and Pleasure Resort, Hengelaars Vriend, Konsensus and Little Eden — show that only two of them, Konsensus and Little Eden, appear to be keeping in line with the new South Africa.

Said Konsensus's receptionist: "Oh, no, my dear. That's done away with. We're open to all races."

Pretoria Municipality's Wonderboom and Van Riebeck resorts, as well as the Overvaal resort, are open to all races.

Satour spokesman Spencer Thomas said only establishments that are open to all races may appear in Satour's publications and have access to Satour's local and international marketing events.

Satour would also advise international tour operators not to take tourists to the racist establishments, he added.

A spokesman for the Pretoria-based Foundation of African Business and Consumer Organisations, Mike Ntlatleng, said racist practices will be overtaken by political events in the country.

"The owners of the resorts are advised to read the signals that the community will judge them for what they are," said Ntlatleng.

Lourens Oberholzer of the Federated Hotels Association of South Africa said while the association could not dictate terms to hoteliers or resort owners, members were encouraged to "open their doors to all races".

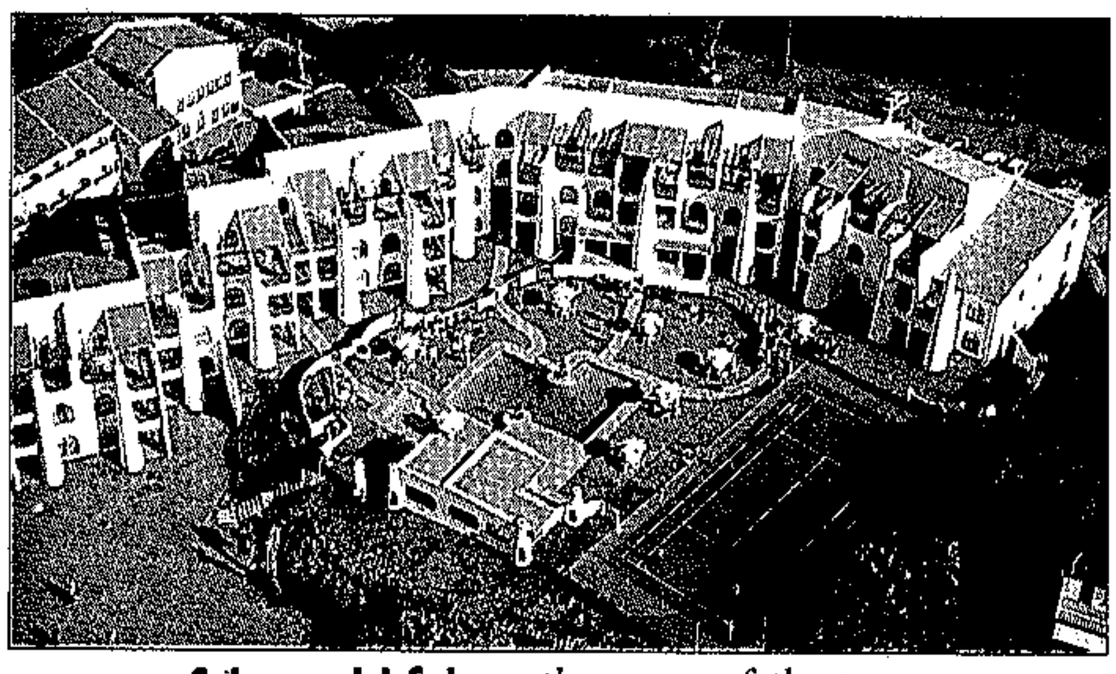
TIMESHARE FM 4/12/92 (288)

Winkelspruit Cabanas on the rocks

Twin timeshare schemes and Resort Condominiums International (RCI) members Cabanas del Mar and Cabanas del Sol at Winkelspruit, on the Natal South Coast, have been placed in provisional liquidation. The order was brought by bondholder Metboard on October 20 after capital and interest repayments fell into arrears.

The resorts were developed by Cabanas Marketing which has three subsidiary shareblock companies. Finance for the third shareblock company in the group, Cabanas Hazyview in the eastern Transvaal, was not raised through Metboard and is, therefore, unaffected by the liquidation order.

The provisional liquidators of the resorts have informed all shareholders of Cabanas del Mar and del Sol that they are now in the process of investigating the failure of the companies and will report conclusions to shareholders. But right now "no cash funds could be found" in either estate, they informed owners. "This means that there are no funds to pay for the continuation of the services of the company."



Cabanas del Sol ... *the newer of the two*

According to RCI MD Steve Griessel, Cabanas del Mar has 81 units and is estimated to be 85% sold out. Its liquidator is Schalk de Wet of Coopers Theron du Toit Trust.

Cabanas del Sol has 41 units and is about 55% sold out. The liquidation is being overseen by Aiken & Peat Administrators' Tjaart du Plessis.

There are an estimated 4 000 owners of weeks in the two schemes.

Finance for the developments — Cabanas del Mar was built in 1982 and Cabanas del Sol in 1987 — was raised through Metboard participation bonds, in terms of which only interest is payable in the first five years and capital thereafter.

Metboard says the developer failed to make capital and interest repayments in terms of the bond and interest on the bond since October 1991. Action has been brought based on this. So why the delay in placing the companies in liquidation?

A Metboard spokesman says: "We gave the developers five months to go back to their timeshare holders and raise a special levy to redeem the arrears and the bond. This payment would have been a mere one-off sum of R700 per timeshare week on Cabanas del Mar. Del Sol would have been double that. But when the developers informed us in May that timeshare owners did not accept their proposal, we began proceedings."

Griessel says RCI reported the absence of audited financial statements for fiscal 1991 and other financial problems to industry watchdog the Timeshare Institute of SA (Tisa) three months ago. Tisa subsequently gave the developers seven days to furnish statements — which they failed to do. Tisa then suspended Cabanas Marketing's Tisa membership and contacted the Harmful Business Practices Unit.

RCI is also continuing its own investigations of the resorts and their failure.

Griessel believes a rescue is possible: "This is not a train smash. The large number of timeshare owners makes it possible for them to make a compromise offer to Metboard and other secured creditors. Metboard is owed R5m by the two resorts and there is an outstanding bill of R100 000 for lights and water. Discussions with Metboard and the liquidators indicate they strongly favour such a settlement. Liquidation was the best and probably only route to follow to force open the books."

The liquidators have decided to keep the resorts going by charging a nominal daily rental of R60 a unit to timeshare owners in Cabanas del Mar and R75 to those in Cabanas del Sol — R245 and R261 respectively to outsiders — so that owners' end-of-year holidays are not jeopardised. The money will be used for running expenses. If the compromise offer envisaged by RCI (as facilitator) or any party is unsuccessful, the property will be auctioned in February. ■

DURBAN'S POINT PROJECT

Progress by committee

Durban's ambitious Point project — seen by many as Durban's answer to Cape Town's Victoria & Alfred Waterfront redevelopment — could soon be back on track after being bogged down for months in a bitter political wrangle.

The project, aimed at revitalising Durban's decaying but historic Point area, has been spearheaded by Portnet, the city's biggest property owner, and Durban City Council. They have involved would-be developers in workshops to plan a development strategy.

However, the process ground to a halt earlier this year when organisations such as the ANC protested that the community at large had not been consulted over the development. They threatened to block it unless this problem was addressed.

Though the initial response from established interests was that they would "not be dictated to by the ANC," a forum was established to consult disenfranchised sections of the community including the ANC, Inkatha Freedom Party and civic organisations.

The civic bodies now meet in a committee with Propnet, Transnet's property development arm, and the council to discuss the project. Propnet has appointed a "facilitator" as a go-between for the organisations.

One of the biggest dividends of the establishment of the committee is that it has allayed fears and suspicions on both sides. Parties with vested interests have, for example, had fears that the ANC wanted the Point designated a low-cost housing development area. The ANC says it never advocated this. On the other side, there were fears that public assets would be sold to the private sector.

As a result of the discussions, it seems development land will probably be made available on leasehold.

ANC Southern Natal development spokesman Michael Sutcliffe stresses there is general acceptance that State land cannot be alienated while the negotiation process is in progress.

As an indication of how much progress has been made, Sutcliffe says: "We are in a position now where we are starting to look seriously at the idea of a development charter and an organisation which will run with the Point development. There are still organisational issues to be ironed out, but we hope agreement can be achieved by late January so that development can begin."

He says the committee is considering pilot projects in the area: "Various proposals have been made and could be decided on and announced by late January."

He adds, however, that planning has not yet reached the stage where it would be possible to discuss the type of development that will take place. The ANC feels that provided the right process is established, there will be no big differences in outlook. ■

enormous banana slices, shots which are especially alarming for someone who draws the ball as frequently as Bobby Locke.

At first I put this down to the torque (or twisting) in the composite shaft and resolved merely to close the face a little at address. But the slice still appears, always when it is least welcome, with what — when I'm using my favourite 3-wood — feels like a perfectly good swing.

Then, in a pro-am, my partner remarked that the "shaft is too soft for you, the head is coming through too late."

That's it: doubt and mistrust has been sown. I am reminded of the parson who raised himself to his full height, hurled his putter into a nearby lake, exclaiming: "Don't ever presume on my good nature again!" Fat Eddie's days are numbered. *Dan Retief*

MUSIC

Enduring honour

Samro — the SA Music Rights Organisation — celebrated its 30th birthday on Sunday at a glittering gala concert at the Civic.

The National Symphony Orchestra, Ladysmith Black Mambazo and the internationally famous SA pianist Anton Nel were some of the performers at this grand anniversary occasion, which honoured Hubert du Plessis and the late "Strike" Vilikazi with special awards. The winner of the Samro Birthday Composers' Competition, for a song with lyrics by Stephen Gray, was Eric Smith, the noted composer of jingles and assorted TV anthems such as *Come on into the NBS* and *When We Drink Castle.*

For Gideon Roos, the founder and now executive president of Samro, the gala concert depicted an expression of triumph for SA music. Samro represents not only the success of making real a great ideal, but also the conquest of adversity.

This is not the forum to expand on the important foundations Gideon Roos laid in the early days of broadcasting. Suffice to say that during the Fifties he played a pivotal and honourable role. His departure from the SABC heralded the emasculation of the corporation as subsequent directors-general carelessly danced to the tune of other, now discredited, principles.

The beginnings were humble. A small office in Jeppe Street, Johannesburg, was the first headquarters, if that's not too august a name. From the outset Roos was determined to establish a body that would look after the rights of composers regardless of sex, race, colour or creed. He knew about the exploitation of artists.

Stories in the music business are legendary of how composers — then as now — are tricked so easily out of the rights of their compositions. That the pack of local music producers have halos only slightly tarnished these days is due in no small measure to the efforts of Samro.

In 1962 there were about 50 composers on the books; now the organisation has more than 2 500. One look at the annual report is enough to convince you that Samro is one of the investment success stories of the past few decades. Despite the tough times in recent years, the money the organisation collects on behalf of its members and for the associated overseas members has continued to grow at a steady rate.

Benefits

How else could Samro provide the generous pensions and the other benefits to its members? And the benefits are not only for composers. With an imaginative programme of sponsorship Samro helps artists and performers, sponsors music prizes, holds music competitions, and provides music scholarships here and to overseas institutions.

Support of the art of music in all guises is the basic principle on which Gideon Roos founded Samro. Through music — the universal language — all spheres of our lives are enriched.

Not much of worth emerged from the Verwoerd era, but the birth of Samro was one of the exceptions. *Michael Letellier*

THEATRE — JHB

Not to be missed

Double Take **featuring Soli Philander, at the Upstairs Theatre, Rosebank.**

Soli Philander has made a name for himself by creating one Rosie September — a feisty coloured matron whose life and loves offer a penetrating comment on the "new" SA.

Now, if you're concerned that the word coloured should have been put in inverted commas, Ms September exists unashamedly. As she puts it: "Just because Allan Boesak's joined the ANC doesn't mean we've all become blacks!"

Philander obviously enjoys himself hugely in creating this character, and the nuances of voice, gesture and costume are just right.

Rosie September hails from Elsie's River near Cape Town and, though now living in Jo'burg's Berea with white (liberal) husband and kids, she retains the racy, irreverent viewpoint of her origins. Philander tells the roundabout story of her life with verve and humour. *Guy Willoughby*

CINEMA

What is Goofy?

Beauty and the Beast **produced by Walt Disney Pictures.**

Without being too cynical — or for that matter, mystical — about it, Disney's animated romances are really much more than the product of a studio. They reflect attitudes in the wider society, while attempting



Beauty and beast ... *part of a mad world*

to stay loyal to the classic narratives and moral world of the old fairy stories.

Disney would never give us, say, *Snow White and the Seven Ninja Turtles*; but with musical sophistication and an alertness to modern trends, change has come — and been rewarded at the box office and elsewhere. Here, the heroine, Belle, as she is called, explores the frontiers of feminist self-reliance, though never succumbing to the strong, silent and dire stereotype one finds in the *Alien* movies or *Thelma & Louise.*

Belle, in other words, sees through appearances. She is fairly consistently wooed by a handsome, male chauvinist backwoods type called Gaston; but rejects him because of his assumption that she would willingly be his love slave. Instead, of course, the rough beast in the enchanted castle wins her heart. And though he does in the end turn into a handsome prince, that's a bonus.

Another break with tradition is that Belle is hardly beautiful in the conventional sense — instead, she has an austere purity and sense of fun which will endear her to the young audiences for whom she exists.

The castle, down to the cups and saucers, has been imbued with life: candlesticks, teapots and wardrobes move and speak, each distinctively. Angela Lansbury's vocal performance as Mrs Potts has been much praised and even while under a spell, the vast castle rustles with hidden secrets and the promise of exuberant transformation. Quite deliberately, the real threat comes from the outside society.

The main feature is preceded by a restored Disney cartoon — an indication that the studio has become aware of its ancestral treasure-house. These old films show how original and, in some ways, weird Disney really was. Not just animals, but objects, flowers and landscapes are anthropomorphised; they talk, argue and chatter incessantly. Mice are as large as human beings.

Seeing Goofy again reminded me of that ancient conundrum: *what exactly is he?* Mickey Mouse already has a dog called Pluto — so Goofy is something even stranger. Disney invented an entire mad universe in which, oddly, we feel perfectly at home.

Peter Wilhelm

No finding on lawyer's death

Explosive device killed Bheki Mlangeni:

THE Rand Supreme Court was yesterday unable to make a finding on who was responsible for the death of ANC lawyer Bheki Mlangeni.

Mr Justice B O'Donovan said available evidence fell short of pin-pointing who was to blame.

"Statements placed before the court do not provide an acceptable basis for a finding and therefore should be ignored," he said. Sowetan 4/12/92.

However, the court might have come to a different finding had the investigating team acted with greater promptness.

"The investigating team which was constituted to collect information with regard to the explosion did not visit Vlakplaas until three months after the explosion.

"The delay has not facilitated the collection of evidence," he said.

Mlangeni was killed in February last year when a Walkman device with explosives in the headphones exploded when he attempted to listen to a tape recording.

The device was wrapped in a parcel addressed to DJ Coetzee, a former Vlakplaas police captain who had been living in Lusaka since 1990.

Beer drought over

Sowetan 4/12/92.

■ SAB products boycott is suspended after a meeting with taverners:

288

By Mzimkulu Malunga

THE five-day boycott of South African Breweries by taverners in Soweto and other areas is over.

At a meeting yesterday with SAB management lasting four hours at SAB headquarters in Sandton, Johannesburg, taverners decided to halt the action.

The two major associations whose members were involved in the boycott, the National Taverners Association and the South African Taverners Association, said the action was suspended pending a report-back to their grassroots members.

Both SAB and the taverners said they had reached "common ground" on problems facing the liquor industry, but could not give details.

A full announcement will be made in due course, probably next week, after the NTA and Sata had reported back to their members.

"Some of the things are very sensitive, so releasing them to the media before informing our membership will be counter-productive," said the NTA's national chairman, Mr David Mokoena.

A seven-member task force consisting of four representatives from the taverners and three from SAB was charged with the responsibility of exploring short to medium-term, as well as long-term solutions to the problems in the industry.

"We are delighted that the boycott is off. We think it is in the interests of the associations, SAB and the community at large, particularly at this time of the year," said SAB public affairs head, Mr Adrian Botha.

The boycott had started in Soweto and spread to other areas, especially in the Free State.



Boozers in a froth over 'beercott'

W/Mail 4/12 - 10/12/92

The week-long boycott of South African Breweries products by the 25 000-strong National Taverners Association sent veteran shebeen-crawler **OBED MUSI** *off to see how thirsty patrons are taking it*



Before the wells ran dry ... The boycott of SAB products has left many thirsty in the townships

THE glint in Bra Boykie's eyes showed the inner conflict between profit and principle flowing through his heart. The Mofolo taverner is one of hundreds hit by the National Taverners Association (NTA) decision to boycott their old trading partner, South African Breweries (SAB), and import beer from Zimbabwe instead.

Talking in typical township lingo, Bra Boykie made it clear that although he supported his organisation's beef against SAB for refusing to give taverners discounts, the strike had hit him hard in the pocket. With "Kressie" (Christmas) four weeks away, thirsty patrons loaded with their annual bonuses are being turned away because the "wells are dry", as he put it.

"Ons moet wietie met die SAB ngamlas want ons verloor chin (We'll have to to negotiate with the SAB wallahs because we are losing money)," said a rueful Boykie as he referred his regulars to a shebeen around the corner.

There's a twist of irony. Since the Liquor Act was amended, shebeens (that Irish word meaning an illicit drinking house) have donned a respectable mantle by being dubbed "taverns" — not to mention posher premises, separate loos and an annually renewed permit for R100.

I followed the regulars only to find that the shebeen owner, who has recently applied for "tavern" status, had already joined the beer boycott. She stocks the Zambezi Brew, which one patron contemptously dismissed: *"Ek sê, Mama, ons soek real cook, nie die Mugabe kak* (I say, Mama, we want real beer, not this sh—t from Mugabe)."

As I did my rounds I found some NTA members were paying lip-service to the strike while surreptitiously hoarding stocks of popular SAB brands like Lion, Castle and Black Label.

Over in Diepkloof I met many of my old cronies from legendary Kofifi (Sophiatown) huddled in an angry group at a shebeen run by a young woman. She was almost in tears as they tore into her for not having *"die real shandies* (the real goods)".

Spinky, whom we had nicknamed the "Shakespeare of the shebeens" for his penchant for quoting the Bard each time he took a swig, was leading the attack on the young shebeen queen, saying in old Kofifi lingo: *"Daai Gatsha trane; waar is die cook* (Those are crocodile tears, where's the real booze)?" She meekly replied in Setswana: *"Botsa bo —Saint lebo Lucky le Peggy."*

She was referring to Lucky Michaels, Saint Madlala and Peggy "Bel Air" Senne, executive officials of the NTA, and suggesting they ask them where the "real booze" was.

On a more serious note, I discovered that some taverners make as much as R30 000 a month in clear profits from booze sales and the festive season is their most lucrative.

I heard an SAB *"ngamla"*, whose name eluded me, adroitly fielding piercing questions on Radio 702 during the week but lamely admitting that they stood to lose a huge slice of income if the strike spread ... as indeed it has, nation-wide.

At the time of writing the SAB and the NTA were locked in crucial talks to find a way out of this frothy impasse. The strike had reportedly spread to, of all places, the Free State townships near Bloemfontein and Welkom.

Moving further afield into Dobsonville, I came across another bunch of shebeen habitués who were sipping hard tack, a significant if unusual substitute for their usual stuff.

One of them wanted to know what the heck was happening. In fractured English he told me what he thought of this "beercott". Lapsing into the location lingua franca he said: *"Die timing is bad, Jack. Ons het die khuza maar hulle het nie die cook nie. Waar moet ons gaan?"*

Let's translate that into manageable English: "timing" means just that — and more — in the townships. It means bad judgment, an ill-timed remark, a form of disrespect or a plain faux pas. The group felt the NTA bigwigs had ill-timed the strike since they have the money and the taverns don't have the goods.

So it looks like it may be a black Christmas all round and not for political groups only.

Mail 4/12-10/12/92

New twist in beer boycott

THE supposed suppliers of an alternative to South African Breweries (SAB) beer for township boycotters don't know they are meant to be helping the National Taverners Assoc-iation take on the beer monopoly. National Breweries of Zimbabwe, brewers of Zambezi lager, denied this week it had had any dealings with the taverners.

While SAB moved to defuse the row with the taverners, whom it has said are looking for special discounts, looting of SAB's truck and intimidation of those supplying beer was reported.

288

...t finding ...onclusive

SUSAN RUSSELL

THERE was insufficient evidence to identify those responsible for the murder of ANC attorney Bheki Mlangeni, who was killed by a parcel bomb meant for renegade policeman Dirk Coetzee on May 15 last year, the inquest judge has found.

Judge B O' Donovan handed down his findings in the Rand Supreme Court yesterday.

He said the court had been unable to identify who was responsible for the murder.

"The investigating team which was constituted to collect information with regard to the explosion did not visit Vlakplaas until three months after the explosion."

The sole issue the court had to consider was who sent the .parcel bomb to Coetzee or arranged for it to be done.

"In this respect the available evidence falls lamentably short of the proof required, even on the basis of mere probability," O' Donovan said.

Mykonos buyers did 'phantom' deals

LINDA ENSOR

CAPE TOWN — Malpractices in the operation of the Club Mykonos share block scheme meant some purchasers bought non-existent shares, which gave them rights to non-existent land, from non-existent sellers, the Nel commission of inquiry into the collapse of the Masterbond group was told yesterday.

Buyers, also, were not told about existing bonds over the properties.

Some of the sales contracts were deficient in not correctly identifying the land which was bought. In some cases the land did not exist, and in one case a bond over the property amounting to R55m was not disclosed, attorney and shareblock adviser Mildred Curr told the commission.

Curr said the effect was that the owners concerned did not own anything.

Also, she said, bonds valued at R171m had been registered over land leased to the Club Mykonos shareblock company, thereby eroding the shareblock owners' title to the land and making it improbable that they would be able to secure their rights.

There had been deficiencies in the articles of association of the shareblock company in that it did not comply in all respects with the Share Blocks Control Act. This, also, had the effect of undermining the rights of shareblock owners.

Curr said that by October 22 1990, Club Mykonos Langebaan (CML) owned 29,0679ha of land which had registered bonds over the whole or portions of the land for a total capital amount of R201m.

When the land was originally acquired by CML, it had measured 1 047,6671ha and had been bonded for R5m.

The commission has adjourned its hearings until further notice.

□ The question whether the Masterbond curators were entitled to call up bonds held over Fancourt Holdings — which owns lodges, land and a golf course outside George — was in dispute in the Cape Town Supreme Court yesterday.

The Masterbond curators have applied for the provisional liquidation of Fancourt Holdings, claiming it has total debts of R117m, R97m of which is to Masterbond investors.

On Wednesday Fancourt Properties, which owns the Fancourt Hotel, was provisionally wound up.

Fancourt chairman Andre Pieterse said that a moratorium agreement reached in January prevented the curators calling up the bonds in the event of an act of insolvency by Fancourt.

The hearing continues today.

SAB, taverners agree to suspend boycott

THEO RAWANA

THE boycott of SA Breweries' products in Soweto shebeens was suspended yesterday after the brewer and taverners agreed to set up a joint committee to look into the issues in dispute.

The National Taverners' Association (NTA) and the SA Taverners' Association (Sata) began the boycott on Monday after disagreements with SAB over discounts for shebeens, sponsorships and payment for advertisements on taverners' premises.

After a four-and-a-half-hour meeting yesterday, the parties said the boycott would be suspended and the shebeen organisations would report back to their members.

NTA PRO Saint Madlala said the organisations were happy that common ground had been found with SAB.

"We will report to members and wait on them to call off the boycott, since they were the ones who called for it in the first place," said Madlala.

Both the organisations and SAB refused to give details of the agreement.

The taverners said details would be available only after they had reported back to members.

SAB public affairs manager Adran Botha said in a statement that "progress was made in setting a course to resolve a number of issues.

"Agreement was also reached on the creation of a joint forum designed to discuss broader aspects of the liquor industry."

To ensure that the progress made was continued, SAB had committed itself to regular bimonthly meetings with NTA and Sata, Botha said.

Carlton Hotel offers a variety

Sowetan 4/12/92

■ PRIVATE ROOMS *Catering for groups of up to 600 for Christmas celebrations:* (288)

By Abbey Makoe

THE MANAGEMENT OF the Carlton Hotel has promised to put up decorations that have a "special ring" over the festive season.

Private and end-of-year parties have already been organised.

Lunch dinner menus will be provided in booklets, obtainable from the five-star hotel's foyer in downtown Johannesburg.

In order to make a Christmas party a success, the hotel has put aside private rooms for mutual groups to engage in festivities.

From R55 a person, guests can choose their office party "from 14 people in an intimate dining room to 600 guests in a lavish ballroom".

The price, of course, includes a three-course meal, coffee, mince pies and friandises, for menu-conscious people.

To make sure your party is turned into a memorable occasion, says the hotel, would-be guests can contact the banqueting sales department on (011) 331-8911 and let the professional make arrangements.

There will also be what the management terms a "Grand Carlton Party", aimed at meeting the needs of the employees of small business corporations who want their staff to enjoy themselves at the hotel.

Hang on, it does not end there. It's pardy, pardy, pardy... Yet another one, which will reach its climax with a dinner on Christmas eve.

And guess what the menu is like. "Warm confit of duck presented on a crisp salad with a honey and lavender dressing."

Not impressed? Okay, there is an alternative: "Lamb fillet and kidney, accompanied by a tartlet filled with sauteed baby marrow and a pommery mustard sauce."

To accommodate as much a broad spectrum of interests, a variety of menus is available. Still on the Christmas eve dinner, there will be "crayfish bisque finished with cream and brandy".

Or, "essence of Impala with a hint of cardamom, garnished with herb pancake".

For refreshments? "A refreshing sorbet or peach and bitter lemon." As with every festive arrangement, the hotel has gone further to welcome especially those who like meat.

Imagine: "A breast of Turkey with a chestnut and sage mousse, baked in a puff pastry and served with a duo of red and white port sauces."

The price is R181 a person. For reservation, call Ms Jossi Ladola, at (011) 331-8911 and ask for extention 440 or 441 during office hours. After hours call at (011) 331-0541.

All along the Waterfront

W-E/Mail in w/mail (288)

On Cape Town's Waterfront, suburbia seems to have concentrated all its assets in one place. Add a bed or two, and you'd never have to leave. **TONY KARON** *limits himself to a day trip*

4/12-10/12/92.

IN his book of surrealist reportage of the Angolan war, Polish journalist Ryszard Kapuscinski describes how a "wooden city" sprang up overnight in Luanda when Portugese settlers emptied their homes into large crates on the streets. The "wooden city" moved to Luanda's harbour, where it remained for a time. One day, without warning, it simply disappeared, packed onto departing boats as the settlers fled.

The Exclusive Books outlet in The Wharf — the latest addition to Cape Town's Victoria and Alfred Waterfront — does not have Kapuscinski's book on their shelves.

And the Waterfront's concentration of suburbia's favourite things into a guarded compound certainly conveys the sense of a culture uncertain of itself in time and place. Launched two years ago, the development has been a massive boost for tourism and successfully re-connected the city with the harbour.

While Greenmarket Square traders report a falling off of business and Sea Point restaurants close by the dozen, the Waterfront is growing. Its most recent addition is The Wharf — a giant shopping mall whose 110 stores include branches of most of Cape Town's top clothing stores, and everything from computer software shops to a Pick 'n Pay.

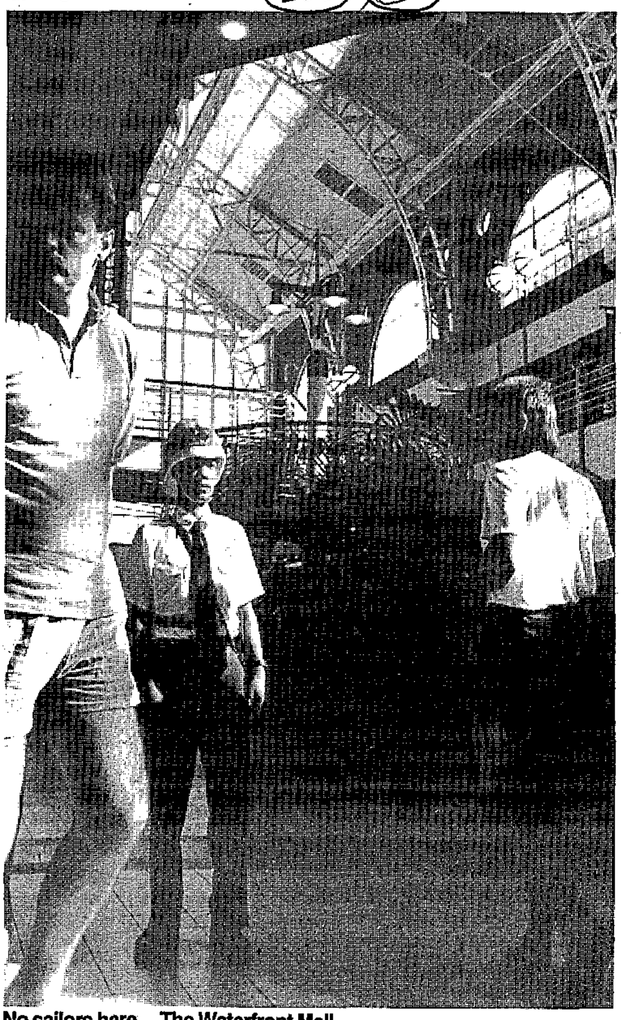
The Wharf also houses a plethora of new restaurants and bars, which push the total in the Waterfront to 34. Many of them present live music (mostly jazz), which together with three theatres and an 11-screen Nu Metro cinema make up the bulk of Waterfront nightlife. The entertainment complex has parking for 3 000 vehicles, with a further 2 000 bays planned. Even then, it is sometimes difficult to find parking.

The Waterfront's pleasant environment — pretty little boats bobbing in the harbour, seals lolling about on platforms, the cry of gulls, sea air and the like — has attracted the public to its precincts. When asked to assess the Waterfront, a young shopper in a tangerine polo shirt clutching a CNA packet waxes enthusiastic: "I have never in my life seen such a success. It reminds me of when I went to San Francisco. Very cosmopolitan."

In its first year of operation, the Waterfront drew seven million visitors. This, says the V&A Waterfront company, puts their development into the same league as San Francisco's Pier Five (which attracts 10,5 million visitors a year) and Euro-Disney (which aims at 11 million). Such comparison, unfortunately, holds for character as well as scale.

According to an audio-visual presentation aired every half-hour in the Waterfront's information centre, the development is "turning back the clock" to an era when the harbour was the centre of Cape Town's city life (which may account for some of its idiotic "period" accoutrements, like the security guards' Boer War-vintage white pith helmets).

This, they say, is in keeping with a global trend, citing dockland redevelopments in San Francisco, Boston, Baltimore, Vancouver and Sydney. Again, a telling association. Because each of those developments probably has more in common with the others than with anything else in their native cities.



No sailors here ... The Waterfront Mall

Photo: GUY TILLIM

Waterfront developments of this type are a little like Club Meds. Whether in Majorca, Mauritius or Mexico, it's all the same holiday — all that really changes is the content of the curio shops. They can make you feel like a tourist in your home town. The only other institution capable of that feat is the travelling carnival, which visits once a year.

Despite the permanence of its fixtures, the Waterfront exudes the transient feel of a carnival, as if all your favourite restaurants and shops had suddenly relocated to Nasrec for a permanent Rand Easter Show. Of course, at a carnival, you expect to find umpteen food stalls separated from each other only by bits of hessian. But when 34 restaurants, pubs and fast-food diners are erected, almost over-night, within burping distance of each other, something else is created: A mall.

And yet this is exactly what attracts the punters. Ask shoppers and staff down at the Waterfront why the development has been such a success, and after telling you it's "different", they'll emphasise that the appeal lies in the concentration of the public's favourite venues in one place.

"It's different," a Sea Point joller tells me in a souvlaki bar. "All the shops are together in one complex, so you can visit all of them in one night." A young Salt River man in Raiders cap concurs: "Everything you want is in one place, and you can enjoy yourself as well."

A waiter at the Spur seems slightly defensive: "It's different. Something that South Africa has never seen before. Its just *different,*" he emphasises. "Like a festival. Very festive." Back at the Spur, a young waitress emphasises convenience: "You can do your shopping at Pick n Pay, then buy a dress at Jenni Button, have a meal at any restaurant and then you can go and watch a movie. And there are about twenty different pubs here."

Her sentiment is echoed by the proprietress of a small craft shop: "Everything is here. You just need a bed, and you'd never have to leave."

Convenience aside, these comments suggest a subconcious laager mentality. Uncertain of itself amid escalating social disintegration and hostility, suburban culture seeks to concentrate its assets within a defensible perimeter. For the tourists, the Waterfront is Cape Town scrubbed, perfumed and packaged. It invites them to discover the city on the same terms as a paint-by-numbers picture postcard.

There are no bergies or strollers on the Waterfront. No obvious prostitutes, no buskers and no street-traders. Even its craft market is limited to "a score of carefully-selected craftsmen and women".

The only sailors you're likely to find at the Waterfront are from the Cape Town Yacht Club. Those who come off the Taiwanese tuna boats and Russian ice-breakers head down to the bottom end of the city, where sleaze survives (barely).

At the other end of town, Greenmarket Square overflows in colourful chaos, sprawling its way down the St George's Street mall. City traders challenge Council traffic regulations amid the cheery cacophony of Cape Town's cultures encountering each other on the street. Eventually, St George's Mall will be joined to the Waterfront by a canal.

But they will remain distinct experiences of Cape Town leisure-time.

The Waterfront feels a little like Kapucsinski's wooden Luanda. One morning it may be gone.

(288)

CT 4/12/92

City tourism set to rocket

Staff Reporter

CAPE TOWN is set for a tourist bonanza this Christmas — an influx of 20% more November visitors than last year has been reported and city hotels and businessmen expect a bumper season.

According to Captour, Cape Town is now the official No 1 tourist destination in South Africa.

Hotel managers say they are expecting a record season — and most hotels are already 85% full.

And mayor Mr Frank van der Velde echoed the optimism yesterday, saying "there are positive indications that we are going to have a bumper season".

Captour's official tourist welcoming campaign starts at D F Malan Airport today when nine mayors from the greater Cape Town area, including Mr Van der Velde, will welcome visitors from six incoming flights from Johannesburg.

Ms Lauren de Wet of Captour told the Cape Times Captour expects a 35% increase in tourism this year.

She said that with Transvaal schools closing today a big influx of visitors should arrive this weekend.

Bay Hotel manager Mr Roy Davies said "this looks to be a good season — despite the normal lull from the end of November till mid-December, when we fill up".

The manager of the Ritz Protea Hotel, Mr Shawn Ritchie, said he was 100% full for November and hopes to be fully booked again by mid-December.

Mr Ian Williams, manager of the Van Riebeeck Hotel in Gordon's Bay, said last night he is "looking to a good season" as his hotel is fully booked from next week to New Year.

Muizenberg's Green Hotel manager, Mr Dale Spitz, said he is fully booked from December 18 and expects more bookings this week.

Tourists interviewed at the Waterfront and the lower cable station on Table Mountain yesterday

To page 3

From page 1

Tourism

(288) CT 4/12/92

said Cape Town is "fantastic value for money" and "has everything to offer the tourist".

Mr Dave Williams, a Sydney meteorologist, said: "I've travelled Zimbabwe and the rest of South Africa and I'm sorry I left Cape Town till last.

"There's just so much more beauty to take in here, but I have to get back to work," he lamented.

Opening a "white sands" campaign at a Sea Point beach yesterday Mr Van der Velde said many Capetonians are in the habit of arrogantly referring to "their mountain" and "their beaches" without doing anything to promote these assets to other potential users.

He said clean beaches are an essential factor in the expansion of Cape Town's tourist industry and help create jobs so the city can pull itself out of the depression.

The mayor said that every year in peak season the council and the Fairest Cape Association urge beachgoers to take their litter home rather than leaving it on the beaches, where it costs over R3m to clean up in summer.

"Leave nothing but footprints," urged Mr Roger Hulley, chief executive officer of the Fairest Cape Association.



FUN IN beaches

UK press warns about visiting SA

STAR 4/12/92

LONDON — The murder of two British women in South Africa has prompted a wave of publicity potentially damaging to the country's tourist industry.

Several British newspapers yesterday warned visitors to South Africa to stick to populated parts of the country, rather than wander by themselves in remote areas. Some even implied that Britons should not visit the country at all.

The Daily Mirror reported: "Simmering violence lurks around every corner in sun-soaked South Africa.

"It is a paradise lost where Miami-style street crime is aggravated by racial attacks and inter-tribal warfare."

It told readers that British Airways stewardesses have armed escorts when they leave their hotel rooms.

The Daily Express added: "South Africa is rapidly becoming the murder capital of the world, with the killing rate six times higher than the United States." — Star Bureau.

TOURISM FM 4/12/92

OK for Cape Town

288

More foreign tourists are coming to SA despite the continuing violence and inability of political leaders to solve their problems.

SA Tourism Board (Satour) statistics show that in July — the month after Boipa-

Continue

tong — nearly 46 000 tourists came to SA, a 22,5% increase on the figures for July 1991. In January-July there were 301 600 visitors, 16,1% up on the same period last year. Most visitors came from Europe, the Americas, Australasia, Asia, the Middle East and the Indian Ocean islands. The total excludes visitors from Africa because the inclusion of Botswana, Lesotho and Swaziland only from October 1991 distorts comparisons.

Operators feel there may be monthly fluctuations but the general trend is up. There were cancellations of overseas tours in Durban (*Business & Technology* November 20) but there will be a marked improvement in the number of foreigners visiting Cape Town in the mid-December to mid-January high season.

This is a change in the established pattern. Until last year they preferred to spend Christmas in their own countries and go to the Cape after the season when most inland visitors had gone home and prices had dropped. It is, however, easier now for Europeans to get to Cape Town than it was a year ago with UTA, Lufthansa and KLM operating direct flights from their home bases. Satour chairman Pieter van Hoven says only 34% of foreign visitors stay in hotels. Most stay with friends and relatives. Captour CE Gordon Oliver says, however, the hotel sector will do better than last year. His organisation promotes tourism in the western Cape. "For some, December is still quiet, but nearly all say January and February are looking good," Oliver adds.

Protea Hotels chairman Otto Stehlik expects occupancies to drop from end-November to mid-December. "This is normal but then comes the Christmas period. We are not 100%-full yet but advance bookings are bringing our occupancies to well over 80%."

The Protea group should show better profits than it did last Christmas, when it managed good occupancies, but only because it offered large discounts. It gave away some discounts this year but, says Stehlik, "all those we were prepared to give away over the Christmas season have gone. Bookings until the end of April look exceptionally good."

Southern Sun MD Ron Stringfellow also feels this year should be better than last but adds: "It will be a short season."

Two- and three-star hotels are being seen as options by people who used to frequent five-star establishments, says George Marnewick, of Friendship Hotels, which markets 44 hotels and game lodges, including the Town House, the Metropole and the Cape Swiss in Cape Town.

"We filled them in mid-November and can take bookings only for Christmas if we get cancellations," he says. But, unlike Protea hotels, those three will be filled almost entirely by South Africans.

Captour is expecting an increase in SA holidaymakers and has set up an operation to help them find accommodation. "Many decide to go on holiday at the last minute and arrive without bookings," says Oliver. "The accommodation booking service operates from our Tourist Information Centre in Adderley Street, Cape Town, seven days a week, until 9 pm.

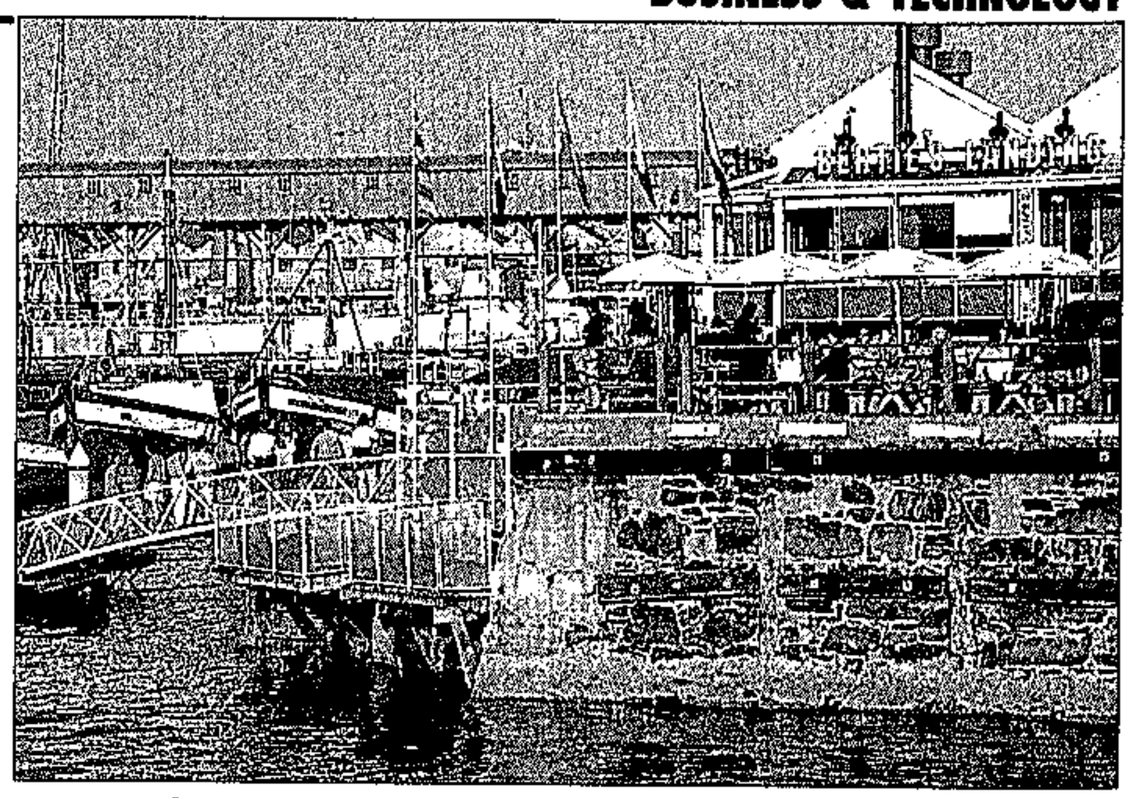
"We should find beds for all. We have access to hotels, bed-and-breakfast establishments and apartments. The hotels in the Peninsula have 5 087 beds and the other forms of accommodation have 3 820 beds."

Confirmation that the Mother City is in for a fine Christmas comes from Budget Rent-A-Car MD Tony Langley, who says advance bookings for the period are up 15% on last year and slightly above those of 1989, "our previous high in Cape Town. That improvement can be attributed largely to the three extra flights coming in every week from Europe."

Demand for seats over the Christmas season has led to all three airlines which fly between Johannesburg and Cape Town, SA Airways, Flitestar and Comair, putting on additional flights. SAA's Zelda Roux says that, despite a reduction in the number of flights on public holidays (December 16, 25 and 26 and January 1), there will be 26 extra flights between Johannesburg and coastal cities between today and January 4.

Flitestar MD Jan Blake says his airline will also operate additional flights and cut back on the public holidays. Comair, which operates only one aircraft on one route — Cape Town-Johannesburg — will operate six additional flights over Christmas. "Our flights are being well supported over that period," says Comair MD Pieter van Hoven, who is also Satour's chairman.

During December and January, Spoornet is to run an additional 289 mainline passenger trains to cope with holiday traffic. Of these 39 will be to Cape Town — 27 from Johannesburg, five from De Aar and seven from Port Elizabeth. ■



Cape Town ... *looking good this Christmas*

AWARD TIME

Financial Mail's Arnold van Huyssteen and Mirryéna Deeb are joint winners of the 1992 Sanlam Financial Reporter of the Year award in the category Companies & Industries. Overall winner is Business Day's Simon Willson, who won the general news reporting section.

Van Huyssteen's winning entry covered agricultural issues, food prices, tariff protection, industrial policy and the Lesotho Highlands Water Project. Deeb wrote on health care, Armscor, the paper industry, international air fares, the Draft Designs Bill and the dairy industry.

The award, in its 18th year, was started in 1975 to commend excellence in financial reporting.

Previous years' *Financial Mail* winners include Editor Nigel Bruce and former editor Graham Hatton.

Previous *FM* finalists include Brendan Ryan, Gerald Prosalendis, Don Caldwell, Nigel Vardy and John Pitt.

Deeb was also a finalist at last week's Shoprite/Checkers Award for Consumer Journalism. She received a certificate of merit for her extensive coverage of the crisis in the health-care industry.



Van Huyssteen, Bruce and Deeb

Unrest drives away visitors

Staff Reporter (288) ET 5/12/92

British tourists are cancelling or postponing visits to South Africa because of the increasing violence.

The slaying of two British women near Sodwana Bay made headlines in the United Kingdom this week.

Dr Ernie Heath, chief director of the SA Tourism Board (Satour), said fewer foreign visitors to the country could be expected because of the unstable political climate. The murders of Ms Elizabeth Over, 30, and Ms Julie Godwin, 30, had resulted in a barrage of bad publicity in Britain that could damage the tourist industry in South Africa.

Dr Heath said Satour's offices in London had reported cancellations and postponements of British tourists because of the violence.

The murders of the two British women, the King William's Town golf club massacre and the Queenstown explosion could adversely affect the economy, he said.

Mr Gordon Oliver, chief executive of Captour, said the violence was a source of great concern.

Negative publicity made people fearful to come to South Africa. Although bombs were exploding in London it was unlikely that visitors would cancel their trips to that city, Mr Oliver said.

Huge welcome for city tourists

(284) CTS 12/92

By WILLEM STEENKAMP

TOURISTS to the city were given a warm welcome as nine Western Cape mayors greeted an incoming flight at D F Malan Airport.

Captour's "Welcome to Cape Town" campaign got into full swing yesterday as new visitors were each given pin-cushion proteas and welcomed to the city. A stall sponsored by the Wellington Wine Route gave each a glass of wine and a group of minstrels entertained them.

Franschhoek mayor Mr Frank Arendse, the country's first coloured mayor, said yesterday that since his election earlier this year there had been "a lot of international interest" in the Boland town.

"They see Franschhoek as a peaceful town, where there is no violence."

Mr Arendse said he expected a good season for the town, especially in January and February.

"Tourism is our biggest source of income," he said.

"There is no doubt that Cape Town is the number one destination in South Africa," said Satour manager Mr Colin van Zyl. "It is definitely running ahead of Durban."

He added that the Waterfront was the most popular attraction in the country and had drawn five million visitors — a large proportion of them Capetonians — in the first 10 months of this year.

Mr Van Zyl said that as early as two years ago, Satour's offices abroad had noticed a "clear tendency" towards Cape Town as the preferred destination in South Africa for foreign tourists.

The number of foreign visitors would also "definitely" increase as the number of direct international flights to Cape Town increased, he said.

SAA passengers are grounded in London

Own Correspondent

LONDON. — About 100 Johannesburg-bound passengers are still stranded at a hotel here because the South African Airways jet due to fly them out of Heathrow Airport damaged a wing on landing.

Mr Nigel Bennett of SAA said about 160 other passengers were re-routed through Europe to Johannesburg on other carriers.

SunBop gambles on a Lost City jackpot

ST Times (B455) 6/12/92 258

By CHERILYN IRETON

Sunday Times

TOP 100

NUMBER 10

1987: R10 000 1992: R56 316

SUN International (Bophuthatswana) shareholders are no strangers to high-risk hotel development.

The success of speculative projects is one of the main reasons why the company is again being recognised as one of the JSE's top performers.

This year SunBop is 10th in the Business Times Top 100 with a five-year average return to shareholders of 92%.

It seems fitting that this year's recognition comes as the Sun International marketing machine is in top gear for the opening of the R800-million Lost City development.

It is likely that the festivities and media hype that go with the opening will overshadow the daring of SunBop's newest project.

The gates to the Lost City are opening amid Southern Africa's longest post-war recession and as is seen from SunBop's latest results — earnings up 8% to R216-million in the year to June — the group is not recession-proof.

It has also proven vulnerable to the threat of changes in South African gambling laws.

SCEPTICS

Despite these odds, which could include the likely reincorporation of the homeland in South Africa, SunBop has pressed ahead with the development of one of the most ambitious and remarkable resorts in the world.

Although the resort will handle a large number of day trippers, the total cost of the project runs to about R2,2-million a room. This compares with about R125 000 for a City Lodge development and about R400 000 a room for a three- or four-star hotel.

SunBop questions the comparison which does not highlight the additional attractions at the Lost City.

Even so, sceptics question Sol Kerzner's ability to draw enough day visitors to ensure the Lost City's success. But the hotel boss is confident of doubling the number of paying visitors to the Pilanesberg resort within a year of its opening — regardless of the homeland's future status.

Mr Kerzner's ability to gamble on big projects, and make them work has become his hallmark. But his success with SunBop, and particularly at Sun City, should not be separated from the generous tax write-offs granted to hoteliers by the Bophutatswana Government.

In the case of the Lost City, 120% of building costs will be written off against earnings in the next five years. Of the total bill for the development, building costs easily exceed R600-million.

SunBop joint managing director Ken Rosevear concedes that SunBop would not have been able to afford to embark on ambitious projects like Sun City, the Cascades, the Carousel and now the Lost City if the Bophutatswana Government had not provided the security of tax incentives.

SHIELD

The allowances for the Lost City will effectively shield SunBop from tax payments for several years and this factor should favourable influence shareholders' returns.

Nonetheless, Mr Rosevear says the group will continue to provide for deferred tax at a rate of about 20% a year.

SunBop's financial history shows that its tax rate moved from nil in 1986 to a maximum of 34% in 1989. Last year the rate was 20% against Bophuthatswana's statutory corporate tax rate of 40%.

Mr Rosevear attributes SunBop's fundamental success to its "strategic expansion into a growing market place. The Lost City will add to that success by revitalising Sun City as a top tourist resort both locally and internationally."

Mr Rosevear says the philosophy with all of SunBop's developments has been to offer attractions which will lure visitors.

SURFACE

"At all our resorts we have tried to be innovative and creative in our marketing and have always gone out of our way to offer competitive attractions."

On the surface, the SunBop management team is not too troubled by the possiblity of a new government in South Africa and the inevitable change in homelands policy.

Mr Rosevear says: "It is really a question of the future of composite laws, such as those that govern tax and labour. Any new government will have to look at the impact it will have on existing laws if Bophuthatswana is ever reincorporated.

"We are confident that there will be a degree of recognition of past agreements and that the parties concerned will have input in any new arrangements."

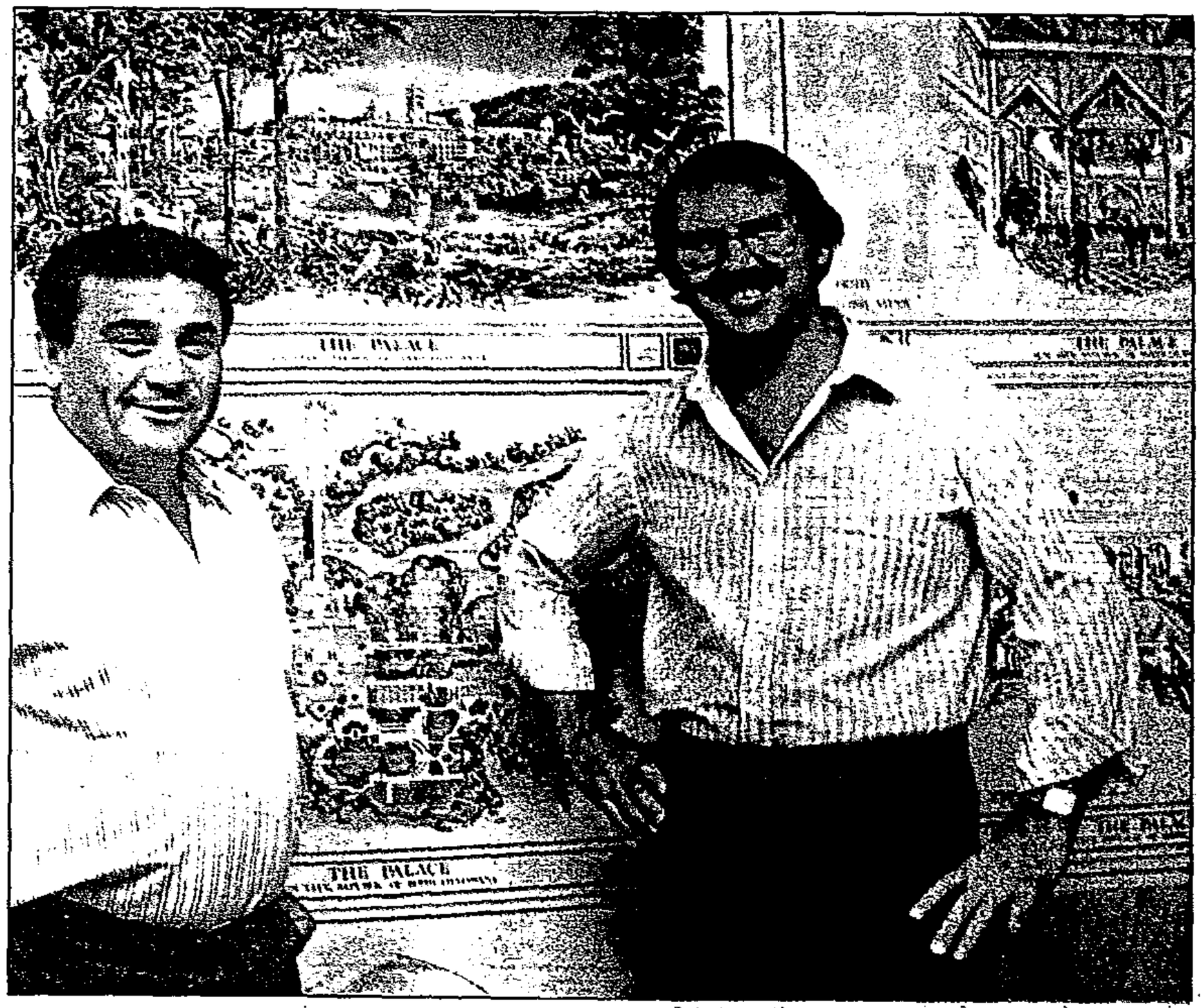
PRESSURE

One factor beyond even Mr Kerzner's control is the political climate and the ability of hoteliers to draw foreign guests.

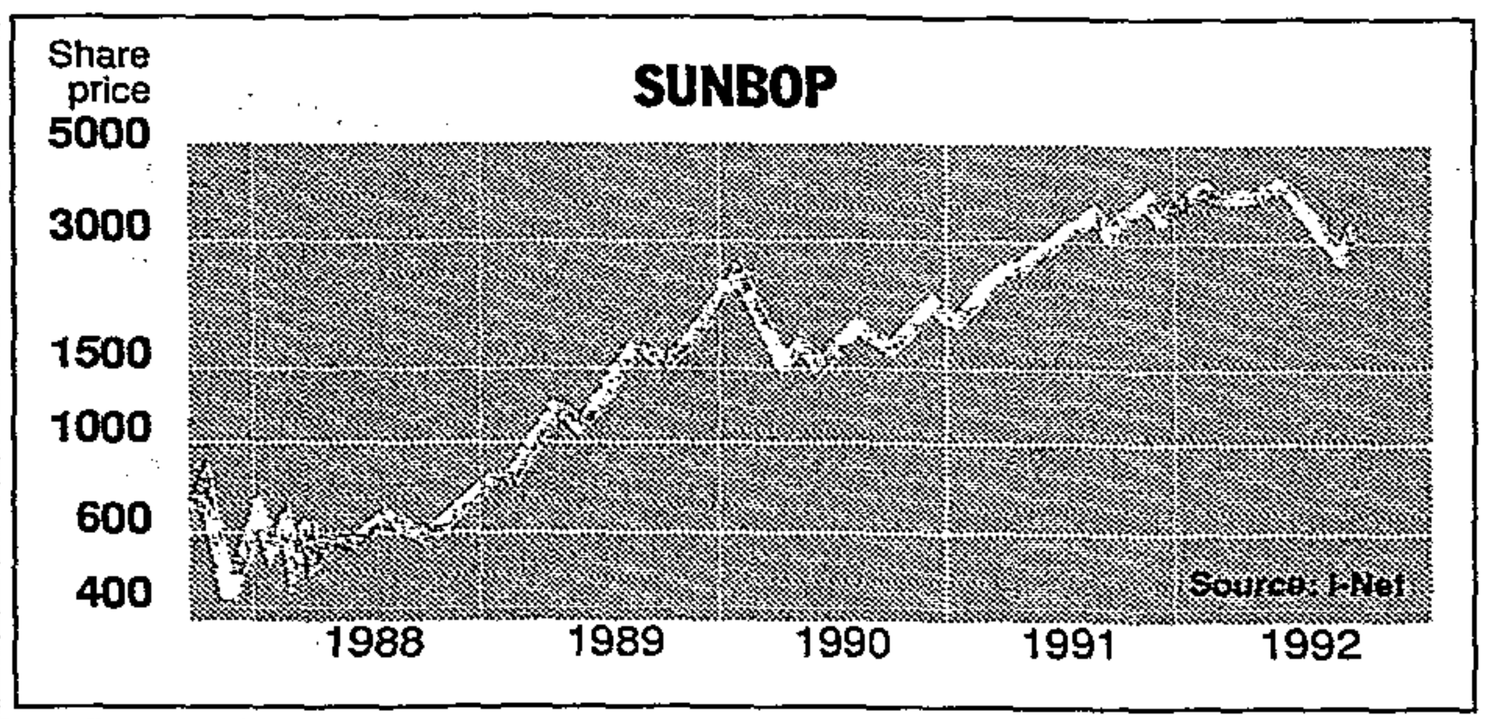
"Obviously, the security position in Southern Africa affects our success," says Mr Rosevear. "If the climate deteriorates, it will inevitably put some pressure on our earnings."

But there is a lot of confidence that the Lost City will be a strong cash generator, like Sun City and the Carousel.

First the extensive marketing costs of the development will have to be digested.



SOL KERZNER and KEN ROSEVEAR: Banking on great things from a fabulous resort in the bush



School opens its doors to holidaymakers

ST Times (Cape Metro) 52 288

6/12/92

By DIANA STREAK

SUMMER school has taken on a new meaning with the opening of a hostel at De Grendel school in Milnerton for holidaymakers wanting affordable accommodation while pupils are away.

As Cape Town hotels hike their prices for the tourist invasion this month, De Grendel is offering a cut rate deal for cash-strapped families.

De Grendel, like many other Model C schools, is having to come up with innovative ideas to raise money to meet running costs.

The school is fortunate to be situated along the Milnerton coastline so tourists can stroll to the beach.

It will be the first time the school has opened one of its hostels for guests and the staff are understandably nervous as they feel their way into the hotel business.

"We feel it's better to start small and expand later on," said Mr F Boshoff, department head.

To stay in a four-bed room will cost just R25 a person a night.

It is a five-minute walk to the Milnerton lagoon and beach from the hostel which is near a golf course, shops and restaurants.

But tourists need not fear a curfew. They can come in as late as they like as each guest will have a key to the hostel and their room.

And there will be no bells for mealtimes. Breakfast and supper are optional extras at R6 and R10.

Linen is provided and changed once a week and there is a laundromat.

The common room will be transformed into a television lounge.

"Like all Model C schools we are having a hard time financially and this is a way of trying to make money for the school and hostels," said Mr Boshoff.

Acting headmaster Mr S J R le Roux said there had been some reponse and a few people have paid deposits.

If the Huis Leeukop hotel — usually a girls' hostel, is a success — they hope to use both their hostels next year for the March and September holidays.

"I hope it is a success because as a school we need the money," said Mr le Roux, adding that in future they might be able to accommodate caravans on the school grounds.

The staff are sparing no effort to make their guests' stay as comfortable and homely as possible.



SALAD DAYS .. Huis Leeukop matron, Mrs E Schoeman, says goodbye to pupils Antoinette Pienaar and Joey Kruger who are leaving the hostel which will provide bargain accommodation for tourists. Picture: TERRY SHEAN

Growth fund rejects Kersaf investments

DIRK HARTFORD

SUN International's holding company Kersaf is one of the companies to be boycotted for investment by the union-sponsored and Syfrets-administered Community Growth Fund, because the fund believes Kersaf is not sufficiently socially responsible.

This means Sun International's subsidiaries Sun-Cisk and Sun Bop will also not qualify for investment from the fund.

The fund will announce next year the list of JSE-listed companies it has decided to invest in — as well as those it will not invest in.

The fund's board said three criteria — racial discrimination, centralised bargaining and hiding behind Bophuthatswana's labour legislation — were key factors in eliminating a number of contenders.

The fund already has guarantees of about R50m and has begun investing the money.

An SA Commercial, Catering and Allied Workers' Union (Saccawu) spokesman said it was "unthinkable" for Kersaf and Sun International to qualify for union investments while the company continued to use Bophuthatswana legislation to "illegalise" the union. He said Saccawu was well organised in eight Sun Bop units, but it was not recognised.

"Even exposing the fact that we have members is dangerous for them as they can be victimised and jailed," he said.

The recent spate of unilateral retrenchments at Sun International hotels, and the litigation brought by the company against Saccawu in Transkei and Ciskei, amounted to union-bashing, he said.

Saccawu and its allies yesterday met in Rustenberg to plan demonstrations at the Miss World competition on Saturday. ANC western Transvaal secretary general George Mathuse said the contest's organisers had refused permission for the beauty queens to meet the ANC. He said planned demonstrations against Miss World would go ahead this weekend.

Buyers follow up Fancourt liquidation

288

LINDA ENSOR

CAPE TOWN — Interested parties, including an international group, are investigating the acquisition of the Fancourt hotel and resort complex outside George following the provisional liquidation order granted for Fancourt Holdings in the Cape Town Supreme Court yesterday.

Fancourt Holdings, which owns the golf course, land, private lodges and other facilities at the resort, had debts of R117m. Fancourt Properties, which owns the hotel, was provisionally wound up last week.

The curators' consultant, Donald Slade, confirmed there were potential buyers but said no negotiations had started.

The applications were brought by the curators of Masterbond on the basis of combined debts of the two companies totalling R121,5m. Of this, R97m was owed to Masterbond investors.

In addition to its suretyship obligations to Fancourt Holdings for R97m, Fancourt Properties owed R4,5m to Masterbond investors in its own right, while Fancourt Holdings owed R15,1m to Group Five and R5m to concurrent creditors, curator Willem Wilken said in an affidavit.

The return date is February 8.

Fancourt chairman André Pieterse said yesterday he would oppose the liquidation of the resort and would apply for leave to appeal if a final order was granted.

Holiday industry faces grim time

STAR 8/12/92

By Shirley Woodgate 288

The hotel, caravan park and holiday flat industries face the bleakest Christmas season in 10 years, with bookings well down throughout the country, says Fedhasa president Theo Behrens.

There was room at virtually all holiday spots in all four provinces as more people would celebrate at home because of the economic crunch or to avoid trouble spots, the Federated Hospitality Association of South Africa chief said.

In the wake of the Bisho massacre and the recent attacks in King William's Town and Queenstown, hotels in the eastern Cape had been particularly badly affected.

Behrens said that if coastal hotels in Natal and the western Cape reached the 80 percent mark and those in the northern and eastern Transvaal hit 50 percent this year, "they will be lucky".

However, the downturn came as no surprise as indications of what could be expected in December/January had surfaced as early as August.

The leisure industry had tried to overcome problems which started six months ago when the charter flight industry, offering cut-price packages, failed to get off the ground.

While these packages were not being advertised during the peak season, Behrens was certain that no hotel would refuse to discuss a deal.

There was even a downturn in caravan park bookings in the western Cape, probably due to the increased petrol price.

He said Johannesburg hotels were running empty but this was because the city normally became an exit point rather than a destination during holidays.

East London was reeling, not only from lack of bookings followed by late cancellations, but the possibility that Natal traffic heading for the southern Cape would bypass Transkei, preferring the Free State route.

Holiday occupancy in the Free State was down by 10 percent on last year.

But not all hoteliers agreed with Fedhasa. Protea Hotels managing director Arthur Gillis said his chain was due for a bumper season on the Garden Route and in Cape Town.

Shopping centres in tune with demand

BIDAY 9/12/92

PETER GALLI

MAJOR retailers are confident they are not over-exposing themselves by continuing to invest in shopping centres, particularly in the north of Johannesburg. They say market research shows there is still a demand for such facilities.

Edgars group property development manager Mike Lewin said any decision was based on whether the business generated by the new store was sufficient to justify its establishment.

"We will not embark on a new store if it is merely going to take shoppers away from existing stores. Every store requires a substantial financial commitment to fit out the store, as well as to stock and staff it," he said.

OK Bazaars MD-elect Mervyn Serebro said a considerable amount of market research was completed before a decision was made to invest in new space. The Fourways Mall had good growth potential and the major chains were committed to the centre.

"We do not believe our new store at Fourways will have any effect on the Hyperama in Sandton City. That store is not large enough and is under some parking pressure," he said.

Northgate was also not a threat as it was situated some distance from both Sandton City and Fourways Mall, he said.

"It would be very short-sighted for any of the majors to take new space that could possibly affect their present stores.

"Our expansion hinges on several factors. These include the market need, economic climate and the general climate within SA. We have confidence in the future of the country and our business will grow as necessary," he said.

The fact that three major shopping centres were located in relatively close proximity — Sandton City, Fourways Mall and Northgate — did not make the majors feel uncomfortable, he said.

The reason for this was that people wanted to travel shorter distances and spend less time shopping. This allowed the industry to sustain three centres so close to one another, he said.

Interleisure MD Mike Egan said each centre and its location was thoroughly considered before any cinemas were built. However, he did not feel there had been over-development in the area north of Johannesburg.

"Increasing numbers of people are living in the corridor between Johannesburg and Pretoria — particularly young people, which is our target market," he said.

Movie attendances in the suburbs were increasing at the expense of the CBD, but a drop in audiences was not expected at Sandton City when Fourways Mall opened.

"Constructing any new shopping centres north of Rosebank in the next few years would be foolhardy, but it will probably happen five years from now," Eagan said.

Fourways Mall, which opens in March, is 96% pre-let. The 19 000m² second phase of Northgate is 75% pre-let, with all major tenants in place including Ackermans, Dion, Clicks, Boardmans and Ster Kinekor.

GROWTHPOINT PROPERTIES

Long list of objections extends hotel hearing

PETER GALLI (1000) (288)

THE controversy surrounding the proposed Grace Hotel adjacent to The Mall shopping centre in Rosebank continued as the Town Planning Tribunal began to hear both the council's application and the numerous objections last week.

However, the matter was not resolved as the list of objectors was so long the proceedings could not be finalised in the day allocated. The matter has been postponed to next year.

The Johannesburg City Council has applied to rezone erf 46. If it succeeds, the council will be able to sell the site, a 2 146m² narrow strip of land near the corner of Tyrwhitt and Cradock avenues, to the owners of The Mall for the construction of a 10-storey hotel. B|DAY 9/12/92

Rosmarin & Associates director John Rosmarin, representing the council as applicant, said it had been decided to reduce the height of the proposed hotel from 44m above ground level to 34,5m, and to drop the floor area to 11 000m² from 14 000m².

The proposed hotel did not contravene any height restrictions or create a precedent for the area, while traffic and parking in the area would hardly be affected, he said.

Irma Hugo of City Planning supported the call for rezoning, saying there was a need for a five-star hotel in the Rosebank area. The proposed development complemented The Mall shopping centre.

However, more than 1 000 objections were lodged by residents and other concerned parties.

Opposition has been co-ordinated by the Rosebank Action Group (RAG), which says the development will contravene the council's own bulk guidelines, affecting traffic, parking and service requirements.

"This move will also pave the way for other similar developments, which will turn Rosebank into another Braamfontein or Hillbrow. We have also launched an inquiry into land dealings and rezonings," RAG co-chairman Julian Lap said.

He said the group recently met officials to discuss issues including the sale of prime land to developers at less than R70/m² when the municipal valuation was more than R955/m²; the apparent circumvention of parking requirements; and how an area supposedly subject to a height restriction of three to four storeys was now subject to developments of 10 storeys and more.

'Bleak season' for hotel industry

B/DAY 9/12/92

GERALD REILLY

288

PRETORIA — Socio-political turmoil and the recession were clouding prospects in the hotel industry, Fedhasa president Theo Behrens said yesterday.

Behrens said the outlook for the industry over the Christmas and New Year period and well into 1993 was grim. There was some hope, however, that last-minute bookings would raise seasonal expectations of less than 80% occupancy in coastal hotels in Natal and the western Cape.

Hotel bookings had been declining since 1988, especially over the holiday periods, Behrens said.

Foreign tourism had also been hard hit by violence and political uncertainty. "There appears to be no light at the end of the tortuous tunnel," he added.

Behrens said recent violence in Queenstown and King William's Town and the murder of two foreign women tourists on an SA beach had received wide media exposure abroad — with obvious consequences.

Families who opted for coastal holidays were cutting the duration of their stays, he said.

Fedhasa's western Cape spokesman Wim de Haast said advance bookings indicated the Christmas season would, at best, be no better than last year "which was bad".

The industry's distress was compounded by the steep fall off in business traffic.

Meanwhile, Satour director Spencer Thomas said there was a growing trend among holidaymakers to travel to inland resorts.

Prospects for the season in Durban were far from promising. However, the position was more favourable in the western Cape.

AHI's executive director Joe Poolman said some hotel proprietors would struggle to break even as surveys had shown that occupancy rates were considerably down on last year.

Some resorts which were usually fully booked for the whole of December were fully booked only for the second half of the month.

However, AHI figures showed there was a slight increase in the number of foreigners and South Africans using local air transport.

Increase in tourism hit by violence

288

GAVIN DU VENAGE

THERE was a marked increase in tourism in the first half of this year until political incidents such as the Boipatong massacre brought the trend to an abrupt halt, statistics in the latest Satour Quarterly Review show. B/DAY

A "healthy" growth of 14% for the period January to June led Satour to forecast that this would be the country's best tourism year ever. 10/12/92

An average growth for the year could have been as high as 18%, with factors such as more scheduled flights, the lifting of sanctions and improved international relations helping the situation, Satour executive director Spencer Thomas said.

Satour remained confident that this trend would re-emerge once a political settlement had been reached.

Satour's European offices reported that during the first half of the year they received a large increase in inquiries.

SA also benefited from boosted media coverage, including an hour-long programme on wildlife conservation in this country shown in France, 20-page surveys in Swiss tourism publications, and access to a wide variety of fairs and exhibitions that were previously closed to Satour.

The UK remains SA's most important market (28%), followed by Germany (15%), the US (9%), France (4,5%) Switzerland, Taiwan and Italy (3,5%).

R20 m hotel may change the face of Muizenberg

CT 10/12/92 (288)

By CLAUDIA CAVANAGH

WORK on a R20 m hotel destined to change the face of Muizenberg will begin early next year.

The development followed from proposal calls on three sites in Muizenberg, held by the Cape Town City Council as part of a multi-million rand upgrading project for the area.

The 150-room hotel will be built on the old Beach Court Mansions site on Surfers' Corner.

Development co-ordinator for Cape Town City Council, Dr Philip Theron, said negotiations were under way with the proposed developers of Site One which was Sandown-on-Sea.

Pessimism

"This is earmarked for a tavern development," he said.

Negotiations — not yet to be made public — are taking place for the development of the Muizenberg Pavilion.

Mr Theron said: "I can't talk about that because it's still in committee. However, I can say that it's very exciting and that a phenomenal amount of development is taking place in the area. The face of Muizenberg will change dramatically over the next few years.

"We have been fighting pessimism and depression among developers. They are scared at the moment as the risk profile is high anywhere in South Africa, never mind Muizenberg."

Dr Theron said he felt particularly optimistic about the future of the False Bay coast.

Station

"The fact that somebody is prepared to sink R20 m into a development is enough.

"Over the past 18 months we've seen the development of Shoprite on the old Marine Hotel site and the upgrading of Muizenberg Station, which has worked out very well."

Recent improvements, including a sea wall, rebuilding the toilets on the site of the first pavilion and change rooms and locker rooms were opened by the chairman of Exco, Mr Louis Kreiner.

Annabel Gordon laments the lack of a user-friendly service culture in South African businesses.

'Don't call us, Mr Paying Client – we're at lunch'

STAR 10/12/92 (288)

IT is so sad — when the Messiah does come one of these days, he is going to have an impossible time of it with South African commerce and industry. Everyone who still has a job, will be in meetings or out of town, no one will return calls.

It is not surprising we have a recession. No one is getting anything done because the unemployed are fruitlessly trying to get jobs from uncaring people who never get back to them while the rest are overworked and firefighting crises on a daily basis. So no one actually runs a business intelligently.

But they have time to complain: one thing is for sure, business is lousy. Sure business is bad — if there is no service, there is no trade. If no one is permitted to talk to the boss, the boss can't expect to be in touch with, or know, when there is a deal in the market place. His secretary knows even less, that is why she is the secretary and not the boss.

Try telephoning for service in any of the service industries — it will take several persistent calls and eventually, no one will keep his appointment. Hasn't it happened to you?

Tourism, we are told repeatedly, will help kick-start the economy. So I stood up to be counted and formulated an incentive for tourists to visit this country, which would serve airlines or tour operators brilliantly. Not only is it great public relations, but it is self-liquidating and profitable.

But not one top man in the tourism industry can be reached — all are shielded by harassed secretaries screening their calls. Certain secretaries can wreck any proposal — you can hear the message, "some dippy dame on the phone says she has some screwball idea ... etc".

Receptionists too, have this invidious habit of taking a message, but it dies right there. Callers foolishly believe there will be a return call, it is after all only polite, but politeness has long since departed the SA business scene.

Top travel executives apparently are never in to callers and never return calls. They are forever at conventions, or elsewhere, or in a meeting, or at lunch or even abroad. Yet there is total panic to fill airline seats because the competition is so great there are more airline seats than bums to fill them (pardon the expression, but it is airline jargon).

Let us take an example of how tourism malfunctions in South Africa: imagine there are 500 of God's own angels who have had a terrible time trying to control the violence in SA and now want to fly to Germany.

They call several travel agents, no one responds. They call me in desperation. I recommend they talk to one of the top ladies in travel — from experience, that, although as busy as the men, ladies have better manners. Sure enough, she calls back within the hour. Bravo! But she is en route to a convention so suggests they phone the airlines direct.

Angels always go to the top. But the managing director of the airline with a direct flight is in a meeting. When he comes out of it, he goes into another. Then he is out for lunch. He came back late and left early.

"But who is it, what is it about?" bleats the inquisitor, unfairly burdened with the discourtesy of screening calls. She carries on concentrating on her typing, phone dangling on her shoulder. Quick thinking needed here — pass it to PR. The PR passes it to the Tourist Office. Tourist Office passes it back to PR. Much later, the tea lady passes it as an amusing snippet to the MD. The MD habitually never returns calls. There is a recession on, you know. He has to vie with 30 other airlines to fill seats, no time to take calls. It is a crisis, he is having heavy meetings to discuss how best to attract business.

The angels are finding the whole business scene tiresome. A simple request for 500 seats, first class, cash, during a recession, is proving to be unexpectedly devilish. They fax the airline's head office in its home country and a perceptive executive, sensing great business, immediately faxes back: deal with our local office!

In a state of deep depression the angels ask: "How are we to get past the iniquitous secretaries? Not one South African understands that a client's time is more precious than that of their MD."

"Phone up and say your managing director wishes to speak to their managing director," I suggest.

They tried. "But who wants him, what is it about?" came the offensive chant. "He is so busy he can't talk to just anyone, you know," pouts the secretary.

Off she goes, and he can clearly hear her say: "Some nutcase keeps calling to talk to you, I can't make out what gives, rabitting on about 500 tickets, says he's Mr Archangel Gabriel — is he a buddy of yours or shall I tell him to get lost?"

But I am no angel, just a South African with an excellent project to help just one clever tour operator or airline. So back to the telephone I go ... The Minister of Tourism's secretary says "wonderful idea, but he cannot get involved in a commercial deal". Satour's man says "lovely idea, don't waste your time coming here".

And the commercial secretaries chorus: "But who is speaking, what company are you from? No, he won't speak to you unless you tell me what it is about. I can't understand what you want, spell it for me. What did you say your name was ... Who? What? Hey! I'll get him to call you back ..." □

Warning to UK tourists from consul

(288)

(283)

By Bronwyn Wilkinson and Own Correspondent

The British consul in Durban, Jamie Waterton, warned British tourists yesterday to avoid remote areas and isolated beaches after the rape on Tuesday of a British woman on a beach at Umgababa on the Natal South Coast. STAR

The rape, which follows last week's savage murder of two British women, is expected to prompt some UK newspapers to discourage again the public from visiting South Africa.

After the murders, Fleet Street newspapers, which carried the horror attack across their front pages, urged their readers to cancel any planned holidays to the Republic. STAR

Britain has not yet officially warned citizens to avoid touring the country. 16/12/92

Police said the rape victim, in her forties, was reading on a rock on the beach at Umgababa, which was recently declared an unrest area, at about 8.30 am when two youths — one with a knife, the other with a screwdriver — dragged her under a bush and raped her.

Expected surge of tourists to hit city 'at weekend'

ET 10/12/92 (288)

Staff Reporter

A SURGE of visitors to the city is expected within days, tourism and transport spokesmen said yesterday — with the number of up-country visitors increasing dramatically by the weekend.

"Cape Town's tourist season is looking good this year, very good," Captour spokeswoman Ms Lauren de Wet said yesterday.

She said tourists had headed for the traditional spots in the Western Cape, including the Waterfront, Table Mountain, Cape Point and the winelands.

So far there were more foreign tourists in the city, but up-country visitors were expected to pour in at the weekend.

This was confirmed yesterday by Mr Andries Mars, the toll manager at the Huguenot Tunnel, who said that traffic through the tunnel yesterday was up between 10% and 15%, and an extra incoming lane had been opened.

"One can clearly see that holiday-makers are coming through," he said. "There are a lot more cars with trailers and caravans."

He also said the ratio of Transvaal-registered cars, which he estimated at one in every five yesterday, was on the increase.

Spokesmen for SAA and Flitestar said yesterday internal flight bookings were "very good".

SAA spokeswoman Ms Janie van Vuuren said that direct international flights to Cape Town were "specially well-used".

Spoornet spokesman Mrs Yvette Olwage said yesterday that the Trans-Karoo was running at 66% full, the Trans-Oranje at 97% and the Blue Train at 56%, but these figures were expected to rise next week as the holidays get underway.

Bookings "look good in comparison with last year", she said.

● Good news for holiday-makers is that the weather will stay fair for the rest of this week.

A spokesman for the weather office at D F Malan Airport said yesterday that temperatures today and tomorrow would be a little down on yesterday's 26,5°C as the "usual summer pattern" of southerly and south-easterly winds were expected.

Temperatures would rise on Saturday again as the wind dropped, he said.

Hotels hit by tourist hysteria after attacks

w/mail 11/12 - 17/12/92 (288)

By CLAIRE KEETON: East London

THE attacks on soft targets in King William's Town and Queenstown over the past two weeks could not have come at a worse time for hotels and holiday resorts in the Border area and Transkei.

Fears about safety in the region were first sparked by the death of two motorists in an ambush near the Cape/Transkei border late last month, and were significantly heightened by the Christmas party shooting at the King William's Town golf club and Spur bomb blast, in which five people died.

In a snap survey of 15 established hotels and resorts in the region, all complained there had been cancellations after the attacks. However, none was prepared to put a figure to possible losses.

They said guests from Natal and Transvaal were afraid to travel through the north-eastern Cape and Transkei. Some motorists driving from Natal to the Wild Coast and Border drive in convoy and at least one hotel has made arrangements for its guests to travel together.

Transkei and South African police have increased security measures, which has reassured some travellers.

Several owners blamed media hysteria for cancellations and non-arrivals, claiming that alarmist reports had been inaccurate and harmed the tourist trade.

The regional chairman of the Federation Hospitality of South Africa (Fedhasa), Jeff Warren-Smith, said: "We could ride out the first attack but the second one highlighted the region."

Smaller hotels like Rhodes Hotel in the north-eastern Cape and the Dolphin Hotel in East London seem to have suffered the heaviest losses following the attacks.

The owner of Rhodes Hotel, Steyn Berg, said large groups from Durban and Richard's Bay have cancelled reservations this week. Dophin Hotel owner Glen Johnson said they were "doing well" until the attacks when "we had our feet whipped out from under us". He said they had expected an occupancy rate of around 60 percent and would now be pleased with 40 percent.

The owner of the Bonza Bay hotel, John Church, said their bookings were "a lot worse" than last year, because of the violence and the economy.

Three hotels on the Transkei Wild Coast, the Wild Coast Sun, Trennery's and Mazeppa Bay, said their figures were down this year. Several East London hotels, including the Holiday Inn, said business was slower.

Only the Osner Hotel and Crawfords Cabins, 45km north of East London, said they had not been affected. And one coastal hotel at Gonubie Mouth had a slightly better occupancy — around 70 percent — than last year. However, the owner, Dave Craynaw, said there were cancellations at the time of the attacks.

Another major problem is the impression that key routes are unsafe with bandits ambushing and hijacking motorists. The South African ambassador to Transkei, Horace van Rensburg, and the AA have warned motorists to avoid travelling through Transkei.

The owner of a country hotel near Stutterheim, Ron Gatenby, said 80 percent of the sales representatives that stay at Eagle's Ridge are no longer travelling through Transkei and Ciskei.

Warren-Smith said travelling was not dangerous during the day, but he has guests who add 1 200km to their trip to avoid going through Transkei.

The assistant manager of one Wild Coast hotel said their guests from Durban have asked her to arrange a "convoy like they did in Rhodesia".

The director of the Greater East London Publicity Association, Michael Frame, said: "(Motorists) rendezvous at Mount Currie petrol station near Kokstad. They wait until there is a *klomp* of people and come through more or less together to the border post."

South Africa and Transkei have boosted the police presence on the roads and in public places. In Transkei an armed convoy accompanies motorists along the Sterkspruit road. There are constant patrols on all the big routes and increased patrols at night. The police are on duty 24 hours, and are patrolling the beaches.

Since the latest attack, police in the Border area have been deployed in most public and entertainment centres. Uniformed and plainclothes police are visiting parties and restaurants. The South African Defence Force is assisting with security checks, through patrols and roadblocks.

Transkei's military ruler, Major General Bantu Holomisa, said: "Right now people are passing through Transkei without any incident. The SABC must once more tell the outside world it is safe to travel here. As long as they are making a hullabaloo it is difficult to convince people." — Elnews

Nacssa out to create jobs

Sowetan 11/12/92

■ Catering Services aim to meet all requirements.

288

By Joshua Raboroko

THE newly formed Nacssa Catering Services aims to create job opportunities for millions of unemployed blacks in South Africa.

It is one of the important enterprises that will economically empower blacks to become entrepreneurs and help them get out of the dependency syndrome.

It will cater for your needs, from burial societies and club meetings, to funerals, weddings, birthday and office parties in the townships and cities.

It will supply utensils, crockery, tents and chairs, according to Mrs Molefe Setshedi, general manager of the company.

"It is important that members be freed from cooking so that societies and clubs can concentrate on the business that brought them together," she added.

For your bookings contact her at Nacsaa Catering Services, PO Box 260479, Excom 2023 or telephone (011) 331-8326 Fax (011) 331-9567.

Setshedi said since Nacssa was formed two years ago, considerable strides have been made towards black participation in formal businesses.

This is the fourth venture by the association in its quest for black advancement.

The association has formed the Tunguru Club (a burial society for professional people), Letsema Investment Club (a coffin manufacturing company in KwaNdebele), the 4 000 Burial Scheme, and an insurance company.

She was confident that the association would achieve what former president of Nafcoc Mr Sam Motsuenyane preached, "the gospel of self-reliance".

"Through consistent training of burial societies, women's and meholisano clubs, we are beginning to achieve economic empowerment by the formation of the catering services," Sesthedi said.

"We are hoping that this company will one day be a success. Maybe that will restore peace and stability in our country.

"We believe competition is healthy. It makes you not to relax. You must fight to keep your market share. This is what Nacssa Catering Services will strive for by rendering good services to our clients," she added.

The service aims to entertain members at meetings.

Entrepreneurs get promise of assistanee

Finance Staff

A fund to help finance new business ventures would be set up for black entrepreneurs as soon as political stability had come to South Africa, an international conference on franchising heard yesterday.

The two-day conference in Johannesburg was jointly organised by the International Franchise Association and a US aid project, Black Integrated Commercial Support Network (BICSN).

Leyland Hazelwood, chief executive of BICSN, told delegates: "It is clear that one on the biggest obstacles to black entrepreneurs in particular is that of finance.

Equity fund

"BICSN is committed to setting up an equity capital fund of significant size to assist entrepreneurs, and we have investors waiting to put money into it.

"The fund will be put in place as soon as political stability comes to the country. It could be of major assistance to franchisees."

The conference was also told that the Agency for International Development was investigating setting up a loan guarantee fund with banks in South Africa to help make venture capital available for black entrepreneurs.

Chairman of the South African Franchising Association, Eric Parker welcomed the BICSN equity capital fund and the loan guarantee fund as a potentially major boost for franchising.

Miracle behind

288

STAR 11/12/92

LOST CITY is fast becoming an SA construction sector legend. After marvelling at the vision and grandeur, the usual reaction is to ask in wonder: "Who built this place!?".

Well, Stocks Group companies built in the region of R350 million worth of contract, including the 350-room Palace Hotel, the Valley of the Waves and Day Visitor's Centre, the underground parking areas and finally the golf clubhouse.

And they did it in about 22 months.

The firm's association with Sun International visionary Sol Kerzner on resort hotels goes back to 1977 and the Mmabatho Sun, the first in a fast-track wave of successes.

In mid-1978 the focus moved to what is today Sun City — then bare veld with no running water, no communications, no facilities. It was finished by November 1979. Then came the Cabanas, the Cascades hotel and finally the Big One, the magnificent Palace, its gardens, pools, terraces, restaurants and the Valley of the Waves.

Stocks executives Johan Brink and Mark Vinjevold have had day-to-day responsibility for the work for more than two years; right from the pre-planning stage. They were assisted with day and night contributions by John McKee and Kelvin Theron who had been involved in the construction of every hotel in the valley since 1979.

About 6 500 workers were on site at peak. For its part, Stocks followed its traditional policy of ensuring that local job opportunities were maximised. The company has employed local labour on its Pilansberg projects since 1978. In 1979, in conjunction with the Bophuthatswana government, it set up a training school in Mmabatho.

This school has fed trained workers to Sun City, the Cascades and now Lost City.

The centre-piece of the project is the Palace, with its 25 hectares of instant jungle. It was handed over in great shape at the end of October. Final challenges were right outside the Palace's front door. The entrance feature was decided at a very late stage — a strikingly beautiful fountain with six outsize sculptured sable heads mounted on cast bronze pedestals.

No problem, said Johan Brink. This mini R1 million contract took eight weeks: from concept to completion.

workers legend

STAR 11/12/92

288

Stocks has worked for so long with the client and outside consultants on constantly evolving concepts that flexibility is now in-bred.

The underground car-park, for example, was a relatively late addition to Stocks' contract. The basement cuts into solid rock. There's room for 300 vehicles — yet Stocks crews finished the job in a little over six months.

About 37 000 cubic metres of concrete was poured into the Palace alone, and 25 000 cubic metres had been poured by June of last year — just five months after Stocks Construction Bophuthatswana went to work!

Stocks Bophuthatswana managing director Ken Watters considers it one of the most testing pre-cast jobs undertaken on the continent.

And spare a thought for another team of Stocks professionals — Garth Whittaker and his Stocks Electrical team. STAR 11/12/92

Most people dazzled by the exuberant visual effects at the Jean-Michel Jarre opening believed it was the first performance with lights at Lost City.

It was the second. The first "show" was the display of expertise put on by Whittaker and team plus a "cast" of designers and consultants.

Bart Dorrestein, deputy chairman of the Stocks Group, said: "Co-ordination was a major challenge. Together with the professional team led by Schneid Israelite & Partners, we had to become involved in the programming of suppliers and local contractors, and the monitoring the quality of output at local factories.

"When you work with Sol Kerzner you work with a perfectionist. He has the vision. You have to make it happen. You have to perform.

"We derive great satisfaction from that. But as you walked around the site on the final days of the job, you sensed the sadness. The teams felt elated during the work; now they feel saddened because one of the best teams ever put together to tackle a contract will be splitting up. "There will never again be a job quite like this one."

For further information, please telephone (011) 806-4200.

Franchising conference

A high-level conference on franchising opportunities and developments in South Africa has been organised by the International Franchise Association to take place in the Carlton Hotel, Johannesburg on December 8-9.

The conference, is being produced in conjunction with the Black Integrated Commercial Support Network, a project funded by US agency for Development Aid, and is sponsored by Nedbank, Webber Wentzel and Deloitte & Touche.

It will feature a forum of leading franchise experts and franchisors from the US to address latest developments in the industry.

For more information phone Olivia van Melle Kamp at (011) 789-3141.

TAKE STEPS NOW

SHAKE-UP AT FEDHASA

288

FM 11/12/92

The Federated Hospitality Association of SA (Fedhasa) and Peter Hearfield, its executive director for the past two years, have parted company. Sources say Fedhasa president Theo Behrens, of Cape Town, and his deputy, Henry Schoonwinkel, of Southern Sun and Holiday Inn, decided to cut costs by operating through the association's five paid regional directors and eliminating the post of executive director at the end of November.

Hearfield confirms "the parting of the ways" but declines to elaborate. Behrens and Schoonwinkel were not available for comment.

The move hasn't pleased many in the industry, but they are maintaining a discreet silence because they claim that they are still negotiating with Behrens and Schoonwinkel. But Protea Hotels MD Arthur Gillis says, "It's imperative that Fedhasa should have a full-time executive director."

Dissension within the association is nothing new. It is known, for example, that Western Province Cellars, previously one of its strongest members, will leave at the end of February and join a new liquor store organisation. It is expected that other liquor stores will follow.

Hearfield, who was the number two man at Southern Sun before joining Fedhasa, becomes CE on January 1 of a new organisation being set up to provide a one-stop service to holidaymakers.

He declines to name it, but says: "It is very sophisticated and the ultimate in hi-tech. The CSIR is our technical partner.



Hearfield

"We will use laser technology to show potential holidaymakers pictures of destinations, and if they like what they see, we'll be able to book their accommodation for them there and then through our computers. We are trying to get all the publicity associations and the SA Tourism Board to join us."

Here they come!

288 CT 12/12/92



Staff Reporters

THOUSANDS of tourists are streaming into Cape Town and it is expected that the '90%-full" City will be jampacked and "cooking" next week when as many as 5 000 up-country cars will arrive daily.

Ms Lauren de Wet, public relations manager for Captour, said the tourist influx was building up with vehicles streaming in to the Peninsula at a rate of up to 3 000 a day this week.

The toll manager at the Huguenot Tunnel said the influx would grow to about 5 000 vehicles a day.

A survey showed that several of the major hotel chains had bookings for up to 90% of their capacity and guest houses were also "picking up nicely".

More than 1 000 tourists had visited the Capetour information centre on some days this week — up about 20% on last year's visits.

Mr Duncan Cloete, estates manager of the Waterfront, expects the really busy period to start from Friday next week.

As the Peninsula prepares for a bumper season, an unexpected bonus has come in the form of abnormally high sea temperatures in False Bay and along the usually-cold West Coast and Atlantic seaboard this week.

Atlantic sea temperatures — normally 12°C to 17°C — have shot up in some places to more than 20°C.

But bathers lapping up the warmer conditions have been warned to be on the lookout for bluebottles, a sign of warmer water.

At least seven beachgoers reported having been stung at Fish Hoek yesterday.

WP Surf Lifesaving Association spokesman Mr Eddy Cassar warned yesterday that bluebottles were hazardous in the water as well as on the beach. He asked parents to stop children "popping" the creatures.

Ms Chantal Greenwood, a

To page 3

From page 1

meteorologist at D F Malan Airport, said yesterday that the latest data she had collected confirmed that "there is a definite increase in sea temperatures" between Dassen Island on the West Coast and Gordon's Bay.

CT 12/12/92 (288)

Ms Greenwood explained that the prevalence of north-westerly winds, which she described as "very unusual" for this time of year, had warmed the sea.

Although south-easterly winds on Thursday and yesterday may cool sea temperatures slightly, a predicted north-wester for tomorrow may push sea temperatures up again on Monday.

Temperatures of 19°C at Hout Bay (average 13,1°C at this time of year), 17,5°C at Kommetjie (12°C)and 19,6°C at Koeberg (13,2°C).

In False Bay, Kalk Bay has measured 21°C (average 18-19°C), Gansbaai 21,5°C (18-19°C) and Gordon's Bay 22°C (17,7°C). Muizenberg has remained constant at 18°C.

● Another hot day (28°C maximum) is forecast for today. A fresh to strong south-easterly wind will become a light to moderate south-easterly to north-easterly tomorrow.

Cooler weather is expected tomorrow with a maximum temperature of 23°C, becoming cooler, with a possibility of rain in the evening.

Liquor Board 'strangling the Cape's wine industry'

ST Times (Cape. metro) 13/12/92 (288)

BiG PIES
"The Real Hand-made Pie"

Wishes all our customers a blessed Christmas and Happy New Year



By LEW ELIAS

A LIQUOR outlet on Cape Town's bustling waterfront has slammed the Liquor Licencing Board for refusing to let it trade on Saturday and Sunday afternoons.

And other bottle store owners called this week for an urgent overhaul of liquor legislation to level the playing fields so that they could trade "responsibly" at weekends.

Vaughan Johnson's Wine Shop — a R1,8 million wine centre, with a large tasting and educatinal facility — is "like nothing else in the world", says its owner.

Mr Johnson said nine million people visited the waterfront this year and over 12 million are expected in 1993.

"Groot Constantia, which sees 400 000 tourists a year, is allowed to trade seven days a week. Mariners Wharf in Hout Bay can sell wines and liqueurs on Saturday afternoons and wine is being sold into the night seven days a week at D F Malan airport," he said.

Support

"We have had unbelievable support from the public, the administrator (of the Cape, Mr Kobus Meiring), the KWV and its 5 000 members.

"Captour chief executive Mr Gordon Oliver wrote a strong letter of support to the Liqour Board as did the Cape Town Chamber of Commerce" — to no avail.

The Liquor Board was inconsistent in issuing licences, he said. If South Africa wanted to appeal to tourists, the authorities should act as if it was a first-world country.

"The archaic liquor laws are strangling the wine industry."

Mr Ian Rubin, a bottle store owner and chairman of Fedhasa's liquor committee, speaking in his private capacity, also called for changes in the Liqour Act to allow all traders to open on Sundays if they wished to do so.

"Each trader should cater for his own market and be mature enough to know what he can and cannot do in the definition of his business," he said.

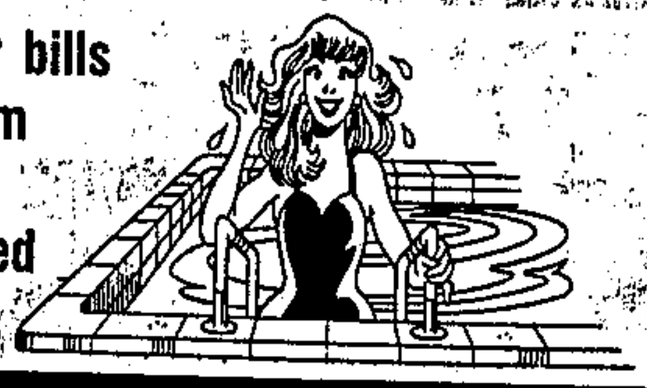
Independent liquor trader Mr Butch Wykert of Sun Valley's Liquorville agreed that the law should change "to level the playing field".

Traders should be able to decide whether it is in their individual interest to remain open on Sunday, he said.

SWIM & ENJOY!

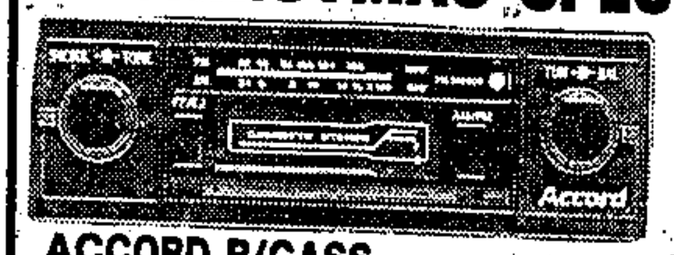
Save 80% of the ozone unfriendly chlorine.

Cut your bills and swim in fresh unpolluted water.

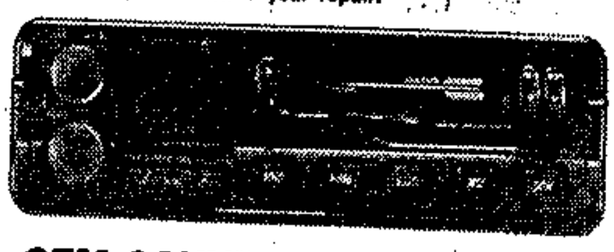


P.W. MARKETING Tel: 72 4078

ECHO SOUNDS
CHRISTMAS SPECIALS



WAS R419
NOW R299
ACCORD R/CASS
Autostop. F/Fwd. AM/FM stereo. FREE 2 x 30 W speakers, aerial and installation. 2 year guarantee. 1 year replacement. 1 year repair.



WAS R799
NOW R499
GEM SOUND R/CASS
Quick release bracket, digital, auto reverse, locking rew/ff pre-select, stereo and pre-amp out. FREE installation.

WAS R699
NOW R479
MSI
Remote alarm and immobilizer. Includes ultrasonic (visual and audio arm and disarm status). Guarantee/1 year replacement.

R149
CODED JACK PLUG IMMOBILISERS
2 POINT CUT OUT
TERMS AVAILABLE

Supplied with insurance/VESA approval certificates
33 BUITENGRACHT ST, CAPE TOWN
PH 23 4026, 23 8774

Room at the inn for all

MORE than 95 percent of holiday resorts in the Eastern Cape are multi-racial, according to a random survey conducted this week.

While some resorts said most of their visitors were now black, others claimed they had opened their doors to other races "even before" they were allowed to. C/Mail 13/12/92

A spokeswoman for a Port Alfred holiday resort, Rene van Zyl, said among this year's guests were black families from Botswana, Knysna and Durban.

East London's Crawford Cabins resort owner, Lynne Crawford, said her resort had "always" been open to other races. – Ana.

SLOW SEASONAL SALES PUT SQUEEZE ON STORES

AS HARD-HIT CONSUMERS SEEK VALUE FOR CASH

Stores bank on tourists to lift sales

S(Times [Cape metro] 13/12/92.

(280) (288)

By FRED ROFFEY

WESTERN CAPE businesses are pinning their hopes on the large numbers of tourists, who are expected to pour into Cape Town from this weekend, to trigger off a Christmas sales spree.

Christmas sales have failed to take off. They have been held back by recession-hit consumers' concern about spiralling debts, the threat of retrenchments and rising prices.

Another reason for poor sales is that many Transvaal and other visitors are setting out for the Cape a week later than usual to cut costs.

Many, who in previous years have used much of their annual bonuses to pay for their holidays, have opted instead to use them to meet alarming increases in living expenses.

Although turnovers at the beginning of December were slow, by this weekend stores were feeling the beginning of a Christmas rush as Transvaal-registered cars began arriving in the city.

Also, national and international flights have begun emptying passengers at D F Malan Airport.

By the end of this week the tourist influx had grown to about 3 000 cars a day — and this figure is expected to swell to 5 000 a day from next week.

Hotel bookings are running as high as 90 percent and many hotels expect to put up house-full signs before Christmas.

Stores such as Clicks, CNA, OK Bazaars and Shoprite/Checkers say sales have picked up since early December, but spending on luxury items has been limited as consumers are looking for value for money.

A spurt in spending is expected just before Christmas, but although stores are planning promotions and extended shopping hours, few expect bumper sales.

Stalls in the Grand Parade are to remain open on Wednesday, the Day of the Vow, but the fleamarket in Greenmarket Square will be closed.

Excitement

Many traders at the two markets expected sales to be the same as last Christmas which, they said, were not particularly good.

At the Victoria and Alfred Waterfront, the new Victoria Wharf complex has had good sales since its opening in October.

"We expect a good Christmas because the complex offers excitement for all the family," said Margot Morrison of the V & A marketing department.

The Tyger Valley shopping centre in Bellville also reports good sales.

"It's a money-conscious Christmas, although sales have picked up and we expect this to continue," said Alan Baxter, general manager of Pick 'n Pay food supermarkets.

"Food sales are on a par with last year, but people are being careful with non-food items.

"There's going to be Christmas rush, but shoppers are leaving it late.

"Over the past three years Transvalers would arrive in Cape Town soon after the schools closed. However, this year they are staying at home a week or more to cut expenses."

The Cape Town Chamber of Commerce says retailers expect a modest increase in sales.

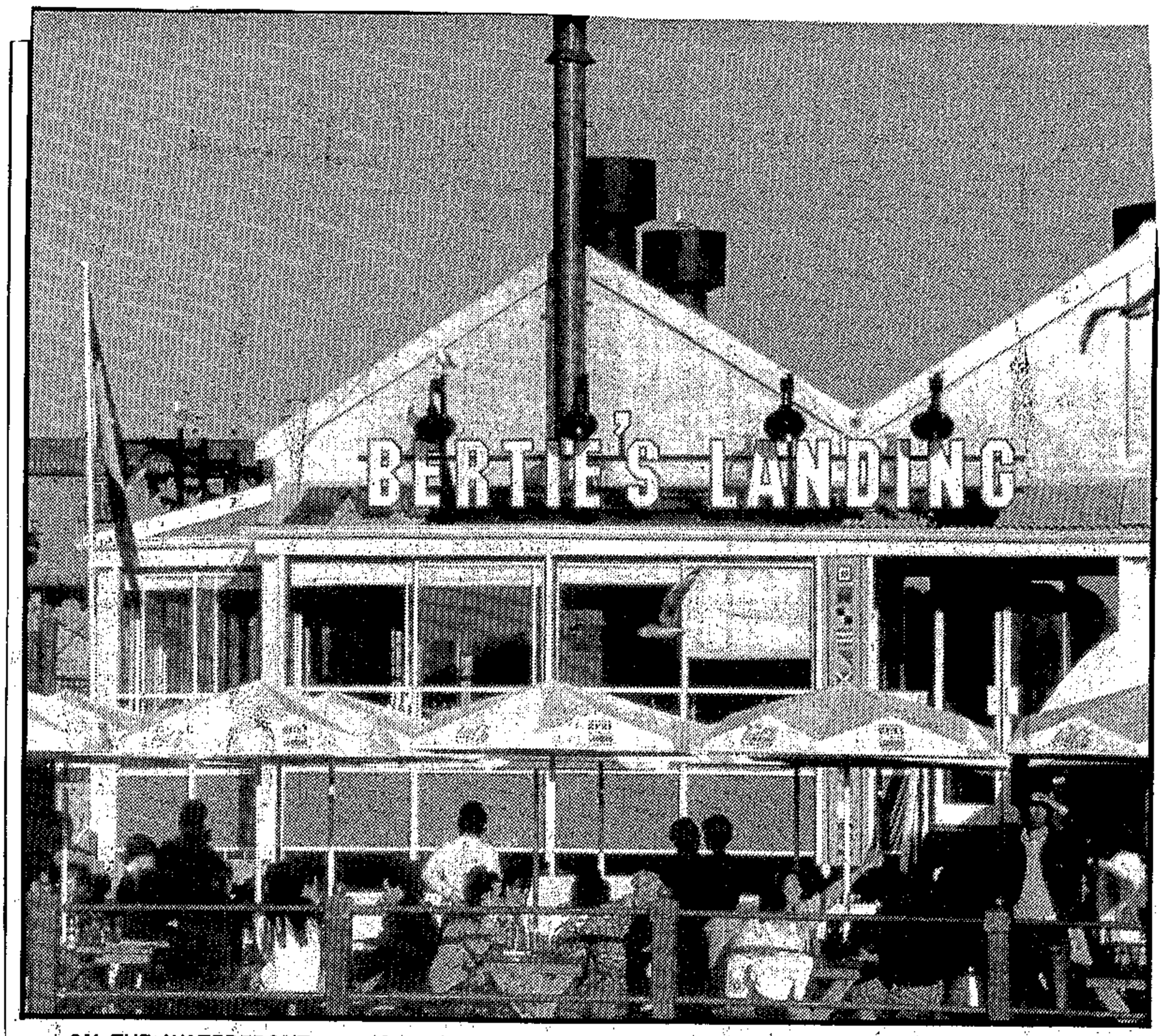
"Consumers will be more cautious about the prices they pay and will be cutting down on major items like furniture and appliances," said a spokesman for the chamber.

Sales of about R19 million have been forecast for November/December — a 10,5 percent increase over the R17,2-billion national sales last season.

"However, on the basis of an inflation rate of 13,5 percent, overall retail sales will be 2,6 percent less this year in real terms," said a spokesman for the South African Chamber of Business.

It is expected that sales in sports goods, beverages, alcohol and durable goods will be especially hard-hit.

It will be a sobering thought in boardrooms, as the port is passed around after Christmas lunch, that 10 companies are being liquidated each working day and nearly 100 000 consumers a month are being summonsed for debt.



ON THE WATERFRONT . . . 'Cape Town is the number one tourist destination in the country'

Everyone wants to drop anchor at the Waterfront

288

ST Times (BUSS) 13/12/92

By JEREMY WOODS

CAPE TOWN'S spectacular Waterfront development is not only attracting increasing numbers of tourists from Europe and America but also poaching holidaymakers from other holiday destinations in South Africa.

"Last month alone, more than one million tourists visited the Waterfront and we estimate the figure for December will be one and a half million," says Maureen Thomson, marketing manager at the Victoria and Alfred Waterfront Development Company.

More than six million tourists went to the Waterfront last year, and the development — with its multitude of smart restaurants, bars and shops in a working harbour setting — is fast becoming one of Cape Town's main attractions.

"The Waterfront has become Cape Town's anchor tenant," says Ms Thomson.

Highlight

"We are attracting visitors from other holiday centres, such as Durban, while it's a 'must' for foreign tourists.

"The Waterfront is one of the first places they ask about, both from up country and overseas," says Lauren de Wet, Captour's public relations manager in Cape Town.

"Cape Town is the number one tourist destination in the country and the Waterfront development has become one of the highlights of the Cape."

She says the tourist flow into Cape Town has been much greater this year than last, and there is evidence that Cape Town is taking tourists from other holiday centres in South Africa.

"Cape Town has many more beaches than Durban and has been quieter politically."

South African Airways flights from Durban and other coastal cities "are chock-a-block during December, with only a limited amount of business class seats still available on certain flights", says Janie van Vuuren, SAA's public relations officer for the Western Cape.

"Flights from Johannesburg to Cape Town are also heavily booked — so much so that five additional SAA flights are scheduled to Cape Town during the holiday season," she added.

But perhaps the greatest pressure for flights is coming from overseas tourists.

Direct

"Most flights from London and Frankfurt are fully booked during December, despite the fact that SAA is now sharing the Europe to Cape Town route with a number of foreign carriers," says Ms van Vuuren.

"This proves foreign tourists are flocking to Cape Town in ever greater numbers and choosing SAA as their airline of choice."

This weekend, SAA started its first direct flight from Cape Town to Miami.

"This is great news for Capetonians who want a direct flight to the US and a great source of new tourists for Cape Town."

SOL'S MONOPOLY MONEY

ST Times (Buss) 13/12/92 (288)

The opening of the Lost City highlights the advantages of operating in the homelands. Comment by **CHERILYN IRETON**

SOL KERZNER's R830-million bush palace is awesome. Yet somehow its splendour curdles with the scrubby surroundings in the same way that Bophuthatswana's generous tax concessions clash with the economics of the homeland.

A tax concession that appears to have been scripted for the exclusive benefit of Sun International allows Mr Kerzner to write off 120% of the cost of building the Lost City against future tax payments. Compare that with SA's current write-off of 5% a year for hotels (although Tourism Minister Org Marais promises a more generous dispensation).

South African hotel groups don't stand a chance alongside Sun International, which also enjoys a virtual monopoly on gaming in southern Africa.

Given the transitory state of South African politics, the old system of patronage will come under scrutiny. It begs the question: how well would Sun International perform on a level playing field? Going by recent financial results, not so well.

Package

The greater Mr Kerzner's cost in building Lost City, the greater SunBop's tax shield. We need hardly be reminded that the tax concession is paid for, ultimately, by the SA taxpayer.

The building costs of the project are believed to run well over R600-million, suggesting SunBop will be virtually exempt from tax payments for the foreseeable future.

This might explain Mr Kerzner's willingness to move mountains, water and even ancient Baobab trees to achieve what must now be one of the world's premier resorts.

The allowances are by no means unique — France put together a similar, though much more complex, package for its $4-billion EuroDisney theme park near Paris.

But the concept of encouraging such extravagance in a homeland unable to support itself might jar with South Africa's stretched taxpayers who will ultimately fund Bop's shortfall.

SunBop joint MD Ken Rosevear justifies the development as a huge commitment to tourism. The Lost City has created thousands of jobs and offers foreign exchange earnings potential for the whole of southern Africa, not just Bophuthatswana.

At the moment, some 30% of the occupants in Sun City's various hotels are foreigners, and Rosevear is confident this ratio will pick up as confidence grows and the security situation improves.

In all, the Lost City has provided between 800 and 1 000 new jobs and a further 5 000 while construction was under way. This works out at a cost of about R138 000 a job. Had President Lucas Mangope given a cheque of R800-million to the Small Business Development Corporation it would be able to create more than 150 000 jobs for his people.

The anomaly with Bophuthatswana's concessions is not that they exist — they have clearly boosted hotel developments — but that they are granted exclusively to Sun International. Other hoteliers claim they can't penetrate the homeland because the government will not grant them permission.

No hotelier within South Africa's borders would risk building anything as daring or spectacular as the Lost City without similar guarantees from Government.

In France — even with the complex support package — EuroDisney is not doing well. Apart from the accelerated capital expenditure write-offs it received from day one of operation, it was able to buy the land on which EuroDisney is built at 1973 prices. There has also been state and local authority help with the infrastructure — access roads and rail links.

Yet in the year to September the park lost $38-million and critics have now tagged it Europe's cultural Chernobyl.

Deprived

Mr Kerzner's company has consistently looked after its investors and was this year rated 10th in the Business Times Top 100 survey. Although there may be some short-term digestion problems, his track record suggests that shareholders won't suffer.

However, it is politics that will ultimately determine the Lost City's fate.

Sun City succeeded because it offered gaming and other forms of entertainment to deprived South Africans. Once Bophuthatswana is reincorporated, Mr Kerzner clearly hopes that the resort has sufficient critical mass to survive without exclusive gaming or tax rights. Only time will tell.

Taxpayers can breathe a sigh of relief — this should turn out to be the resort's last big spending binge.

Plan to help Mykonos investors

ST Times (Buss) 13/12/92

By TERRY BETTY

FEDLIFE and other parties are investigating avenues to assist 350 investors who two years ago between them borrowed a total of R18-million to buy into a Club Mykonos scheme.

Investors borrowed an average of R50 000 each from Fedlife and took out an endowment policy with the assurer to repay their loan on death or maturity.

Fedlife general manager Bernie Goldman says Fedlife is working with Mark Galbraith, the broker who sold many of the policies and who is acting on behalf of many of the investors.

Investors spent a further R9-million of their own funds in the scheme devised by financial advisors to buy debentures and shares in Club Mykonos Langebaan Holdings.

Fedlife took cession of both the Mykonos debenture certificates and the policies, and got a personal surety from the investors as security for the loans.

Some of the investors have repaid the full amount to Fedlife, some are continuing to pay their premiums on the endowment policies, but Mr Galbraith says many cannot afford the premiums as they were meant to be paid out of the income from the investment in Mykonos.

Mr Goldman says Fedlife is looking at various options to assist policyholders and that it has held back on levying interest on the loans for the time being.

"Each policyholder's situation is different and must be taken fully into account. As developments evolve, we will work closely with the investors to work out the best way to deal with the circumstances of each client in accordance with the merits of the particular case."

Fedlife sent a letter to investors reminding them that, despite the problems with Mykonos, they should continue to pay their premiums.

Mr Galbraith says Fedlife should assist the investors by looking to Club Mykonos rather than the investors for the recovery of its money.

"This is possible, as Fedlife has taken possession of all debenture certificates."

A scheme of arrangement was accepted overwhelmingly by Mykonos creditors last month. Two-thirds of their investment will be repaid over the next five to eight years and one-third will be converted into share capital in the company that will be formed to manage the newly structured Masterbond group.

Masterbond curators' legal representative, Graham Liebenberg, says the scheme of arrangement should be formalised within the next month.

Mr Goldman says such an achievement would be very satisfactory, and Fedlife will assess the extent to which the scheme will help investors to recoup their investments.

BUSINESS Caution must be exercised before the signing of any contracts

SA behind in franchising

Soweten 14/12/92

FOR NEWCOMERS Tested as most successful form of business venture:

'Franchise businesses are not perfect but they are more successful than any other kind of business'

By Mzimkulu Malunga

IT WILL TAKE about 30 years for franchise business to gain momentum in South Africa, says president of the International Franchise Association (IFA) William Cherkasky.

Though franchising has been internationally tested as the most successful form of venture for newcomers in the business world, franchisers must exercise a high level of caution before making any contractual obligations, he said.

While it has been around for over a century in the United States - the country where it is most successful - it was only fully realised about 32 years ago.

"But you have to start somewhere. After all, South Africa is a land of opportunities," said Cherkasky.

Complicating the issue for prospective franchisees in this country is the fact that there are no laws regulating the sector, making it a fertile hunting ground for shady operators.

Organisations like the South Africa Franchise Association, though they have certain ethical standards, do not command statutory powers which renders them powerless.

According Cherkasky, there was a time in the US when the US business community regarded franchising as a scam and opportunities which accompanied such ventures, with proper guidance, were overlooked.

"But when IFA was formed in 1960, it cleaned up the image of the business and approached the government for statutory powers which all franchisers have to abide by," he said.

The recent conference on franchising was just the beginning. Cherkasky said IFA was planning to hold a similar conference in November next year as a follow up.

Funding for education

For the next five years, the United States Agency for International Development will be funding projects aimed at educating local entrepreneurs about franchising as part of a broad programme to stimulate entrepreneurship.

"Franchise businesses are not perfect but they are more successful than any other kind of venture," he said. He warned potential franchisees that before buying a franchise they should have satisfied themse.lves that the prospective franchiser was genuine.

In the US franchisers are required by law to disclose all facts about their company to the franchisee before deals could be finalised. There is also a ten day educational period in which the franchisee gets a chance to analyse the company from which he is buying franchise from within before a deal can be finalised. This year's conference was attended by 15 fran-chisers from the US and the aim was to bring more in November 1993.

STAR 14/12/92. (288)

St Lucia project gets the nod from environmentalists

Plans for a luxury holiday resort on the banks of the St Lucia estuary in northern Natal have received approval from one of the organisations which has headed the fight to save the area from mining.

Advertised in a glossy pull-out in a Sunday newspaper, the developers say the resort will be built "in the heart of the (St Lucia) wetlands".

Speaking from Durban yesterday, Campaign for St Lucia chairman Dr Nolly Zoloumis said he believed the site was inside St Lucia village and would not affect the conservation area.

The town's management board has for some time been working closely with the Natal Parks Board.

The world-renouwned St Lucia wetlands hit the headlines in 1989 when a proposed mining operation in the area raised a storm of protest.

The operation is now hanging on the outcome of an environmental impact assessment.

Commenting on the planned new resort, Zoloumis said people had to have access to the area, and it was best to confined building activities to within the precincts of St Lucia village.

Properly controlled ecotourism should be encouraged, he said. "Conservation is for people." — Sapa.

Bid to halt holiday rip-offs

288 CT 15/12/92

Staff Reporter

A PLAN by Satour next year to grade all holiday accommodation could halt problems experienced by visitors who find their rented accommodation is not what they expected.

A Captour spokesman yesterday told of a Harare family who were infuriated by the cost of their "luxurious" Kalk Bay holiday home they are renting at R250 a day.

The family, who do not wish to be named, complained that the open-plan chalet had only one bedroom with extra beds in the kitchen and lounge, and no stove.

Captour chief executive Mr Gordon Oliver said they were very concerned that people were not always getting value for money and Satour would grade all accommodation next year.

● Meanwhile UCT is letting out accommodation at two of its southern suburbs residences at extremely affordable prices.

The proceeds will help cut future accommodation fee increases.

Durban hotels act to ensure visitors' safety

The Argus Correspondent

DURBAN. — Hotels along the Durban beachfront have taken steps to ensure the safety of holidaymakers over the Christmas season.

This was the message from hotel managers who said that, in spite of the bad economic situation, visitors were flocking in from all parts of the country and abroad.

There is still room at most hotels along the beachfront. Only a handful are close to full.

Mr Clive Bolton, general manager of the Marine Parade Holiday Inn, said visitors were arriving in large numbers compared to the same time last year.

"This may be due to the fact that we have more foreign visitors this year," he said.

Mr Bolton said there were still rooms available for holidaymakers. He also emphasised that visitors' safety was guaranteed.

Mr Derek Carroll, general manager of the Palace Hotel, said the safety of the visitors was ensured.

"We have increased our in-house security to handle problems that may arise during this period," he said.

He said they were co-operating with police to ensure safety along the beachfront.

The general manager of the Hotel Edward, Mr Gerhard Patzer, said occupancy was 70 percent and the hotel would probably be full before Christmas.

"We have enough security to keep our visitors safe," he said.

Already vast numbers of people are visiting the beachfront during the day and most of them have welcomed the presence of police.

Mr Robin Craig of Pretoria said the police presence would make the holidaymakers safer and happier.

Party time at the hotel

288

Sowetan

17/12/92

■ Good time is ensured for all at the Carlton:

By Abbey Makoe

THE management of the Carlton Hotel has said that this year they will make sure the festive season has a "special ring to it".

Private and end-of-the-year parties have been organised.

Details of lunch and dinner menus are provided in a booklet obtainable from the five-star hotel's foyer in downtown Johannesburg.

For starters, to make Christmas parties a success, the hotel has put aside private rooms for festivities.

At R55 a person, groups of from 14 can hold their office party in an "intimate dining room to 600 guests in a lavish ballroom".

The price includes a three-course meal, coffee, mince pies and special dishes for the connoisseur.

To ensure parties are a memorable occasion interested people can contact the banqueting sales department at (011) 331-8911 and let the professionals make the arrangements.

There will also be what the management terms a "Grand Carlton Party", aimed at meeting the needs of the employees of small business corporations who want their staff to enjoy the benefits of the hotel.

Hang on, it does not end there. It's pardy, pardy, pardy. Yet another one, which will reach its climax with a dinner on Christmas Eve.

And guess what the menu is like. "Warm confit of duck presented on a crisp salad with a honey and lavender dressing."

For reservations telephone Jossi Ladola on (011) 331-8911 and ask for extention 440 or 441 during office hours.

After hours you can call (011) 331-0541.

Restaurants doing brisk holiday trade

Star 17/12/92.

By Charlotte James (288)

Johannesburg's restaurants are doing a roaring trade this holiday season and have received more and larger bookings for Christmas parties than last year, according to Catering, Restaurant and Tearoom Association executive director Frank Swarbreck.

He attributed the boom to the fact that fewer Transvaalers were going on holiday because they had less money, or because the violence in the eastern Cape and Durban was keeping them at home.

Celebrate

"People are not going away so they have some spare cash to celebrate with, and they go to the restaurants," he said.

"We think Durban's misfortune will turn out to be our fortune."

The owner of the Moosehead restaurant in Rosebank, George Barbis, said he had 500 more customers in November this year than in last November, and already 200 more this December than in last December.

"We are making big money and we hope it stays like that," he said.

Dee Cleaver, who manages Question Mark in Melville, said business was far better than it was last year.

"Our customers are begging us to stay open over Christmas, but we are all exhausted," she said.

Manager of Falcon Crest restaurant in Sunninghill, Christopher Trimble, said business was excellent.

"We are booked to capacity for both Christmas and New Year," he said.

Costa Paizes, who owns Bennigans in Bedfordview, said the whole Transvaal restaurant business was busier because if people went away on holiday it was for a shorter time.

"We have had higher peaks and bigger rushes than last year, although the season started later than it did in 1991," he said.

National chairman of the South African Restaurant Guild, Robert Mauvis, said business in Durban was quieter than it was last year but they were expecting it to improve.

He said Cape Town was doing very well, with the Victoria and Alfred Waterfront Development leading the rest of the city with a surge of business.

Approval for R22m Cape hotel

LINDA ENSOR

CAPE TOWN — Clinic Holdings owner and chairman Barney Hurwitz has received the green light from the Cape Town City Council to develop a R22m, three-star hotel on the Muizenberg beachfront. B/DM

The planned hotel forms part of a R350m project to revitalise Muizenberg over the next few years.

Hurwitz, who owns the Ritz Hotel in Cape Town and several others in Johannesburg, offered R500 000 to the council for the land on which the hotel will be built. 18/12/92

Plans to develop a R31m restaurant and tavern complex in Muizenberg were also approved by the council. The council's "Sandown-on-Sea" site would be sold for R6m to a consortium led by consulting civil engineers Zietsman, Lloyd & Hemstead for this purpose.

Council development co-ordinator Philip Theron said a mix of taverns providing a variety of international cuisine was envisaged. 288

He said Zietsman had also been given the go-ahead to explore the viability of an R80m "warehouse" with shops, cinemas and parking on the Muizenberg beachfront.

He said the council's strategy in Muizenberg was to encourage its socio-economic upliftment by promoting the private sector development of strategically held council land. This would hopefully act as a catalyst for further business development of the coastal town.

The plan was to make Muizenberg the tourist centre of the False Bay coast, adding a further attraction for visitors to the Cape Peninsula.

Much development had already taken place with the restoration of the station complex and the multi-million-rand upgrading of public facilities, Theron added.

The heat is on — head north

w/mail 18/12 - 22/12/92 (288)

By TOM ROBBINS: Durban

DURBAN'S tourist days aren't over. While Cape Town may have pinched Durban's traditional visitors — white Transvaalers — Durban has found a larger market that is more reflective of the real South Africa.

Over the festive season thousands of people will pack into buses — many from as as far afield as Pietersburg. They often spending 30 hours travelling, only to catch that elusive combination of humidity, sand and sea for a mere eight hours. Much of what Durban's beachfront has to offer is plastic kitsch, which is what most people seem to like. But for the discerning visitor there are many rewarding possibilities in and around Durban.

If you don't like overcrowded beaches and faddish architecture head off for a drive on the beautiful north coast. Combine your day trip with a meal at the legendary Sea Belle retaurant in La Mercy. The vast Indian restaurant offers Durban's best prawn curry.

To get there, make sure the big blue ocean is always on your right and take the La Mercy turn off after about 20 minutes. Travel on the beach side of the north coast road for about three kilometres and the Sea Belle will be on your left. If you go on the weekend, arrive early — it is popular and the service is slow. Telephone: (0322) 915551.

Veer inland to rural kwaZulu and discover Lilani Hot Springs — it must be one of the most unusual resorts around. The dilapidated hotel was a hip health spa in the 1920s and 1930s. Today, only the shell of the hotel and the garden remain. For R10 a night per person you can camp in the hotel and spend your days lounging around in the sulphur baths. Watch your possessions as there is a "security problem".

To get there take the Pietermaritzburg road to Greytown. From there, take the Kranskop road, following the Lilani sign posts and turn off at Ahrens. If it has rained heavily, a 4x4 vehicle is advisable for the breathtaking drive into the steep valley.

On your way home you would do well to spend some time in Pietermaritzburg; the city centre is undergoing a Victorian revival. Step out of your car and stroll around the narrow alley ways, stopping off for an expresso at one of the street cafés.

Don't forget the Tatham Art Gallery in the beautiful old supreme court building. You will find it opposite the red-bricked city hall on the corner of Church and Commercial streets. An exhibition, billed "Art meets Science", will be running until January 3. For something more timeless, the spectacular Lorna Ferguson Room upstairs is a good example of "Grand Victoriana".

On the road home — and on a more spiritual note — visit Chatsworth and see the impressive Hare Krishna Temple. For more worldly pleasures go downstairs and sample the mouth watering Indian food at Govinda's Restaurant — vegetarian only, of course. Telephone: (031) 433360.

Once you're back in Durban, home in on the kinetic energy of top Zimbabwean band, Southern Freeway. You'll find them at the Le Plaza Hotel in Albert Park today and tomorrow. Telephone: (031) 3012591. If you miss them there they'll be at Natal's most famous jazz spot, Pinetown's Rainbow Restaurant, on December 20. Telephone (031) 729161 and see what other jazz is planned for the holiday season.

Then stumble into the Victoria Bar. "The Vic" is situated on the sleazy end of Point Road and is a popular hang out for 1990s flower kids, yuppies and stevedores. Despite being one of Durban's nicest buildings, and newly painted, this is probably one of the most rundown hotels in South Africa. And that is exactly the way the patrons like it. Don't be put off by the fishy harbour smells — the pub has some of Durban's best value for money Portuguese seafood on sale. Or, even better, ask Carlos in the downstairs bar for the speciality — chicken peri-peri. Telephone (031) 374645.

While on the alcohol theme, visit Durban North's Crawfords Brewery. One of nine new independent breweries in the country, Crawfords is challenging the South African "laager" mentally approach to beer. The ale has a dark, nectar-like texture. Brewer Andy Mitchell gives a fascinating insight into the brewing process and gigantic South African beer industry. And he'll give you a couple of pints in the pub afterwards. Telephone (031) 841277.

To round off your holiday, go on a soothing day drive through the green Natal Midlands. This recently developed area offers country hotels, restaurants and upmarket health hydros.

Not the smartest, but one of the quaintest is the old Notties pub in the Nottingham Hotel which also offers a good pub lunch. Use the hotel as a convenient base from which to view the arts and craft on the Midlands Meander. Telephone (0333) 36151.

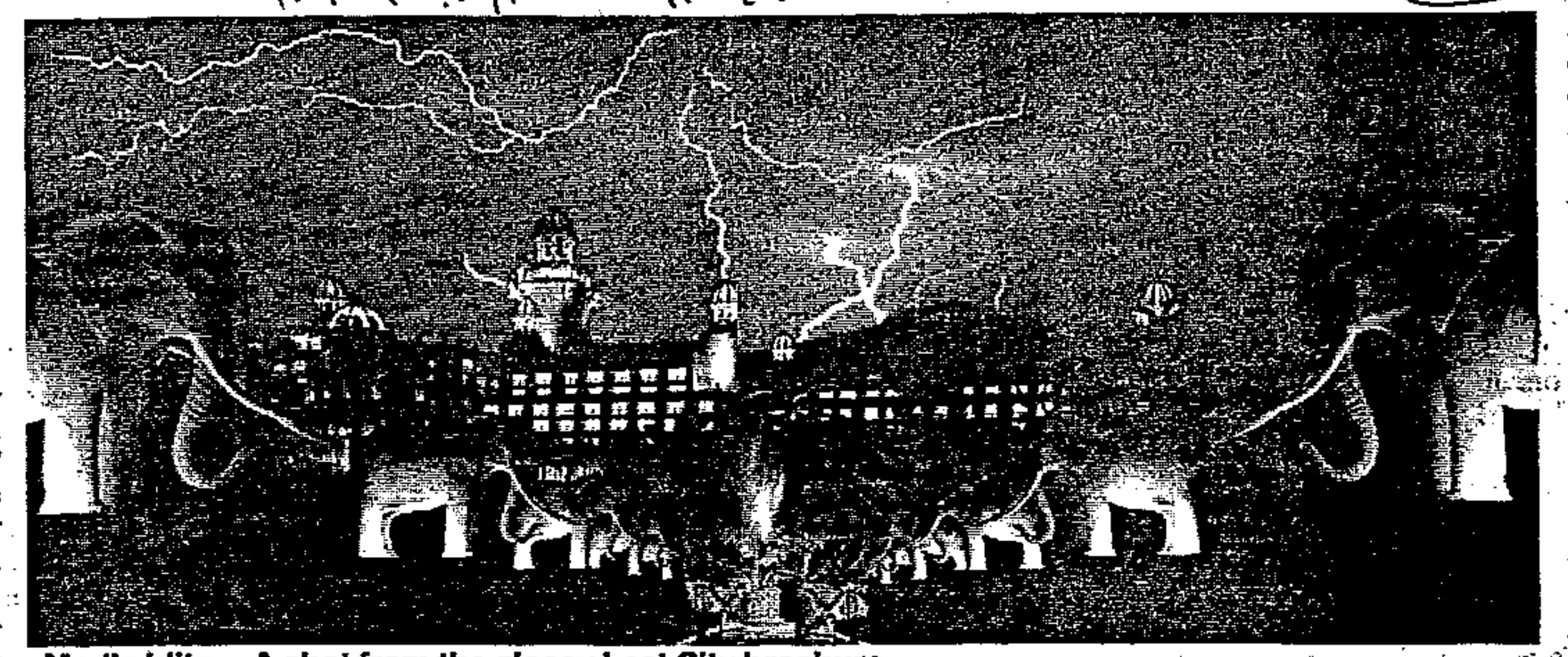
Lastly, don't forget the dreaded Natal Fever: the later in January you leave your trip, the hotter and more humid it becomes. Remember how hot it gets in the colonies ...

The machine that ate the media

W/Mail 18/12 - 22/12/92. (288)

Did Sol Kerzner 'sell' the Lost City to the media or did they just 'buy' the publicity blitz?

MARK GEVISSER
investigates



Media blitz ... A shot from the glossy Lost City brochure

"ON December 1 The World Will Change" read the advertising banners, and the media responded with page after page and sound-bite after sound-bite adulating the Lost City and its creator. "Who's a Clever Boy?" asked the *Sunday Times*, and the SABC gave the answer in a half-hour of hagiography called *Sol Kerzner: A Man and his Vision*.

What methods did the Sun International publicity machine use to convince the media that the opening of the Lost City was, in fact, the event of the decade? Did Kerzner simply run a brilliant media campaign, or did he in fact subvert — and even in some cases "buy" — the media?

Whether or not the Lost City project is the largest of its kind in the world, as claimed, there is no doubt that the publicity campaign was the most extensive South Africa has seen: Sol Kerzner is quite right when he says "the international media reaction has been on a scale never before accorded to any other resort in the world, including Disney".

Sun International will not divulge budgets, but sources in the industry put the total marketing and promotions budget at around R20-million. From the end of September until the crowning of Miss World on December 12, 25 permanent public relations staff played host to some 1 450 working media representatives, 450 of whom were foreign. And unless media people specifically asked to settle accounts themselves, they were fed and bedded at the full expense of their hosts.

Since the earth-sodding ceremony in October 1989, Kerzner's media people have been selling the Valley of the Ancients, by constructing a coherent and intricately conceived "legend", talking about the Lost City as if it really were a rediscovered Xanadu and not the fantastical creation of Kerzner and his architects.

The campaign has been two-pronged: on the one hand to woo the media with soft-sell freebies such as complimentary accommodation and meals, and with a deluge of press-releases, glossy brochures and construction-site tours; and on the other hand to use mass media to promote The Lost City, either by paying for splashy adverts or by convincing them of the newsworthiness of the Lost City's opening.

Sun International made high-budget mass-media coverage easier for the TV networks by co-producing (in other words, co-financing) the productions of the Miss World Pageant on M-Net and the Jean-Michel Jarre concert on TV1.

Less obvious, however, has been its involvement in the two documentaries screened on TV1 in the past couple of weeks: *A Lost City Discovered* and *Sol Kerzner: A Man and His Vision*. Both were bought by the SABC from Paul Zwick Productions — which also does most of Sun International's corporate video work and which announced itself, in a full-page ad in the latest *A/V Specialist* magazine, as "the official Lost City TV crew".

Even though there is no sign in the programming that Sun International had had anything to do with the documentaries, a very senior SABC source states that "they were produced with money from Sun International, so I suppose you could call them co-productions too". Others would call them free advertising masquerading as in-depth documentary.

According to Sun International group PR executive Melanie Millin-Moore, "Paul Zwick has been coming up to Sun City and shooting footage for me every week for the past three years. We've kept it all, and so we've got an amazing archive. I knew at the end of the day that I would want an hour-long documentary, so I went to SABC and proposed to them that they commission it from Zwick — the obvious choice since he was sitting on all the footage anyway."

But Millin-Moore insists that *Sol Kerzner: A Man and his Vision* was the SABC's own idea, and that the arrangements were between SABC and Zwick alone. And while rumour abounds that Kerzner vetted the documentaries before they were sent off to Auckland Park, Millin-Moore dismisses this out of hand. "Kerzner, being such a private man, was actually quite unhappy with some of the exposure in the documentary," she says.

"Of course," she adds, "Zwick was in an ideal position to do the work. But there's absolutely no way that Sun International paid for the documentaries to be aired on TV1. That would be unethical and we would never do it."

In response to *Weekly Mail* questions, SABC acting chief executive Piet Theron notes that "Sun International did not pay for the production of Good Morning South Africa broadcasts from Lost City", but carefully omits to answer the question specifically about the documentaries.

●To Page 8

Cat on the prowl for a camera

"Where are the photographers?" asked Catya Sassoon. There were many cameramen at the Miss World post-coronation party, but none were paying any attention to her.

"They don't recognise me because of my new hairdo!" She implored me to introduce her to everyone. "Just say, 'Hello, how are you, by the way, this is Cat Sassoon, Vidal's daughter and star of stage and screen'."



The selling of the Lost City

● From PAGE 6

Instead, he claims that coverage of the Lost City opening was "a straightforward programming decision, and also aimed at promoting tourism" and that "public interest in the project is such that the SABC as national broadcaster had felt the need to reflect some of the excitement in this regard".

He also confirms that "the board of the SABC was invited by Sun International to have its regular monthly meeting at Sun City" and that — surprise surprise — "this December meeting also coincided with the Lost City events at Sun City".

In *Sol Kerzner: A Man And His Vision,* viewers were told that Kerzner understands "the media is vitally important" and is "as happy sitting down with a reporter as he is with Princess Caroline of Monaco".

Indeed, Sun International has treated media personnel like royalty: even the lowliest cameraman was a minor baron, offered free transport, accommodation and meals during the two-week opening jamboree.

Media representatives were given the run of a media centre that was a little entertainment palace itself, offering a dining room serving free food and wine, free telephones and editing suites and darkrooms, and a bank of press releases and publicity pics larger than a fair-sized public library.

But, comment several of the journalists who decamped to the Valley of the Ancients in the past couple of weeks, this special treatment was contingent on toeing the line. Says one: "If the Lost City is an empire and you, as a media person, happen to note that the Emperor is wearing no clothes, then you will be summarily and rudely dismissed."

Take the experience of *The Star* journalist Monica Oosterbroek. At a press conference, she asked Kerzner about proposed African National Congress/Cosatu boycotts and Jean-Michel Jarre whether he felt bad about the fact that the R90 *tickets to his show would* mean that there would be very few black people in the audience.

Kerzner's response was to call her "horrifyingly stupid". Then, following the conference, when she tried to ask Jarre the question again, Kerzner literally bumped her out the way, showering her, she says, with rage. "I was shocked," says Oosterbroek. "I have never experienced intimidation like that on the job. I said he was a bully and he shoved me. I lost my balance and fell to the ground."

Kerzner responds "it is entirely untrue I assaulted the young lady". He says Oosterbroek in fact "jumped in front of Mr Jarre, blocked his way and, wagging her finger in his face, insisted on further discussion with him. I took her by the shoulder and moved her to one side so Mr Jarre could move on."

In a statement to The Weekly Mail, Kerzner also apologises to the newspaper's co-editor Anton Harber for berating him at a launch and suggesting he leave. He said he had lost his temper because he was "appalled" when he read a *Weekly Mail* article that, in his view, "seems to have been written in such a way as to incite militants to take action against the Lost City".

Kerzner was particularly upset with a quote from the article that read: "The Lost City launch is a gift for local activists, who know that an embarrass*ment for Kerzner is a* problem for the government."

Kerzner says that "in our business we must accept criticism", but stresses he *was "absolutely commit*ted to doing my best" to achieve "the objective of boosting foreign exchange earnings by about R6-billion per annum and creating about 150 000 new jobs". The subtext is this: I'm doing it for South Africa, and thus anyone who challenges me is unpatriotic.

With skill and with charm, the Lost City has courted the media as never before. But publicity is not journalism — and when it becomes so, one enters the world of fantasy, the world of a Lost City which never existed. That, perhaps, is precisely what Sol Kerzner wants.

THE DEVELOPMENT RESOURCES CENTRE

is a one-year old nonprofit development agency that provides information-related services to community-based organisations and NGO's seeking to transform society in favour of the poor. Information services include:

- a **LIBRARY SERVICE** specialising in development management, fund raising, people centred development, and networking;
- a comprehensive on-line data base of "who's who in development" in South Africa;
- the Independent Study into an Enabling Environment for NGOs;
- the South African NGO Network (SANGONet), a non-profit electronic information and communications network.

The Centre is currently seeking applications for the following positions:

HEAD OF ADMINISTRATION

An experienced administrator is required to manage and oversee all aspects of organisational administration. Applicants should have five years of administration experience and a strong background in personnel relations and in designing and managing administrative systems. The successful applicant will supervise three administrative support staff and be part of the Centre's senior management team.

SENIOR LIBRARIAN

A senior librarian is sought to take responsibility for the day to day running of the Centre's library and documentation centre and for developing and maintaining an outreach information dissemination programme. The successful applicant will have at least five years of experience in the information and documentation centre, a first degree plus a H.Dip. Lib or B.Bibl.(or equivalent professional experience); the ability to supervise staff and experience in working with computerised data bases. An interest in and understanding of development issues is also an important qualification.

NETWORKER/PUBLICATIONS OFFICER

The Independent Study into an Enabling Environment for NGOs is seeking a motivated person with social science research and policy skills to service the growing national network of organisations involved in the Independent Study. This will involve collecting and disseminating information relevant to the work of the Independent Study at international, national and local level. Word processing skills are required and desk top publishing preferred. The successful candidate will have a social science graduate degree.

INFORMATION SERVICES OFFICERS

Under the general supervision of the SANGONet Editorial Collective, these two persons will assist in editing and managing SANGONet's online library of information. Duties and responsibilities will include all aspects of collecting, reviewing, editing, abstracting, drafting and organising information on SANGONet. The work entails both the production and adaptation of resource materials on the topic of development management (such as salary and benefits surveys of the nonprofit NGO sector) and liaison with organisations and individuals acting as "information providers" on SANGONet. The successful applicants will have knowledge of:

- the principles and methods of organizing, managing and presenting information;
- general social justice issues and the work of non profit and human service organizations;
- word processing;
- correct English language grammar and style, editing principles and techniques of preparing complete and concise written materials;
- knowledge of computer networking, uses, functions and capabilities preferred, but not required.

The successful applicants will have skill in:

- word processing at a rate of at least 40 words per minutes;
- learning new computer applications and gaining proficiency in a short period of time;
- acquiring, writing, reviewing, editing, summarizing and organizing various information for inclusion in an online information service;
- communicating information clearly and concisely, both orally and in writing;

OFFICE MANAGER

A person with at least three years of administrative experience is required to manage all aspects of the day to day operations of the Centre's sole office. Applicants should have a good working knowledge of and at least two years of experience on personal computers in an office environment and a grounding in common office computer application such as spreadsheets and word processing application.

SECRETARY/ADMINISTRATIVE ASSISTANCE

A senior secretary/administrative assistant is sought to work in the Office of the Executive Director. The successful applicant will have three years of experience in providing secretarial and administrative support in a fast-paced environment. In addition to superior general secretarial skills such as filing, transcription, and diary and correspondence management, the successful candidate will demonstrate an aptitude for interacting with the general public, NGO's, donors and the media. Both men and women are encouraged to apply for this position.

GENERAL: All successful applicants will demonstrate an ability to deal tactfully, cooperatively and effetively with other staff members, SANGONet subscibers, community organizations, representatives of funding sources and the public, including people from different racial, ethnic and cultural groups and from different backgrounds and lifestyles.

Full job descriptions and salary ranges for the positions are available from the Centre Administrator.

The start date for these positions is 1 February 1993, or sooner. Full CV's and three contactable referees should be provided by interested applicants before 15 January 1993.

The Centre offers competitive remuneration and benefits packages commensurate with experience and qualifications. Benefits include a comprehensive medical aid and health insurance package, provident fund contributions, and generous holiday provisions. When not enjoying their holidays, DRC staff are expected to earn them, and then some!

Send applications to: Development Resources Centre
P.O. Box 6079, Johannesburg, 200
Phone: 011 838 7504 Fax: 011 838 6310

The heat is on — head north

w/m aug 18/12 - 22/12/92 (288)

By TOM ROBBINS: Durban

DURBAN'S tourist days aren't over. While Cape Town may have pinched Durban's traditional visitors — white Transvaalers — Durban has found a larger market that is more reflective of the real South Africa.

Over the festive season thousands of people will pack into buses — many from as as far afield as Pietersburg. They often spending 30 hours travelling, only to catch that elusive combination of humidity, sand and sea for a mere eight hours. Much of what Durban's beachfront has to offer is plastic kitsch, which is what most people seem to like. But for the discerning visitor there are many rewarding possibilities in and around Durban.

If you don't like overcrowded beaches and faddish architecture head off for a drive on the beautiful north coast. Combine your day trip with a meal at the legendary Sea Belle retaurant in La Mercy. The vast Indian restaurant offers Durban's best prawn curry.

To get there, make sure the big blue ocean is always on your right and take the La Mercy turn off after about 20 minutes. Travel on the beach side of the north coast road for about three kilometres and the Sea Belle will be on your left. If you go on the weekend, arrive early — it is popular and the service is slow. Telephone: (0322) 915551.

Veer inland to rural kwaZulu and discover Lilani Hot Springs — it must be one of the most unusual resorts around. The dilapidated hotel was a hip health spa in the 1920s and 1930s. Today, only the shell of the hotel and the garden remain. For R10 a night per person you can camp in the hotel and spend your days lounging around in the sulphur baths. Watch your possessions as there is a "security problem".

To get there take the Pietermaritzburg road to Greytown. From there, take the Kranskop road, following the Lilani sign posts and turn off at Ahrens. If it has rained heavily, a 4x4 vehicle is advisable for the breathtaking drive into the steep valley.

On your way home you would do well to spend some time in Pietermaritzburg; the city centre is undergoing a Victorian revival. Step out of your car and stroll around the narrow alley ways, stopping off for an expresso at one of the street cafés.

Don't forget the Tatham Art Gallery in the beautiful old supreme court building. You will find it opposite the red-bricked city hall on the corner of Church and Commercial streets. An exhibition, billed "Art meets Science", will be running until January 3. For something more timeless, the spectacular Lorna Ferguson Room upstairs is a good example of "Grand Victoriana".

On the road home — and on a more spiritual note — visit Chatsworth and see the impressive Hare Krishna Temple. For more worldly pleasures go downstairs and sample the mouth watering Indian food at Govinda's Restaurant — vegetarian only, of course. Telephone: (031) 433360.

Once you're back in Durban, home in on the kinetic energy of top Zimbabwean band, Southern Freeway. You'll find them at the Le Plaza Hotel in Albert Park today and tomorrow. Telephone: (031) 3012591. If you miss them there they'll be at Natal's most famous jazz spot, Pinetown's Rainbow Restaurant, on December 20. Telephone (031) 729161 and see what other jazz is planned for the holiday season.

Then stumble into the Victoria Bar. "The Vic" is situated on the sleazy end of Point Road and is a popular hang out for 1990s flower kids, yuppies and stevedores. Despite being one of Durban's nicest buildings, and newly painted, this is probably one of the most rundown hotels in South Africa. And that is exactly the way the patrons like it. Don't be put off by the fishy harbour smells — the pub has some of Durban's best value for money Portuguese seafood on sale. Or, even better, ask Carlos in the downstairs bar for the speciality — chicken peri-peri. Telephone (031) 374645.

While on the alcohol theme, visit Durban North's Crawfords Brewery. One of nine new independent breweries in the country, Crawfords is challenging the South African "laager" mentally approach to beer. The ale has a dark, nectar-like texture. Brewer Andy Mitchell gives a fascinating insight into the brewing process and gigantic South African beer industry. And he'll give you a couple of pints in the pub afterwards. Telephone (031) 841277.

To round off your holiday, go on a soothing day drive through the green Natal Midlands. This recently developed area offers country hotels, restaurants and upmarket health hydros.

Not the smartest, but one of the quaintest is the old Notties pub in the Nottingham Hotel which also offers a good pub lunch. Use the hotel as a convenient base from which to view the arts and craft on the Midlands Meander. Telephone (0333) 36151.

Lastly, don't forget the dreaded Natal Fever: the later in January you leave your trip, the hotter and more humid it becomes. Remember how hot it gets in the colonies ...

FM 18/12/92

288

What you see is (almost) what you get

Investment decisions hinge on several external factors

How much room is there at the inn for investors? City Lodge Hotels and Karos Hotels — the only vehicles offering exclusive exposure to the hotel sector — offer very different options in terms of valuation and strategy.

Karos's share price is at a massive discount to NAV and replacement cost. The price has suffered from a deliberately ambitious capex programme which coincided with high interest rates and bad market conditions. Conversely, City Lodge's high rating puts a premium on its sound financial management and strategy of budget hotels that thrive in recession.

Karos focuses on the three- and four-star bracket; it aims for the "quality overseas tourist," says chairman Selwin Hurwitz. City Lodge operates quality economy hotels mainly for businessmen.

Despite the sector's enemies of high interest rates, political violence and persistent recession, City Lodge managed 33,5% earnings growth, dazzling occupancy rates around 80% and no net debt, during the year to July 31 1992. The comparison with Karos is stark. Its recent interim shows a small profit, reversing a R3,9m loss in 1992, and occupancy rates just topping the sector average of about 50%.

Since Karos was listed in mid-1989 it has persisted with a major refurbishment and upgrading programme which has cost about R150m. Industry observers expressed reservations. It now has 14 luxury hotels with more than 2 000 rooms, mainly in cities and holiday resorts.

The jewel in the Karos crown, though it may be flawed, is its 32,5% stake in the five-star Polana Hotel in Maputo, its only operation outside SA. In theory, the investment should be successful; many South Africans recall holidays in what was Lourenco Marques, now Maputo, with an affection that strengthens as the years unfold. Hurwitz expects the Polana to contribute R1m management fees and an annual US$650 000 to the bottom line. Of course, this will depend on the stability of the Mozambican Peace Accord; the *FM* will be forgiven cynicism about any project dependent on the goodwill of Frelimo and Renamo.

The cost of the refurbishment programme has been high in terms of investor confidence. Despite R150m capex, adjusted shareholders' funds of R97m have increased by only 3% since the listing, the share price has lost about 50% of its value, and the dividend was cut in 1992. None of this is the stuff which inspires investor confidence.

Karos has sold five hotels for R42m to Karos Property Investment Fund on sale-and-leaseback. The fund is owned by a consortium of which Karos is a member.

Potentially, it has seven more to sell to the fund for about R100m in today's money but has not yet negotiated to do so. Karos has an option to buy back any hotels from the fund, for the original sale price, in 2007. By contrast, City Lodge owns all its hotels, which have a replacement value of R192m.

City Lodge MD Hans Enderle uses the Americanism "limited services hotels" to describe the no-frills formula of the business in existence since 1985. The eight hotels, and three due to be finished next year, comprise 1 600 rooms, are in metropolitan areas and were designed from scratch.

There are indeed no frills. No restaurants, room service or porters; and carry your own bags. Among the few amenities are breakfast and a bar. Room charges form 87% of total turnover and food and beverages 13% at City Lodge compared to 60% and 40% at Karos. The resultant lower staff levels and fixed costs have benefited City Lodge's profitability at operating level and bottom line.

Labour accounts for only a sixth of turnover at City Lodge compared with a quarter at Karos, says Hurwitz. Operating margins tell the same story: City Lodge 50% before tax and interest charges compared to an average 15% over the past five years for Karos.

On the face of it, City Lodge Hotels would seem to offer quality earnings through efficient cost management, a niche market, high occupancy rates and low net gearing. Such success begs two questions: is it sustainable and has it already been discounted in the share price?

City Lodge is facing significant direct competition from Holiday Inns, which has converted some hotels into the new Garden Court brand. Southern Sun Hotel Holdings, a wholly owned subsidiary of SA Breweries, has the exclusive franchise on Holiday Inns. City Lodge's 1 600 rooms compares with an existing 1 360 Garden Court rooms plus a conversion of another 660 (an attempt to salvage something from the ill-fated Johannesburg Sun) to open in January in downtown Johannesburg.

1992 INCOME APPRAISAL

R000's	Yr end Jul 31 City Lodge	Yr end Mar 31 Karos
Turnover	46 519	89 003
Operating profit (pre-int & tax)	23 300	8 407
Interest payable	8 218	9 207
Attributable earnings	8 605	(3 894)
Earnings per share (c)	34,6	(13,9)
Dividends per share (c)	20,7	nil
Cash flow per share (c)*	46,2	4,3
Net debt to equity (%)	negligible	62

* CF comprises taxed profit plus depreciation-minus redeemable pref divs.

ASSET VALUATION TO PRICE

	City Lodge	Karos
Market capitalisation (Rm)	126,6	30
Replacement cost (fix & fit) (Rm)	192,0	600,0
Market discount to replacement cost (%)	34	95
Net asset valuation (Rm)	12,9	96,9
Market premium/ (discount) to net ass val (x)	9x	(0,7x)

Enderle estimates present market saturation to be 5 000 rooms while Holiday Inn Garden Court operations director Helda Pereira puts it between 7 000-10 000. But then, since Garden Court is the newcomer, its management would be expected to argue along those lines.

Karos does not face the same competition because of its broader market focus (see chart). The growth sector, says Hurwitz, is foreign tourism, which could account for 30% of room occupancy, up from the current 10%, if violence abates. But Karos's domestic occupancy rates would benefit from an improvement in interest rates and sentiment. The same may not be true for City Lodge, which has thrived in recession. As expense accounts expand, City Lodge may experience a falling-off of occupancy rates as people trade up.

Karos's sizeable capex programme leaves it well placed to compete effectively for the next tourist upswing. But it is unlikely that the much-heralded tourist invasion will benefit City Lodge, since only 20% of its clients fall into this bracket and most of those are locals. City Lodge hotels are not designed for tourists; they have minimal services and no facilities for children.

Three exogenous events will contribute significantly to Karos's profitability. The first is a reduction in interest rates to reduce the debt servicing; indeed, every 1% reduction in interest rates brings a R500 000 saving at the bottom line. The second will be a positive change in foreign tourists' sentiment about SA. Hurwitz highlights the sensitivity to political violence by revealing that some hotels had 25% cancellations after the Boipatong and Bisho massacres. Recent murders of and attacks on foreign visitors will not help.

The third and most significant contingency is the ability to preserve gambling operations.

Karos estimates that if it can get full gambling licences for six hotels then, for every rand it makes on rooms, food and beverages, it could make another on gambling. It has had seven gambling operations open since May but these could be closed by end-January by an amendment to the Gambling Act.

The combined effect of these events will benefit the bottom line considerably but not necessarily improve fundamental performance. Karos is entering a consolidation phase in which Hurwitz aims to lower the debt: equity ratio by 15% a year for the next three years and restrict capex to R2m-3m in 1993.

The interims point to an improvement. A 20% increase in turnover is the result of more capacity coming on stream after completion of the refurbishment programme. More interestingly, operating profit rose 46%, giving an operating margin of 27,4% (22,5%). This improvement is due to better cost and asset controls resulting in a small rise of 14% in operating leases, interest, depreciation and amortisation charges, claims Hurwitz.

City Lodge's performance has been reflected in the share price. Issued at 480c, it reached a premium of more than 6% on the first day. The current price is a large premium of nearly 9 times undiluted and 1,25 times diluted NAV. Dilution is the result of R75m compulsorily convertible preference shares. Enderle expects the conditions for conversion to occur within five to seven years.

A comparison of Karos's share price performance with City Lodge is difficult since the latter has only just been listed. Even a snapshot yield and p:e comparison is impossible since Karos produced negative earnings this year and passed the dividend. The only point of comparison is NAV, where Karos is at a 70% discount to undiluted net worth compared with City Lodge's premium.

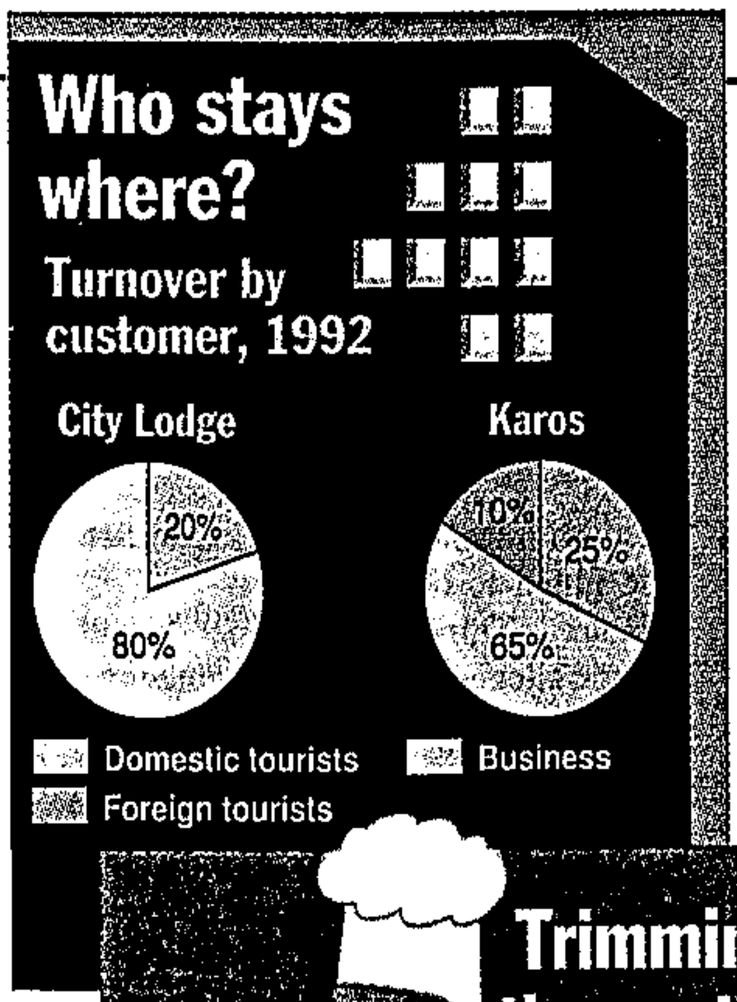
Enderle says the replacement cost of City Lodge's hotels is R120 000 a room (including fixtures and fittings) or a total of R192m. This puts its R126,6m market value at a 34% discount to the cost of rebuilding. Valuing Karos on the same basis puts the R30m market valuation at a massive 95% discount to a total replacement cost of R600m (R300 000 per room). In other words, a canny investor could buy the Karos establishment for a rock-bottom 5% of the cost of building it from scratch.

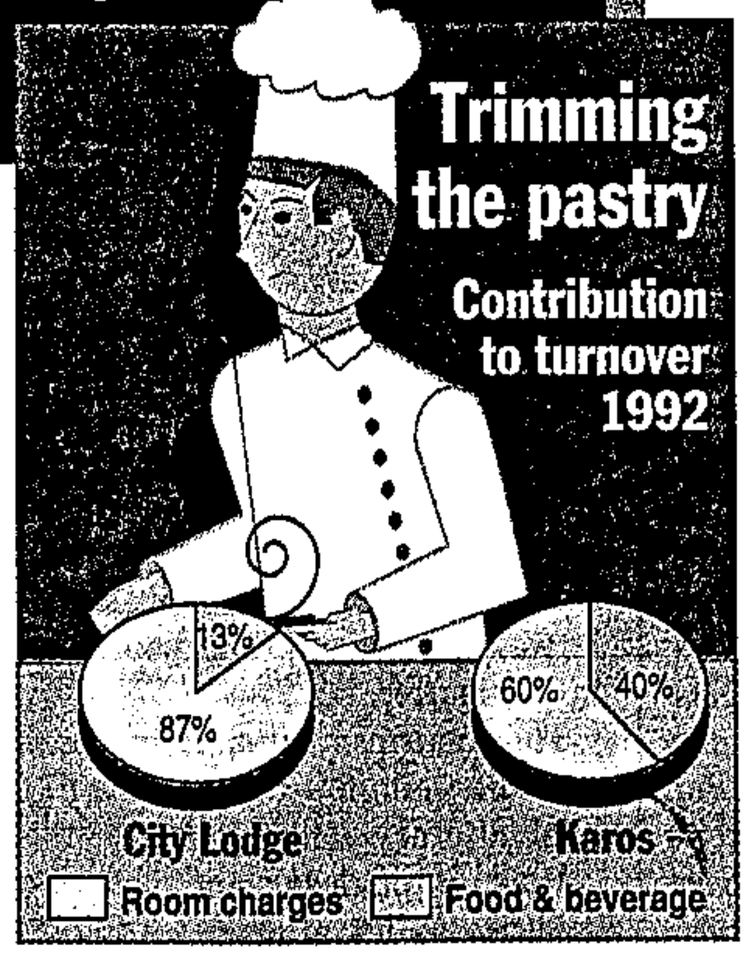
The share price will have to an extent discounted the fact that Karos is heavily geared; total net debt is R70m. The discount to asset value must make Karos a prime takeover target for anyone with faith in the hotel business.

Characteristically, for many SA groups, Karos and City Lodge have core family shareholdings. Five family shareholders in Karos hold about 40% and another 25% is held by Momentum Life Assurers. There has not been much activity in the remaining shareholdings. City Lodge has two major shareholders, Mines Pension Funds and the Enderle family with 42,8% and 26,2% respectively.

City Lodge was issued on a relatively high historical p:e of 14,7 and a prospective 11,7. But does this factor in the probable success of "limited services hotels" in a buoyant market, or how City Lodge will fare against increasing competition from Holiday Inns' Garden Court hotels?

Karos's share price has halved since the listing in 1989 and underperformed the Beverages & Hotels index. It is unlikely the positive options which have been sketched for Karos will be factored into the price until Karos can regain investor confidence from dividend or NAV growth, and quality organic growth.





Cost of expansion

City Lodge has forecast 25% earnings growth for 1993 and a near-doubling of the number of rooms to 3 000 by 1998. The cost of expansion is estimated to be about R170m in 1993 money. Of this, R40m on furniture, fittings and equipment will be financed internally. The remaining R130m for land and buildings will be externally financed. Part will come from Mines Pension Funds, apparently at favourable rates, between 10%-11%, which is good for City Lodge but may not be for the pension holders. Karos is looking forward to putting its finances into as good shape as its hotels. It has much to prove to investors.

As Karos consolidates its fortunes will depend to some extent on events beyond its control: gambling legislation, political stability and an end to recession. But the share looks undervalued in relation to replacement cost and NAV. A takeover bid or positive change in sentiment to the economic and political situation must trigger a rerating. City Lodge has the benefit of being investor-friendly in terms of quality earnings and tangible rewards, but its high rating suggests much of this is already discounted by the price.

Louise Randell

1992 OPERATING RATIOS

	Yr end Jul 31 City Lodge	Yr end Mar 31 Karos
Operating margins (%)	50	15†
Labour costs/ turnover (%)	16	25
Employee: room	1:3	4:5
Occupancy rates (%)	80	50

† This is an average taken over the last 5 years.

Coloured mayor is welcome, but no politics

South 13/1/93

By Rehana Rossouw 19/12/92

SOUTH Africa's first "coloured" mayor and the owner of a hotel in the Boland town of Franschhoek have been reconciled after the mayor claimed he was refused entry to the hotel because of his race.

Mayor Mr Frank Arendse and his wife, Mercels, were invited to the La Cotte Inn at the town for drinks last Wednesday but were denied admission because the owner said Arendse was not a member of the hotel club.

Arendse said he was supposed to have a meeting with the owner, together with community, tourism and wine board officials.



Mr Frank Arendse

South 19/12/92 - 13/1/93

288

However, owner Mr Ludwig Maske telephoned the Franschhoek mayor and told him the meeting was off.

Arendse accused Maske of practising whites-only racism by reserving admission to his hotel.

In a joint statement this week, both parties agreed the incident had been a "misunderstanding".

Maske said the hotel has two areas where clients could drink — one open to all regardless of race and another reserved for members.

"This membership has never in the past and will never in the future be restricted on the grounds of colour," he said.

"There would be no reason whatsoever should the mayor of Franschhoek, or any other person (either white, black or coloured) wish to become a member of this club if they meet the criteria."

The only condition is that members may not discuss politics or religion in the hotel.

The statement said that the mayor wants to establish good relationships with the business community and encourage tourism.

DONT MISS SOUTH'S FIRST EDITION NEXT YEAR ON THURSDAY JANUARY 14

rban trade bid

Du

■ A R200 million conference centre could give Durban the edge in attracting overseas conventions.

PATRICK FARRELL
Weekend Argus Reporter

288
MRCT 19/12/92

DURBAN has unveiled plans for a R200-million conference centre near its beachfront.

The centre, the largest in the country, will be built and run by the City Council and is expected to be completed in October 1996. It will be the biggest single investment undertaken by the council.

Durban's director of urban development, Mr Alec Gilbert, said construction would start next September with the parking garage. The rest of the complex, which will seat 1 800 delegates, will follow slowly to keep pace with a "precisely targeted" marketing campaign to attract overseas conventions.

"The marketing will take about five years, so it is pointless finishing the centre before the delegates arrive."

The centre will have translation and media facilities.

"A banqueting hall for 1 800 people and a 3 000 square metre exhibition room will also be built and the entire centre will be designed so it can be capable of seating 5 000 people," he said.

The beachfront site will be near the CBD at the old prison grounds in Walnut Road.

"Tourism is an integral part of conference centres and our beautiful beaches are sure to attract delegates.

"We believe that delegates spend about four times as much as the average tourist so this revenue will be an important spinoff of the centre."

More five-star hotels would hopefully be built on the beachfront to cater for the centre and about 2 500 jobs in "related industries" would be created, said Mr Gilbert.

Research has indicated that the centre would make enough money in the first three to five years to outstrip operating costs.

"We believe that if we can attract only four international conferences a year and fill in with local conferences, we will break even.

Mr Gilbert said the centre could also be used for exhibitions, promotions and even rock concerts.

He said they had done their homework well to prevent the centre from turning into a white elephant.

"We know it is important to start lobbying for international conferences now, based on a five-year marketing strategy."

"We have chosen our niche market and other cities should choose theirs."

Cool, busy Cape Town braces for tourism record

ARG 19/12/92

288

STEWART ALCOCK
Weekend Argus Reporter

AFTER a quiet start to the holiday season, indications are that Cape Town is set for a record number of tourists.

But they'll have to brace themselves for some inclement weather this weekend. A weather office spokesman predicted cloudy and cool conditions with a fresh southwesterly wind. Top temperatures were unlikely to be higher than 23 deg C today and 22 tomorrow.

A spokesman from the traffic department said all the main roads into the city were busy and the traffic flow had "picked up considerably in the past few days".

Captour's Mr Gordon Oliver said he expected the number of tourists in Cape Town to be "slightly up on last year".

"December has been slow so far, but this weekend will be the turning point, with January probably even better as more foreign tourists come to Cape Town after Christmas and up-country tourists make last-minute decisions to visit."

Business as usual for Fancourt resort

BIDAM 21/12/92 (288)

CAPE TOWN — The Fancourt Hotel and Country Club resort outside George would be kept as a going concern and continue business as usual, the joint provisional liquidators and Masterbond curators said at the weekend.

Cape Trustees's Ralph Millman has been appointed provisional liquidator of Fancourt Properties, which owns the hotel.

KPMG Aiken & Peat's Tjaart du Plessis together with Sonnenberg, Hoffman & Galombik's Charles Smith and Margot Swiss Trustees' Sarel Coetzee have been appointed the joint provisional liquidators of Fancourt Holdings, which owns the land, golf course, lodges and other facilities.

LINDA ENSOR (288)

Fancourt Properties and Fancourt Holdings were recently provisionally wound up in the Cape Town Supreme Court with combined debts of R121,5m, R97m of which is owed to Masterbond investors.

The curators and provisional liquidators said that the resort, under the management of the Orient Express hotel group, was to be maintained as a going concern. Former Fancourt MD Billy Freer would remain in charge of the operation.

☐ To Page 2

Fancourt

BIDAM 21/12/92 (288)

☐ From Page 1

He said management was aggressively marketing various golf packages to make the resort more accessible to SA golf enthusiasts.

Meanwhile, the investors with unallocated investments totalling R155m were informed last week that they would receive a first, interim payment of 3,75% of the capital they invested following the recovery of certain assets.

"In some cases the amount payable is minimal. However, it is clear from correspondence received that there are a large number of investors who are experiencing extreme hardship since the collapse of the Masterbond Group.

"We therefore decided to make this first payment to all unallocated investors even where the amount is very small," Masterbond administrative officer Horton Griffiths said.

Satour pleads for joint action as wave of violence scares off tourists

THEO RAWANA and RAY HARTLEY

THE SA Tourism Board has appealed to political leaders and police to take action in the wake of the recent spate of violence in Natal and the Cape.

Satour executive director Spencer Thomas said yesterday the violence had had a detrimental effect on tourism.

And Transkei Tourism co-ordinator Clive Berlyn expressed concern that Law and Order Minister Hernus Kriel's appeal to South Africans not to travel through Transkei this holiday season would undermine tourism in the homeland.

Thomas said the wave of violence had contributed to the depressed state of SA tourism, adversely affecting bookings.

"We wrote to all the political parties and impressed on them the value of international tourism, asking them to do everything to decrease the violence. We have received some positive responses," he said.

Satour had also written to the police, asking them to act to bring down the levels of crime. "But the willingness has to come from the people," Thomas added.

He said overseas bookings for the Christmas season were good, but domestic tourism varied from one area to another. "The Cape is faring better than Natal, an example of the influence of violence."

LINDA ENSOR reports from Cape Town that the Cape Peninsula might be benefiting from a fall-off in holiday trade at eastern Cape holiday resorts.

Protea Hotels reported "brilliant" trading at its Peninsula hotels, with Protea MD Arthur Gillis saying special packages and holidaymakers' wish to avoid perceived troublespots such as Transkei and Ciskei had lured tourists to the Cape.

The Victoria & Alfred Waterfront has also proved to be a drawcard for holidaymakers, with an average of 75 000 people visiting the complex daily. The complex expected about 1,8-million visitors in December, meaning the annual total would be an increase of 29% over last year.

Kriel said at the weekend that attacks on SA vehicles in Transkei indicated the homeland's roads had become dangerously unsafe.

Berlyn said the statement had prompted a flood of cancelled bookings at resorts throughout the homeland, but hotels had recovered over half through drawing on waiting lists.

Tourism on the Natal south coast and in the Border region would also suffer as it depended on customers who travelled through Transkei, he said.

Suppliers were reluctant to deliv goods to resorts in the areas for fear of a tack on Transkei roads following Kriel statement, he added.

Berlyn said the perception existed that Kriel's statement was a politically motivated attack on Transkei. "We are terribly concerned about statements like this being made based on an isolated incident," he said.

Transun MD Alberto Chiaranda said the Wild Coast Sun had received a flood of calls inquiring about the safety of travelling, despite the resort being just a few hundred metres from the SA border.

Satour calls on police to act

22/12/92

Own Correspondent

JOHANNESBURG. — The recent violence in Natal and the Cape had had a negative impact on tourism and moved the SA Tourism Board to appeal to political leaders and police to act, Satour executive director Mr Spencer Thomas said yesterday.

And the Transkei Tourism co-ordinator said they wrote to the leaders of all political parties asking them to try to decrease violence.

DP condemns pensions for retired SADF officers

B/DAY 23/12/92

GOVERNMENT's decision to pay millions of rands in full pension packages to 16 senior SADF officers put on early retirement by President F W de Klerk last week has been condemned by DP finance spokesman Ken Andrew.

Andrew said the decision not to dismiss the officers generated the impression that "other than having to change their jobs, it is as if they have done nothing wrong.

"People who are guilty of serious improper behaviour, whether that behaviour is illegal or not, should be dismissed," he said.

An SADF spokesman said no figures could be given on how much the two generals, four brigadiers and 10 other officers would be paid out, but he confirmed that they would receive their full packages.

According to sources, an SADF major-general earns slightly more than R120 000 a year, and would continue to receive roughly the same monthly income after retirement — in addition to a gratuity payment of up to R360 000.

A brigadier on early retirement would receive close to his annual salary of R102 000 and a gratuity of about R300 000.

RAY HARTLEY

Andrew said government should have rather suspended the officers and held a review, affording them an opportunity to present their case, before clearing or dismissing them.

DP defence spokesman Gen Bob Rodgers has suggested that the 16 officers placed on early retirement were being removed because they opposed government's reform direction, while the seven who were put on compulsory leave were suspected of criminal offences.

Andrew said it was as a result of incompetence, cover-ups and an unwillingness to face the truth that government had dragged its heels on purging the SADF.

"Given the evidence that one has seen in the Webster inquest and the evidence to the Goldstone commission, I am astonished that more senior members of the SADF seem to be keeping their hands clean," he said.

Umkhonto we Sizwe chief of staff Siphiwe Nyanda has supported the decision to pay full retirement benefits to the officers, saying the ANC would do the same when it removed officers from the SADF when it was in government.

Sapa reports Constitutional Development Minister Roelf Meyer said in Washington yesterday the action against the SADF members would raise De Klerk's credibility internationally and strengthen government's position in negotiations. Government was in a stronger position because it could press "a few other organisations" to follow its lead.

"There is no doubt that other organisations have rogue elements in their ranks they will have to attend to. This is something that everybody is aware of in SA and it puts us in a position where we can press for that."

□ Meanwhile Sapa-Reuter reports the US has welcomed the action against the SADF members.

"We ... welcome the steps taken by President de Klerk to discipline members of the military implicated in illegal activities," State Department spokesman Richard Boucher said in Washington on Monday.

"We hope that his positive actions will send a clear signal to all South Africans that illegal activities by security forces will not be tolerated," Boucher said.

Guards linked to missing gold

MICHAEL HARTNACK

HARARE — Police had arrested two security staff employed by Air Zimbabwe over the disappearance of 52kg of gold amalgam from a British Airways flight from London to Harare on December 8, The Herald reported yesterday.

The gold, worth R1,7m, was being returned from processing in the US. For political reasons, President Robert Mugabe's government has stopped Zimbabwean gold mines sending amalgam to SA refineries. Until the robbery it had been thought the Reserve Bank of Zimbabwe favoured processors in Western Australia.

Police are investigating why the gold was routed to London via Tel Aviv's Lod airport, The Herald reported.

"A complication lies in this fact," said an official.

Zimbabwe's Reserve Bank has refused to comment on the fate of the shipment.

By the time the gold was reported missing, three hours after the BA flight from Heathrow had landed, the Boeing 747 had left for Lusaka.

A BA spokesman said the airline had taken stringent precautions to ensure save delivery of the gold in Harare.

Johannesburg nightspots hit as fearful patrons stay away

(288)

RAY HARTLEY

THE perception that Johannesburg's CBD was the epicentre of a crimewave was scaring away night-time-pleasure seekers who preferred to entertain themselves in their suburbs, SA Restaurant Guild chairman Robert Mauvis said yesterday.

Mauvis said reports of tourist muggings and general security fears had created the climate which had led to "the worst year ever" for CBD restaurants and hotels.

The film industry was also suffering the effects of a decline in the number of people visiting the city centre at night, according to an industry source.

A total of 156 tourists had been mugged outside two major Johannesburg hotels during four consecutive months of 1992, the source said.

Police spokesman W/O Andy Pieke said between 17 and 21 people were mugged during an average day in the CBD, but violence was seldom used during these muggings and the city centre remained relatively safe at night.

Pieke said the number of muggings needed to be seen in the context of the large numbers of people shopping in the CBD during the day.

The perception that it was unsafe to go to restuarants or cinemas in the CBD at night was "completely incorrect", he said.

In fact, crime decreased in the CBD over the festive season as fewer people were on the streets and there were fewer people in relation to the number of policemen on duty.

He said the public would be well advised to maintain basic security consciousness and to avoid people who seemed to be following them or gathering in groups with no apparent purpose.

Hillbrow and Joubert Park remained problem areas, and would receive special attention from police during the festive season. The recent relocation of police sleeping quarters to the Downtown Inn building would lead to a naturally greater police presence in the area, he added.

Pieke said new satellite police stations were already in operation in the Smal Street Mall, Bank City and at Johannesburg station.

Mauvis said hotel and restaurant business had declined 20% during 1992, but the industry could look forward to a busy 1993.

Police should place "bobbies on the beat" on all street corners as was the case in major cities in the US, Australia and Britain to improve security in urban centres, he said.

The Durban beachfront and CBD had radically reduced muggings by employing such a strategy and the lowest number of muggings was recorded there since 1987, he said.

More tourists visit SA

JOHANNESBURG. — South African hotels sold 11% more beds to foreign tourists in October this year than at the same time last year, according to figures released by the Central Statistical Service yesterday.

The largest group of tourists to stay in hotels in October was from the United Kingdom (21,2%).

Meanwhile hotels and holiday resorts along Natal's north and south coasts are almost fully-booked — but there is likely to be plenty room at the inns of Durban this holiday season which expect a 65% occupancy rate.

● Ms Elise Glading, a spokesperson for SAA in Durban said indications were that international flights would be lower than the past two years.

However both the German airline LTU and British Airways have reported no cancellations. — Sapa

STAR 23/12/92

Apla 'is not hiding round every corner'

Own Correspondent

The Transkei Tourism Board moved to allay holidaymakers' fears about security in the Transkei yesterday after a wave of cancellations at holiday resorts along the Wild Coast.

"The soldiers and policemen are on the roads to make visitors feel safe — it's not because we have Apla people hiding around every corner," said tourism board spokesman Gladys Ramncwana.

"Although many people cancelled their trips, visitors are still arriving looking for accommodation — and they have all had lovely trips.

"The Wild Coast remains a very popular destination and we would not encourage people to come here if we thought their lives might be in danger.

People who wish to contact the Transkei Tourism Board for further information can telephone (0471) 25344 (business hours) or 23766 (after hours).

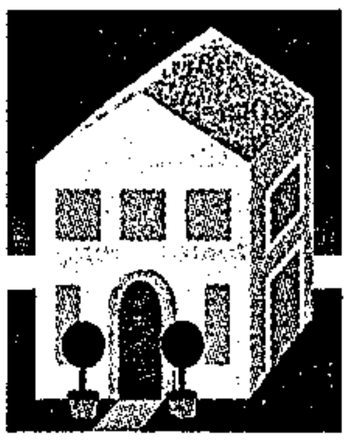
FM 25/12/92

288

HOLIDAY HOMES OF THE RICH AND FAMOUS

They do like to be beside the sea

The rich are like you and me — though they can holiday on a grander scale



When you live in paradise — as many do with apartments or bungalows overlooking one of the Clifton beaches — your best holiday option when Transvaalers descend on the Cape is to go overseas. Some make a habit of it, like Pick 'n Pay chairman **Raymond Ackerman** and family — who are off again to ski in Switzerland.

Others occasionally find hanging off a bare rock face on local mountain climbing expeditions enjoyable, like professor of psychiatry **Lynn Gillis,** author of a number of medical textbooks, including *The Person in the Patient*.



Patsy and Everard Read ... *nice neighbours*

For Lynn and wife **Shirley**, who have spent the past 30 years living above Moses Beach, Clifton is not the same. While their breathtaking views of the sea remain uninterrupted, because they are on the beachside of Victoria Road, nearby rock blasting has disturbed the peace.

Having also discovered paradise, developers have constructed one apartment block after another. New neighbours, at the likes of The Beaches, include coal magnate **Graham Beck** who has bought a flat.

The only consolation for residents is that flats, which cost next to nothing 15 years ago, are now worth anywhere from R1,5m to R5m on this stretch of SA's Riviera.

Most business and political leaders would agree that what makes for a top holiday is a cocoon of familial love — some relatives being better holiday companions than others, of course — excellent cuisine, sea views, intelligent company and quiet surroundings. Tastes vary widely but who can fail to love Clifton?

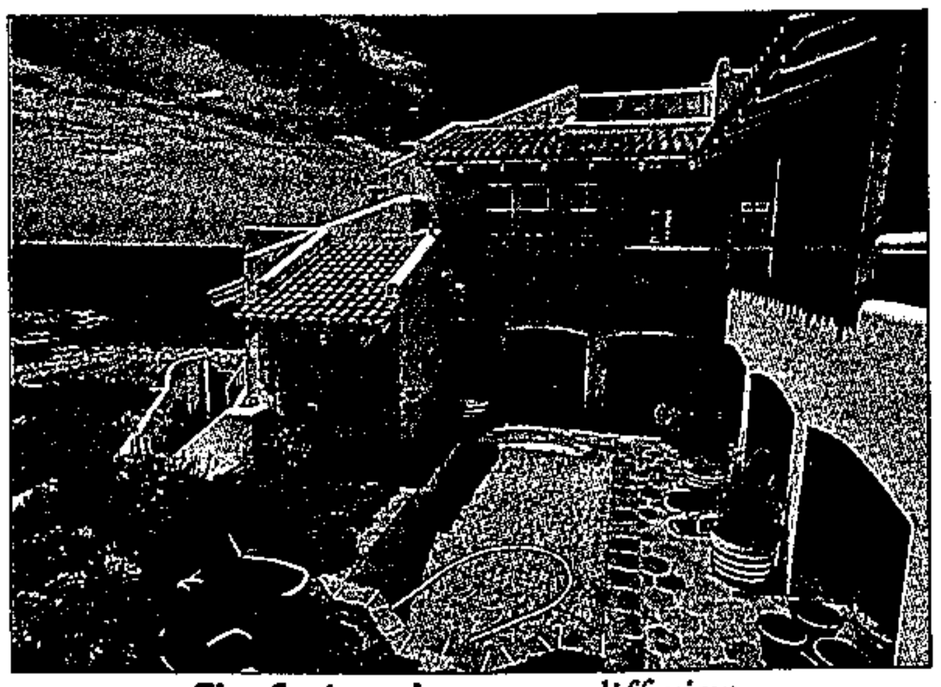
Another fortunate Clifton homebuyer — many years ago — is leader of the DP and former director of Anglo American **Zach de Beer**. He originally had a flat in an older building behind and across the road from what was formerly the Clifton Hotel. It has since made way for the stylish The Clifton apartment complex above Second Beach and De Beer has since sold his other flat and bought one in this building. Here he lives with his wife, Mona, when parliament is in session and over the Christmas period. This year De Beer is planning on getting stuck into the biography of SA physicist Sir Solly Zuckerman.

ANC constitutional legal adviser and member of the ANC national executive committee, and professor of law at the universities of the Western Cape and Cape Town, **Albie Sachs** now lives in Clifton, where he grew up and managed to return after his exile.

When asked where he's going this year he said: "I'll be visiting my own home, which will be a treat. The constitutional process is exacting and exhausting and we're travelling all the time. My pleasure will be not to write any books, or even read them. Part of the treat will be to eat real, tasty SA fruit. In England, it looks beautiful but has no flavour."

Just staying at home is also what **Judge Richard Goldstone** wants to do with whatever time is left over from his commission or preparing for next year's Appellate Division. Last year he moved house from Johannesburg to a flat in Cape Town. Favourite pastimes there are walking, reading, listening to CDs and playing tennis.

"I have a stack of books to read, mainly biographical. This end of year I'm looking



The Gevisser home ... *cliff view*



Kerzner at Leeukoppie ... *in search of peace*

forward to reading the play *Death and the Maiden* and a biography of Stephen Hawking, the crippled Cambridge physicist and originator of the Black Hole theory. I'm also hoping to watch some of the international cricket."

For Pepkor chairman **Christo Wiese**, time off will be two to three weeks with family — "who tend to be neglected during the year" — at his holiday house in Yzerfontein on the Cape west coast, not far from Langebaan. Though Wiese now lives in a Clifton bungalow, his future and more permanent home will be in the Lanzerac homestead next to the famous hotel in Stellenbosch, both of which he bought recently and is now refurbishing.

Seardel chairman **Aaron Searll** and family will spend 10 days of the holiday at home in Claremont, and thereafter about eight days at their Plettenberg Bay holiday apartment. A keen flyer, Searll's looking forward to reading magazines pertaining to this hobby, as well as a couple of novels. Exercise will be tennis, swimming and walking on the beach.

Arthur Andersen tax partner **Pierre du Toit** — a former Capetonian who considers himself a migrant labourer up in the Transvaal — will do his usual thing this holiday and take a house in Bakoven "at an exorbitant rental." Du Toit's idea of a holiday is "to get as far away from any capitalist pig, law book or set of figures as is humanly possible."

Sunsets on the beach, the tang of salt in

CONTINUED

FM 25/12/92 (288)

will be developed next year. Other holiday homes visited by the *FM* are those of former Budget Rent-a-Car co-owner and Motorvia owner, the now retired **Paul Marais**; former Kenitex Africa chairman and owner **Ronnie First**; and Liberty Holdings MD **Farrell Sher**. First has had a house in Plettenberg Bay for 14 years and believes it's the best resort outside of the city atmosphere of Cape Town. It's also a great sporting resort. Plett's beaches are usually terrific. Freak storms in October, however, have almost washed them totally away. Until they're restored, people like Marais will take to their boats on the river; First will play more tennis; while most will probably end up lounging by their swimming pools.



First's place ... *sporting paradise*

Bobby Hutchinson, wife of lawyer, estate agent and property developer Pick of Plett's **Tim Hutchinson**, has lived in Plettenberg Bay for 16 years. When the *FM* visited them, both Bobby and Tim were on a stringent diet, the result of a rather hectic seven-night-a-week entertainment schedule. Guests include not only clients but, on occasion, **President F W de Klerk**.

Bobby notes a definite improvement in holiday home architecture over the years "because more aesthetic people are now building here."

Johannesburg-based architect **Menno Meinesz**, for example, has been responsible for a number of these houses — among them that of Boumat executive director **David Gevisser** and wife **Hedda**, whose house is perched on a cliff opposite Beacon Island — as well as The Plettenberg.

The local handcraft industry, for which the Cape is famous, has received a tremendous boost from building and interior design activity in the area and, more important, provided an opportunity for export. Under the guidance of an artist such as Hutchinson, products are being refined and properly marketed. Sales through her shop of *verti d'igris* or plain metalwork, customised hand-painted dinner services and bathroom accessories, embroidery, hand-carved fireplaces and mirror frames as well as cabinet-making, all manufactured in Plettenberg Bay, have rocketed countrywide.

Hutchinson & Smith, an affiliate of Bobby Hutchinson Interiors, mills, prints and weaves its own fabrics in the Cape — awards for which have been received in Germany. The fabric is also sold in Mauritius, Switzerland and the UK. Even special holiday ranges are produced.



Belvidere Estate ... *where Ken and Katie play*

Average upper market homes in Plett vary between R1,5m to R2,8m, with interiors ranging from R150 000 to R200 000, including furniture, though the advent of new housing estates and innovative packages offer opportunities for many to spend far less. Stands will sell as low as R55 000 in Goose Valley and a six-week syndicated share in a Cape Cod-style holiday home in Knysna's new Island Cove resort on Leisure Island costs R165 000. Your neighbours on Leisure Island would be **Everard** and **Patsy Read**. Everard, founder of Johannesburg's Everard Read Gallery, is now semi-retired and spends some of his time "botanising" — not "bottleising," he laughs. "That only happens after sundown."

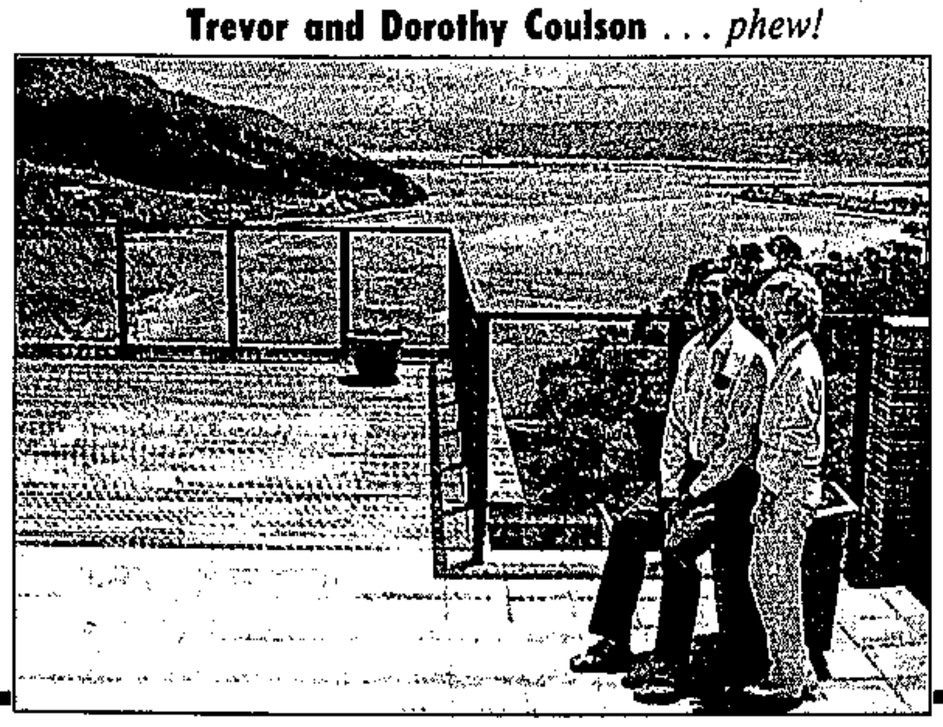
Another well-liked new housing estate in Knysna is that of Board of Executors' Belvidere Estate on the Knysna Lagoon, in which *Sunday Times* editor **Ken Owen** and wife, **Kate**, completed their own house two years ago. One of the main attractions of the holiday is just "to play in the water with the family, swim, water-ski, read and see a whole lot of people. My wife loves the house and we invariably have a lot of visitors."

To Knysna Heads, former chairman of Blue Circle **Trevor Coulson** and wife **Dorothy** have now retired — if you can call it that. Coulson still sits on the board of Gypsum Industries, is chairman of Armitage Shanks and has various other private business interests. While the view from Coulson's house is splendid, he's not the kind to sit around admiring it all day. Itching to get busier, Coulson's already casting his eye around Knysna for business opportunities.



Gary Player's estate ... *rooms with views*

Trevor and Dorothy Coulson ... *phew!*



Back in eGoli, where mine dumps make a poor substitute for mountain ranges, some people actually make a holiday of it. Ampros MD **Gerald Leissner** and wife **Shirley** spend a few days between Christmas and New Year annually in the Carlton Court. From there, Leissner travels to Glenhazel synagogue every day. He reads for pure entertainment, he says, and is particularly fond of Stephen King and Robin Cook thrillers.

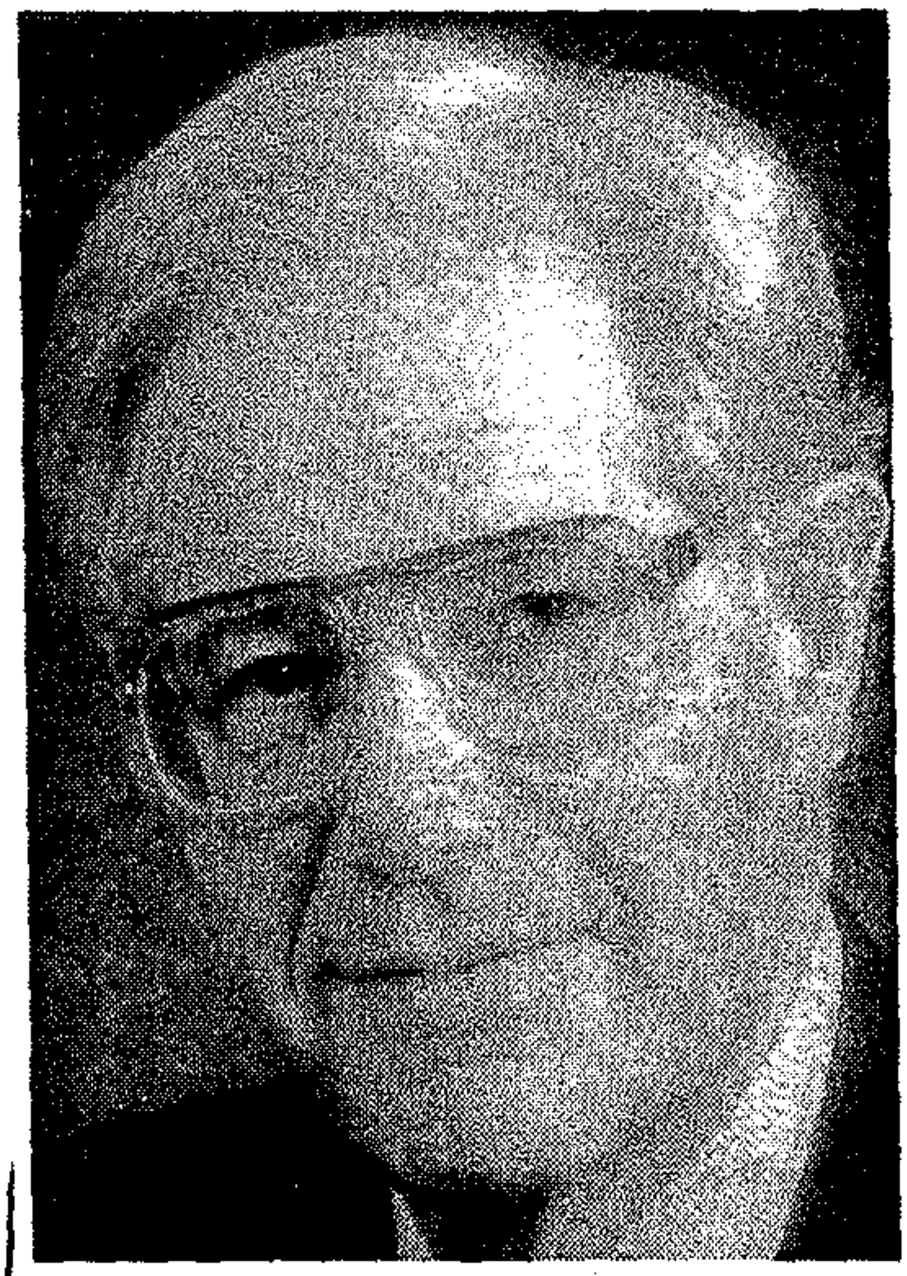
Of course, there's also the Vaal and that's where **Professor Andy Andrews**, director of the Graduate Institute of Management & Technology, plans to spend some time this year in his house. He's also a Stephen King fan.

ANC national spokesman **Carl Niehaus** likes to spend Christmas in Krugersdorp with his family — yes, his parents are still speaking to him.

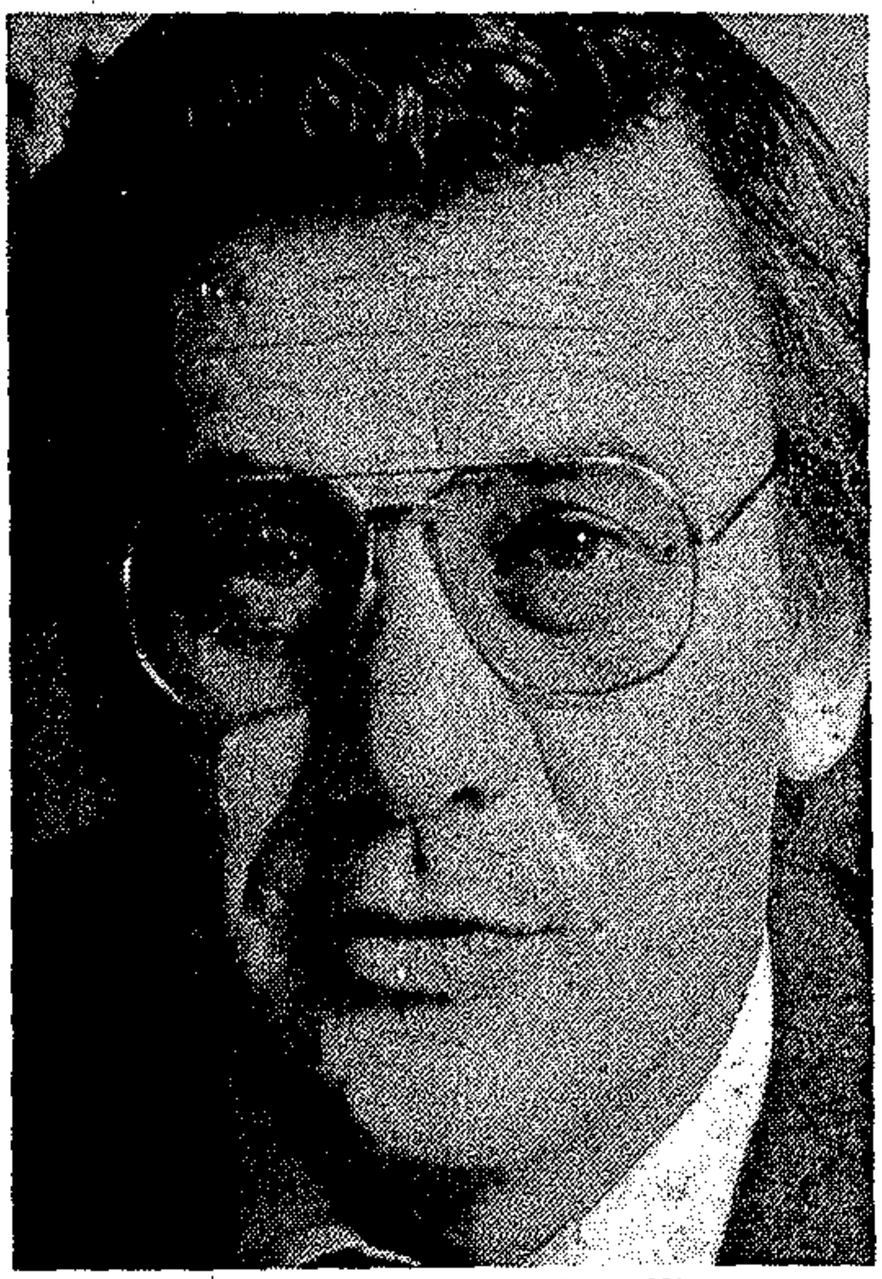
If he can manage to include an almost annual trip to Holland to be with very close friends, he'll do that too. Niehaus wants to read a biography of Gorbachev and reread Russian classics by Dostoevsky, and maybe even Tolstoy's *Anna Karenina* again.

ANC leader **Nelson Mandela** will most likely spend his holiday in his new home-away-from-home in the Transkei, his birthplace. Construction of the house should now be completed.

Reading about the rich and famous isn't mere wish fulfilment for we less fortunate souls: in most cases they have worked hard for their money and do not just spend it on indulgences. One small example: a very rich and very famous businessman, who wishes to remain unnamed, has donated R500 000 for a clinic at Plettenberg Bay. ■



JULIAN OGILVIE THOMPSON: cut dividends



SOL KERZNER: the Sun King

Julian hits a rocky road...

ST Times 27/12/92

THE TYCOONS

DE BEERS' chairman Julian Ogilvie Thompson sent waves through the Johannesburg Stock Exchange with the shock August announcement that the company would probably be obliged to cut its dividend for the current financial year.

The announcement came only weeks after both De Beers and Anglo American Corporation gave presentations to investors locally and abroad. There was little hint at these events that the diamond market was in disarray from oversupply and under-demand.

De Beers' share price tumbled from R97 to R44 before rallying to around R60. The worst effect on South Africans was not felt so much by the diamond industry itself but by investors.

Being the JSE's leading share in terms of trade and trend-setting, De Beers' collapse brought the whole market tumbling down. From early June, when the JSE overall index peaked it tumbled by almost a quarter by mid-October.

While in the longer run, the stock market has proved to be the best hedge against inflation and has given the best returns to investors, there are inevitably periods when cash in the bank would have given a better return.

Hardest hit were investors who had saved through JSE-linked insurance policies which matured when the market was closest to the bottom. Had their investments matured a few months earlier, their returns would have been much better.

But Sol's folly pays off

27/12/92 Sunday Times

SOL KERZNER'S media machine saw to it that South Africans got a dose of glitz and glamour in 1992 in between the violence and turmoil.

Mr Kerzner was reinstated as Sun International boss in September — in time to steer a four-month media blitz that peaked with the early December opening of the R830-million Lost City development.

Initially tagged Sol's Folly, the Lost City drew the world's rich and famous for three weeks of festivities that included Jean Michel-Jarre's laser and light show, the Million Dollar golf tournament and the Miss World pageant.

(288)

Hordes of international and local journalists and cameramen were flown in for the 21-day party.

During development, the project provided about 5 000 jobs for contractors and on opening, 1 000 permanent work opportunities.



Courting

Garden Route's waterfront

Mossel Bay gets a boost

ARG 26/12/92 188

■ Burggraaf Report: civic and business leaders give the new waterfront planned for Mossel Bay the nod, a tourist potential which is set to boost the already panoramic Garden Route into unprecedented heights in the future

TOM HOOD, Business Editor

A WATERFRONT development at Mossel Bay harbour on the lines of Cape Town's is being planned to give a boost to tourism and the Garden Route.

Parts of Mossel Bay, owned by Transnet, have been identified for re-development as part of the drive by Propnet, the property arm of Transnet, to exploit dormant tourist and commercial potential.

A committee under the chairmanship of Mr Arrie Burggraaf, assistant chief engineer development Portnet, has recommended that about 20 hectares of the harbour and surrounding areas of Mossel Bay be earmarked for "sensitive re-development" which would link into the broader development of the town.

Transnet consultants have recommended that the design components should be unified within a theme.

The committee's earlier reports outlined plans for the Victoria and Alfred Waterfront in Cape Town and the waterfronts of Port Elizabeth and East London.

The committee's report, which has already been approved by both Portnet's and Propnet's management has been given the nod by Mossel Bay's civic and business leaders.

The recommendations were based on a detailed study by consultants, Chris Mulder and Associates, who investigated the environmental impact of all development that might be undertaken, said Mr Johan Malherbe, Propnet's project manager.

"The vision behind the development recommendations is that Mossel Bay could become a gateway to one of South Africa's most priceless tourist resources, the Garden Route. It could well become the starting point for the Golden Thread development, the steam conservation line linking stations from Mossel Bay to Knysna and Oudtshoorn."

"Mossel Bay itself could become a tourist centre in its own right with a unique mix of commercial and recreational activities within a working harbour area."

The Burggraaf Report has taken into account the needs of the fishing industry and the Mossgas projects in its recommendations and has the support of the South East Coast Inshore Fishing Association, said Mr Malherbe.

Mr Rian Human, vice chairman of SECIFA (South East Coast Inshore Fishing Association), said he and his members are positive about the recommendations made in the Burggraaf report and believe that Mossel Bay could benefit from such a project.

Quay 4 would be excluded from the development as it is used by Mossgas, Soekor as well as Portnet, whose commercial requirements were expected to be increasing in future.

Christmas liquor sales improve

ANDREW KRUMM (288)

LIQUOR retailers had far better sales this Christmas than in 1991 — off marginally improved volumes — industry sources said yesterday.

Solly Kramer's discount liquor director Gys Beukes said: "We are doing better now than last Christmas with sales up by about 12% for the December period."

Benny Goldberg's liquor supermarket owner Rob Rutter said sales had risen by a greater than expected 12%.

But Rutter added since liquor inflation was around 11%, this meant that volumes had risen only by about 1% over the period.

Makro director Joe Owens said the group's liquor operations had far exceeded its budget, while volumes had improved, but he declined to quantify the improvements.

Rutter said whisky had proved the best selling item over the festive season, while brandy had shown "quite a revival".

This was was probably due to increased advertising by brand manufacturers, he said. "However, sales of white spirits dropped dramatically, falling about 20%." BIDay 30/12/92.

Beukes said his organisation had experienced similar trends in sales over the period. Both agreed that beer sales over Christmas had increased by around 3%. However, in real terms the retail market for beer had contracted slightly.

Meanwhile, compared with December last year, wine sales remained static.

Beukes said Solly Kramer's had budgeted for a 15% increase in sales revenue over the Christmas/New Year period, and he expected to make the target.

Rutter was not as positive. He forecast a 10% increase in sales over the next half year, which, given inflation meant a 2% real decline in turnover.

Hotels defy early bleak predictions

BIDAY 31/12/92 (288)

ROBERT WICKS

MOST major hotel groups yesterday reported good occupancy rates and a spate of last minute booking reversing earlier predictions by industry sources that the holiday period would be a bleak one for the hotel industry.

Before the holiday season began industry sources were predicting a grim time for the hotel sector.

Violence and the recession were cited by Federated Hotel Association of SA (Fedhasa) president Theo Behrens as the main reasons for depressed bookings.

Southern Sun group operations director Chris de Kock said bookings were generally better than last year.

"In particular the Durban area has done very well and figures were boosted by a great deal of impulse booking," he said.

He said many holidaymakers had booked later than usual although this trend was evident last year as well.

De Kock said he did not think the violence in the country had affected bookings in the Cape and Natal adversely, but it was difficult to comment on areas such as East London.

"There was by no means a noticeable degree of cancellations and we are hoping the trend will continue over into the new year," he said.

Indications of a downturn emerged as early as August following failed attempts by the charter flight industry in offering cut-price packages.

Hotel bookings have been declining since 1988 and the industry's problems have been compounded by a steep fall-off in business traffic.

A Sun International spokesman said the group's key resorts had been in as much demand and as full as they had ever been.

"We are very pleased with the performance of the Swaziland and Wild Coast resorts and the four hotels in the Sun City stable have all reported very favourable occupancy rates over the holiday period."

She said many of the group's other resorts had experienced a slower rate of bookings over the same period.

"There was a last-minute struggle to fill some of the smaller resorts and we can attribute this to a host of factors which influenced holidaymakers this year," she said.

Protea Hotels Transvaal regional director William Ford said he was happy with the results the group had achieved in the resort areas.

He said hotels along the Natal coast and in the Cape Town area were between 90% and 100% full.

"Although there has been quite a slow build-up we are very satisfied with occupancy rates which seemed to pick up nicely from the middle of December," he said.

Ford said bookings on the Garden Route and at smaller hotels, particularly in the inland areas, had experienced a 10% to 35% decline, but added that this was not significantly different from previous years.

"We have seen a decline in conduit travel and some late cancellations which have had an obvious effect but given the overall circumstances within the industry we are happy with the results."

to prove, he promised an internal inquiry into the activities of Dicks.

Within hours, another subscriber complained that he had paid half of the money owing on his account to Dicks, who had

cording and an audiotape of the whole transaction."

Suspended

Dicks, who lives in Germiston, was immediately suspended.

However, the man who

scribers who had paid Dicks money still owed Telkom R16 567.

Unless they could produce official receipts for payment of their accounts, they would not only have to pay the amounts in full but

Sunday Times that there was never more than R350 000 in the suspense account.

It is also believed that Dicks was working alone.

Dicks was unavailable for comment.

SA opts for fun and sun

S/Times 27/12/92. (288)

Sunday Times Reporters

BEACHES, restaurants, shebeens and holiday resorts were brimming with festive cheer this weekend as South Africans closed the door on a year of doom, gloom, violence and crime and celebrated Christmas.

In Cape Town — which played host to 1,6-million visitors this month — political and economic woes were forgotten as holidaymakers took advantage of perfect Cape weather and flocked to the beaches.

Popular beaches in Cape Town are barely visible beneath the well-oiled bodies packed along the sandy white stretches.

People looking for more adventurous pursuits have also been catered for: a massive crane dominates the popular Camps Bay beach as potential and experienced bungee jumpers line up for a brief headlong rush to the sands.

In Durban, the efforts of the eight-month-old Beachfront Taskforce paid dividends this weekend. Crowds were well controlled, no drownings were reported and beaches were spotless.

Thousands of people spent Christmas Day — traditionally quieter than New Year's Day — on the beaches.

The 110 lifesavers on duty made eight minor rescues, and the day's biggest excitement was the sighting of a harmless whale shark.

In Johannesburg, restaurants reported full houses for Christmas lunch. Both the Sandton Holiday Inn and the Sandton Sun said bookings were "exceptional" while the Johannesburg Sun hosted a special Christmas lunch for 300.

All the restaurants at the five-star Carlton Hotel were fully booked.

More than 12 000 people visited Sun City over the weekend, said Sun International spokesman Jerry Inzerillo.

"It has been spectacular."

In the country's townships, relatively quiet after a year of violence and death, people turned out in huge numbers to enjoy themselves. Shebeen owners dropped their prices as a goodwill gesture and reported a large and joyful, patronage.