SERVICES SECTOR

HOTELS

GENERAL 1993

LABOUR BRIEFS

Strike at top Cape restaurant

■THE renowned Lord Neethling Restaurant in the Western Cape dismissed 40 workers a week before Christmas after they went on strike.

The workers called the restaurant a "hell-hole" and alleged that managers who had been brought in from Singapore "treat workers like children".

The strike was triggered when workers were not paid their bonuses on time, said Farmworkers' Support Committee general secretary Grant Twigg.

But conditions are allegedly generally poor: restaurant workers get paid overtime with a glass of wine in lieu of money and because they have no job descriptions, "waiters end up scrubbing floors".

Twigg this week met the managers of the Neethlingshof Estate who agreed to negotiate a recognition agreement with the Support Committee and also asked for written demands from the dismissed workers.

Wine estate workers dismissed after strike

By Diane Coetzer

THE future of more than 20 workers fired from the Lord Neethling Restaurant on the internationally-known Neethlingshof wine estate during the festive season remains in the balance.

General secretary of the Farmworkers Support Committee (FSC) Mr Grant Twigg said the organisation met with management on Tuesday.

"Neethlingshof management said they were not prepared to discuss the issue of the fired workers at the meeting.

"They did, however, ask for a letter detailing our position to be sent to them so we are meeting our lawyers this week to draw that up," Twigg said.

Over 50 workers went on strike for three days on December 18 over demands around wages, Christmas bonuses and union recognition.

Tourists visiting the award-winning wine estate were greeted by toyi-toying workers.

One of their major demands was that the FSC be recognised as their representative union.

After police were called on December 20, management fired all the workers. Some returned to work in the following weeks.

Managing director of the Neethling restaurant, Mr Francois Theron, said management was not adverse to recognising a formal union with the necessary credentials and membership. He denied workers were badly treated or poorly paid.

140 dismissed by hotel

Sowetan 20/1/93

By Don Seokane

■ PICKET LINES Workers strike over "conditions and use of racist names":

ABOUT 140 workers have been dismissed by the Venda Sun following a strike which started at the hotel last Monday, a spokesman representing the workers said yesterday.

An appeal for solidarity with the fired workers has been made by the local region of the Congress of South African Trade unions (Cosatu).

According to Cosatu spokesman Mr Isaac Mudau, the strike was a protest against working conditions at the hotel and the alleged use of racist names for black employees.

The hotel has a total of 270 workers.

On Monday about 6 000 people affiliated to Potwa, Nehawu, Fawu and Saccawu - all trade unions - took part in a lunch-hour picket near the hotel to put pressure on management to resolve the dispute.

Mudau said the solidarity call to the community had been positive and the hotel had been almost empty since the strike began.

Mudau said since the hotel management deadlocked the negotiations, workers from all trade unions in the homeland had been picketing and demonstrating outside the Venda Sun almost daily.

A petition signed by Cosatu and other trade union officials was handed to the hotel manager during the lunch-hour picket on Monday.

The petition called on management to reinstate all the dismissed workers, withdraw all charges against the workers and to remove "anonymous armed bandits" from the hotel.

According to the petition, the demands should be met by Friday.

Efforts to contact Venda Sun management were fruitless as calls to the hotel went unanswered. Sun International management at their Johannesburg head office were also not available for comment at the time of going to press.



UT OF WORK SOON? . . . Dejected staff at Jokers Casino at the New Regent Hotel might be out of ork if the government bans gambling. From left are Paul Windust, Greg Flemming, Chris Luking, haun Roberts, Myrtle Barnes and Philip Oxford-Rose Picture:JACK LESTRADE

Casino stakes up as deadline nears

ST Times (Cape Metro) 24/1/93.

By BRIAN BERKMAN

HOUSANDS of people throughout he country could lose their jobs if asinos have to close their doors at idnight on January 31, Cape Town asino owners have said.

The Department of Justice is ected to announce this week hether the January 31 deadline is be extended, but some casino wners have already given their aff notice.

The Gambling Amendment Act, assed in Parliament last year, outwed all forms of gaming for bene-. Special reference was made to rd games and games of chance.

However, pressure from opposion parties and interest groups led the appointment of the Howard ommission to examine the ques-on and the setting of the January deadline.

Now casino owners are awaiting e findings of the Howard Commis-on — which are expected to be leased in April — and an an-uncement that might compel em to close their doors.

They claim it will cost the state and taxpayers millions of rands in unemployment payouts alone, without taking into account the loss of revenue in VAT and income tax.

Some casino operators are confident that an extension will be granted until April, while others are convinced they will have to lay down their cards on Sunday night.

Mr Gerhard Stotzel, director of operations and marketing for Crowns and Triple Seven casinos, said there was "tremendous uncertainty" about the future of casinos but he was optimistic that an extension would be granted.

Mr Matie Sachs of Jokers Casino and Mr Nigel Block of the casino at the Don Hotel said their staff had been given notice.

Mrs Liz Gribble of the Arthurs Seat Palace said that if the law required the casino to close on 31 January, it would do so. Her casino group was nationwide, employed more than 500 people and had paid more than R5 million in VAT and associated taxes. Staff had been given notice in line with the extension granted when the bill was passed.

However, Mrs Gribble was confident casinos of some kind would continue to trade in South Africa once the Howard Commission had presented its report.

Mr Gary van der Merve, director of Casino Royale in Sea Point, said the casinos' success meant there was a need for them.

The impending reincorporation of the TBVC states into South Africa meant legislation would be changed eventually to make allowances for Sun International Casinos, he said.

If this happened and casinos were allowed only outside city limits, this could be construed only as selective support for Sun International which had had a monopoly for 15 years.

Casinos have had their chips as Govt pounces

Star 30/1/93.

289

THOUSANDS of jobs are on the line, but operators may go underground, reports MANDY JEAN WOODS.

THE gambling industry was left stunned yesterday when Justice Minister Kobie Coetsee confirmed he would not be renewing the moratorium on prosecution of hundreds of illegal casinos across the country.

A four-month-long moratorium on prosecutions came into effect after a special sitting of Parliament in October. At that time, loopholes in the Gambling Act, which allowed casinos to proliferate, were plugged. The moratorium expires at midnight tomorrow.

Estimates have put the number of illegal casinos at between 1 500 and 2 000 with about 60 000 people in their employ. Total monthly turnover is estimated to "easily surpass" R100 million.

"Most people in the industry firmly believed the moratorium would be extended, at least until the Howard Commission (into gambling in South Africa) had reported back on its findings and recommendations," said one angry casino owner, who refused to be named.

Asked to comment on how the move would affect the Jack O'Black chain of casinos — one of the largest and oldest operators — attorney Hymie Sussman replied: "How do you think it will affect me! I won't answer stupid questions. I have no comment to make."

Karos Hotels chairman Selwyn Hurwitz did not return calls yesterday afternoon.

Narcotics Bureau chief Colonel Neels Venter last week said the police would act in accordance with the law, and that if the law prohibited the operation of casinos, police would take appropriate action and close them down.

Pressure

Gambling Association co-chairman Grant Kaplan said he was in "no doubt the police will move swiftly to close casinos".

Sun International managing director Ken Rosevear said he was very pleased that the uncertainty regarding illegal casinos had been resolved. "Hopefully the Howard Commission's report will be out soon and then we will know where we stand with regard to gambling in South Africa."

Independent casino operators and the Gambling Association of South Africa have repeatedly maintained that Sun International was pressuring the Government to shut down small casinos because of theeffect it had on its own business. Rosevear denied the claims, saying: "It was recognised by everyone that we needed clear laws on gambling ...

A casino operator said of the move: "You can bet on one thing — everyone will just go underground. We have about 1 500 members and those people aren't exactly going to go away."

Kaplan said he had been contacted late this week to make additional representation on why the moratorium should be extended.

"I noted that if the Howard Commission was due to make a finding in three months, why shouldn't the moratorium be extended? By closing the casinos, a lot of people would be deprived of work," he said.

In addition, Kaplan said the Gambling Association was in the throes of setting up a deal with a Cape-based charity which would have seen it take a percentage of the association's profits — up to R10 million a month.

South Africa would also lose out on investment worth millions of dollars. He said a number of foreign players had shown great interest in injecting capital into the industry.

Casino employees bitter about closures

STAR 1/2/93.

(289) (~~293~~)

By Brendan Templeton

Maggie Honey (36) is four months pregnant. Last night, she had no idea where she was going to get another job as the midnight death knell for the casino where she works approached.

Everyone at the Sleepy Hollow casino had bitter words to say about Justice Minister Kobie Coetsee's decision to unilaterally close down all casinos at midnight.

But the approaching deadline did not stop the local gamblers from hurriedly placing their bets at the upmarket establishment in Rivonia, Sandton.

Croupiers dealt cards to soft music piped through speakers as Honey's fiance, Morne Steyn, explained how Coetsee's decision had radically changed his plans for the year.

"I was hoping to study and become a registrar of deeds this year, but now I have to give all that up because there will be only one breadwinner in our family when Maggie gives birth," he said.

Honey said she had worked in the casino trade for 15 years and was not qualified to do anything else. She did not hold out much hope for the chances of getting another well-paying job.

Her situation was mirrored in the stories told by other employees at the Sleepy Hollow.

Manager Kevin Caswell, who came to South Africa from England five years ago, said he would probably be forced to find work overseas.

"The Government is basically forcing me to leave. I have a five-year-old son from a previous marriage and I haven't the faintest idea when I'll see him again if I have to go.

"I'm being forced to leave a country I have grown to love because my skills are no longer wanted here." He did not know what his immediate plans would be. "I've given notice on my flat. That was the first thing I did," he said.

He and the other workers at the casino had banked on Coetsee granting an extension to the casinos until the findings of the Howard Commission had been made known.

Honey said the only work she could probably do would be to work as a temporary secretary. "But they aren't interested in women my age — they only want young girls of about 19 or 20 years old so they can justify paying them a low salary.

"Basically, we are going to get blown out of the window," she said.

Younger employees who did not have any long-term commitments were a bit more optimistic.

Grant Weinberg and his sister, Hayley, said they would probably have to try and find work elsewhere, but did not hold much hope of getting a good job.

"I thought we lived in a country where you could make your own decisions as to what you wanted to do with your money and your free time," Hayley said. "If I didn't have this broken leg, I would march to Pretoria and protest."

The owners of the Sleepy Hollow, Karin and Robert van der Merwe, said they would probably be able to re-establish their casino if the Howard Commission recommended that gambling be legalised.

But they were angry that the Government was pre-empting its own commission which, they said, flew in the face of the hints Coetsee had made before the amendments to the Gambling Act were passed.

Protests as court rules casinos must close

Star 2/2/93

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Own Correspondents
and Bronwyn Wilkinson

The Durban Supreme Court ruled yesterday that independent casinos must close, but said it would continue to hear applications from casino bosses next week.

Mr Justice B Galgut decided not to grant temporary relief to two Durban casino operators who made an urgent application to remain open pending the Howard Commission's report.

The judge asked Justice Minister Kobie Coetsee to respond by the end of the week to allegations regarding his department's ban.

The casino operators who brought the application will then renew their application. Between them, they turn over up to R200 000 a day or R6 million a month.

More than 100 protesters, mainly casino employees, marched from Durban's City Hall to the Supreme Court.

In Pretoria, more than 100 casino workers from as far afield as Nelspruit met at the Union Buildings.

A picket was also held at Parliament in Cape Town, with about 150 casino workers demanding an extension of the period of grace.

Gambling Association of South Africa co-chairman Grant Kaplan described the court ruling as a small setback.

Five Johannesburg casino operators said they had decided not to risk defying the Government's decision.

A spokesman for the SA Narcotics Bureau in Johannesburg said police would decide today whether to raid casinos found to be defying the ban.

brief

Sowetan 3/2/93

R700 for 'kaffir' slur

A 22-year-old Venda Sun employee was yesterday morning sentenced in the Thohoyandou Magistrate's Court on a charge of crimen injuria.

Petrus Johannes van Wyk was fined R700 or seven months' imprisonment, of which R200 or two months was suspended for three years, after being found guilty of telling a black hotel driver he was a "kaffir" and verbally abusing him. (284)

Van Wyk, who pleaded not guilty, told the court he had been angry because his motor vehicle had been stolen and he needed transport home.

He had approached hotel driver Collins Mutangwa who was reluctant to help him. - *Sapa*.

Police dispute 62 000 will lose casino jobs

LLOYD COUTTS

POLICE have disputed casino industry figures for the number of employees who stand to lose their jobs if gaming houses are not re-opened, claiming industry figures are "grossly exaggerated".

A statement from SAP public relations in Pretoria at the weekend placed the number of jobs at risk at about 10 000; the industry's tally is 62 000.

"According to police information and figures supplied by instances such as the Gaming Association of SA and former big casino groups such as The Club, the maximum number of casinos in the RSA is less than 200, with a total staff complement of not more than 10 000," the statement said.

"Police involved in monitoring casinos have found that on average big casinos employ no more than 50 people, while smaller casinos employ less than 10."

But Gaming Association co-chairman Michael Werner said police should not calculate only the number of people employed directly by casinos. They should include those indirectly employed, like caterers, equipment technicians and alcohol suppliers.

Two Durban casino owners have launched a Supreme Court application for an extension of a government period of grace until the release of the Howard Commission's report on gambling, expected within two months.

Casinos were forced to close their doors last Sunday night after Justice Minister Kobie Coetsee announced an end to the period of grace granted to gaming house owners after the introduction of the Gambling Amendment Bill last year.

Counc to upg

CITY Council officials annou plans at the weekend to upg and increase taxi facilities i Johannesburg area as wran over the taxi protest contin

Johannesburg metropolitan ning official John Clutten said dreds of millions of rands" wou spent on new public transport f ties in the next few years.

Most of the money would from the private sector and the cil would facilitate the develop

The construction or upgradin major terminus could cost u R300 000, while stopping zone taxis along city arterials could about R35 000 each.

Clutten said new or upg facilities, which would be ava to taxis by the end of the y everything went according to included:

☐ The completion of the Pat M public transport thoroughfare would be a dedicated route for and minibuses from Soweto

'Skills base must be enhanced'

WILSON ZWANE

SA HAS to establish and enhance a skills base, particularly a technical skills base, to regain some international economic competitiveness, say Eskom human resources executive director George Lindeque and Eskom technical skills development manager Ryno Verster.

In the Institute of Personnel Management's February People Dynamics, they write that efforts to broaden the country's skills base should be underpinned by a national skills encouragement policy.

"The objective of such a skills encouragement policy should be to establish a culture of investment in human resources."

To this end, medium- and long-term national vocational education and training plans are required to focus education and training efforts on national manpower needs, which could support national economic and technology development plans.

They stress, however, that the encouragement policy should not only "deal with financial incentives for vocational education and training ....but it should also be complemented by recognition systems for exceptional contributions".

Lindeque and Verster say the few initiatives in SA to promote skills formation and recognise outstanding contributions are inadequate.

HOUSE OF REPRESENTATIVES

INTERPELLATION

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language.

General Affairs:

Temporary employees pension fund

*1. Mr C I NASSON asked the Minister for Administration and Tourism:

(1) How many persons are contributing to the Temporary Employees Pension Fund;

(2) whether he intends converting posts currently filled by temporary employees into permanent posts; if not, why not; if so, from what date?

C74E.INT

*The MINISTER FOR ADMINISTRATION AND TOURISM: Mr Chairman, in response to the first question I am able to say that 300 000 persons are at present contributing to the Pension Fund for Temporary Employees.

As far as the second question is concerned it must be pointed out that in the Public Service the permanent appointment of persons is a complex matter which cannot be approached simplistically. In order to evaluate the matter it is necessary in the first place, to understand the way in which the Public Service is constituted, in other words how posts are created and secondly, how appointments are made. The status of a person is therefore dependent on which position he holds and in which capacity he has been appointed.

In broad terms the Public Service is made up of the following persons:

(1) Persons who hold posts in the A or B division.

(2) Persons who hold non-classified posts.

(3) Additional persons appointed to the establishment.

The type of post held by a person therefore has an effect on his status.

Persons who have been appointed in the A or B division and who comply with certain prescribed requirements may be appointed in a permanent capacity. Persons who hold non-classified posts may be appointed in a temporary capacity only. In addition persons who do not meet the prescribed requirements for permanent appointment in the A or B division may be appointed in a temporary capacity as well.

In general terms persons who hold posts in the A or B division and who meet the requirements for permanent appointment are known as officers, while persons who have been appointed in a temporary capacity are known as employees.

The Government Service Pension Act, Act 57 of 1973, and the Temporary Employees Pension Fund Act, Act 75 of 1979, respectively, provide that an officer—

(a) shall become a member of the Government Service Pension Fund if he holds a post on the fixed establishment or is appointed in a permanent capacity; and

(b) is a member of the Temporary Employees Pension Fund if he is not compelled in terms of an Act to contribute to a pension or provident fund.

Appointment in a "permanent capacity" is not defined in the Government Service Pension Act. [Time expired.]

*Mr C I NASSON: Mr Chairman, the reply which the hon the Minister gave us here this afternoon, namely that 300 000 persons are still temporarily employed by the State, gives us an indication of the importance which we should attach to this debate. Moreover, most of those workers who have been employed temporarily are persons of colour. They are general workers, assistants and labourers who work in our hospitals, and in particular in our schools, as caretakers and cleaners.

During the past three years hospital workers in particular repeatedly staged boycott actions and held protest marches. One of their problems which is constantly being raised is the fact that so many general workers, assistants and labourers employed by the State remain temporary employees. They are still contributing to the Temporary Employees Pension Fund.

These Public Service workers would very much like to become permanent employees in the Public Service so that they may be subject to the same conditions of employment as those who

are permanently employed. Similarly they would also like to contribute to the Government Service Pension Fund, so that when they retire, or if they were perhaps forced to leave the service as a result of a rationalisation programme, they would at least be able to leave with full pension benefits.

At schools and hospitals in particular there are assistants, labourers and general workers who fall into the category of temporary employees. In a similar interpellation which took place on 3 March this year, the hon the Minister of National Health informed this House that the State's contribution to the Temporary Employees Pension Fund was 5 % per member, while it was 8 % per member in the case of permanent employees. It should therefore be clear to hon members that temporary employees are still being discriminated against. The hon the Minister for Administration and Tourism referred to 300 000 such workers.

The DP is extremely concerned about these people, especially in view of the fact that Government departments are expected to cut their staff expenditure by 5 %. [Time expired.]

Mr D M G CURRY: Mr Chairman, now we come to the real government of South Africa, because this is the peer group. The hon the Minister has explained how one can become an official in a department. They place a barrier between people at the top and those at the bottom. They determine policy, salaries and status. In the Public Service it is said that one's status depends on the size of one's desk. This even applies to the mat under one's desk.

There is an old saying that there are good and bad people in the world and that the good do the classification. The same applies to the Public Service. There are 300 000 temporary workers and their status is determined by the Commission for Administration. When those who have not been in government in South Africa take over, we are are going to change this, no matter who becomes the government of South Africa.

We cannot allow the poor to be dominated by those at the top. [Interjections.] We shall be there to determine the policy according to which officials are promoted, are appointed permanently, receive pensions and are protected in their old age. We cannot allow things to continue as they are. I am not blaming the hon the Minister who is taking part in this debate here today. When the hon the Minister was appointed to office, this was handed to him. The White power structure determined all of this over the years.

Even one's status was determined according to one's colour. I remember . . .

*Mr N M ISAACS: Mr Chairman, may I put a question to the hon member?

Mr D M G CURRY: Mr Chairman, I do not have time to take any questions.

When we were in the CRC under the old Department of Coloured Affairs, we even had two budgets. There was one which defined the salaries for Coloureds . . .

An HON MEMBER: [Inaudible.]

Mr D M G CURRY: No, we never even controlled the budgets. The budgets were controlled by the Minister of Coloured Affairs. [Interjections.] [Time expired.]

*Mr S SIMMONS: Mr Chairman . . .

*The CHAIRMAN OF THE HOUSE: Order! The hon members for Bonteheuwel and Bishop Lavis must contain themselves now. The hon member for Belhar may proceed with his speech.

*Mr S SIMMONS: Mr Chairman, when one listens to the hon members for Bokkeveld and Pniel it is very clear that they do not understand the way in which the Public Service is constituted. [Interjections.]

*The CHAIRMAN OF THE HOUSE: Order! The hon member for Schauderville must please contain himself. The hon member for Belhar may proceed.

*Mr S SIMMONS: Mr Chairman, the hon the Minister made it very clear that the Public Service was constituted by general A or B posts and the establishment. That is a fact. Some of the general A or B posts are linked to educational qualifications. If someone does not meet those educational qualifications, he is automatically appointed on a temporary basis and, because he has been appointed temporarily, he will be allowed to contribute to the Temporary Employees Pension Fund. [Interjections.] [Time expired.]

*Mr C I NASSON: Mr Chairman, I should like to associate myself with the hon member for Pniel by saying that he was quite right. I want to tell the hon member for Belhar that he is completely out of touch with reality, because we are talking about 300 000 people whose rights, pension benefits and status as public servants have been prejudiced. [Interjections.]

The DP is highly concerned about these people, especially in view of the fact that the Public Service must cut its staff expenditure by 5%. We are concerned that if rationalisation occurs and those workers should lose their jobs, their retirement package would be considerably less favourable than those employees who were employed on a permanent basis. What we should like to see is that when we enter the new South Africa, the conditions of employment of temporary employees would be the same as those of permanent employees and that their retirement benefits would also be the same.

I am aware that until recently personnel associations and unions were holding talks with the Commission for Administration on this matter. However, no Press statement was issued afterwards. In the meantime these temporary employees in the Public Service are very concerned about their position, in view of the fact that at this stage rationalisation may well have a negative effect on their retirement benefits.

*The MINISTER FOR ADMINISTRATION AND TOURISM: Mr Chairman, the whole issue centres mainly on two aspects, namely allowing persons with many years service to join the Government Service Pension Fund and secondly, the need to give persons who hold non-classified posts an opportunity to be employed on a permanent basis.

I promised the House several months ago that we would resolve the issue. As a result these two issues have been receiving attention for a considerable period of time in the Public Service negotiating forums. I think that this has been the case for one year. So far many options have been considered and the matter has been debated in detail. All indications are that we have reached a point where the matter can be finalised and an agreement reached in the negotiating forum.

As this matter is still being dealt with in the negotiating forum, hon members will understand that I cannot act unilaterally and pre-empt the issue. Consequently I cannot give hon members any further particulars at this stage.

However, I can say that arrangements are being made for a meeting of the negotiating forum this coming Friday and I trust that this matter will be finalised on that occasion.

I should like to repeat that when negotiations are under way between the commission and the 12 associations the Minister may not interfere. We cannot prescribe to them. However, we see eye to eye and I think that we shall be able to wrap up the issue next Friday.

*Mr J D SWIGELAAR: Mr Chairman, may I ask the hon the Minister a brief question? A problem arises when temporary workers are discharged in terms of section 16(1)(a) of the Public Service Act. Many of those people have been in the Public Service for 30 years. In such a case they would receive less than a person who is given an old-age pension. I want to ask whether consideration could not perhaps be given to the payment of a gratuity to these poor people.

*The MINISTER: Mr Chairman, we have a problem in the case of people who leave the employ of the State within the next three months. I can add that that is one of the matters for discussion which will be dealt with next Friday.

Debate concluded.

QUESTIONS

†Indicates translated version.

For oral reply:

General Affairs:

Questions standing over from Wednesday, 17 March 1993:

Cabinet Ministers: pension/gratuity

*1. Mr D LOCKEY asked the Minister of Finance:†

(1) Whether Cabinet Ministers have to complete a minimum period of service in order to be eligible for the payment of a pension and a gratuity on the termination of their service; if so, (a) in terms of what statutory provisions and (b) what is this period of office;

(2) whether condonation has been granted for this period of office to be reduced to a minimum of five years in the case of certain Cabinet Ministers whose services are to be terminated with effect from 1 April 1993; if not, what is the position in this regard; if so, (a) who are the Ministers concerned and (b) what (i) would they have received in pension and gratuity prior to the abovementioned condonation, and (ii) will they receive in pension and gratuity after such condonation? C49E

†The DEPUTY MINISTER OF FINANCE (Dr T G Alant):

(1) No minimum period of service in respect of Cabinet Ministers is required by the Act to qualify for a pension and gratuity. Sections 9 and 11 (2) of the Members of Parliament and Political Office-bearers Pensions Scheme Act No 112 of 1984 have reference.

(2) No.

(a) (b) (i) and (ii) fall away.

State President: pension/gratuity

*2. Mr D LOCKEY asked the Minister of Finance:†

Whether he will furnish information on whether, since the commencement of the Republic of South Africa Constitution Act, 1983 (Act No 110 of 1983), pensions and gratuities have been paid to persons who, after retiring as Members of Parliament and Cabinet Ministers, were elected to the office of State President; if not, why not; if so, (a) in terms of what statutory provisions were pensions and gratuities thus paid and (b) what is the amount of the (i) gratuity and (ii) monthly pension received by the present incumbent of the above-mentioned office in respect of his previous service as a member of Parliament and Minister? C50E

†The DEPUTY MINISTER OF FINANCE (Dr T G Alant):

Yes.

(a) Pensions and gratuities to Members of Parliament and Cabinet Ministers who retire from service are paid in terms of sections 7, 8, 9, 11 and 12 of the Members of Parliament and Political Office-bearers Pension Scheme Act (Act No 112 of 1984). Any person who holds or held the office of State President is not entitled to any pension in terms of section 16 of this Act.

(b) The former State President was elected as such on 5 September 1984. Under section 7 (6) of the Republic of South Africa Constitution Act, 1983 (Act No 110 of 1983) he vacated the office of Prime Minister on the date on which he was elected as State President. He was inaugurated on 14 September 1984 as State President. He was acting State President for the period 5 September 1984 to 13 September 1984.

(i) On vacating the office of Prime Minister he became entitled to a gratuity under section 7 (i) (b) of the Members of Parliament and Political Office-bearers Pension Scheme Act (Act No 112 of 1984).

(ii) Under section 7 (i) (a) of Act 112 of 1984, a pension was paid to the former State President for the period 5 September 1984 up to and including 13 September 1984. Under section 16 of Act 112 of 1984 this pension ceased from the date (14 September 1984) on which he took office as State President.

On vacating the office of State President on 14 August 1989 he became entitled under section 13 of the Republic of South Africa Constitution Act, 1983 (Act No 110 of 1983) to a pension only, with effect from 15 August 1989.

The present State President was elected as such on 14 September 1989 and took office on 20 September 1989. Under section 7 (6) of the Republic of South Africa Constitution Act, 1983 (Act No 110 of 1984) he vacated the office of Minister on the date on which he was elected as State President.

(i) On vacating the office of Minister he became entitled to a gratuity, under sections 11 and 12 of the Members of Parliament and Politi-

NOTICE 281 OF 1993

DEPARTMENT OF FINANCE

16 PER CENT LOAN LEVY, 1994: CERTIFICATE No. 3168 FOR R5 500 ISSUED IN FAVOUR OF L. MATUS (PTY) LTD

Application having been made to the Department of Finance for a duplicate of the above-mentioned certificate, the original having been lost or mislaid, notice is hereby given that unless the original certificate is produced at the Department of Finance, Private Bag X115, Pretoria, within four weeks from the date of publication of this notice, a duplicate as applied for, will be issued.

(2 April 1993)

KENNISGEWING 281 VAN 1993

DEPARTEMENT VAN FINANSIES

16 PERSENT LENINGSHEFFING, 1994: SERTIFIKAAT No. 3168 VIR R5 500 UITGEREIK TEN GUNSTE VAN "L. MATUS (EDMS.) BPK."

Aangesien daar by die Departement van Finansies aansoek gedoen is om 'n duplikaat van bovermelde sertifikaat wat verloor of verlê is, word hierby bekendgemaak dat tensy die oorspronklike sertifikaat binne vier weke na die datum van publikasie van hierdie kennisgewing by die Departement van Finansies, Privaatsak X115, Pretoria, ingelewer word, die verlangde duplikaat uitgereik sal word.

(2 April 1993)

NOTICE 282 OF 1993

DEPARTMENT OF MANPOWER

289

LABOUR RELATIONS ACT, 1956

PROPOSED VARIATION OF THE SCOPE OF REGISTRATION OF THE INDUSTRIAL COUNCIL FOR THE TEAROOM, RESTAURANT AND CATERING TRADE, PRETORIA

I, Gerhardus Coenraad Papenfus, Assistant Industrial Registrar, hereby, in terms of section 19 (8) (b) of the Labour Relations Act, 1956, propose to vary the interests in respect of which the Industrial Council for the Tearoom, Restaurant and Catering Trade, Pretoria, is registered by excluding from its scope of registration the Commercial Distributive Trade as defined in the said Board's certificate of registration in respect of the Magisterial Districts of Brits, Bronkhorstspruit, Cullinan, Kempton Park, Pretoria, Randburg, Rustenburg, Warmbaths, Witbank and Wonderboom. The reason for this is that I am satisfied that the trades in respect of which the Council is registered are not the same as the trades of which it is sufficiently representative within the said areas.

Any person who objects to the proposed variation is invited to lodge his objection in writing with me, c/o the Department of Manpower, Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001), within one month of the date of publication of this notice.

G. C. PAPENFUS,

Assistant Industrial Registrar.

(2 April 1993)

KENNISGEWING 282 VAN 1993

DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956

VOORGENOME VERANDERING VAN DIE REGISTRASIEBESTEK VAN DIE NYWERHEIDSRAAD VIR DIE TEEKAMER-, RESTOURANT- EN VERVERSINGSBEDRYF, PRETORIA

Ek, Gerhardus Coenraad Papenfus, Assistentnywerheidsregistrateur, is kragtens artikel 19 (8) (b) van die Wet op Arbeidsverhoudinge, 1956, voornemens om die belange ten opsigte waarvan die Nywerheidsraad vir die Teekamer-, Restourant- en Verversingsbedryf, Pretoria, geregistreer is, te verander deur die Kommersiële Distribusiebedryf soos omskryf in gemelde Raad se registrasiesertifikaat, uit sy registrasiebestek uit te sluit ten opsigte van die landdrosdistrikte Brits, Bronkhorstspruit, Cullinan, Kempton Park, Pretoria, Randburg, Rustenburg, Warmbad, Witbank en Wonderboom. Die rede hiervoor is dat ek oortuig is dat die bedrywe ten opsigte waarvan die Raad geregistreer is, nie dieselfde is as die bedrywe waarvan die Raad voldoende verteenwoordigend is binne gemelde gebiede nie.

Enigiemand wat teen die voorgenoeme verandering beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p.a. die Departement van Mannekrag, Mannekraggebou, Schoemanstraat 215, Pretoria (posadres: Privaat Sak X117, Pretoria, 0001).

G. C. PAPENFUS,

Assistentnywerheidsregistrateur.

(2 April 1993)

NOTICE 283 OF 1993

OLYVENHOUTSDRIFT SOUTH IRRIGATION BOARD: DIVISION OF KENHARDT, CAPE PROVINCE: ASSIGNMENT OF FUNCTIONS, POWERS AND DUTIES

By virtue of the powers delegated to me by Government Notice No. 2645 of 16 November 1990, I, Francois Johannes Cornelus Hugo, in my capacity as

KENNISGEWING 283 VAN 1993

OLYVENHOUTSDRIFT-SUID-BESPROEIINGSRAAD: AFDELING KENHARDT, KAAPPROVINSIE: TOEWYSING VAN WERKSAAMHEDE, BEVOEGDHEDE EN PLIGTE

Kragtens die bevoegdheid aan my gedelegeer by Goewermentskennisgewing No. 2645 van 16 November 1990, wys ek, Francois Johannes Cornelus Hugo,

Jobs to be lost in hotel downgrading

THE downgrading of 14 more Southern Sun hotels to Garden Courts has begun and will result in the loss of at least 500 jobs. The revamp programme will continue for the next six months.

Group operations director Chris de Kock said at the weekend the East London Holiday Inn had already been converted, while the Pietersburg Holiday Inn and the four-star Burgerspark Hotel in Pretoria would become Garden Courts this month.

These would be followed by the five-star Maharani in Durban and Johannesburg's Milpark Holiday Inn next month; the St George and De Waal Sun in Cape Town, Johannesburg's Airport Sun, Oudtshoorn Holiday Inn and Port Elizabeth Holiday Inn in June; and the Bloemfontein Holiday Inn in July. Downgrading of the Wilderness and Umtata inns would take place in August and Cape Town's Inn on the Square in October.

BDAY 19/4/93

PETER GALLI

"We are looking at the issue of retrenchments and reduction of hotel services on an individual basis. So far, 60 staff have been retrenched at the East London and Pietersburg hotels, but no figures have been finalised for the others," he said.

Southern Sun's staff complement was now about 9 000. About 300 staff were retrenched in eight downgradings last year.

☐ To Page 2

Hotels

BDAY 19/4/93

☐ From Page 1

An analyst said that at least another 500 jobs would be cut in the present wave of conversions to Garden Courts, but the figure could be as high as 1 000.

De Kock said: "Our Garden Court hotels have performed remarkably well since being converted, with occupancies increasing fourfold in some cases on the back of the reduced rates. Only about 20% of occupancies have been from foreigners, with the other 80% being local."

Once the present conversion programme was complete, the group would re-examine its portfolio. Its resort hotels like the Malelane Lodge, Drakensberg Sun and Pine Lake Inn had not been affected by the downgrading, he said.

"We believe our three five-star hotels — the Sandton Sun, Cape Sun and the Beverly Hills Hotel in Umhlanga — are adequate to cater for the demand at this level. The Sandton Towers, which is opening on September 3, will more than double the number of rooms available at the Sandton Sun."

● See Page 3

Star 16/5/93.

Workers win appeal

THE Natal division of the Labour Appeal Court has ordered the reinstatement of 79 dismissed Blue Waters Hotel workers with 29 months' back pay, Black Allied Workers' Union national organiser Dumisani Sithole said at the weekend.

SOWETAN Friday June 11 1993

h consesus ● Strikers say Sono has hired vigilantes

Sowetan 11/6/93

Not finger lickin' good

289

By Ike Motsapi

MR JOMO Sono, Soweto businessman and owner of Jomo Cosmos Football Club, has allegedly employed vigilantes to break a strike by workers at his Kentucky Fried Chicken franchises.

The striking workers, all members of the SA Commercial, Catering and Allied Workers Union, yesterday said they had seen Sono giving firearms to vigilantes he had allegedly hired from Wolhuter Hostel in Jeppestown, Johannesburg.

They further alleged that they were chased away by armed men while picketing outside Sono's businesses.

Sono dismissed the allegations. He said the pickets were "a smear campaign to bring my businesses down".

About 23 Saccawu members employed by Sono at three Kentucky Fried Chicken outlets in Soweto have been on strike since May 6 demanding the reinstatement of a dismissed colleague, Mr William Vukeya.

Sono told *Sowetan* he dismissed the workers after they had breached a recognition agreement signed between himself and Saccawu.

He said the agreement stipulated, among other things, that managers fell under his administration and not Saccawu's.

"Vukeya was a manager and he pleaded guilty to have stolen some chickens and money. He accepted that he was guilty and he has left," he said.

Grooming blacks to become managers

Sowetan 25/6/93

By Mzimkulu Malunga

OVER the last decade, people development has been one of the issues at the top of Fedics' agenda.

The dominant belief when the company started taking affirmative action seriously was the implementation of a mild reverse discrimination with regard to recruitment as a short term measure. The vision was that in the long term the system would liquidate itself.

"But it became clear from the beginning that the programme succeeded mainly in getting people to junior, but not middle and senior management levels," says Transvaal's general manager, personnel, Mr Lawrence Kopolo.

Complicating the problem was the absence of academic institutions which taught catering in the black community.

Due to this realisation, Fedics formulated a course called the Leadership Development Programme, followed up with a thorough internal talent search to identify management material.

The 18-month long programme is aimed at people who can be groomed to become junior managers.

With the LDP in place the focus then shifted to middle management, hence the birth of the Management Development Programme.

Formulated three years ago, this programme is aimed at middle managers.

"This programme has not been as successful as we thought it would be. A lot of people still have a problem of orientation in the catering industry," says Kopolo.

Even appointing people from outside the company still becomes a problem as catering requires specific skills, he says.

Kopolo says with the help of the Human Sciences and Research Council his company has embarked on a programme where junior managers who have completed the MDP course are closely monitored on an annual basis to determine their progress and give them the necessary assistance to facilitate their appointment to middle management positions.

Normally, progression from junior to middle management takes between three and five years, according to Kopolo.

Currently, there are 262 black junior managers, nine middle managers and five in senior positions. Two of the five serve on the management board of the company.

Fedics has set targets for all its operating divisions for each to have appointed a black senior manager by March next year. The onus is on the various branches whether to appoint the managers from within the Fedics ranks or from outside.

"As long as they meet the target. That's what is important," Kopolo concludes.

Beefing up people's development

Sowetan 25/6/93

By Mzimkulu Malunga

BECAUSE of the lack of academic institutions which teach catering, Fedics operates a training centre to beef up its people's development programmes.

This is a follow up to the training centre which used to be at Jan Smuts Airport and its establishment was in line with the growing need for human development programmes. The centre is now housed at the Protea Hotel in Berea.

The training centre is called the Institute for Hospitality Studies. Formalised last year, the institution has opened its doors to other companies in the catering and tourism industries to upgrade their employee skills.

Basic literacy training

The IHS is accredited by the Hospitality Industry Training Board and runs courses ranging from basic literacy training to advanced programmes for middle managers.

According to IHS director Mr Jack Ferreira the increasing technological advance demands a knowledge of computers, hence the inclusion of computer skills as part of the package.

The training is divided into three categories: specialist courses, leadership programmes and management training.

The IHS has four full time trainers and at times hires the services of three consultants on a part-time basis.

Various Fedics operations hold their respective performance development reviews annually, then each region submits its training requirements to the school, says Ferreira.

Most of the tuition is on a part-time basis.

Major areas of focus in future will be customer services, hygiene and safety as well as industrial relations, says Ferreira, adding that most Fedics employees undergo training at the IHS at one point or the other.

'The realisation of the black advancement dream keeps the centre busy'

The realisation of the black advancement dream keeps the centre busy. On average the IHS offers courses to 250 people a month.

With affirmative action gaining momentum in Fedics' circles, Ferreira is convinced that anybody who does not share that sentiment does not have a place in the company.

(vi) the transporting of ready-mixed concrete to customers and the discharging thereof,

and includes the performance of all operations incidental to or consequent on the activities listed above.

Postal address of applicant: P.O. Box 261136, Excom, 2023.

Office address of applicant: Seventh Floor, Budget House, 42 Church Street, Johannesburg.

Attention is drawn to the following requirements of section 4 of the Act:

(a) The representativeness of any trade union which objects to the application shall in terms of subsection (4) determined on the facts as they existed at the date on which the application was lodged and as far as membership is concerned, only members who were in good standing in terms of section 1 (2) of the Act as at the aforesaid date shall be taken into consideration.

(b) The procedure laid down in subsection (2) must be followed in connection with any objection lodged.

G. C. PAPENFUS,
Assistant Industrial Registrar.
(25 June 1993)

(vi) die vervoer van klaarbeton na klante en die afvoer daarvan,

en omvat dit die verrigting van alle werksaamhede wat gepaard gaan met of voortspruit uit die bedrywighede hierbo vermeld.

Posadres van applikant: Posbus 261136, Excom, 2023.

Kantooradres van applikant: Sewende Verdieping, Budget House, Kerkstraat 42, Johannesburg.

Die aandag word gevestig op onderstaande vereistes van artikel 4 van die Wet:

(a) Die mate waarin 'n beswaarmakende vakvereniging verteenwoordigend is, word ingevolge subartikel (4) bepaal volgens die feite soos hulle bestaan het op die datum waarop die aansoek ingedien is, en wat die lidmaatskap betref, word alleen lede wat ingevolge artikel 1 (2) van die Wet op voormelde datum volwaardige lede was, in aanmerking geneem.

(b) Die prosedure voorgeskryf by subartikel (2) moet gevolg word in verband met 'n beswaar wat ingedien word.

G. C. PAPENFUS,
Assistentnywerheidsregistrateur.
(25 Junie 1993)

NOTICE 542 OF 1993

DEPARTMENT OF TRADE AND INDUSTRY

Notice is hereby given that the following promissory note issued by the Department of Trade and Industry to Automotive Chemical Products as set hereunder, has been mislaid:

Promissory note issued to Automotive Chemical Products

Promissory Note No.	Date of issue	Due date	Face value (R)
00003115	16 June 1992	1 April 1993	16 067

The above-mentioned promissory note will after the date of publication be regarded as cancelled. Should the warrant voucher be retrieved, it must please be returned to the Department of Trade and Industry, Private Bag X84, Pretoria, 0001.
(25 June 1993)

KENNISGEWING 542 VAN 1993

DEPARTEMENT VAN HANDEL EN NYWERHEID

Hiermee word kennis gegee dat die volgende promesse uitgereik deur die Departement van Handel en Nywerheid aan Automotive Chemical Products soos hieronder uiteengesit, verlore geraak het:

Promesse uitgereik aan Automotive Chemical Products

Promesse No.	Uitreikingsdatum	Vervaldatum	Sigwaarde (R)
00003115	16 Junie 1992	1 April 1993	16 067

Na datum van publikasie word bogenoemde promesse as gekanselleer beskou. Indien die promesse gevind sou word, moet dit asseblief aan die Departement van Handel en Nywerheid, Privaatsak X84, Pretoria, 0001, teruggestuur word.
(25 Junie 1993)

NOTICE 543 OF 1993

DEPARTMENT OF MANPOWER

LABOUR RELATIONS ACT, 1956

APPLICATION FOR VARIATION OF SCOPE OF REGISTRATION OF A TRADE UNION

I, Hendrik Christiaan Slabbert, Industrial Registrar, do hereby, in terms of section 4 (2) as applied by section 7 (5) of the Labour Relations Act, 1956, give notice that an application for the variation of its scope of registration has been received from the Black Allied Workers Union (South Africa). Particulars of the application are reflected in the subjoined table.

Any registered trade union which objects to the application is invited to lodge its objection in writing with me, c/o the Department of Manpower, Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001), within one month of the date of publication of this notice.

KENNISGEWING 543 VAN 1993

DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956

AANSOEK OM VERANDERING VAN DIE REGISTRASIEBESTEK VAN 'N VAKVERENIGING

Ek, Hendrik Christiaan Slabbert, Nywerheidsregistrateur, maak ingevolge artikel 4 (2) soos toegepas by artikel 7 (5) van die Wet op Arbeidsverhoudinge, 1956, hierby bekend dat 'n aansoek om die verandering van sy registrasiebestek ontvang is van die Black Allied Workers Union (South Africa). Besonderhede van die aansoek word in onderstaande tabel verstrek.

Enige geregistreerde vakvereniging wat teen die aansoek beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p.a. die Departement van Mannekrag, Mannekraggebou, Schoemanstraat 215, Pretoria (posadres: Privaat Sak X117, Pretoria, 0001).

TABLE

Name of trade union: Black Allied Workers Union (South Africa).

Date on which application was lodged: 7 April 1993.

Interests and area in respect of which application is made: All persons employed in the Hotel and Liquor Trade in the Magisterial District of Durban.

For the purposes hereof "Hotel and Liquor Trade" means the trade in which employers and their employees are associated for the purpose of providing accommodation and one or more meals per day for reward on premises where the sale of liquor is carried on and in connection with which one or more than one liquor licence is held or deemed to be held by such employers or has been issued in terms of the Liquor Act, 1989: Provided that, for the purposes of this definition, the expression "accommodation" shall mean bedroom accommodation and the services ordinarily associated therewith.

Postal address of applicant: P.O.Box 2691, Durban, 4000.

Office address of applicant: 1401 Salisbury Centre, Tower C, 347–351 West Street, Durban.

Attention is drawn to the following requirements of sections 4 and 7 of the Act:

(a) The representativeness of any trade union which objects to the application shall in terms of section 4 (4) as applied by section 7 (5) be determined on the facts as they existed at the date on which the application was lodged and, as far as membership is concerned, only members who were in good standing in terms of section 1 (2) of the Act as at the aforesaid date shall be taken into consideration.

(b) The procedure laid down in section 4 (2) must be followed in connection with any objection lodged.

H. C. SLABBERT,
Industrial Registrar.
(25 June 1993)

TABEL

Naam van vakvereniging: Black Allied Workers Union (South Africa).

Datum waarop aansoek ingedien is: 7 April 1993.

Belange en gebied ten opsigte waarvan aansoek gedoen word: Alle persone in diens in die Hotel- en Drankbedryf in die landdrosdistrik Durban.

Vir die doeleindes hiervan beteken "Hotel- en Drankbedryf" die bedryf waarin werkgewers en hul werknemers met mekaar geassosieer is met die doel om huisvesting en een of meer etes per dag teen vergoeding te verskaf op persele waar die verkoop van drank bedryf word in verband waarmee een of meer as een dranklisensie gehou word of geag word gehou te word deur sodanige werkgewers of uitgereik is kragtens die Drankwet, 1989: Met dien verstande dat vir die doeleindes van hierdie omskrywing die uitdrukking "huisvesting" slaapkamerakkommodasie en die dienste wat gewoonlik daarmee geassosieer word, beteken.

Posadres van applikant: Posbus 2691, Durban, 4000.

Kantooradres van applikant: Salisburysentrum 1401, Toring C, Weststraat 347–351, Durban.

Die aandag word gevestig op onderstaande vereistes van artikels 4 en 7 van die Wet:

(a) Die mate waarin 'n beswaarmakende vakvereniging verteenwoordigend is, word ingevolge artikel 4 (4), soos toegepas by artikel 7 (5), bepaal volgens die feite soos hulle bestaan het op die datum waarop die aansoek ingedien is, en wat die lidmaatskap betref, word alleen lede wat ingevolge artikel 1 (2) van die Wet op voormelde datum volwaardige lede was, in aanmerking geneem.

(b) Die prosedure voorgeskryf by artikel 4 (2) moet gevolg word in verband met 'n beswaar wat ingedien word.

H. C. SLABBERT,
Nywerheidsregistrateur.
(25 Junie 1993)

NOTICE 544 OF 1993

DEPARTMENT OF TRANSPORT

INTERNATIONAL AIR SERVICES ACT, 1949
(ACT No. 51 OF 1949), AS AMENDED

Pursuant to the provisions of sections 5 (a) and (b) of Act No. 51 of 1949 and regulation 5 of the Civil Air Services Regulations, 1964, it is hereby notified for general information that the applications, details of which appear in the Schedules hereto, will be heard by the International Air Service Council.

Representations in accordance with section 6 (1) of Act No. 51 of 1949 in support of or in opposition to an application should reach the Chairman of the International Air Service Council, Private Bag X193, Pretoria, 0001, and the applicant within 21 days of the date of publication hereof, stating whether the party or parties making such representation intend to be present or represented at the hearing.

The International Air Service Council will cause notice of the time, date and place of the hearing to be given in writing to the applicant and all parties who have made representations as aforesaid and who desire to be present or represented at the hearing.

KENNISGEWING 544 VAN 1993

DEPARTEMENT VAN VERVOER

WET OP INTERNASIONALE LUGDIENSTE, 1949
(WET No. 51 VAN 1949), SOOS GEWYSIG

Hierby word ingevolge die bepalings van artikels 5 (a) en (b) van Wet No. 51 van 1949 en regulasie 5 van die Regulasies vir Burgerlugdienste, 1964, vir algemene inligting bekendgemaak dat die Raad op Internasionale Lugdienste die aansoeke waarvan besonderhede in die Bylaes hieronder verskyn, sal aanhoor.

Vertoë ingevolge artikel 6 (1) van Wet No. 51 van 1949 ter ondersteuning of bestryding van 'n aansoek moet die Voorsitter van die Raad op Internasionale Lugdienste, Privaatsak X193, Pretoria, 0001, en die aansoeker binne 21 dae na die datum van publikasie hiervan bereik en daarin moet gemeld word of die persoon of persone wat aldus vertoë rig van plan is om die verrigtinge by te woon of om daar verteenwoordig te word.

Die Raad op Internasionale Lugdienste sal reël dat kennis van die datum, tyd en plek van die verrigtinge skriftelik gegee word aan die aansoeker en al die persone wat aldus vertoë gerig het en wat verlang om aldus teenwoordig of verteenwoordig te wees.

Sun City hit by big workers' strike

By MOSES MAMAILA

SUN CITY's slot machines are not ringing all that merrily following a strike by almost the entire black workforce at the gambling resort yesterday.

An estimated five thousand employees downed tools during a dispute with management.

Fun lovers at the hotel were visbly frustrated as there were no cashiers at the slots.

Some restaurants were closed by midday yesterday and a number of patrons complained that they had not had any meals.

There were long queues outside restaurants.

Several patrons, particularly gamblers, who had travelled to the resort for a weekend fling, were seen driving off in sheer frustration.

The resort's managing director Peter Venison admitted services were not up to five star standards, but was philosophical about the problems.

Venison said: "We are able to feed the people who are here."

The workers have vowed to withhold their labour until their demands have been met.

The demands include:

- A 35-percent wage increase;
- An end to temporary employment status and;
- An end to racism – black workers allege white colleagues receive better treatment.

Meanwhile, white clerical staff were seen in unusual positions – cleaning the toilets and kitchens.

Venison said workers who were not at work would not be paid for the period of their absence.

Asked about the workers' demands, Venison said: "We are not deaf to the grievances of our workers, but we cannot talk to a mob of 5 000 people standing along the road."

He said he was waiting for the workers' grievances to be communicated to him.

Meanwhile, black Sun City employees have warned that if the strike goes on for much longer, the international paradise could soon be reduced into "a slum".

CIPRED 4/7/93

(289)

Sun City strike

Sl Times 4-7-93

SUN CITY staff downed tools yesterday in rejection of a R100 pay increase offered by management this week.

A spokesman for the strikers said they had demanded a 30 percent pay increase or R200 across the board, but management's offer only amounted to five percent.

Workers also demanded a recognised trade union, immediate employment for casuals and an end to job discrimination in favour of "foreigners".

Strike clouds Sun City

CT 5/7/93

Own Correspondent

JOHANNESBURG. — Management at the Sun City entertainment complex were forced to bring in staff from other "units" after a lightning strike at the weekend by three-quarters of the complex's 3 500 staff.

Sun International managing director Mr Peter Venison said he could not say where temporary workers had been drawn from, but it was reported that white staff kept services going.

Certain facilities had to be closed down, such as the Valley of Waves water complex and the Sky Train, and only one restaurant was open in each hotel, Sunday newspapers reported.

Mr Venison said workers had not yet presented any formal grievances so he could not comment on the strike. It was reported yesterday, however, that workers' demands included a pay increase, trade union recognition and an end to job discrimination.

A group of about 2 000 workers gathered on Saturday to protest outside staff quarters. Mr Venison said it was impossible, however, "to negotiate with a large crowd" and he would not negotiate until a formal leadership had been elected.

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Sun City management could not recognise South African trade unions as they were illegal in Bophuthatswana, he said.

Sun City strike unresolved

The Argus Correspondent

JOHANNESBURG. — The strike by thousands of black staff at Sun City is still unresolved because no leaders have emerged to negotiate, according to management.

On Saturday white staff provided skeleton services when an estimated 75 percent of the 4 500 workers went on strike.

A large crowd of strikers yesterday gathered outside the staff entrance but were chased away by members of Bophuthatswana police who fired teargas at them. Witnesses claimed that several strikers were injured and assaulted.

Sun City MD Peter Venison said staff were in the process of forming a union which was as yet unregistered.

The South African Commercial Catering and Allied Workers' Union (Sacawu) is not recognised in Bophuthatswana.

Mr Venison said management had addressed workers gathered at the staff gates to the Sun City complex on Saturday, inviting them to come forward and discuss their grievances, without success.

Many of the basic services and attractions of the hotel were not operating. More than half the restaurants, almost all the pubs and the Lost City water park were closed.

Saccawu could not be reached for comment.

Sun City: 'No one to deal with'

Star 5/7/93

By Phil Zoio

The strike by thousands of black staff members at Sun International's Sun City casino resort remained unresolved yesterday because no leaders emerged from the strikers to negotiate, says management.

On Saturday, white staff had to provide skeleton services when three quarters of the 4 500 workers went on strike.

A large crowd of strikers yesterday gathered outside the staff entrance but were chased away by members of Bophuthatswana police who fired teargas at them. Witnesses claimed that several strikers were assaulted.

Sun City managing director Peter Venison said the hotel's "black Bophuthatswana" staff were in the process of forming a union, as yet unregistered.

The SA Commercial Catering and Allied Workers' Union (Saccawu) is not recognised in Bophuthatswana.

Venison said management had addressed workers gathered at the staff gates to the Sun City complex on Saturday, inviting them to come forward and discuss their grievances, without success.



Helping hand . . . white staff provided skeleton services when some 75 percent of staff members at the Sun City complex went on strike.

White staff yesterday continued to work exhausting shifts of between 12 and 18 hours.

Many of the basic services and attractions of the hotel were not operating.

Restaurants that were operating were very busy, mostly fully booked with long queues. Some guests had to wait hours to be checked in at reception.

Venison dismissed claims in the Sunday press that black workers were striking because they were discriminated against and being made to stay far away from Sun City, while white staff members lived nearby the complex. "It's nonsense. People are given the property where they live according to their position," he said.

Sun City ferries in staff to keep resort going

B/Day 5-7-93

MANAGEMENT at the Sun City complex moved swiftly yesterday to ferry in staff from other "units" in a bid to keep its casinos and hotels operational.

The move followed a lightning strike by 3 500 black staff at the weekend.

Sun International MD Peter Venison would not say where temporary workers had been drawn from, but white staff were reportedly used to keep services going.

Venison said he was unable to comment on the strike because workers had not yet forwarded formal grievances.

It was reported yesterday that workers'

STEPHEN COPLAN

demands included a pay increase, a recognised trade union and an end to job discrimination. (289)

Venison said he did not know the reason behind the strike, but said it appeared wages were a major issue. (162)

A group of about 2 000 workers gathered on Saturday to protest outside staff quarters. Venison said it was impossible, however, "to negotiate with a large crowd" and management would not do so until a formal leadership had been elected.

Certain facilities had to be closed down, such as the Valley of Waves water complex and the Sky Train. Sunday newspapers reported that only one restaurant was operating in each hotel.

Venison said Sun City management was unable to recognise SA trade unions as they were illegal in Bophuthatswana. But he said management had tried to assist employees in setting up a Bophuthatswana-registered trade union.

The application for the registration of the trade union had been unsuccessful because of technical reasons, Venison said.

ns on SA set to go

Sowetan 5/7/93

Sun City workers strike

THE STRIKE by hundreds of black workers at the Sun City entertainment complex near Rustenburg continued yesterday after workers failed to turn up on Saturday. (289)

Sun International's managing director, Mr Peter Venison, said the complex was "coping rather well" despite the stayaway, with 25 percent of the workforce standing in for absent workers. (382)

But sources said management was fighting a huge battle to keep the hotel and gambling complex running as white staff provided a skeleton service with the entire black staff of 4 000 out on strike.

Black workers said their grievances centred around discrimination, saying while white staff were given free accommodation at the complex, they had to live 10km to 20km away.

They were also unhappy over the fact that many blacks were employed in a temporary capacity.

Venison denied the allegations about discrimination over accommodation and said free accommodation was given to workers according to their job categories and not according to race.

Sun City management and workers talk

SUN City management was holding talks yesterday with a committee representing 3 500 staff members who went on strike on Saturday.

The representative committee was formed after Sun City management said it was not prepared to negotiate with "a crowd".

Sun International MD Peter Venison said that because unions were banned in Bophuthatswana, staff at Sun City elected a liaison committee to negotiate with management.

"However, we have never faced this sort of problem before," Venison said of the strike.

He was unable to say why staff had not used the laision committee to discuss the present demands. "Part of the problem is that workers originally handed no formal list of grievances to management," he said.

Meanwhile, employees were continuing what he termed an "illegal strike". He said "slightly more than 25% of the staff was on duty and workers from other units were ferried in. — Sapa.

Sun City holding strike talks

JOHANNESBURG. — The management of Sun City was holding talks yesterday with a committee representing the 3 500-odd staff who went on strike on Saturday.

Sun International managing director Mr Peter Venison said that although unions were banned in Bophuthatswana, an arrangement had been made whereby staff elected a liaison committee to negotiate with management.

Meanwhile, staff were continuing what he termed an "illegal strike" yesterday and staff from other units were brought in. Mr Venison confirmed that "slightly more than 25%" of the normal complement of staff was on duty.

On Sunday an ANC delegation, led by Western Transvaal regional secretary Mr George Mathuse, approached Sun City management with a view to assisting and mediating in the dispute, said Mr Venison.

"However, we told them we would rather negotiate directly with the staff as we did not want to politicise the issue."

The ANC released a statement yesterday calling on the Sun City workers to continue with the strike until their demands were met. — Sapa

Sun City strike ends

Sowetan 6/7/93

ABOUT 3 500 striking workers at Sun City were due to return to work last night after management had agreed to address their grievances.

Sun International managing director Mr Peter Venison said management would hold a series of meetings with the workers' liaison committee in an attempt to find solutions.

"All of the grievances are capable of being addressed and will be sorted out in due course. In the meantime, the liaison committee has asked the workforce to return to work by their next shift."

(2891)

The workers, who represent about 70 percent of Sun City's staff complement, went on strike on Saturday.

One of their grievances related to alleged discrimination against black employees at the entertainment and gambling complex.

The strikers claimed white staff were given free accommodation at Sun City while black personnel had to live about 10km away.

Venison denied this, saying free accommodation was granted to all workers on the basis of their job categories, not race.

He said "slightly more than 25 percent" of the staff had been at their posts yesterday. Workers from other units had been brought in to assist.

Because the matter was considered a domestic issue, Venison said he had not been involved in yesterday's meeting with the liaison committee.

ENTERTAINMENT *London Philharmonic Orchestra ur*

Concert ban urged by ANC

Sowetan 14/7/93

CULTURAL BOYCOTT *Backing for protest against 'repression':*

THE WESTERN TRANSVAAL region of the African National Congress has called on the London Philharmonic Orchestra not to perform at Sun City during its forthcoming tour.

The LPO is scheduled to arrive in South Africa on July 31 for a nine-concert tour, which includes a performance at Sun City on August 8.

Other concert venues are Pretoria, Johannesburg, Durban, Cape Town, Bloemfontein and Port Elizabeth.

In an open letter to the LPO, ANC Western Transvaal media officer Rankowa Molefe said the ANC had called for a cultural boycott of Sun City in protest against repression in Bophuthatswana. (289)

He said there was no free political activity in the homeland and workers were prohibited by law from joining trade unions of their choice.

Molefe also said in the letter Sun City workers had recently gone on strike to protest against discrimination at the hotel complex.

Sun International managing director Peter Venison recently denied allegations of racial discrimination.

Meanwhile, the tour organisers announced on Monday that most of the tickets for the first two performances in Pretoria and Johannesburg had been sold.

They said 544 of the 6 000 tickets available for the Sun City concert had been sold. — *Sapa.*

Workers claim Sports Café management 'offside'

JEAN LE MAY
and KARIN SCHIMKE
Weekend Argus Reporters

SPORT fans living it up in the trendy Sports Café on the Waterfront are unaware of the contest being waged behind the scenes between management and many of the café's 110 workers.

A group of employees recently came to Weekend Argus complaining they were being badly treated.

Their management did not listen to their complaints and they weren't getting any help from their trade union either, they claimed, although union fees were regularly deducted from their wages.

They complained that "things had gone from bad to worse" since the restaurant was taken over by a new manager.

"Black workers are given written warnings at the drop of a hat and they are only given one and then fired," claimed one worker.

"It seems to us that the new manager does this so that he can bring in some of his favourite old employees from the restuarant he worked at before."

A spokesperson for the SA Commercial Catering and Allied Workers' Union (SACCAWU) confirmed that the union had had a shop steward at the Sports Café, but declined to comment further as they were taking the matter up with the workers.

Weekend Argus understands that SACCAWU is conducting an investigation to find out whether the majority of workers at the Sports Café belong to the union. If it turns out to be the majority union, a recognition agreement with management will be signed.

A co-owner of the Sports Café is city councillor Mr Leon Markowitz, who is one of the council's representatives on the board of the Victoria and Alfred Waterfront Development Company and who also co-owns the Victoria and Alfred Hotel.

Mr Markovitz said the Sports Café manager in question recently had been transferred to Johannesburg.

He said no recognition agreement had been signed with any union and he attributed this to the fact that the Sports Café was a relatively new establishment and proper union organisation took a while to set up.

He said that the problem appeared to be that there was some uncertainty about which union was the majority union.

Many of the 110 staff were part-time workers, he added.

He denied that staff were not given fair hearings. Some disciplinary hearings had lasted up to two hours and Weekend Argus was welcome to listen to the tapes if the trade union involved agreed, he said.

He said house rules were carried down from management through shop stewards.

A shop steward at Sports Café recently had been sacked for intoxication, he said, and had not taken up his right of appeal.

"There are unwritten rules in any business which everyone should obey anyway. Like not coming late, not drinking on the job, not stealing."

Hotel retrenched staff 'unfairly'

ST Times 26/9/93

By CARMEL RICKARD

THE Lanzerac Hotel in Stellenbosch, emerging from a lengthy period of financial problems, has been hit by a new judgment of the Labour Appeal Court.

The court held that the Lanzerac had committed an unfair labour practice in retrenching 17 workers without consultation. All 17 must now be reinstated and given six months back pay with interest. Estimates put the bill as high as R100 000, including legal fees.

The case concerns Pepkor chairman Christo Wiese who took over the Lanzerac after years in which the "once proud estate" had slid into ruin. After attempts to make it profitable failed, Mr Wiese made an agreement with restaurateur and hotelier Steve Fitzgerald, of Halcyon Hotels.

Before finalising arrangements for the new partnership, Mr Fitzgerald told Mr Wiese that the Lanzerac was overstaffed. In his evidence to the Industrial Court, Mr Fitzgerald said he did not want to be involved in a company where he had to "take on a whole lot of old baggage".

The two men agreed that Mr Fitzgerald would be entitled to "trim" staff numbers to his needs, while Mr Wiese would deal with the labour issues involved, including severance packages for redundant staff.

The two then addressed the Lanzerac workers, many of whom had been employed by the hotel for up to 10 years. They told staff that rationalisation was on the way and that "one person might have to do two jobs". (289)

None of the workers was consulted about any aspect of the retrenchment and, a month later, 17 staff were retrenched. The LAC described this as "a serious violation" of the workers' rights and said that "fairness cried out for giving each affected employee a chance" to make representations.

The court said redress demanded that all the workers should be reinstated with back pay and interest.

Attorneys for the retrenched workers are now trying to contact the 17 workers to ensure they claim their rights.

Carlton strikers accept offer

Star 5/10/93

■ BY ABDUL MILAZI

The SA Commercial Catering and Allied Workers Union (Saccawu) yesterday abandoned its demand for a 15 percent wage increase after Johannesburg's five-star Carlton Hotel had locked out striking workers for more than a week.

Saccawu negotiator Mpho Mjeza said the union had decided to accept management's 5 percent final offer as a deadlock-breaking mechanism, but was accepting the offer on conditions which it "wouldn't like to disclose at the moment".

More than 300 workers were locked out by management last Monday after they had staged a two-hour work stoppage in support of their demand for a 15 percent wage increase.

289

He's not on top, but put aside — after 5 minutes on board

(288) ARG 11/07/93

TOM HOOD, Business Editor

WINE farmer Mike Orpen was on the board of the Table Mountain Aerial Cableway Company for about five minutes.

Shareholders elected him during the company's 66th annual meeting in Cape Town yesterday — and five minutes later the company's five other directors vetoed him.

Mr Orpen, a shareholder and critic of the cableway's management, was not present.

He was put forward as an additional director to represent the interests of minority shareholders.

The company already has five directors, but its constitution allows for seven.

Mr Orpen was "a dynamic worker for the company" said South African Shareholders' Association chairman Issy Goldberg during a heated three-hour meeting.

Chairman Louis de Waal said it was a bad time to appoint a new director. The board was trying to stave off the Cape Town City Council's attempt to expropriate the cableway and it would take a newcomer some time "to get into the swing of things".

"We will review the appointment of new directors, including Mr Orpen, when the question of expropriation is settled," he said.

Mary Hahn, ~~who~~ proposed Mr Orpen, said: "Times are changing and becoming more democratic. People want to know what's going on. We don't want to be told to go to blazes.

"Mr Orpen has spent an enormous amount of time on behalf of the minority shareholders."

On a show of hands almost all shareholders voted for Mr Orpen.

However, director Ronald Reid said he had proxies for 42 703 shares and called for a vote based on shareholdings. On a share count, 91 percent of the votes were against Mr Orpen.

CITY LODGE

Fm 1/10/93

Topping the forecasts

The inn — and year — was certainly full for City Lodge in financial 1993. It listed on the JSE in November, opened three new lodges and faced tough competition as other hoteliers rebranded, refocused and cut prices.

But City Lodge topped the prospectus attributable earnings forecast of R10,8m for the year to July by R760 000. Dividends were 1c more than expected. (288)

Says MD Hans Enderle: "We managed to maintain acceptable profitability in spite of price stabilisation that saw industry tariffs increase the least in many years." Average occupancy of 78% was just below the target 80%, but Enderle says this is way above the industry average of 47%.

City Lodges are no-frills hotels. This raises the question: is growth sustainable once investor confidence returns to SA and tourists call for four- or five-star accommodation?

Enderle contends that business travellers (80%) will remain the major customer base. "Once the economy picks up the businessman will probably travel more." He does, however, admit that local and foreign tourists are becoming important, especially in areas such as Cape Town, Port Elizabeth, Durban and Nelspruit.

"Our confidence is evident in an expansion programme that includes Town Lodge Nelspruit and Town Lodge Midrand," which

P. TO ⇒

Fm 1/10/93

will add 224 rooms, bringing the national total to 1 828 by early next year (288)

The three new lodges — V&A Waterfront, Cape Town; City Lodge Morningside; and Town Lodge Jan Smuts — cost R37m and increased the number of rooms by 40%. Enderle says they made a meaningful contribution in the time they were operational. The more than R11m invested in equipping new lodges and refurbishing existing ones was financed from internal cash flow.

Enderle is confident that occupancy can be held high in financial 1994 and that profitability will at least match inflation.

Before the listing each staff member was given shares. Few have sold. From the opening 500c, the share climbed to 800c but has since fallen to 625c. This still rates favourably against Transun's 30% 12-month decline to 140c and SunBop's 16% fall to R24,25c. Karos is unchanged over the year at 125c.

City Lodge's 14,4 p:e rates above Sun Bop's 12,6 and Transun's 4,7, which suggests the good performance is already in the price.

Kate Rushton

Protea nets Dolphin Beach Hotel deal

(288)

CT 2/10/93

Property Editor

PROTEA HOTELS has been appointed to manage the new R30m Dolphin Beach Hotel between Milnerton and Tableview.

The hotel — a joint venture by Rabie Property Developers and Equikor — is aiming for a four star grading and is being completed on the Blouberg-strand side of the Dolphin Beach residential development.

The hotel and adjacent 120-seater "sky loft" restaurant to be operated by Black Steer, is the third and final phase of the R110m development comprising 191 sectional title residential units.

MD of Protea Hotels, Arthur Gillis, said the prime target market will be international visitors, guests from upcountry and convention business.

Hands off our cableway, council told

(288) ARG 2/10/93

TOM HOOD
Business Editor

THE annual meeting of Table Mountain Aerial Cableway Company was about the most acrimonious AGM of any I have attended in 22 years in Cape Town.

Normally boycotted by apathetic shareholders, this 66th AGM on Thursday had a full house of shareholders determined to tell Cape Town City Council: "Hands off our cableway."

But some shareholders were also critical of the company's five directors who, alleged one woman, ran the company "like an old boys' club".

Later director James Yeowart challenged a backbencher: "If you are implying dishonesty, you should do your duty and lay a charge against us."

The meeting was held in UCT's Graduate School of Business.

My involvement began five minutes before the start when chairman Louis de Waal said: "Sorry — this is a private company and we don't want the meeting reported. You can't attend if you're not a shareholder or don't have a proxy."

Said he ever so politely, one Argus cycling veteran telling another.

"Why not ask the meeting to vote," I suggested. "This company is not listed on the JSE but it's a public company."

Pouring a coffee for me, Mr De Waal added: "We don't want to compromise our position with the city council and there could be a lot of acrimony."

As I headed for the telephone with my story, along came a white knight, none other than SA Shareholders Association chairman Issy Goldberg, armed with a handful of proxies.

"Stick around," said he.

After a lecture from Mr Goldberg about Table Mountain being a public monument and the company's unique position, doors opened to me.

Inside it took 90 minutes' debate to pass item No 1 on the agenda — the financial statements for the year to June 30.

There was wrangling over a R623 000 write-off, the possible resale of flats the company bought on the route of the proposed Signal Hill cableway and allegations that two companies, Signal Hill Cableway Company and 44 Dock Road Ltd, were technically insolvent.

Then minority shareholders failed in a bid to put their representative on the board. On a show of hands the majority supported the election of wine farmer Mike Orpen as an additional director but the directors, holding 91 percent of the shares, overturned this vote.

Mr De Waal said after the expropriation issue was settled the board of five directors would consider an increase in numbers.

Shareholder Mary Hahn, who backed Mr Orpen, said she felt like a tiny beetle being squashed by the big boot of the directors.

It emerged that directors and shareholders were in the dark about what might be taken over if the city council went ahead with its proposal to expropriate the cableway.

Waterfront offers course for managers

Staff Reporter

THE Waterfront has joined the campaign to promote service excellence with a training course for managers and owners of hotels, restaurants and fast food outlets there on October 12.

This will be followed by a series of one-day workshops during November for all "fronting" staff — the first people to have contact with customers.

Managers will be encouraged to train staff to offer excellent customer service.

Maureen Thomson, public relations manager for the V & A Waterfront, said the workshops were aimed at offering tenants/ support in their efforts to achieve excellent standards.

"Since December 1990, we have learned the hard way about coping with the volumes of visitors we get.

"We have overcome major obstacles and haveachieved a lot, but we are never going to get complacent."

Anybody interested in the workshops should contact Stephen Ostrer, who is in charge of restaurant tenant liaison. His number is ☎ 419 2885.

A swift and sure record of progress

PROTEA Hotels & Inns (Pty) Limited, in its existing format, was started in 1984, but the story really starts more than 20 years ago in 1970, when Otto Stehlik arrived in South Africa and took a job as a receptionist at the Trust Bank-owned Heerengracht Hotel. His brief — to fill as many beds as possible.

His success at this made for swift progress through the ranks and by 1973 he was appointed marketing director.

Fast-forward to 1988 when the group became totally independent and undertook major restructuring to become Protea Hospitality Corporation (PHC), with Mr Stehlik as executive chairman. PHC now holds Protea Hotels (which is responsible for the management and franchise operations for the 70-odd hotels); Plan One; Protea Properties and Places.

PH today, at just nine years old, is the largest hotel group in Southern Africa.

□□□

Arthur Gillis's CV helpfully runs to six pages. Which goes a long way to towards explaining his energising presence — under Sporting Achievements you read of his athletics, judo, hockey, swimming, aviation, lifesaving.

Other Activities includes Boy Scouts, Cubs, lifesaving instructor at Kimberley Girls' High School (fun one, that) and various chairmanships.

His career, which started in 1978 as assistant purchaser at the Heerengracht Hotel, rises rapidly, star-studded with awards and nominations. His wife, Annette, and children Anton, Ashli and Alexis must be proud of him.



Picture: HANNES THIART, The Argus

Arthur Gillis ... the guest's perception is always right.

A master of hospitality with the right attitude

☐ Perception is the key for hotel group MD

ARG 7/10/93

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Our Service Excellence Campaign continues with hospitable words from Arthur Gillis, MD of Protea Hotels.

GORRY BOWES TAYLOR, Staff Reporter

THE telephonist/receptionist says to each caller: "You're welcome to Protea Hospitality Corporation." Her voice rises on the final syllable. The reception area is black, grey, white. Glinty surfaces and soft leather. Some bridal white flowers, other greenery like guests at the feast.

The wrong person comes to collect me — I mean I'm the wrong person that she's come to collect. Lots of sorrys, smiles. Then I'm the right person — I'm three minutes early but Arthur Gillis is ready and up and coming at me. He has a handsome handshake and tightly packed energy.

Question: One of the difficulties in the hospitality industry must be the troublesome guest?

We start from the premise that the guest is not always right. The guest's *perception* is always right.

Take as a recent example two guests staying at the same Protea hotel in the same room (no, not together!). One had driven the enjoyable short distance from George, the other the ragged kilometres from Johannesburg, with two small children.

Guest number one wrote a glowing guest comment about the hotel, guest number two slated it. My advice to the management is that service



excellence depends entirely on how they handle tired, ragged, understandably uptight guests. We have to read the unspoken language. We have to anticipate the guest's requirements.

And there's my tomato bredie example. If a guest orders that bredie and doesn't eat it, Protea staff are severely reprimanded if they ask the guest if everything's OK. Clearly it isn't. I recommend they say: 'You are obviously not happy with this — may I remove it and offer you something else from the menu?'

Although the bredie was made to our popular recipe, the issue is that the guest's perception is correct.

Q: Do you have a highly effective staff training programme?

We say each guest is an individual and every staff member is an individual and we'd like the staff member's personality to come out in dealing appropriately with each guest. In the hotel industry we teach people the so-called skills — opening a bottle of wine, which side to serve from. Today I believe that stuff is somewhat irrelevant. Guests wish to be treated as individuals and they wish to be treated in a manner which is appropriate to their mood. So we tend to focus our efforts on attitudinal training.

Q: How empowered are your frontline staff?

Some years back, when empowerment was the buzz word, we thought it would be a good idea to empower people. We then found that, in fact, we were empowering them to say no and not to say yes. For instance, we have two breakfast prices, one for a Continental breakfast and for a full breakfast. But guests don't fit into little blocks. Some might want just a slice of toast and a cup of coffee, which slots into neither price. Our staff were empowered to give it away for free or to charge a Continental breakfast price.

A more acceptable version would be for us to empower our staff to decide what the toast and coffee are worth, and charge the guest accordingly, or, even more creatively, to ask the guest to assess the value.

I believe that 99,9 percent of our guests are honest. If one guest takes advantage, so what? We can't run a business on the basis of the lunatic fringe. What we have to do is to exceed the expectations of the majority of our guests, and then we're doing well.

Q: How do you define excellence in the hospitality industry?

I can teach anyone to grill a steak, but I cannot teach people to smile, I cannot teach people to be honest and friendly — and that is what the hospitality business is all about. How to have empathy for the guest staying in our hotel. Guests and staff are always spelt in capital letters in our organisation. Always. That's our story.

Q: Your five Moments of Truth?

The things we have to be great at:

- Coffee.
- Pillows.
- Beds.
- Any time that there is contact between a staff member and a guest — that last one metre of truth between the two people.
- When, in the guest's opinion, we have not lived up to the guest's expectations.

The way in which we rectify what we have done wrong in any of these is the opportunity to set us apart. Not that I'm saying that I will excuse a problem but I think we should do it right the first time.

ARG 7/10/93

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Committee refuses to pass plans for new Waterfront development

ARG 7/10/93 (288)

☐ Meeting will be sought with V and A top management on changing trends

CLIVE SAWYER
Municipal Reporter

WORRIED by changing trends in Waterfront developments, the town planning committee has asked for a meeting with V and A top management.

The committee yesterday refused to pass plans for the Breakwater Precinct because it was given too little information.

Development proposals for the area include a five-star 300-room hotel, 100 townhouses, offices, a restaurant, marina berths, basement parking and docking facilities for cruise liners.

Space for the development will be available when Marpro moves to the Elbow shed in Victoria Basin.

Officials told the committee it should not approve any further precincts after the Breakwater Precinct because of expected changes to the Waterfront — including possible changes of ownership.

Replying to a question from Ruth Ortlepp, they said the fishing industry would not be hampered by the Breakwater Precinct plans. Marpro was expanding its operations and another two fishing companies would stay where they were.

The advantage of the plan for the precinct was that it would allow unrestricted public access to Quay 6.

Committee chairman John Muir said he was worried by the size of the hotel, the scale of the development and possible traffic problems.

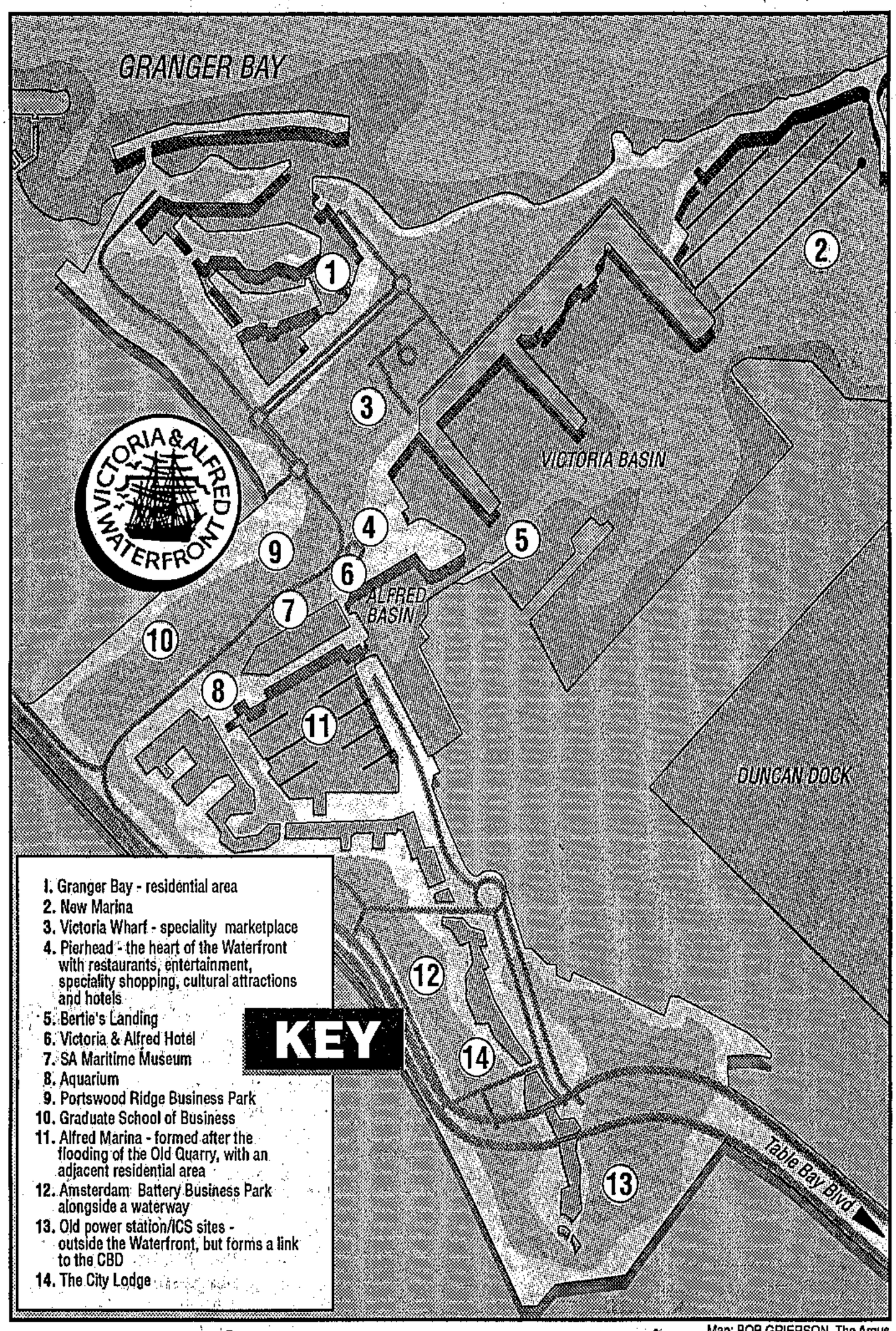
Deputy chairman Llewellyn van Wyk said the original Waterfront development had included large buildings with wide open spaces in-between.

"Now the open spaces are being turned into shopping malls, like Sandton City and Blue Route Centre, built according to a style some have called Victorian Diarrhoea," said Mr Van Wyk.

There was a "stark separation" between parking areas and indoor spaces.

Mr Muir said the committee had not been given enough information to know what it was accepting.

Mr Van Wyk said a meeting with senior Waterfront management would be useful "so that certain basic principles can be re-established".



Map: BOB GRIERSON, The Argus

Technikon hits snag

Municipal Reporter

A QUESTION mark hangs over whether it is legally possible for the Cape Technikon to revive plans for a hotel and office complex at Granger Bay without a fresh application to the city council.

The council recommended in August last year that the Administrator approve the plans, subject to conditions.

In February, the technikon announced it was withdrawing the plans.

This week the town planning committee was told the technikon intended to revive the scheme, using plans identical to those approved last year.

Committee chairman John Muir said legal advisers had said the application had fallen away and a fresh application would be needed.

Riebeek Square tenders

Municipal Reporter

TENDERS for a Riebeek Square underground parking garage will be requested within a month.

Details of revised landscaping were presented to the town planning committee yesterday.

Deputy-chairman Llewellyn van Wyk said the landscaping would mean the boundaries of the square would be closely defined for the first time.

He said care should be taken about the aesthetics of items like exhaust ducts.

Motorist tax levy for local forums?

Municipal Reporter

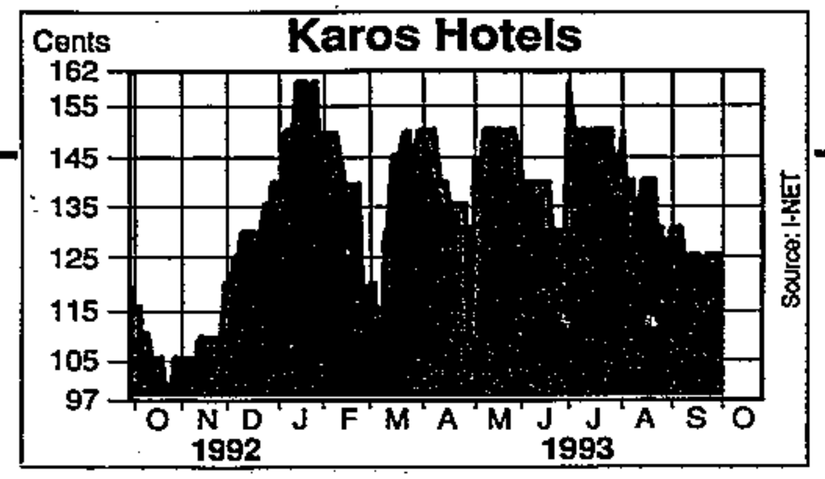
PROPOSALS for a metropolitan fuel levy and other taxes on motorists should be put to regional all-party forums on economic development and local government, said deputy town planning chairman Llewellyn van Wyk.

A metropolitan transport planning branch report yesterday recommended measures including vehicle licence surcharges and metropolitan fuel levies as means of making up shortfalls in central and local government funds.

Money raised would be used to improve transport facilities.

The committee was told the corporate management team, the committee of council heads of departments, was preparing a response to the proposals.

Mr Van Wyk said the measures should be put to the Western Cape Economic Development Forum and the Cape Metropolitan Negotiating Forum.



discount to tangible NAV.

One reason for the negative sentiment could be the group's uneven track record, displaying the effects of the ambitious 1990 capex programme. In a time of high interest rates, poor market conditions and escalating violence, Karos set about upgrading its hotels to four- and five-star operations. By the end of the 1992 financial year, interest payments were R9,9m (three-quarters of operating profit), losses per share 13,9c and gearing a high 66%.

Chairman and MD Selwin Hurwitz says Karos is now entering a period of consolidation. Only one project is on the cards for this year: the construction of a 600-seat conference and function facility at the Karos Indaba Hotel costing R4,5m-R5m. Early next year Karos will start the construction of an 82-bed lodge on its Sesriem property near the Namib Naukluft Park. In financial 1995, the Karos Edward Hotel, Durban, will be upgraded to a five-star facility — subject to agreement with the Higate property fund which owns the property — for R10m.

Hurwitz says: "Cancellation of advance bookings, in particular group tours, was high after the Boipatong and Bisho incidents and the perception of violence in the minds of tourists remains paramount."

Nonetheless, in 1993, room occupancies were 58%, slightly ahead of 1992's 57% and well above the sector's 50% average. Turnover rose 18% while operating profit increased 57%. A slight profit after payment of preference dividends was shown.

At the six-month stage, EPS of 0,1c were reflected against the 9,7c loss in the financial 1992 interim period. Turnover increased 20% while operating margins improved significantly. Fm 8/10/93

The downgrading of many hotels to limited service two-star establishments is likely to have a significant impact on the market as it will inevitably increase competition among lower graded hotels and reduce competition in the three-, four- and five-star categories. Hurwitz contends Karos's competitive position in the last of these has thus been strengthened.

Trading for the first six months of this year has been weak. Given the positive effect the rights issue will have on the interest burden — interest payments will drop by R500 000 each month — Hurwitz is confident year-end figures will show profits. Any drop in interest rates would also help.

When listed in mid-1989, Karos looked promising: EPS for the year to end-March 1990 were forecast at 35c-40c, with a dividend yield of 7,5% on cover of 2,5. Though EPS never reached these heights and dividends have been passed for the past couple of years, the share offers long-term potential.

(288)

Kate Rushton

KAROS Fm 8/10/93

Easing interest burden

Activities: *Operates 13 hotels in SA and the Polana in Mozambique.*
Control: *Momentum 24,6%; Directors 36,4%.*
Chairman & joint MD: *S Hurwitz; Joint MD: S V Hoffmann.*
Capital structure: *28,5m ords. Market capitalisation: R35,6m.*
Share market: *Price: 125c. Yields: 0,2% on earnings; p:e ratio, 416,7. 12-month high, 160c; low, 100c. Trading volume last quarter, 231 000 shares.*

Year to March 31	'90	'91	'92	'93
ST debt (Rm)	7,7	9,4	15,6	25,5
LT debt (Rm)	34,6	38,9	34,8	36,1
Debt:equity ratio	0,65	0,69	0,66	0,59
Shareholders' interest	0,56	0,54	0,55	0,59
Int & leasing cover	5,0	1,9	0,9	1,3
Return on cap (%)	6,5	6,1	4,4	5,6
Turnover (Rm)	57,8	70,8	89,0	105,2
Pre-int profit (Rm)	10,8	11,0	8,4	13,2
Pre-int margin (%)	18,6	15,6	9,4	12,6
Earnings (c)	30,7	14,5	(13,9)	0,3
Dividends (c)	12,0	6,0	nil	nil
Tangible NAV (c)	331	350	324	431

(288)

Karos shareholders last month approved a R40m rights offer giving offshore investment company Marvol a 22% stake. The move will strengthen international links and, more importantly, reduce gearing from 59% to a more acceptable 25%.

The market has not so far responded kindly to Karos's effort to reduce debt; the stock, at 125c, has lost 25c or 17% since the announcement and trades at a massive 70%

Renewed foreign interest pushes Barlows shares up

B/Day 11/10/93

MATTHEW CURTIN

BARLOW Rand shares have bounced back from the R38 low they touched last week after renewed foreign interest in SA industrials and further details of the conglomerate's unbundling exercise.

One market source said at the weekend: "Chairman Warren Clewlow is showing a new sense of purpose in the way in which he's breaking up the group, even if the scale of the operation means it is not going quite as fast as some hoped."

Barlows announced last week a reshuffle of its UK subsidiary J Bibby & Sons. Bibby's capital equipment and engineering businesses would be renamed Stratford, while its other paper, laboratory products and agribusiness interests would be hived off in a separate company, keeping the Bibby name, to be floated in London in the first quarter of 1994.

Another analyst said that the balance of the deal was in favour of Barlows. "It's not particularly elegant, but it does lower Stratford's risk profile," he said.

The big question now was for Barlows/Stratford to turn its loss-making Spanish Caterpillar distributor Finanzauto around before, perhaps, taking advantage of the business opportunities particularly with reconstruction in eastern Europe.

Barlows stock closed at R41 on Friday. Bibby shares climbed 7p after the announcement, closing at 92p on Thursday compared with the 300p a share (equivalent to £287m) which Barlow paid nine years ago for the group.

The group's market value stood at £144m at the weekend.

Analysts said the first important consequence of the manoeuvre would be the recapitalisation of Bibby/-Stratford and Finanzauto.

Stratford could be expected to raise between £65m and £80m from listing the reformed Bibby even though it had a poorly-rated asset porfolio.

However, Barlows director Russell Chambers said market conditions in UK were "right for the listing".

Bibby's businesses were looking forward to improved orders as the British economic recovery gathered momentum.

In addition, money raised from the flotation would used to repay Bibby's debt, a drain on group earnings in the past 18 months.

Analysts said a more tightly focused debt-light Bibby/Stratford would benefit Barlows — keeping its 79% holding in Stratford which would retain 20% of Bibby — if only because it was relatively more important to the smaller unbundled group.

Although the changes to Bibby mirrored those to Barlows in SA, the company needed tidying up in any case, they said.

Finanzauto had been managed by Barlows, the supplier of Caterpillar equipment in SA, although it was part of the Bibby group.

Bibby acquired Finanzauto in a £82m takeover in mid-92 but was caught off-guard by the slump in the Spanish construction sector, with interest charges dragging the company into the red.

Bibby chairman Richard Mansell-Jones said: "The decision is consistent with what Barlow Rand is doing itself in SA.

"We will be left with Hyster fork lift trucks and Caterpillar. It is a mirror image of of what is planned by Barlow Rand."

Kersaf has hopes for offshore projects

B/Day 11/10/93

CHARLOTTE MATHEWS

LEISURE company Kersaf Investments' offshore arm, Royale Resorts Holdings, is currently investigating several overseas investment opportunities, executive chairman Buddy Hawton says in the group's 1993 annual report.

It would be premature to comment in more detail at this stage, he said, but "if these can be successfully concluded the objective of achieving satisfactory growth from offshore investments over the longer term should be favourably enhanced".

In the year to June 1993 Royale, which has direct investments in three resorts on the island of Mauritius, an offshore casino and indirect investments in a number of other casinos, reported earnings a share 15% lower than in 1992 as a result of the worldwide recession.

In 1993 the total spending of the group on capital assets was R491m, bringing capital spending in the three years to June to R1,7bn.

Within Kersaf's 80%-held company Sun International, The Palace and Lost City at Sun City were completed in December 1992 at a cost of R800m.

The extension and refurbishment of the Wild Coast Sun was also completed in the past year, a project which cost R96m. (288)

Other significant capital expenditure within the group was in the 37%-held Interleisure group and, within Royale, improvements and extensions at Le Touessrok Sun in Mauritius, to be completed this month at a cost of R88m.

"In overall terms, the year ahead will see a marked decline in the level of project activity and a corresponding sizeable reduction in the amount of capital expenditure from the high levels of the past two years," Hawton said.

"This welcome respite will bring about heightened focus on important refurbishment activities and also permit some reduction in the level of external borrowings."

Kersaf Investments was likely to achieve "acceptable" earnings next year as a result of its considerable investments in new and extended facilities, Hawton said.

The run-up to the multiparty election scheduled for April was likely to be a period of heightened tension and might well have a dampening effect on business and consumer confidence and activity, he said.

Kersaf Investments' attributable earnings declined 9% in the year to June to R164,3m from R181,4m in 1992 although turnover increased 10% to R2bn from R1,8bn.

Hawton said results for the year were satisfactory in view of the deteriorating economic climate in most of SA and overseas and escalating sociopolitical violence.

Strike hits Swazi hotels

FOUR Sun International hotels in Swaziland have closed because of a strike by staff. Sowetan

The strikers are demanding a 14 percent pay increase and a housing allowance. 12/10/93 (288)

A Sun International spokesman said people who had reported for work at the Lugogo Hotel had been intimidated and that water supplies had been sabotaged. Accommodation for people who had made bookings was being arranged at alternative hotels.

Strike at Swazi Sun hotels ends

MBABANE. — A five-day wage strike at four Sun International hotels in Swaziland has been resolved. (288)(552)

The parties agreed to a 17% wage increase for the lowest paid and seven percent for the highest paid workers.

Sun International has also undertaken not to retrench workers during the current agreement, it said. CT 12/10/93

Operations at the four hotels, the Royal Swazi Spa, the Ezulwini, Lugogo and Nhlangano Sun hotels will resume immdiately. — Sapa

Deal struck at Swazi hotels

THE strike at four Sun International hotels in Swaziland has ended with an agreement between management and strikers on Monday night. 288

The two parties settled on a 17 percent pay increase for the lowest-paid workers and deferred the question of housing allowances until next year. The company agreed not to retrench any workers before next June. Sowetan 13/10/93

Sworn in to decide who'll be King of the Castle

ARG 16/10/93

(288)

IRVING STEYN

WITH R32-million in taxpayers' money spent and 25 years in research and 18 of restoration almost at an end, there is a growing groundswell of unhappiness over the continued strong military presence in the Castle.

This week a committee appointed by the Cabinet to decide the future of the Castle, the country's oldest building and potentially one of Cape Town's biggest tourism drawcards, decided to appoint a consultant to go into the matter.

The committee consists of the Department of Defence, Cape Town City Council, the National Monuments Council, the Simon van der Stel Foundation, the Department of Public Works, Satour and the William Fehr Collection, housed at the Castle.

The civilian representatives on the committee took an oath of secrecy over the committee's activities. This, and the fact that other important cultural organisations had been ignored, has added fuel to the controversy.

■ **But, as the debate rages on, is it enough? See page 20.**

Tourist industry boom as liners dock in mother city

WILLEM STEENKAMP
Weekend Argus Reporter

AT least 12 luxury passenger ships are scheduled to dock in Cape Town Harbour during the next four months, turning Cape Town once again into the popular Tavern of the Seas.

And it will be all pomp and ceremony as Captour rolls out the welcoming carpet to receive the four thousand or so tourists estimated to arrive on the ships.

Lauren de Wet, Captour spokesperson, said although things were looking up in the tourist industry, hotel bookings were at this stage still about 10 percent down on last year's figures.

This is ascribed to the high level of violence in South Africa over the past couple of months, particularly the St James massacre and the killing of American Amy Biehl.

The vessels scheduled for Cape Town include the Queen Elizabeth, the Royal Viking Queen, the Marco Polo, Achille Lauro, the Kareliya, the Sagaford and the Hanseatic.

■ Captour recently launched a drive for service excellence to improve service standards in the Cape.

It approached the South African Restaurant Guild in the Western Cape to focus attention on service and hospitality toward local and international tourists.

Workshops will be held to promote the concept and restaurants which participate will be provided with a service excellence logo. The idea is to develop a reputation for a unique brand of Cape hospitality.

The service logo will indicate the holder's commitment to service and will invite feedback from the public.



Picture: BRENTON GEACH, Weekend Argus.

BLESS THIS SHIP: The Algoa, the latest addition to the Sea Fisheries' research fleet, was handed over during a renaming ceremony at Table Bay docks yesterday. The 53m vessel, the former French stern trawler Ludovic Jego, was converted to a fully-fledged fisheries research ship by Dorbyl Marine for R5,4 million. It was renamed by Mrs Hanien Hanekom, wife of Environment Affairs deputy director-general Dr Francois Hanekom. With Mrs Hanekom is the Algoa's skipper, Captain Louis Swart.

(288) CT16/10/93

Spur chain sustains its sizzling track record

B/Day 18/10/93

LINDA ENSOR

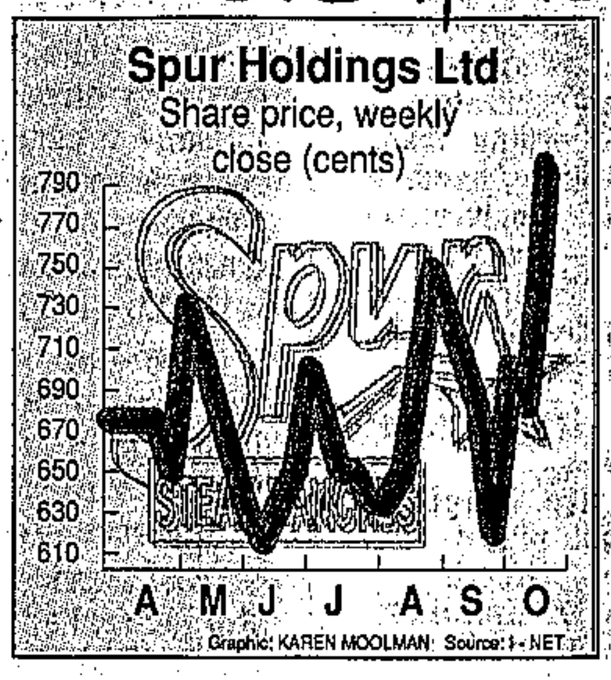
CAPE TOWN — Value-for-money restaurant chain, Spur Steak Ranches, has sustained its exceptional track record in the six months to end-August, increasing earnings a share by 45% to 25,95c (17,87c) on a turnover increase of 27% to R16,6m (R13m).

The dividend increased 43% to 16,5c (11,5c).

Parent company Spur Holdings increased turnover by 28% and earnings a share by 42% to 17,11c (12,06c), and declared a 35% higher dividend of 11,5c (8,5c).

Strong improvements in Spur Steak Ranches' operating margin which grew to 45% (42%) saw pretax income rising 38%, with the bottom line also boosted by the lower tax rate.

The chain has performed consistently well, despite the recession, benefiting from the squeeze on disposable incomes which has made diners place greater emphasis on affordability. (288)



Chairman Allen Ambor attributed the growth in turnover partly to intensified promotional campaigns, many of which were focused on children, and on innovative new dishes.

The 144-outlet franchising operation has embarked on an expansion programme and would be opening 20 outlets over the next few months. Ambor did not believe the market was overtraded.

"The way we see it we are still undertraded in the PWV and Natal and this is where most of our expansion is taking place. Once we're in, we support our effort with the full power of our marketing muscle and management infrastructure."

By February 1994 the Panarotti Pizza Pasta chain would have 18 outlets, 'making it the largest pizza/pasta franchise in the country. Ambor said that part of Panarotti's success was due to the smaller Slice Express outlets which had been doing a roaring trade.

Soon to be launched would be the "dessert pizza" which had been very popular in the US.

Spur has achieved an average annual earnings growth of 41% over the last five years with dividends showing an average annual growth rate of 30%.

Star 18/10/93

Spur boosts profit

■ BY DEREK TOMMEY

Spur Steak Ranches, helped by its huge expansion programme, raised attributable profit in the year to August from 18,87c to 25,95c a share. (288)

The annual dividend is up from 11,5c to 16,5c a share.

Chairman Allen Ambor says the group has no fears of overtrading and the expansion programme will continue.

"We are still undertraded in the PWV and in Natal and this is where the expansion is taking place."

The group has diversified into pizza pasta. The first Panarotti Pizza Pasta outlet was opened over two years ago.

Spur Holdings lifted earnings from 12,06c to 17,11c a share and the dividend is up from 8,5c to 11,5c a share.

Spur serves high earnings

CT 18/10/93 (28)

By ARI JACOBSON

SPUR steak ranches brushed off another tight economic period, helped by well-focused promotion spending, to push up earnings 45% a share to about 26c (18c) for the interim period to August.

Dividends a share rose 43% to 16,5c (11,5c) as the steak-house benefited from a gameplan aimed at attracting children.

"Our belief is that more should be spent on marketing in tough times," according to chairman Allen Ambor who added "the group's promotional budget has increased exponentially with its expansion programme".

The group now controls the franchise in 144 outlets, with a further 20 stores planned in the runup to Christmas. Ambor said "we are undertraded in The PWV region and Natal".

The share price closed out at R11 at the weekend, which is just off its high of R12 a share for the year and well up on its low point of R5,30.

□ Spur Holdings posted a 42% gain to 17,1c (12,1c) a share.

Protea looks into 'new generation of hotels' for SA

By MAGGIE ROWLEY
Deputy Business Editor

PROTEA Hotels has secured the management contract for a Soweto hotel and is currently conducting market research into a new generation of hotels for SA, MD Arthur Gillis said.

The hotels, which would be financed by SA investors, would be aimed at both the domestic and international tourism market as well as the business traveller but based on "a unique formula".

Gillis said there had been few new hotels built in SA in recent years partly due to the lack of government incentives in this regard.

"I think it is a good thing that the government has not given incentives as they encourage the development of unviable projects.

"We are looking at projects which would be viable even in current economic times and believe we have found the right formula which we are presently doing extensive market research on.

"We expect to have something more concrete by the new year," he said.

At the official roofwetting of the R30m Dolphin Beach Hotel — Protea's newest Cape management contract — Gillis said they were very optimistic at prospects for both local and foreign tourism.

"We believe this is where the greatest economic growth opportunities lie but we are going to have to deliver the right product," he said. (288)

Hotel development in future, he said, was very likely to be via joint ventures with full backing from local communities. CT 19/10/93

A forerunner of this was the newly refurbished Diepkloof Hotel, Soweto's only hotel, which is now under Protea management. It is owned by Soweto businessmen, Martin Sebesho, who believes there is clearly room for further hotel development in Soweto.

At the roofwetting yesterday John Rabie of Rabie Property Developers, joint developers with Equikor of the R110m Dolphin Beach complex, said sales to date had topped more than R100m.

Overseas tourist numbers set to fall

POLITICAL uncertainty in the runup to elections would depress overseas tourism to SA until well into next year, Satour's quarterly review says. 19/10/93

There was a 14,6% rise in overseas arrivals between January and May this year, but statistics from June to August were expected to show a sharp drop. A total increase of only 5% in overseas visitors was expected for the full year. (288)

Satour said it would "intensify its marketing actions in its traditional developed markets, with limited actions in new markets". In the latter half of next year, there would be a turning point with renewed interest in SA as a holiday destination.

B1824

MARCIA KLEIN

The review said the World Travel and Tourism Council had predicted that the tourism industry would generate 13% of worldwide consumer spending and 7% of global capital investment during 1993.

SA remained a small player, with less than 0,25% of the tourism market as a result of sanctions and its politics.

Southern Sun plan pays off

MARCIA KLEIN

SOUTHERN Sun's much-criticised strategy of repositioning itself and rationalising its portfolio of hotels had been successful, and the company was well on its way to making a healthy contribution to SA Breweries profits, MD Ron Stringfellow said. BIDay

In line with the new hotel grading system, Southern Sun had 48% of SA's five-star rooms and more than 49% of four-star rooms, and was the largest single operator in the three-star sector, with 42% of the rooms.

The customer had indicated that the group's strategy was correct, Stringfellow said. Southern Sun had converted 22 hotels into Holiday Inn Garden Courts at a cost of more than R40m.

These "economy hotels" had been introduced just over a year ago under international franchise.

Occupancies in each had climbed to between 70% and 80%, over 20% higher than the market average.

Stringfellow said that under the new grading system, the Garden Courts had been awarded a three-star grading and the five traditional Holiday Inns a four-star grading. 19/10/93

This meant the group covered the whole hospitality spectrum, from its five-star luxury hotels to its budget Formule 1 hotels.

Stringfellow said that apart from catering for all pockets, Southern Sun also had the proportions right.

Using the jumbo jet analogy, there were more economy than business class rooms, and more business class than first class, he said. (288)

The newly opened Sandton Sun Towers Hotel was being graded. Stringfellow said he hoped it would receive the first five-star silver grading in SA.

Record tourist year

(288)

JOHANNESBURG. — The lifting of sanctions and South Africa's acceptance internationally had contributed to 1992 being the best year for tourist arrivals in the country since Orville and Wilbur Wright invented the flying machine.

International markets such as east and south-east Asia had contributed to the increase, and since 1990, at least 20 new airlines introduced flights to South Africa, said a SA Tourism Board spokesman.

He said last year's figures had shown a total of 559 913 international airline arrivals, an increase of 7,4% from 1991. CT 20/10/93

This year's figures had also gone up, by an estimated five percent, the spokesman said.

But he expected a decline in overseas visitors next year in anticipation of upcoming elections.

"People are adopting a wait-and-see stance, but after April, we expect a significant increase," the spokesman said. — Sapa

Cash boost for tourist bodies

Own Correspondent

MARITZBURG. — Regional tourism bodies can expect an injection of funds as a tourism development levy is to be introduced soon.

This was said here yesterday by Maritzburg's director of publicity, Mr Dick Jones, who was re-elected chairman of the SA Association of Publicity and Tourism Marketing Organisations (Sapto) last week.

The new voluntary accommodation grading and classification scheme by the South African Tourism Organisation could provide a capital injection of R40 million into the tourism development fund, he said.

The levy would also encourage the forging of co-operative alliances to decide on effective tourism development.

Mr Jones said members of local publicity associations would be entitled to a 5% rebate on the levy.

The Sapto conference also agreed to strengthen the organisation's financial base by increasing subscriptions to employ a director who would promote professional tourism marketing at local and regional levels. CT 20/10/93

"Sapto members also agreed to initiate a nation-wide computer link-up for accommodation booking and tourism information," he said (288)

Minister predicts leap to 2m tourists a year

BD 20/10/93

THEO RAWANA

THE 560 000 foreign tourists who visit SA each year should jump to 2-million a year by the year 2000, Tourism Minister Bhadra Ranchod says.

Ranchod, who has just returned from the World Travel Organisation (WTO) conference in Indonesia, said he had been inspired by the way tourism had grown in that country from a poor state to what it was today.

To judge by the interest delegates at the WTO had shown in SA, tourism should move from being SA's third-biggest foreign exchange earner to the top spot, Ranchod said.

He said he had established many useful contacts among the 104 delegates who attended and was impressed with the way the delegates were "hungry" for information on SA.

"There is considerable interest and the delegates showed a desire for closer ties with SA," he said, adding that countries such as Tanzania and Rwanda could exchange expertise with SA soon. (288)

There was going to be substantial growth in tourism to Africa, which would especially benefit SA, he said.

"Only 560 000 tourists a year come to SA at present — and that is very low. SA has hardly come to its full potential, and by the year 2000 we should be having 2-million visitors a year," Ranchod said.

He said SA had a good product to sell, but the snag was the violence.

Ranchod said his priority was to promote domestic tourism.

To this end a new committee for domestic tourism had been set up to assist tourism entrepreneurs.

"We have a good climate and infrastructure and our cultural diversity should be used to make the country attractive. We have not even scratched the surface — we have so much to offer," Ranchod said.

Once the country had overcome the problem of violence, it would become a most attractive destination.

"We are at the dawn of exciting times," he said.

Sapa reports that the lifting of sanctions and SA's acceptance internationally had contributed to 1992 being its finest year for tourist arrivals.

International markets such as east and southeast Asia had facilitated the increase, and since 1990 at least 20 new airlines had introduced flights to SA, said an SA Tourism Board spokesman.

He said last year's figures had shown 559 913 international airline arrivals, an increase of 7,4% from 1991.

This year's figures, too, had gone up by an estimated 5%, the spokesman said.

FOCUS ON BUSINESS Petrol supplier launches ecotourism trust to boost job creation

Sowetan 22/10/93

Engen hits the tourist trail

AS A CONTRIBUTION TO REVITALISING the South African economy, Engen oil company has announced it supports for the growth of the ecotourism.

Engen will launch an ecotourism trust which is geared to develop a comprehensive strategy that will include job creation linked to the utilisation of the environment.

■ SPEEDY MOVE Potential to revitalise economy and create jobs:

In addition to founding the trust, the company has made grants to help establish the first job creation and community involvement programme to be implemented in the Richtersveld National Park.

Travellers will also be assisted through the provision of the tourist information at their network of service stations by Engen Limited.

Engen's chief executive, Mr Rob Angel, said the launch of the new strategy was the product of two years of comprehensive consultation with all of the major parties in the environment and tourism industries.

"We believe that the concept of what is often referred to as ecotourism is the industry which shows the potential for revitalising South Africa and creating the many jobs that this country so dearly needs. "The experts have persuaded us that with the support which we and other companies can provide, this industry can rapidly be developed to the benefit of all South Africans," he added.

Angel pointed out the need to this country to be given a positive vision and direction if it was to succeed in providing a reasonable standard of living for all its people, without destroying its natural attributes..

Celebrities to boost Safren

LINDA ENSOR

CAPE TOWN — No contribution to Sun International's earnings this year was expected to flow from the group's recent acquisition of a majority stake in the Bahamas-based, Paradise Island, newly appointed Safren chairman Buddy Hawton said at the annual meeting yesterday.

Hawton took over the reins of the group from retiring chairman Alistair MacMillan. B/Day

The group paid $75m to acquire a 60% stake in the island holiday and casino resort.

Hawton said a major $100m refurbishment and expansion programme including the construction of a Caribbean theme park had commenced and during the first year or so marginal losses were expected.

However, he said that over the seven-year duration term of the $75m in loans raised, the resort was expected to generate an acceptable return to the group from management fees and its equity stake. 22/10/93

Sun International's SA hotels had been adversely affected by the violence. This had resulted in significantly lower occupancies. However, Hawton said a good line-up of guest artists such as Elton John and the staging of the Miss World pageant had boosted expectations for the Christmas season. (288)

Safren hoped to at least maintain earnings in the year to end-June, but earnings could be marginally better, bearing in mind the substantial pull-back in deferred tax which had arisen from the change in the tax rate. This would show that the quality of Safren's earnings had improved.

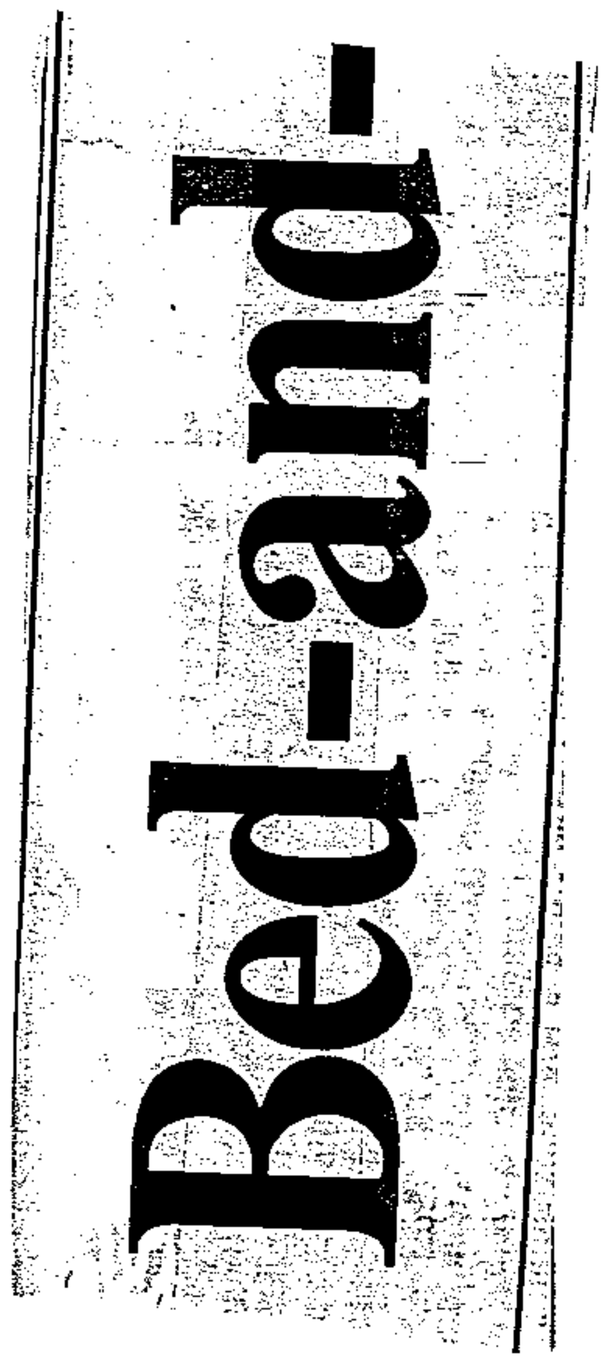
He felt the group was beginning to feel the benefits of a bottoming out of the recession. The first quarter of the financial year had been better across the board than last year.

breakfast in Phola Park?

Star

23/10/93

(288)



AN ANC firebrand has unusual — but interesting — plans for tourism. MANDY JEAN WOODS reports.

KILL the boer, kiss the tourist? Bed-and-breakfast in Phola Park for tourists from Sandton? Armed SDU militants as tour guides? Perhaps — if National Tourism Forum chairman and ANC Youth League leader Peter Mokaba has his way.

At a cocktail party this week hosted by Thompson International Tour Operators MD Anton Thompson, Mokaba said he was developing tourism strategies which would see the controversial self-defence units (SDUs) in townships become paid "tourist police", and backyard rooms in townships turned into bed-and-breakfast establishments "so that whites can sleep over".

He said township residents should be encouraged to build the bed-and-breakfast rooms at the back of their houses for tourists, and that hotels should help these township entrepreneurs get started.

The proposals are to be tabled at a tourism conference next month. The aim would be to develop tourism potential in terms of job creation.

"We want to teach the kids that tourism is a national asset; that it brings money to our country, like gold. Tourism offers easy entrance to the formal sector for our frustrated youth. They are already defending their local communities: we believe they can also defend tourists by becoming tourist guides — and get paid for it at the same time," Mokaba told the Saturday Star.



MOKABA: Wants gun-toting militants to guide tourists.

A workshop on how to involve the youth in tourism as tourism police had already been held in Soweto, and major hotel groups in all areas had been approached with regard to exploring options for training black youths in security.

The aim of a second proposal — encouraging black entrepreneurship in townships — would be to create a cultural exchange that would, through greater knowledge, break down racial barriers.

"The people of Sandton must go and stay a night or two in Phola Park for instance," he said. "Apartheid kept our people spatially and emotionally separate. So, for nation-building, we will need to intensify the interpersonal interaction between our people, to learn how the other side lives.

"We must actively encourage whites to visit townships: the human interaction is necessary," he said. The value of understanding between white and black cultures was evident in the relationships between domestic workers and their employees, and farmworkers and their farmer employees.

"We have never been able to mobilise domestic workers on a racial basis. That is because they consider the families they work for as their own families. It is the same thing with farm workers," he said.

"Tourism must lead the way in terms of creating opportunities. The ANC sees tourism as an industry which will kick-start the economy. It is an industry that is labour intensive and can bring about understanding between people," Mokaba said.

Programmes to transform townships like Soweto and Alexandra into tourist attractions — with central business districts, industrial areas and accommodation for visitors — should be developed. He said tourism had the potential to become South Africa's leading industry if it were properly managed and conflict minimised.

Safren earnings 'reflect upturn'

(288) CT 23/10/93

By AUDREY D'ANGELO
Business Editor

EARNINGS by Safmarine and Rennies Holdings (Safren) in the first quarter of its current financial year reflect a slight upturn, newly elected executive chairman Buddy Hawton said after the agm yesterday.

"The effect is across the board. I think the recession has bottomed out and we are starting to feel the benefit."

Hawton said the group's new multi-million rand Caribbean investment in the Paradise Island resort off Nassau would be aimed at the US market. It was only 35 minutes' flight from Miami and two hours from Boston or New York.

The investment was being made by Sun International, part of the Safren group, through offshore company Royale Resorts Holdings and World Leisure Holdings, and a British company, Caledonia (Plc).

The resort, which would be refurbished at a cost of $100m, was bigger than Sun City with 1 350 rooms, 21 tennis courts and a golf course of international standards. It would also have a theme park.



NEW CHAIRMAN . . . Buddy Hawton, who was deputy chairman and CE of Safren, has become executive chairman. Alistair Macmillan retired as chairman at the end of yesterday's agm.

Although Sun International had been affected by the violence — which discouraged foreign tourists and made local people reluctant to travel at night to the Carousel, Sun City and the Wild Coast Sun — the Christmas season was expected to be good.

A creative entertainment programme had been organised, including a visit from singer Elton John and the Miss World pageant.

Hawton said detailed and comprehensive discussions were in progress with the authorities over the provision of a level playing field for Flitestar in the domestic airline market.

The present situation between SA Airways and Flitestar was not one which encouraged competition giving passengers a choice.

Although Comair undercut both airlines on domestic routes, it was aimed at a different niche market in which it had no competitor.

Safren ended the year to June with earnings of 541c (617c) a year — 12,3% down.

'We paid but is it ours?'

(288)
ARG 23/10/93

R32-m was spent on restoration, but very little is open to the public

■ The huge sum of R32 million has been spent on restoring Cape Town's famous Castle — but only 2 percent of the historic fort can by seen by the public, who paid for it all.

IRVING STEYN
Weekend Argus Reporter

ONLY 2 percent of South Africa's oldest building, the Castle, is open to the public — which contributed R32 million towards its restoration. And that's not all that is wrong with it, it is claimed.

The future of the Castle has been hotly debated since the appointment of a committee by the Cabinet to decide its future, or more specifically, the future of the military presence there.

Brigadier Dan Lamprecht, officer commanding Western Province Command invited the Western Cape region of the SA Museums' Association and other historical and conservation bodies "to come and see for themselves".

"We did," Owen Kinahan, Museums' Association vice-chairman told me this week.

"Seven of us, from the Historical Society of Cape Town, the Vernacular Architects Society of South Africa, the SA Museums' Association and the Antiquarian Society, visited the Castle as ordinary tourists."

What they saw was disappointing on several counts from the fact that the Castle isn't even listed as such in the telephone directory to the "woefully under-instructed" guide and the "nightmare" of the South African cafe "prostituting a wonderful restoration".

"Most disappointing of all was how little we saw ... We saw about two percent — a generous estimate — of the Castle. There were tempting views of vast galleries filled by office space and the odd glimpse of wonderfully restored interiors," Mr Kinahan said.

"Two dungeons, the detention barracks, Dolphin Pool, Katzenellenbogen ramparts and Graanschuur threshold do not a castle make.

"Surely our taxes over the years entitle us to more? The place is crying out to be developed as a living site museum," he said.

Mr Kinehan said there was a misconception that people wanted the military out of the Castle.

"This is not so. There has always been a military link, but running a museum is not a military function — that must be left to experts," he said.

The Western Cape Region of the Museums' Association has proposed that the SADF recognise that:

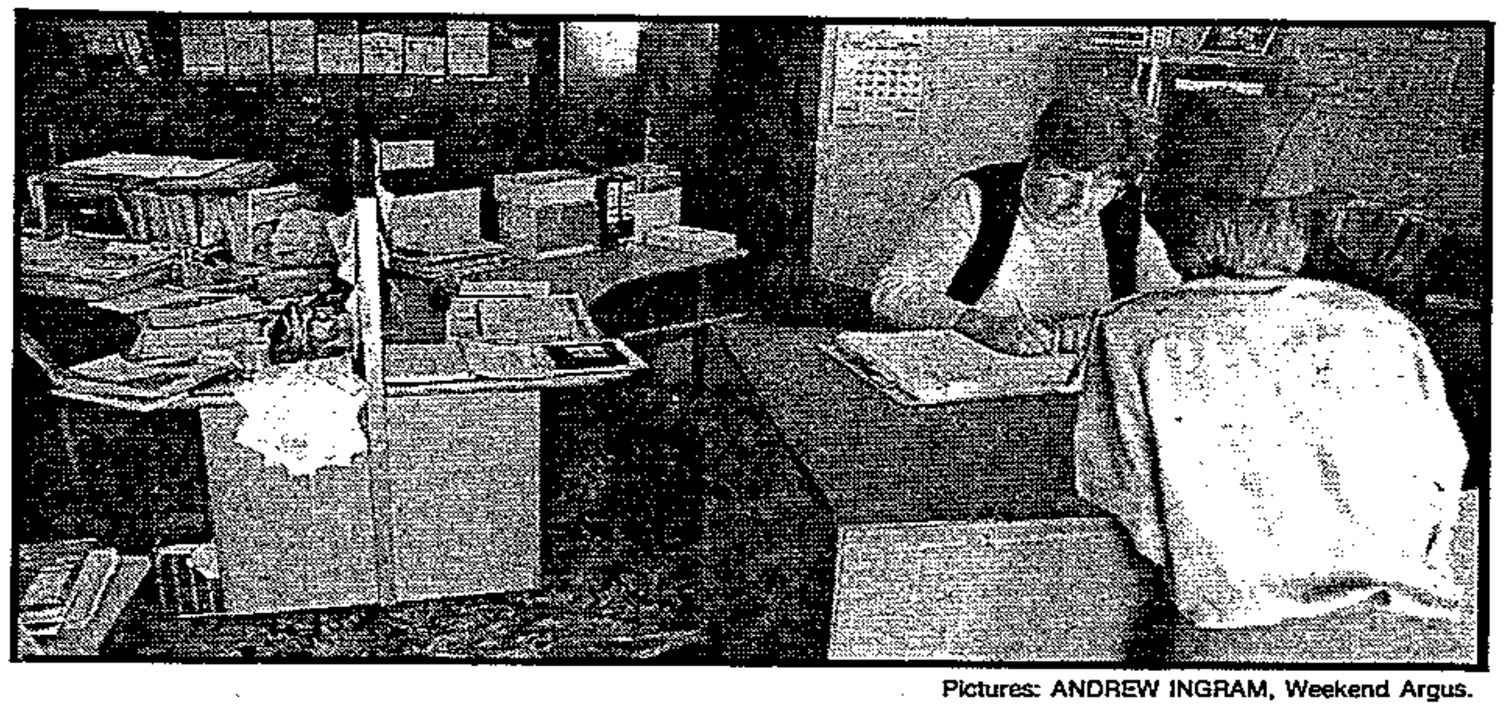
■ The Castle is the country's premier Western cultural building indelibly linked to the early civil and military government of Cape Town;

■ It is potentially a site museum of the highest international standards;

■ It is inappropriate for so much of the Castle's specialised space to be occupied by a military bureaucracy that could be housed equally well in other public buildings of a less sensitive nature;

■ The establishment of military and other museums within the Castle is not a function of the Defence Force and it should not attempt to offer services of an historical or tourist nature.

■ It is essential that an appropriate military presence should be retained at the Castle, but within the context of its civil historical perspective.



Pictures: ANDREW INGRAM, Weekend Argus.

☐ **OFFICE:** A blacksmith's shop, beautifully restored, is defaced with filing cabinets in the fireplace and the centuries-old beam "decorated" with a modern clock and calendar.



☐ **RESTORED:** Captain Natalia Pansegrauw examines a piece of original 17th century wall painting protected by perspex. The rest of the wall was restored with the same design.

Millions for tourism

BLOEMFONTEIN — Millions of rands will be made available to the provinces for the tourist industry, Tourism Minister Bhadra Ranchod said. 288 ARG

Opening the Bloemfontein Rose Festival yesterday, he said about 16 million tourists were expected to visit South Africa annually by 2010. — Sapa 23/10/93

SHIPPING

Deluge of tourists

(288) ARGUS 23/10/93

■ Cape Town is set for a deluge of tourists this summer as a succession of luxury liners cruise into port.

IAN SHIFFMAN
Shipping Correspondent

THOUSANDS of tourists are expected to visit Cape Town over the coming months with the visits of one of the largest selection of cruise liners to call at the port for some years.

A number of liners, some of them among the world's most luxurious, will visit Cape Town from November to March, bringing wealthy foreigners who will spend several million rand while visiting Cape Town.

The influx of this fleet of liners will provide welcome business for the ship chandling business as they will have to stock up with vast quantities of food and beverages to cater for several thousand passangers. The port and other supporting industries will also benefit as well as the Milnerton oil refinery as large quantities of bunkers will be required to be supplied to the vessels.

The first liner to call will be the luxurious Norwegian-owned Royal Viking Queen which arrives from Kenya on November 22. She departs the following day after embarking passangers for a cruise to Rio de Janiero and Fort Lauderdale.

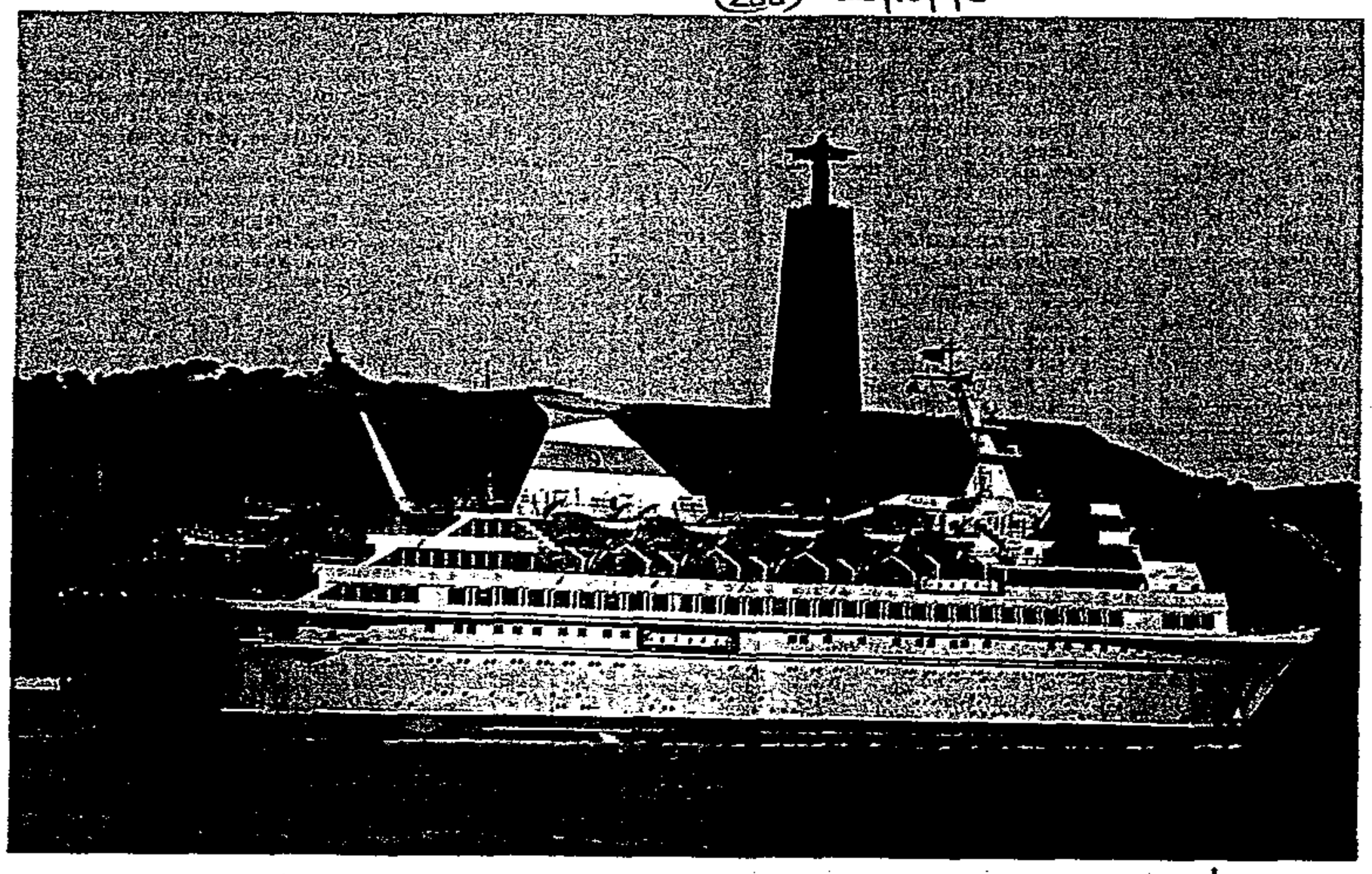
Newcomer Marco Polo, which was previously the Russian liner Aleksandr Pushkin, has just completed a R180 million rebuilding and refurbishment programme at Piraeus, and will depart from Cape Town with 400 passengers on December 9, on a 30-day cruise to Antarctica. This unusual cruise has been well supported by foreign passangers who will be flying into Cape Town to join the ship, as well as South Africans who will have the opportunity of experiencing this unique cruise.

The popular Achille Lauro will be undertaking a series of coastal and Indian Ocean island cruises and will make several calls at Cape Town during December, January and February.

Both P & O's luxury liner Sea Princess and the Russian Kareliya will be make return visits to the Cape on January 27, Sea Princess on a world cruise while Kareliya will be on an African cruise programme.

During February no fewer than five liners will call at Cape Town while on round-the-world voyages or African cruises. Cunard Line's luxurious Sagafjord, carrying mainly wealthy American passangers, will be followed by the Russian liners, Lev Tolstoy, Kazakstan and Mikhail Shokolov. Making her first call during February will be the German liner Hanseatic while the Cunard Line's flagship Queen Elizabeth 2 will visit the city in March.

The cruise programme to be undertaken by Aegean Dolphin out of South African ports this summer has been cancelled as well as the visit by the Russian liner Azerbaydzhan, which will be undertaking her positioning voyage to Australia via the Suez Canal instead of via the Cape as previously announced.



☐ **RUSSIAN STYLE:** Kareliya, seen above at Lisbon, is one of four Russian cruise liners that will visit Cape Town early next year.

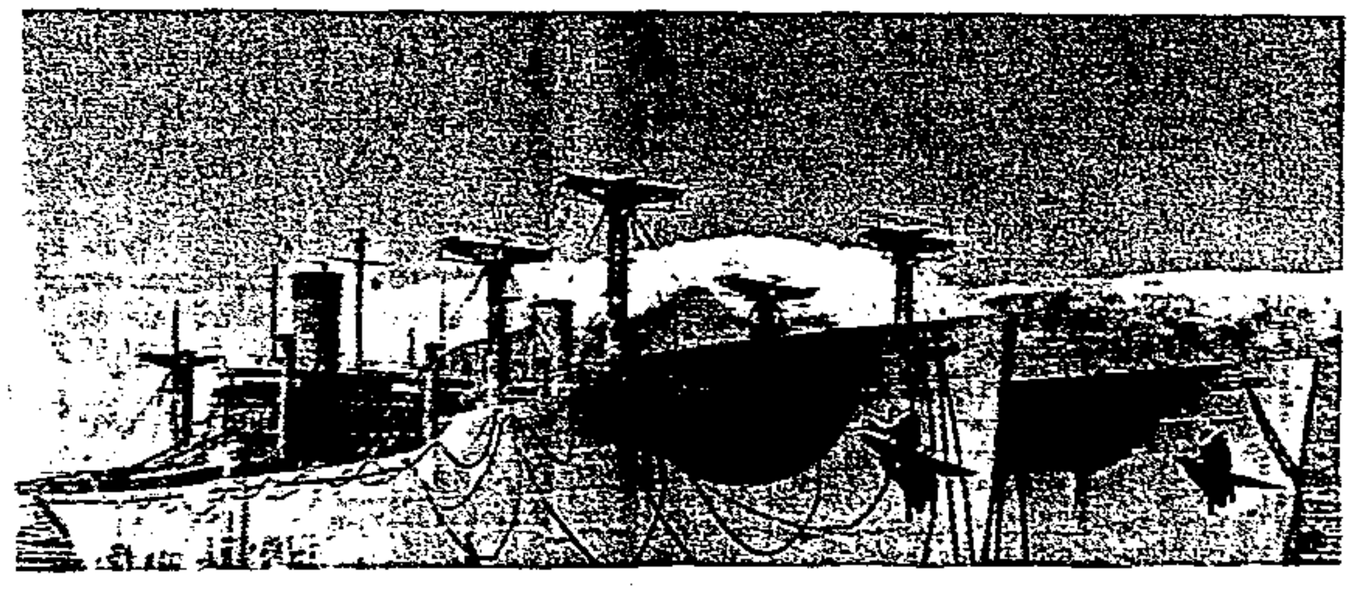
'Siamese twin' tow is a first

IAN SHIFFMAN
Shipping Correspondent

AN UNIQUE operation of sailing two seagoing ocean ships moored side by side took place this week in the harbour.

The two former United States Navy cargo ships which had been double-banked at the Eastern Mole, were towed out of the port successfully while tied alongside each other.

The operation which was skillfully handled by two harbour pilots, Captain Hayward and Captain Cousins, was completed successfully.



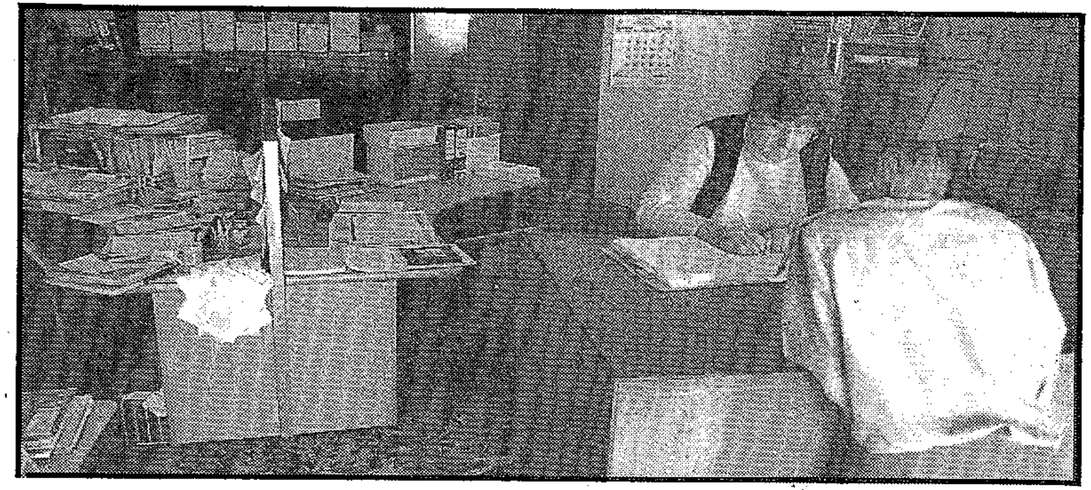
'We paid but is it ours?'

(288)
ARG 23/10/93

R32-m was spent on restoration, but very little is open to the public

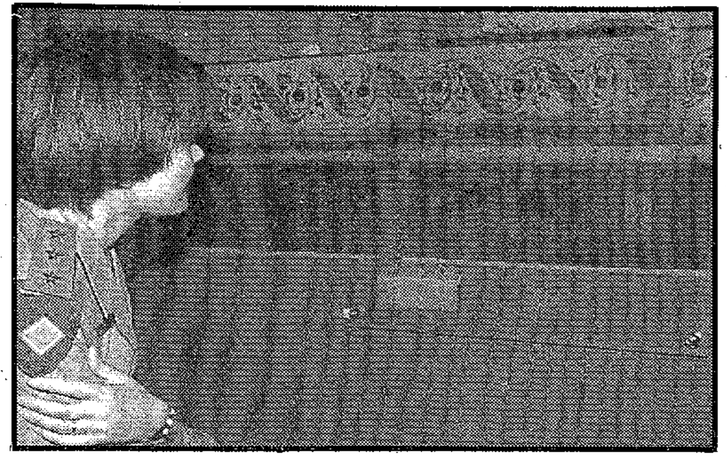
■ The huge sum of R32 million has been spent on restoring Cape Town's famous Castle — but only 2 percent of the historic fort can by seen by the public, who paid for it all.

IRVING STEYN
Weekend Argus Reporter



Pictures: ANDREW INGRAM, Weekend Argus.

□ **OFFICE:** A blacksmith's shop, beautifully restored, is defaced with filing cabinets in the fireplace and the centuries-old beam "decorated" with a modern clock and calendar.



□ **RESTORED:** Captain Natalia Pansegrauw examines a piece of original 17th century wall painting protected by perspex. The rest of the wall was restored with the same design.

ONLY 2 percent of South Africa's oldest building, the Castle, is open to the public — which contributed R32 million towards its restoration. And that's not all that is wrong with it, it is claimed.

The future of the Castle has been hotly debated since the appointment of a committee by the Cabinet to decide its future, or more specifically, the future of the military presence there.

Brigadier Dan Lamprecht, officer commanding Western Province Command invited the Western Cape region of the SA Museums' Association and other historical and conservation bodies "to come and see for themselves".

"We did," Owen Kinahan, Museums' Association vice-chairman told me this week.

"Seven of us, from the Historical Society of Cape Town, the Vernacular Architects Society of South Africa, the SA Museums' Association and the Antiquarian Society, visited the Castle as ordinary tourists."

What they saw was disappointing on several counts from the fact that the Castle isn't even listed as such in the telephone directory to the "woefully under-instructed" guide and the "nightmare" of the South African cafe "prostituting a wonderful restoration".

"Most disappointing of all was how little we saw ... We saw about two percent — a generous estimate — of the Castle. There were tempting views of vast galleries filled by office space and the odd glimpse of wonderfully restored interiors," Mr Kinahan said.

"Two dungeons, the detention barracks, Dolphin Pool, Katzenellenbogen ramparts and Graanschuur threshold do not a castle make.

"Surely our taxes over the years entitle us to more? The place is crying out to be developed as a living site museum," he said.

Mr Kinehan said there was a misconception that people wanted the military out of the Castle.

"This is not so. There has always been a military link, but running a museum is not a military function — that must be left to experts," he said.

The Western Cape Region of the Museums' Association has proposed that the SADF recognise that:

■ The Castle is the country's premier Western cultural building indelibly linked to the early civil and military government of Cape Town;

■ It is potentially a site museum of the highest international standards;

■ It is inappropriate for so much of the Castle's specialised space to be occupied by a military bureaucracy that could be housed equally well in other public buildings of a less sensitive nature;

■ The establishment of military and other museums within the Castle is not a function of the Defence Force and it should not attempt to offer services of an historical or tourist nature.

■ It is essential that an appropriate military presence should be retained at the Castle, but within the context of its civil historical perspective.

New chant for tourism

288

Own Correspondent

DURBAN. — Kill the Boer, kiss the tourist? Bed and Breakfast in Phola Park for visitors from Sandton? Armed self-defence unit militants as tour guides?

Well, perhaps, if National Tourism Forum chairman and ANC Youth League leader Mr Peter Mokaba has his way.

At a cocktail party this week hosted by Thompsons Tours chairman Mr Anton Thompson, Mr Mokaba said he was developing tourism strategies that would see the controversial self-defence units in townships become paid "tourist police".

And backyard rooms in townships would be turned into bed-and-breakfast establishments "so that whites can sleep over".

He said township residents should be encouraged to build rooms at the back of their houses for tourists.

The controversial proposals are to be tabled at a tourism conference next month.

CT 23/10/93

A workshop on how to involve the youth in tourism as tourism police had already been held in Soweto, Mr Mokaba said.

The aim of having whites sleep over in townships would be to promote a cultural exchange that would help break down racial barriers.



TOURISM CHANT... Peter Mokaba

Confidence at City Lodge

MARCIA KLEIN

SHAREHOLDERS in City Lodge Hotels can expect a minimum of real earnings growth in financial 1994, MD Hans Enderle said in the annual review.

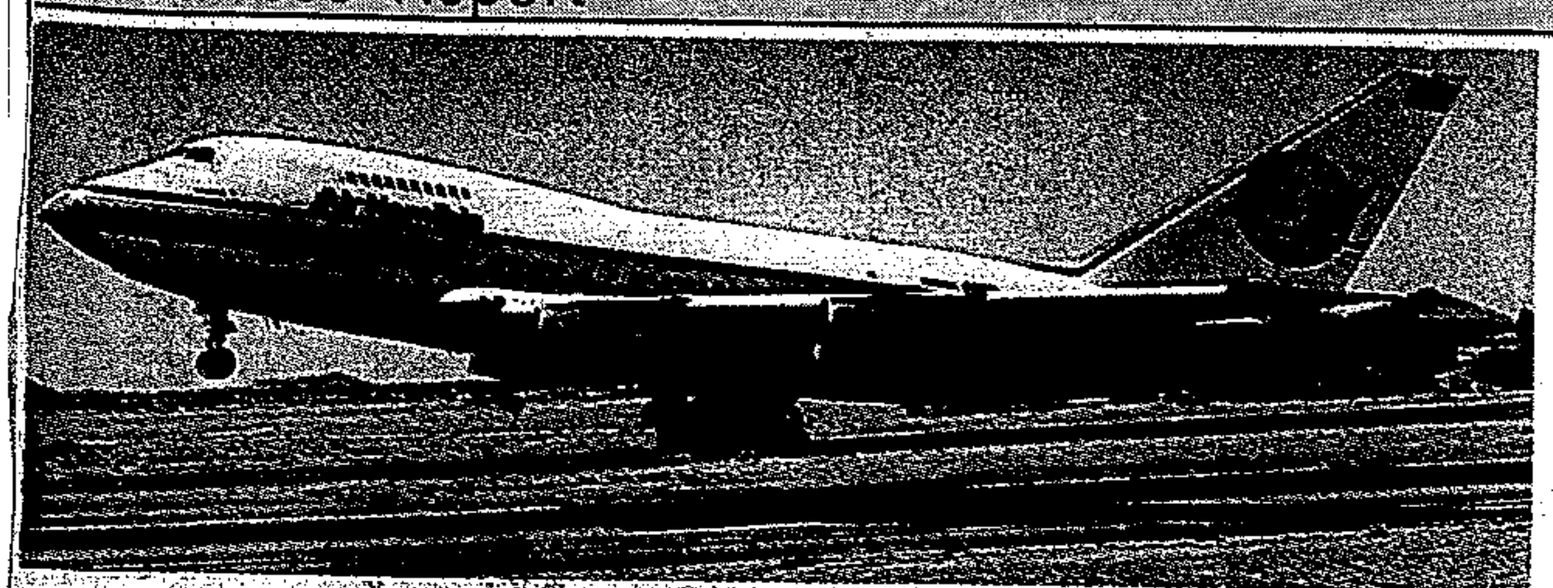
Enderle was confident that City Lodge, which recently reported a significant earnings rise in its first year as a listed company, could maintain its high occupancy levels in the coming year, and that earnings growth would meet inflation. B1Day

"Considerably higher earnings" could result from full year contributions from three new hotels opened in financial 1993.

In the year to end-July, City Lodge beat its prospectus forecasts with a 36% rise in earnings to 48,4c a share on a 25% turnover growth to R58,2m.

Three new City Lodge hotels came on stream – a 40% addition to the total number of rooms at a cost of R37m. 26/10/93

In the year to end-July, City Lodge achieved an average room occupancy of more than 78% (288)



FLIGHTS TO LONDON . . . Air Namibia is introducing a third flight to London on Friday, as an extension of its Windhoek to Frankfurt service. The third frequency comes 15 months after the airline introduced its first flight to London in July 1992. The return flight will be on Saturday evenings.

Satour sets sights on India, Ch

(288) CP 27/10/93

By AUDREY D'ANGELO
Business Editor

THE SA Tourism Organisation (Satour) sees India "as a viable tourist market for the future" and mainland China as having huge potential, according to its quarterly review.

And, it says, more visitors have resulted from the introduction of an SAA service from Cyprus and of two Gulf Air flights a week from Abu Dhabi.

"Gulf Air's office in Johannesburg has been approached by their head office in Abu Dhabi to investigate possible tours for travel agents from this area and these are planned to take place before the end of the year."

Pointing out that tourism, worldwide, has been affected by the recession the review says the number of overseas tourists coming to SA rose by 14,6% in the first five months of this year after a 7,4% rise last year to 559 913.

"However, statistics for June to August are expected to show a sharp decrease, showing the effect of the turbulent period in April.

"With the increased attention on political events in SA this trend is expected to continue and an increase of about 5% in the number of overseas visitors for 1993 can be expected."

But Satour expects a turning point in the second half of next year "with projected renewed interest in SA as a holiday destination."

However discussing hotel occupancy rates — which averaged 45,88% for all grades in the first six

ina as new markets

months of this year — it warns that overseas tourists are increasingly making use of alternative forms of accommodation.

"It should also be borne in mind that the visiting friends and relatives market forms a substantial part of the total international market, especially in the UK."

Discussing changes in the market it says "two of SA's traditional markets — the Netherlands and Italy — reflected negative growth of 5,9% and 13,7% respectively from January to May. And tourism from the UK, traditionally SA's biggest market, grew by only 1,4%.

But new markets included the Scandinavian countries, after the lifting of sanctions, and Asia.

Marketing efforts in France and Germany in conjunction with Air France, Lufthansa and SAA pushed up the number of visitors.

Satour will take part in tourism fairs in Cologne and Leipzig in November and December, followed by two major travel shows in January and February.

... the protest action their employees.

Nearly 13% more foreign visitors arrive

B1 Sat

THEO RAWANA

THERE was a 12,7% increase in overseas visitors to SA from January to July this year compared to the same period last year, Satour said yesterday. 27/10/93

Arrivals from Europe increased 8,9% while those from North America were up 17%. Visitors from Central and South America rose 27,6%, Australians 15,1% and South-East Asians 38,1%. Of the 339 981 visitors, 72,7% came on holiday, 17,4% on business and 9,9% to study.

Satour said SA's top 20 markets for this period were the UK, Germany, the US, France, Taiwan, Australia, the Netherlands, Switzerland, Italy, Canada, Belgium, Austria, Israel, Japan, Portugal, India, Mauritius, Sweden, Ireland and Brazil. 288

Visitors to SA on the increase

Tourism up by more than 12%, says Satour

Star 27/10/93

288

■ BY NORMAN CHANDLER
PRETORIA BUREAU

The number of visitors to South Africa increased by more than 12 percent in the first six months of this year compared with the first six months of 1992, the South African Tourism Board (Satour) said in Pretoria yesterday.

Arrivals from Europe increased by 8,9 percent, from the United States and Canada by 17 percent, from Central and South America by 27,6 percent and from Australasia by 15,1 percent, Satour said.

The biggest increase was from Asia, with 38,1 percent of all visitors to South Africa.

A total of 339 981 people visited the country.

"There are increasing indications that the profile of group travel is changing, and that a variety of tourist accommodation types has been more popular than before," Satour said.

However, there were signs of negative trends in what was regarded as traditional markets.

United Kingdom visitors, for instance, increased by only 0,6 percent. This had prompted Satour to undertake various public relations and advertising initiatives to counter the trend.

There was a large jump in Scandinavian visitors — 59,3 percent from Denmark, 39,6 percent from Sweden and 27,2 percent from Norway. Satour said this could have been the result of the lifting of sanctions, including travel restrictions.

Nearly 13% more foreign visitors arrive

B1584

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Satour said SA's top 20 markets for this period were the UK, Germany, the US, France, Taiwan, Australia, the Netherlands, Switzerland, Italy, Canada, Belgium, Austria, Israel, Japan, Portugal, India, Mauritius, Sweden, Ireland and Brazil. (288)

veals 12,7 percent increase in foreign visitors

300 000 visited SA in seven months

Sowetan 29/10/93

OVERSEAS MARKET Most of the foreign tourists were on holiday:

Most foreign tourists who visited South Africa in the first seven months of the year were on holiday, while business made up 17,4 percent of visits, the South African Tourism Board said this week.

A total of 339 981 foreigners visited the country in the first seven months of the year, 72,7 percent of them on holiday, it said in a statement. (288)

The general overseas arrival figure to South Africa increased by 12,7 percent over last year's statistics for the period from January to July.

The United Kingdom was the country's biggest tourist market, followed by Germany — which registered a 30,3 percent increase — the United States, France, Taiwan, Australia and the Netherlands.

However, the country received fewer visitors from the UK — the market shrank by 0,6 percent — the Netherlands and Israel, whose market dropped by 13,9 percent.

Arrivals from Europe increased by 8,9 percent and those from North America by 17 percent. The Central and South American markets grew by 27,6 percent, Australasia by 15,1 and Asia by 38,1 percent. Sweden made the top 20 for the first time in 1993.

The Scandinavian countries showed encouraging trends because of the repeal of travel sanctions, said Satour.

At 20,1 percent, Australia showed excellent growth, while 20,7 percent more visitors arrived from the USA than in the previous year.

The Asian market showed consistent growth. In spite of this market's sensitivity to violence, the number of visitors increased by 38,1 percent.

The number of visits from Africa went up by 19,9 percent.

Satour said its figures could differ from those of the Central Statistical Service because it excluded workers and contract workers from its definition of a tourist.

Group details R3bn development for city

(288)

CT 30/10/93

MAGGIE ROWLEY
Property Editor

MASSIVE development proposals for Cape Town totalling nearly R3bn including six five-star hotels, a sports arena, an industrial park, and a residential golf estate are being proposed by an international consortium, Glocor.

In an interview yesterday Mr Georg Schroeder, the executive controller of the southern and eastern operations of Glocor, said proposals, which had been the subject of negotiations for up to two years, included:

● A R800m, 320 000m² development on the Waterfront site between the KIC building and the City Lodge, including the old Amsterdam Battery which would be fully restored.

This would include a five-star, 280-room hotel, a 650-unit apartment block, a unique diamond and jewellery centre, a 44 000m² office block which would become the southern regional headquarters of Glocor, and a 22 000m² exhibition centre.

● Completion of the city's Foreshore highway system to improve the traffic flow which Glocor hope to do as a joint excercise with the Provincial Administration, costing about R110m. Glocor was willing to lend the money for the CPA's portion to them for a reasonable period of time, he said.

● A R500m, 220 000m² development on the city council's power station site which would include the canal linking the site to the Waterfront, three hotels of about 300 rooms each, office, retail and commercial components, two apartment blocks and 6 000 underground parking bays.

Glocor would tender for this site, in which at least one other international consortium, Devland, with backing from Lonrho's Mr Dieter Bok is interested.

The council is due to put it out to open tender in February next year.

● A R350m golf course, hotel and upmarket residential complex of 550 units in Blouberg Heights. The consortium, he said, had an option on the land was confident of getting it.

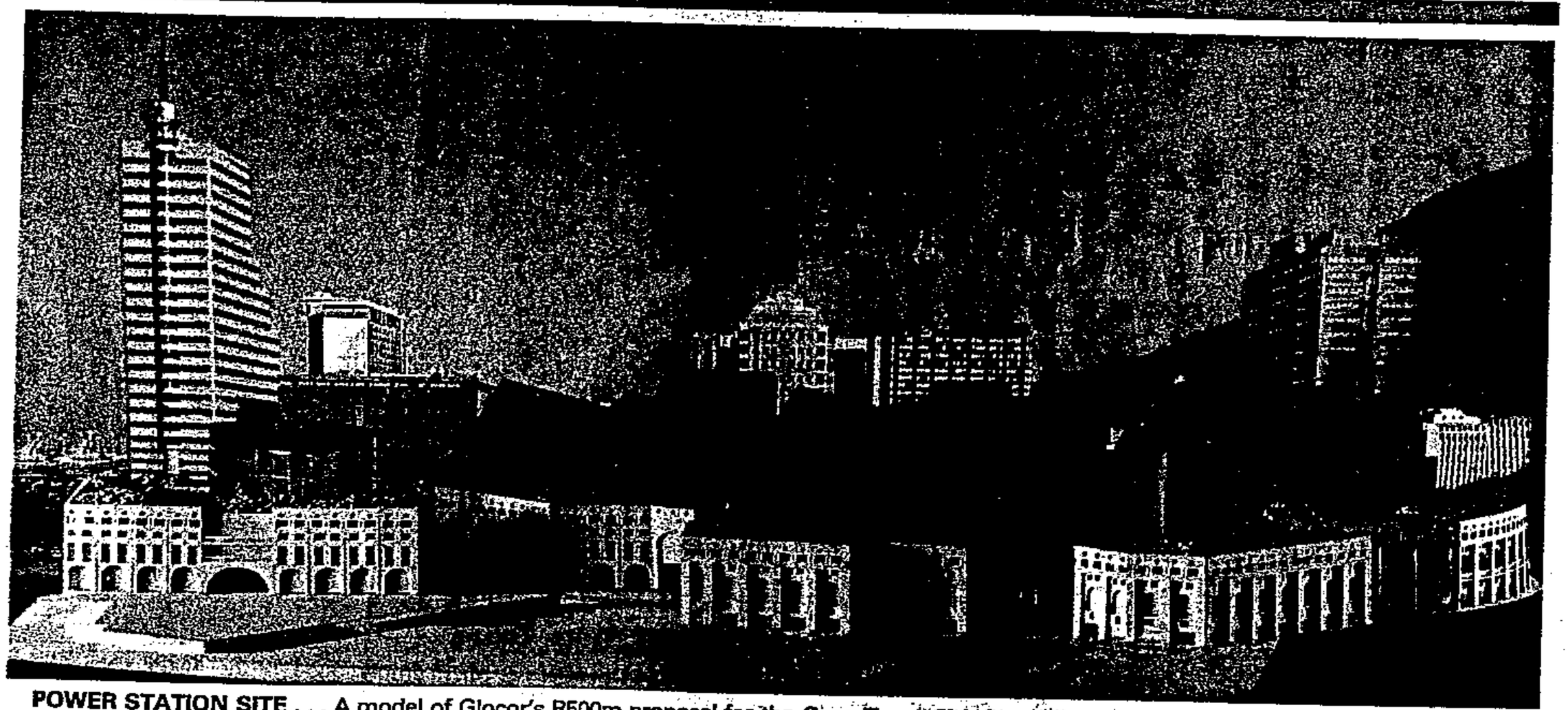
● A R350m industrial park near Macassar to provide most of the building materials required by the consortium for development at a much cheaper price than possible through current suppliers.

This, he said, would also be essential for low cost housing projects planned for later on.

● A five-star, 350-room hotel at a cost of about R150m in the Milnerton area which they were negotiating a site for.

● A R280m undercover sports arena to seat 120 000 "on any site the council wishes".

● Consortium aims for early listing in SA — Page 3



POWER STATION SITE . . . A model of Glocor's R500m proposal for the Cape Town City Council's power station site on the Foreshore. It includes three hotels, two apartment blocks, offices, shops and entertainment components. The consortium's proposals for sites across the city total close to R3bn. Negotiations on the various aspects of these proposals have been underway for two years.

German business, travel boost for SA

ET 30/10/93 (258)

By AUDREY D'ANGELO
Business Editor

TOURISM from Germany and business travel to Munich and Hamburg from this country are increasing — and both South African Airways (SAA) and Lufthansa are improving their services to meet rising demand.

SAA will introduce a new direct flight from Cape Town to Munich and Hamburg on Monday.

Its public relations officer in the Western Cape, Janie van Vuuren, said yesterday that response had been good, with 150 passengers from Cape Town on the first flight. "They will be joined by others in Johannesburg."

Lufthansa will introduce a seventh weekly flight between SA and Frankfurt on Thursday, leaving from Johannesburg.

Meanwhile Luxavia reports that its service from Johannesburg to Munich, introduced in September, is fully booked from November 24 until the end of March. "We have not one seat available until then," marketing manager Paddy Murray said yesterday.

SAA's new service from Cape Town will leave at 5.50pm on Mondays, arriving in Munich at 5.50am on Tuesdays and in Hamburg at 8.15am.

The return flight will be on Thursdays, leaving Hamburg at 6pm and Munich at 8.25pm and arriving in Cape Town at 10.45am on Fridays.

"Most Germans who come to this country visit Cape Town," said Janie van Vuuren.

Lufthansa reported last season that tourists from Germany who arrived in Johannesburg almost always went on to the Cape and left for home from D F Malan airport.

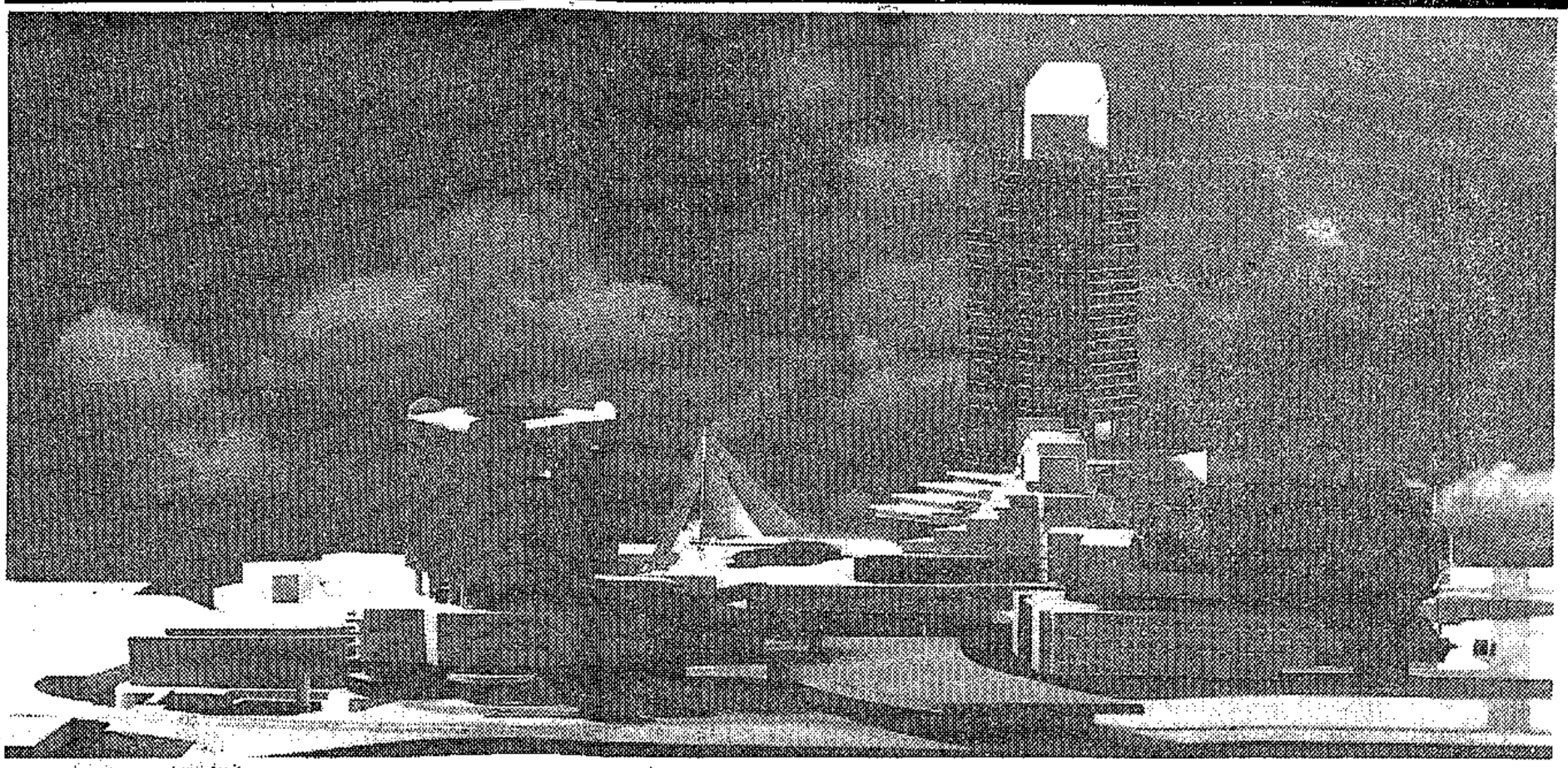
Lufthansa's marketing manager in SA, Karin Duncker, said: "The addition of a seventh weekly frequency is in keeping with Lufthansa's market growth strategy for Southern Africa and will boost its passenger capacity to our destinations in the region by more than 20%.

She said that although there had been growth in Lufthansa's Southern African services there was still insufficient passenger demand to justify non-stop flights linking Cape Town directly with Frankfurt without calling at Johannesburg.

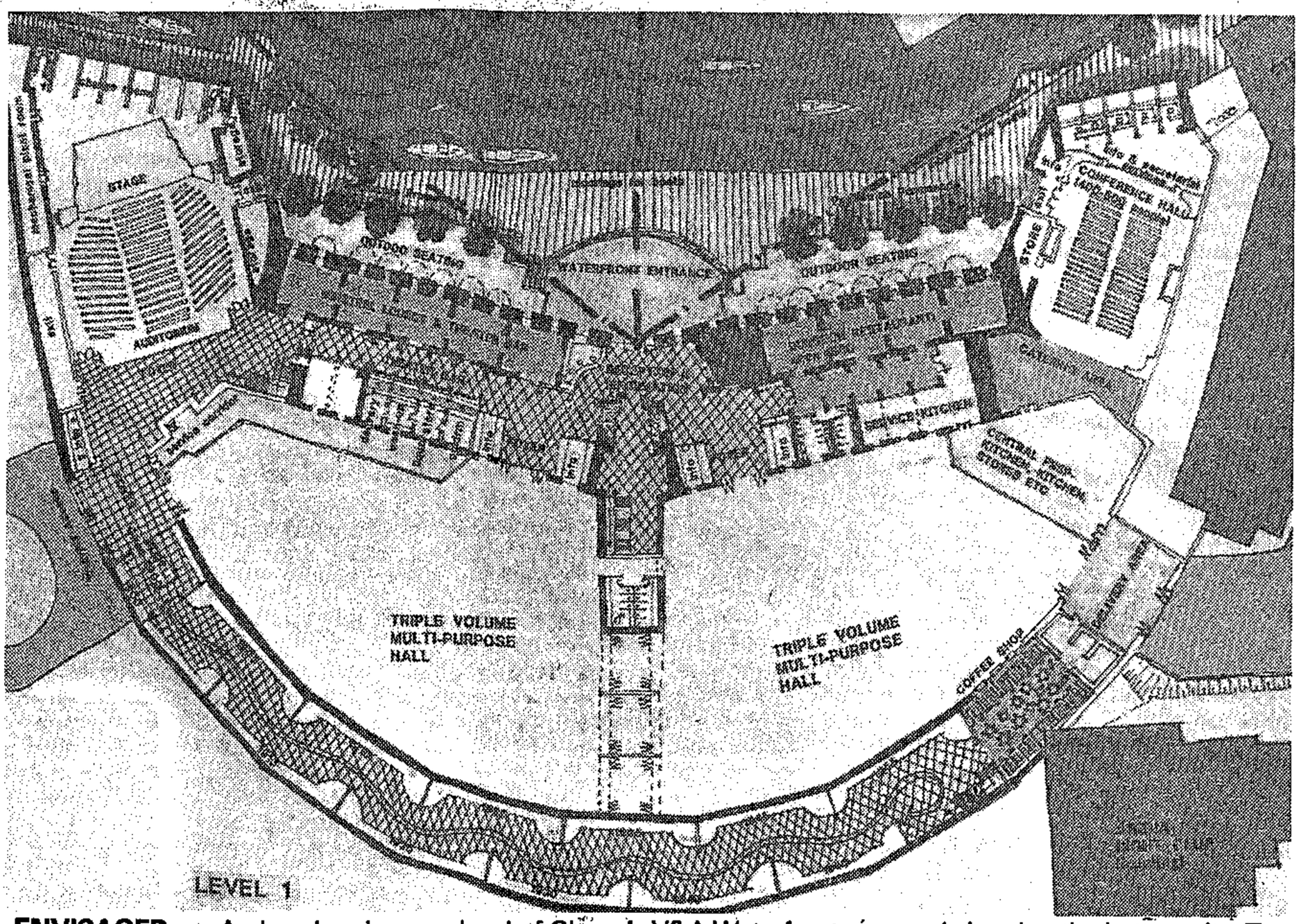
And Lufthansa had taken a strategic decision to fly only to Frankfurt from southern Africa, and not to other German cities.

"Even though Lufthansa faces competition from SAA, Air Namibia and Luxavia, a recent study of Lufthansa connections from Frankfurt to Dusseldorf, Hamburg and Munich showed a trend of steady growth in the number of passengers from SA making use of them".

● Satour is taking part in joint advertising campaigns with Lufthansa and SAA. It reports that its campaign with SAA is concentrating on "the new Hamburg and Munich gateways."



PROPOSED . . . Glocor's R800m proposal for the V&A Waterfront stretching over the Western Boulevard includes an exhibition centre, a five star hotel, 650 apartments, a diamond and jewellery centre and Glocor's African and Eastern headquarters.



ENVISAGED . . . A plan showing one level of Glocor's V&A Waterfront proposal showing the battery site. To the right of the picture is the City Lodge.

Consortium aims for early listing in SA

CT30/10/93 (288)

MAGGIE ROWLEY
Property Editor

GLOCOR, the international consortium which has proposed developments worth R3bn for the city, hopes to be registered as an unlimited company in SA within three weeks.

A public listing for the company is envisaged three years down the line, said executive controller of the consortium's southern and eastern operations, Mr Georg Schroeder yesterday.

Mr Schroeder said the company would initially comprise 12 international property companies dealing in all aspects of the industry from engineering, architecture and construction and with a total balance of around $32bn (about R109bn).

Many of the companies concerned have eastern headquarters in Belgrade, Yugoslavia.

Mr Schroeder said the proposed projects were at various stages of negotiation with Cape Provincial negotiations the most advanced.

"In most areas we have verbal agreements in principle and have spoken in principle to the Reserve Bank which cannot give approval until plans are finalised."

Funding of the projects would be partly sourced within the country "but between 40% and 60% will be foreign capital".

Glocor was talking to international hotel groups including Hyatt, Hilton and the Sheraton.

"We are also talking to international airlines such as Singapore Airlines and Cathay Pacific," he said.

"We will initially bring in our technical and managerial people but will be sourcing labour here and could provide up to 15 000 jobs on fast track construction projects," he said.

Associated companies were Energoprojekt, based in England, Malaysia and Budapest; Dunav-Tisa-Dunav, based in Belgrade but operating out of Budapest; Energogas (Yugoslavia); Naftagas (Belgrade); Antikor (Amsterdam, Belgrade); RAD (Lichtenstein, Belgrade); Minel Export Import (Austria, Belgrade); Pim (Greece, Belgrade); Technometal Vardar (Macedonia); Fibimer (England); and Nugent Establishment (Austria).

SERVICES SECTOR - ACC. LIQUOR & CATERING -

GENERAL

1994

Tourism suffering from poor economy

288
ARG 1194

LIBBY PEACOCK
Weekend Argus Reporter

ALTHOUGH tourism to Cape Town increased just before Christmas, it seemed that fewer visitors have visited the city so far this holiday season than last year.

But there were no figures available, said Captour Chief Executive Gordon Oliver.

"We have no way of knowing how many visitors are coming into the city, as there are so many entry points . . ."

Mr Oliver said tourism only started to pick up just before Christmas.

"We do get a lot of conflicting reports. The Cableway and the Waterfront, for example, are very busy."

Mr Oliver said the bad state of the economy played a role and he had also heard that a lot of people in the Transvaal did not want to leave their homes unattended.

Many people did not get bonuses this year and just did not have the money to go on holiday.

There had, however, been a "good intake" of international tourists for some months now.

Mr Oliver said Captour continued to be concerned about the standard of service in the Mother City.

Referring to complaints by members of the public that there was a litter problem in the city and that the Adderley Street area looked like a pigsty, he said he was "confident that the city engineer has an appreciation of the seriousness of the problem. We are very determined that it has to be solved."

Hotels expect election to give them a boost

BEATRIX PAYNE

UNEXCEPTIONAL Christmas trading for SA's hotel industry could be boosted by an expected increase in room bookings during the run-up to the April election.

Sources in the industry said Christmas trading had met expectations, with occupancy rates reaching levels similar to those of the 1992/3 holiday season. It was expected that occupancy would strengthen in March and April. BIDAY 4/11/94

Protea Hotels Transvaal regional director William Ford said hotel bookings over the Christmas period had been slightly lower in the western Cape and along the Garden Route. Hotels in the eastern Transvaal and Natal had been fully booked, reflecting patterns similar to those experienced by the group during the 1992/3 season. Ford said he was not "overly disappointed but equally not over the moon" with December trade. (288)

Ford said he expected the hotel trade to be "bullish" over the next few months with an increase in foreign business trade. The election would also lead to an influx of "political gazers" who would boost trade.

Domestic and international tourism could weaken over the next few months. Ford said SA holidaymakers were trying to save money and many international tourists were discouraged by violence.

Southern Sun MD Ron Stringfellow said December bookings had met group expectations and "were well up on last year". Although overall occupancy rates were believed to average about 62% of capacity, resort hotels had had higher occupancy rates. Overall occupancy figures for December had been distorted by weak trade at the group's PWV business hotels, Stringfellow said.

Hotels and resorts in Umhlanga and Durban had been "very busy" and occupancy figures in the western Cape had been as good as expected, although not as high as in Natal, he added.

Stringfellow expected trade in February and March to pick up as these months were "good for international tourism and business trade". He expected occupancies to be high over the election period.

Satour senior tourism development officer Heidi Keyser said hotels in Durban had reported bookings unaffected by the recent beachfront violence. It was too early to calculate Christmas occupancy rates.

Keyser said although domestic and international tourism would decline over the next few months, it was expected the vacuum would be filled by foreign observers and journalists covering the elections.

Tourism college plan if Cape Town wins Games bid

☐ Olympic co-ordinator unveils economic strategy

SHARON SOROUR
Staff Reporter

A TOURISM college, to train and equip people with necessary skills, will be established on the proposed site for the main Olympic stadium at Wingfield if Cape Town wins the bid to host the 2004 Olympic Games.

Unveiling an economic empowerment strategy for the region, co-ordinator Peter Jones of the Olympic bid economic empowerment sub-committe, said tourism was potentially the biggest growth industry in the Western Cape.

But at the moment it was fragmented, ineffective and unco-ordinated.

"If it gets its house in order and restructures to become community-driven ... the tourism figures will be mind-boggling if we get to host the Games, and this will be sustained for at least 10 years."

The economic impact of restructuring the tourism industry would be increased employment and investment opportunity.

The Cape Town 2004 steering committee had committed itself to setting up a tourism college along the lines of the Utalii Tourism College in Kenya.

"By 1997 we would have created 42 000 new jobs, at an annual rate of 24 000 sustainable jobs. By 2004 we would have created 85 000 jobs," he said.

Mr Jones, who is also the chairman of the Economic and Finance Review Board of the Cape Town 2004 Feasibility Study, said: "If Cape Town wins the bid, there will be direct spin-offs in the construction and related industries, as well as mutiplier effects in other sectors.

"These are the measurable and tangible benefits to the community which will outlast the Games by many decades."

Mr Jones said the challenge was to find ways of improving the quality of life of all Cape Town residents, using the planning of the Games to assist in their economic upliftment.

Benefits of hosting the Games were favourable publicity, the tourism stimulus, increased investment, an increased infrastructure and providing an international venue.

The National Olympic Committee of South Africa (Nocsa) decides on January 29 whether to award the offical Olympic 2004 bid to Cape Town, Johannesburg or Durban.

The decision then has to be ratified by the new government before it is accepted by the International Olympic Committee, which will decide on the host city in 1997.

Mr Jones said the Nocsa nomination would activate design proposals which had been formulated over the past year.

Co-chairman of the Cape Town Olympic Bid committee Ngconde Balfour said the bid was based on the "twin" concepts of development and unity and was linked to the empowerment — economic and otherwise — of disadvantaged communities.

Mr Jones emphasised that economic empowerment had to focus on realistic issues such as capital projects, including public works.

India seeks greater tourist links

(288) ARG 14/11/90

The Argus Correspondent

DURBAN. — India aims to encourage tourists to choose the East and Air India is anxious for landing rights in a third South African city.

Civil Aviation and Tourism Minister Mr H H Ghulam Nabi Azad said here India anticipated visitors from this country multiplying four-fold by the end of this year.

"We are here to market India and are not restricting our campaign to the media and those operating in the industry. We are giving the public audio-visual presentations, cultural demonstrations and several activities to illustrate what we have to offer," said Mr Azad.

He said South Africa was welcome to fight for a share of the three-million Indians who holidayed abroad annually.

"It is for South Africa to market itself in India.

"Right now people in our country know little.

"They have no idea you have such wonderful beaches, good hotels and great scenic beauty," said Mr Azad.

He was confident tourism between the countries verged on a boom and that plans would result in achievements of mutual satisfaction.

Competitive air fares, comfort, service, suitable accommodation and food were available.

"It is a matter of marketing and we are fully geared and we start immediately," said Mr Azad, who met hundreds of people from a varied cross-section of the community, at a gala dinner here.

He said India wanted to extend airlinks with South Africa and that bi-lateral discussions were the key to this.

"Presently we fly to Durban and Johannesburg and we much want to add another city.

"Another issue that needs to be looked at is flying a triangular route from India to South Africa and then to Britain," said Mr Azad.

This would give South Africans another carrier to use,

Foreigners flock to SA

WM 7-13/1/94

Mduduzi ka Harvey (~~224~~ 288)

ENCOURAGED by political reforms, more and more foreign visitors are winging their way towards South Africa's azure skies.

And Satour's Head of Research and Statistics Johan Geyer believes more tourists will visit the country this year.

"In 1993 we saw a monthly improvement," he said. "Compared with 1992, we experienced a 10,8 percent rise in tourism."

Satour research during August and September last year found that over 5 000 international tourists visited the country in this period. The United Kingdom was most prominent, accounting for a fifth of all visitors coming for holidays, visiting family and friends and for business.

Twenty-three percent of Germans visiting South Africa came on holiday.

Most tourists stayed for two weeks, and the overall trend was towards shorter visits, Geyer said.

Guests brought about R4 000 each for a two-week stay in the country, and spent at least R200 a day.

More than 80 percent of visitors said the country was a good tourist destination. Three quarters of the visitors would recommend South Africa once they returned home, and about 60 percent commented favourably on the service they had received here.

But fewer than half the visitors said personal security was good, and only one in three felt absolutely safe.

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Another airline chooses the Cape

DALE KNEEN
Weekend Argus Reporter

SINGAPORE Airlines has joined the burgeoning number of airlines flying to Cape Town, a move which is likely to stimulate tourism and trade in the Western Cape.

Their decision to fly to Cape Town is regarded as recognition of the Cape's importance as a tourist destination and an indication that there may be an increase in tourists from Pacific Rim countries visiting the city.

The airline will begin an additional weekly service to Cape Town via Johannesburg from March 25.

It already provides three weekly services to Johannesburg, a direct service from Singapore, another via Mauritius and the third to Durban via Johannesburg.

Seven other airlines fly to international destinations out of Cape Town. They are: South African Airways, Lufthansa, British Airways, Swissair, KLM, Air France and Air Namibia.

Direct flights are to Miami, Frankfurt and Amsterdm on SAA, London on British Airways and to Windhoek on Air Namibia. Other flights to Frankfurt, Zurich, Amsterdam and Paris on Lufthansa, Swissair, KLM and Air France are via Johannesburg.

Varig Airlines used to fly from Cape Town to Brazil, but discontinued this service about a year ago.

Captour's Gordon Oliver welcomed Singapore Airlines' decision to fly to the city, saying it was "very good news for Cape Town".

"We know the people from the East are working hard at marketing both ways and this is good for us as it helps us market Cape Town in the East, particularly in the Pacific Rim countries.

"I believe the Pacific Rim is going to become an increasing factor for tourism and business generally."

Union bid to speak for liquor workers

ARG 7/11/94

SHARON SOROUR
Labour Reporter

THE South African Chemical Workers' Union has applied for an Industrial Court hearing today to ask to be allowed to represent workers of Marcows Cellars.

Union spokesman Peter Roman says the company refused to recognise the union, demanding that it amend its constitution to include "retail, commercial and distribution" sectors.

Mr Roman said the union constitution stated it could recruit workers in the liquor industry and the catering sector.

"A worker can join any union of his choice, but the company has refused to talk to us and refused to enter into a recognition agreement with the union to allow us to negotiate wages."

About 73 Marcows employees had joined the union.

Marcows spokesman Les Marcow said the union was not allowed to enlist or recruit workers in the liquor and catering industry and the company could therefore not recognise it.

He said the union had applied for an urgent court hearing today.

Mr Marcow confirmed that about 25 percent of the workforce went on an illegal strike on Wednesday but adhered to an ultimatum to return to work by yesterday morning. This followed a wildcat strike on December 21.

Mr Marcow said: "We made it clear we were prepared to talk to the union when their constitution allowed them to recruit our workers.

"It is therefore not an unwillingness on our part, but they have to put their own house in order."

Mr Marcow dismissed claims by workers that the company was slowly closing down as "totally unfounded".

Commenting on employees' grievances about overtime and working hours, he said they worked 45 hours a week according to timetables. They would be paid overtime if they worked overtime.

An employee said they wanted to negotiate wages and working conditions through a trade union.

Expelled officials start new retail trade union

CT 11/1/94

JOHANNESBURG. — A new union called the Catering, Clerical, Commercial and Allied Workers Union (Cccawusa) has been formed in the retail trade by officials and workers expelled or suspended from the SA Commercial, Catering and Allied Workers Union (Saccawu).

Saccawu general secretary Mr Papi Kganare said the founders of the new union were those who had applied to the Supreme Court to have Saccawu dissolved. — Sapa

Pre-poll tourist boom forecast

288

MANDY JEAN WOODS
Weekend Argus Reporter

TOURISM in South Africa is preparing for a mini-boom in the first quarter of this year on the expectation that thousands of foreigners will flock to the country for its first democratic elections.

Satour board chairman Piet van Hoven says the industry can expect "at least a 20 percent boost" which, in monetary terms, he estimates could top R60 million.

Mr Van Hoven says the first to benefit will be restaurants, hotels, car rental companies and airlines.

Southern Sun Holdings' group marketing director Helder Perreira says his group (comprising 54 Southern Sun and Holiday Inn hotels accounting for 10 000 rooms) also expects business to "pick up extensively" in the first quarter of this year.

"We think occupancies in major city hotels will be in excess of 70 percent, which is excellent given that the industry's average at the moment is around 46 percent," he says. ARG 8/1/94

Avis Rent-a-Car managing director Grenville Wilson says he too is anticipating a "substantial increase" in business at least until the end of April or May. "We are planning for an increase in business of between 10 percent and 15 percent in the first quarter of this year over the same period last year.

"I am very bullish about the outlook for tourism, which will definitely be boosted by the elections but also by an underlying upturn in the economy which we are already seeing," he says.

Tourism in the first quarter of this year will also be boosted by the growing number of business and trade delegations visiting the country. Gordon Griffin, Johannesburg Chamber of Trade and Industry manager for trade promotions, says there has been a significant number of inquiries from foreign delegations.

"Most have expressed a desire to come to South Africa before the elections in April. They are a bit apprehensive about what might happen after the elections," he says.

"In the first week of this year I have already made appointments to meet with five or six delegations and some of these are quite big — up to 70 people."

Last year saw a 7,4 percent increase in the number of foreign visitors to South Africa, despite the political upheaval caused by events such as the Chris Hani assassination.

City still tourists'

'Mecca'

CT 12/1/94

(288)

Staff Reporter

TRANSPORT problems — including the high cost of car-hire, the lack of efficient public transport, especially at weekends and unclear road signs — feature high on the complaints of tourists interviewed in the city yesterday.

However, Cape Town as a tourist destination is still receiving a resounding thumbs-up from both local and foreign visitors.

Ms Lesley Clarke and Mr Jorg Killat, from England, complained that local traffic signs were not always clear. "It's easy to get lost," said Ms Clarke.

Durbanites hailed Cape Town as South Africa's new tourist Mecca, saying prices and facilities were much better than those in Natal.

The Waterfront was praised by Mr Cliff Davis from Durban, who commented that one "couldn't repeat the beautiful scene at the Waterfront anywhere else in the world".

He added that, compared with Durban, the beaches were less crowded and prices were generally lower.

Fellow Durbanite Mrs Christine Gous found the view of Crossroads from the N2 on her way into the city particularly distressing.

"It lingers with you," she said. The comparison between the "beautiful city centre and the outlying townships left a bitter taste in my mouth".

● More overseas visitors are expected in Cape Town in February and March, Captour spokeswoman Ms Radka Kucera said yesterday.

"They have had Christmas with their family, it's freezing in Europe and now it's their time to holiday."

A breakdown of international visitors arriving at D F Malan Airport in December based on approximate figures from passenger lists showed: 900 Germans, 700 French, 500 Italians, 600 British, 300 Dutch, 300 American, 400 New Zealanders and Australians, 300 Scandinavians and 400 visitors from the Far East.

Union clamps down on theft

27/2/1994

Own Correspondent

DURBAN. — The South African Commercial Catering and Allied Workers Union has released details of large-scale corruption and theft within its ranks, including the arrest of four men for cheque fraud.

The general secretary of Saccawu, Mr Papi Kganare, said yesterday there had been allegations of corruption and theft in the union since May last year.

Three head office workers had been dismissed for maladminastration, he said.

Tourist watchdogs on the prowl

(288) WM 14-20/1/94

A special SAP unit which works under cover to keep the city streets tourist-friendly is the first of its kind in the world, writes Mduduzi ka Harvey



Oh no you don't ... Unit members arrest a suspect — PHOTOGRAPH: STEVE HILTON-BARBER

IT is 8am and while Johannesburg's city folk busy themselves with window shopping and getting to work, a most unusual unit reports for duty at the Smal Street satellite police station.

Its members are dressed in a variety of clothing, from dirty sneakers and torn jeans to immaculately tailored silk trousers. Tucked away out of sight in their belts are 9mm pistols.

The South African Police tourist protection unit works under cover round the clock to protect foreign visitors from muggers, pickpockets and conmen. Consisting of three groups of 24 men, who patrol the streets on foot on a continuous shift system, the unit was started in 1991 in Johannesburg and has also been introduced in Durban and Cape Town.

Explains Warrant Officer Andries Potgieter: "Because of the many muggings of tourists in the city centre we decided to start this unit. No other country in the world has one, and other countries have decided to copy us.

"The unit has been very successful, considering it was started without guidelines. We've trebled our manpower."

Sergeant Reginald Moichela, who has been in the unit for 18 months, instructs the members on which areas they are to patrol, what time they must report to base and which hotels they will monitor.

Joining Moichela and constables Madi Mashiane, Charles Thamagane and Knox Tshifaro, we start the rounds by patrolling Smal Street, beginning at the hotels.

First, the Johannesburg Sun, where we find out how many tourists are present, their destinations and whether they will need an escort. Our next stop is the Carlton Hotel, where we find two members of the unit posted near the entrance, waiting for tourists going into town. Everything, they assure us, is under control.

Our group breaks into two as we start patrolling Commissioner Street, with two members on each side of the road. "We have to walk in groups of two, with one member walking ahead of his colleague, metres apart," explains Moichela. "If something happens, the man behind can apprehend the culprit, and if he runs the man in front can arrest him. If the thieves decide to cross the road, then the men opposite can effect the arrest."

As we move down to Harrison Street, the unit members keep in touch by using sign language, indicating where the next turn will be. We meet other unit members posted permanently at street corners; they brief Moichela on developments or problems they've encountered.

From Harrison, we walk down King George Street towards the notorious Park Station area. "Here you have to be alert: there are lots of people and it's easy to be mugged in the crowds," says Moichela.

He explains one of the tactics used by station thieves: "They come up to people who are carrying a lot of luggage. They ask them how far they are going and offer to help them, or claim they are heading to the same destination, only to disappear with the bags."

Our next call is the Joubert Park taxi rank, where we assemble to plan our next patrol. Moichela decides that Quartz Street leading to Hillbrow should be checked. Some of the members express concern that the *Mail & Guardian* photographer may be mugged — suspicious-looking characters at street corners eye the cameras as we walk past.

Thamagane tells us he enjoys his job: "It's the work I've chosen to do. Although I've had guns and knives pointed at me, I don't feel fear. It's only when I think of the incident afterwards that I realise my life was in danger."

He explains that he advises tourists to avoid carrying all their money on them, to take as little luggage as they can, not to take pictures in town because this makes thieves aware that they are foreigners, and to avoid looking at maps in public, signaling that they are lost.

It's lunchtime and there has been no action, so the members report at the Smal Street station. Over lunch, Tshifaro descibes how he and Mashiane arrested two muggers the previous day while patrolling Bree Street.

While they were walking down the street, he relates, they spotted a man who looked like a tourist. "We started following him on the opposite side of the street and then saw two youths coming up behind him in a hurry. The first one ran past him, while the other grabbed him from behind. The man in front turned and tried to grab the tourist's waist wallet. A struggle for the wallet ensued and in about two minutes we were on the scene."

Realising that the police were rushing in, the culprits fled. "The tourist was screaming. When we got to him, Mashiane stayed with him, assuring him all was fine, while I chased the culprits. I eventually apprehended them opposite the Market Theatre."

With lunch over, it is back to the streets for the unit members. They will patrol the streets until late in the afternoon, following tourists and looking for any hint of crime.

Struggle becomes a drawcard

Andrew Trench

HERE'S a tourist drawcard with a difference: the Border-Kei Development Forum has decided to use the region's history of political struggle against apartheid to attract foreign visitors.

"There are interesting new opportunities in the historical and cultural traditions of the freedom struggle and Xhosa culture," says the forum's economic development co-ordinator, Jos te Braake.

Tourists from Africa and other parts of the world are expected to be interested in places like the University of Fort Hare, the alma mater of numerous prominent liberation movement leaders, including Nelson Mandela.

Another objective, says Te Braake, is to "create a tourism culture with rural villagers sharing their traditional lifestyles with visitors and selling traditional craftwork".

A nine-person interim task team has been appointed to identify and convene a meeting of all the role players in tourism in the region. — Ecna

Pleasantly surprised

Mduduzi ka Harvey

FOREIGN tourists to South Africa are surprised at how peaceful the country is, and insist more overseas travellers would visit if they had an accurate picture of the security situation.

Conditioned by TV images of people dying in the streets daily, of innocent victims being gunned down because of their skin colour or beliefs, and of a citizenry living on "red alert" ready for an imminent attack, visitors from Europe, the United States and Asia express surprise at the warmth and vibrancy of the nation.

Johan Spreij of the Netherlands, on his first visit, was encouraged to come here by friends who toured South Africa two years ago. Expecting racial and political intolerance, Spreij was on the lookout for any incident which would confirm his preconceptions. "Much to my surprise, I did not see a single politically or racially motivated incident," he said. "What I did see were some arrests of criminals in the centre of town. This happens everywhere."

Spreij has not travelled into the townships, but said he had found Johannesburg's city centre peaceful. Although he had read of violence in other parts of the country, there were fewer killings than he had expected.

Asked whether more people were visiting the country from Holland, Spreij said: "If they could overcome the misconception about the extent of violence here, I can assure you more people would come."

John Britten, a second-time visitor from the US, feared he would find even higher levels of violence than during his last visit, at the time of the Boipatong massacre in 1992. But he had been pleasantly surprised.

"I see a lot of black people climbing the corporate ladder, more have moved into areas previously occupied by whites and these are steps in the right direction," he said.

With the changes he had seen, Britten was positive that more Americans will be travelling to South Africa.

Taiwanese businessman Lim You Feng came here at the invitation of friends. "They told me business prospects were great and although I feared the violence, I decided to take a chance. It was definitely worth it in business terms," he said.

Before his trip, Feng expected to find sporadic unrest, but discovered he was not affected at all. "I found it was not as violent as I thought it would be."

Incident-racked Durban set for a better planned future

ARG 18/1/94 (288)

The Argus Correspondent

DURBAN. — There were some ugly incidents which spoiled the peak Christmas and New Year weekends on Durban's golden beaches, but all is not gloom and doom this time round. There is some light at the end of the tunnel.

According to the authorities, there were encouraging improvements compared with the last few summer seasons. And a number of innovative ideas will be put forward to the beachfront task force when it meets soon for its annual "post-mortem" on the festive season.

The proposals, gleaned from interviews with some of the personalities involved in rectifying Durban's battered image, include:

● The use of specially trained "marshalls", expert at controlling big crowds and defusing potentially explosive situations.

● High observation towers on the beaches to enable inspectors to spot trouble brewing and crimes being committed.

● A round-the-year crackdown on various offences to which the authorities have been turning a blind eye in the beachfront area.

● A much-more intensive police presence.

● Encouragement of private enterprise to provide alternative attractions to spread the load along the beachfront.

● Beach rescue staff will learn Zulu, and more Zulu-speakers will be employed.

● A new by-law restricting use of the paddling pools to young children only, and a see-through wall around the pools to limit access.

● The central problem which has battered Durban's image is that since the opening of beaches to all races, too many people pack like sardines into too small a section of the city's extensive coastline on certain peak beachdays. It happens on only a few days a year, but the attendant problems hit the headlines and seriously harm the city's tourist trade.

Councillor Peter Mansfield, chairman of the city's management committee, says: "An important point to bear in mind is that up to now we have faced a close-to-impossible situation where a white-only council sought to manage the non-racial — but overwhelmingly black — crowds.

"Within the next few months there will undoubtedly be a more representative council in place, and this will result in a complete shift in responsibility, which I believe will make a big difference."

Mr Mansfield is among those who noted an encouraging trend by beachgoers over the Christmas season to spread out more, not only along Durban beaches but farther afield.

Hawkers 'contribute more to the city than cableway'

288

☐ Shock finding given in report on future options

Staff Reporter

FIVE hawkers' stands at the base of the Table Mountain cableway contribute more to Cape Town's coffers than the cableway itself.

This was disclosed yesterday by city council officials including parks and forests director David Daitz and deputy city treasurer Peter Lever when they made public the report of an investigation of future options for Table Mountain and the Table Mountain Aerial Cableway Company, which has a monopoly to run all facilities on the summit, including the cableway and restaurant.

The report recommended that the council give written notice to the company that it intended expropriating the cableway in terms of an option in the company's 99-year lease. This was done in August.

Major problems identified by the report were that the cableway had inadequate facilities, was monopolistic, needed to be upgraded and much of the costs had to be borne by Cape Town ratepayers.

In spite of contributions to the cablecar facilities by the council, it had received only "very limited" returns from the company.

"In 1992 the company had a gross income from ticket sales of just over R3 million yet contributed only R78 700 to the council.

"The five hawking sites near the lower cableway station in Tafelberg Road actually bring in R99 000 a year in revenue to the Council. Even when the rates were added to the amount the company had to pay it was only R5 394 more than the hawkers. This is inadequate and represents a fraction of the resources needed to manage and maintain the natural environment of the cableway."

City planning director Rod Young says: "The two-car cableway, in operation since 1929, has reached peak capacity at about 500 000 passengers a year.

"But we estimate the Western Table, where the upper cableway station and restaurant are located, could maintain up to 800 000 visitors a year with inmproved facilities."

The report goes on to mention that the promotion of tourism is of critical importance to the growth of the Cape, especially in the light of the city's Olympic bid and next year's rugby World Cup.

Future plans the council had for Table Mountain included putting the cableway up for international tender. The executives said discussions were continuing with the company to try to find a compromise.

"We have until the end of February to avoid council expropriation of the cableway in October," said Mr Lever.

He declined to elaborate on any amount the council might have to pay for the cableway, saying negotiations were in a "spirit of good faith".

The executives said major changes to the cableway proposed last year by the company were largely "cosmetic" and not acceptable to the council.

Future developments would be guided by principles set down by a soon to be released University of Cape Town environmental management study. Consultations would continue with a wide range of conservation and business interests.

"We must protect the environment, but to do this costs money and we believe the cableway can make a contribution." ARG 21/1/94

Hotel occupancies 'dangerously low'

Business Day 27/1/1994

MARCIA KLEIN

HOTEL occupancies remained dangerously close to the 50% break-even level in November, according to Central Statistical Service (CSS) figures released yesterday. (288)

The CSS said that the average room occupancy rate of 50,6% had declined by 0,7% in November, compared with the previous year, while bed occupancy remained unchanged.

The average room occupancy rate of 50,6% reflected occupanies of around 72% at four star hotels, 61,7% at five stars, 57% at two and three stars, and just 29% at one star hotels.

One star hotels showed the largest decrease in room occupany (a decline of 6,1%).

Five star hotels showed the largest decline in bed occupancies — a 6,4% drop. Pretoria, the eastern Cape and Maritzburg showed the largest decreases, said the CSS.

Satour launches drive to attract millions to SA

B/Sun 28/11/94

THEO RAWANA

(288)

GOVERNMENT had an obligation to ensure the safety of tourists because an end to violence would bring millions of visitors to SA, Tourism Minister Bhadra Ranchod said in Johannesburg yesterday.

Speaking at the launch of Satour's R4m national tourism awareness campaign, Ranchod said tourism should follow world trends to rate as the top industry in SA by the end of this century, moving from its present fourth position. He said at present one in 25 South Africans was employed in tourism compared with one in 15 workers in the rest of the world.

Ranchod said violence and crime had to be stopped before more visitors came to SA.

"The issue of ensuring the safety and security of tourists was discussed at the general assembly of the World Tourism Organisation in Bali (Indonesia) last year," Ranchod said. It was agreed governments should take measures to solve security problems. By protecting tourists, governments would also improve the living conditions of their own people, he said.

Satour chairman Piet van Hoven said the tourism campaign, to be run over the next 18 months, was aimed at making tourism a major force in the economic future of SA. The primary aim was to make all South Africans aware of the importance of tourism.

Van Hoven said Satour would publicise the campaign through advertising and specially-designed television and radio programmes.

CT 29/11/94

Protea aims at Africa

PROTEA Hotels — planning further expansion — has appointed Bernard Cassar, former manager of the Ritz Protea, Sea Point, as its regional manager for East and Central Africa.

The group already operates hotels in Kenya, Tanzania and Malawi. In Malawi it also runs the airport catering operation and a tour and travel business.

Cassar said yesterday that tourism in Southern Africa would reach its full potential only when the attractions of several countries could be combined in a single package. (288)

"The newly created, positive political climate in SA has allowed us to expand our concept of the African tourist axis, linking central and east Africa with this country as an exclusive tourism destination."

He expects to negotiate on Protea's behalf in countries where it is not yet represented, such as Ghana, Nigeria, Zambia and Uganda.



Bernard Cassar

SunBop major player in Kersaf earnings growth

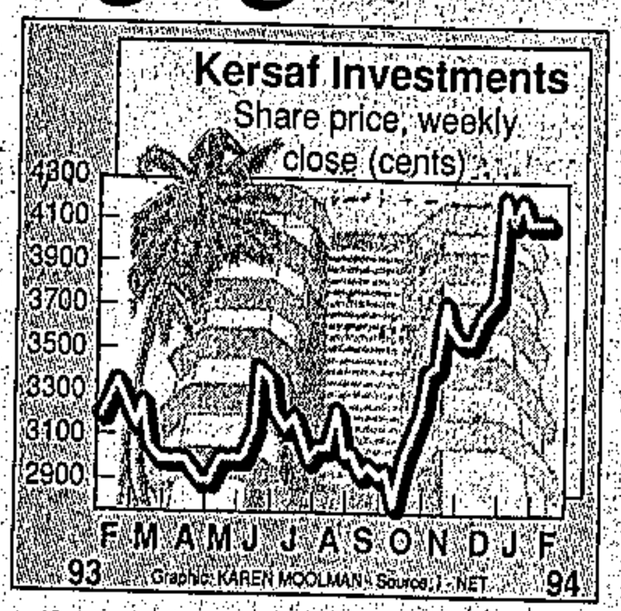
MARCIA KLEIN

LEISURE group Kersaf Investments would show earnings growth of between 5% and 11% in the six months to end-December, largely due to the performance by major contributor Sun International Bophuthatswana (SunBop), analysts said yesterday.

Apart from results, analysts were expecting some commentary on the recently acquired Paradise Island Resort and Casino complex in the Bahamas — how much work and investment was required, and what it would mean to Sun International and to Kersaf.

They also expected the group to announce changes to Sun International's top management structure. It is believed that Peter Venison, who was appointed MD following the resignation last year of Ken Rosevear, would oversee offshore operations. Deputy MD Peter Bacon, who replaced Venison last year, has been tipped to take over from him again. But analysts said finance director Alan van Biljon could also be in line for the appointment.

Commenting on the forthcoming results, the biggest single contributor SunBop was expected to show an earnings increase of about 8% to 10%. The Lost City would have been operating for a full year, and this, together with relatively good casino revenues, would be a significant contributor to SunBop results.



Leisure and entertainment group Interleisure was not expected to show earnings growth of more than 8%. While the core cinema business had performed well, capex and some bad investments were holding back the bottom line, analysts said.

It was unlikely that Transkei Sun International and Sun Ciskei would make any significant contribution to Kersaf. Both have been affected by unrest, and occupancies were believed to be well down.

Douglas Green Bellingham was expected to show a small loss. Other operations, which include offshore arm Royale Resorts, other southern African operations and World Leisure, would show a small drop in earnings.

Results from City Lodge, in which Kersaf recently bought a controlling stake, were expected to be good.

Stage is set for SA tourism boom

Sowetan 3/2/94

■ HIGH HOPES Political reform one of the key factors says minister:

By Mzimkulu Malunga

THE STAGE IS SET for a tourism boom in South Africa, says tourism minister Dr Bhadra Ranchod.

A 12 percent surge in the number of tourists who visited this country last year is a factor which has prompted the minister's optimism.

"Political reform has resulted in great progress being made in our international relations and with the lifting of sanctions we are already experiencing an increase in the number of visitors to South Africa," he said during the launch of a domestic tourism campaign last week.

Ranchod called on increased co-operation between the state and the private sector to guide the tourism industry to become South Africa's number one foreign exchange earner.

The demarcation of nine regions agreed to at the multiparty talks had a positive impact on the promotion of domestic tourism as well.

The Government has allocated R4 million to the South Africa Tourism Board (Satour) to help launch the National Tourism Awareness Campaign.

288

Yet to experience

Though domestic tourism accounted for 60 percent of the entire market, many South Africans were yet to experience "wonderful attractions" offered by the country's landscape. "Our challenge for the future is to bring tourism closer to all South Africans and to empower everyone to enjoy an annual break in their own country," he said.

The awareness campaign is going to be implemented in the next 18 months in all corners of the country.

Ranchod emphasised the need for quality service and exploitation of the country's rich cultural diversity as well as affordability.

Special low cost packages during holiday periods could result in higher occupancy rates in resorts and also entice new visitors.

The tourism drive will be community based and will also involve youth programmes. Satour plans to host a Youth Tourism Convention later this year.

If the industry was to grow it was crucial to involve potential entrepreneurs.

Sun's new world opens on Paradise Island

ST Times 6/2/94

SUN International's acquisition of the Paradise Island resort in the Bahamas marks a new phase in the group's global expansion.

SI reshuffled management to coincide with the acquisition. Peter Venison, managing director for southern Africa, becomes managing director for Europe and Africa. He is succeeded by Peter Bacon who was deputy managing director, operations.

Sanjay Varma, former executive vice-president for Euro Disney Resorts, has been appointed managing director for America and the Caribbean.

The Bahamas development is a partnership of SI, UK-based Caledonian Investments plc and World Leisure, owned by SI chairman Sol Kerzner. Each owns a third of a new company, Sun International Investments, which will acquire 60% of Paradise

By CIARAN RYAN

Island for $75-million. A further $100-million, most of it borrowed, is required to refurbish the resort, which includes 800 acres, a golf course and 1 300 hotel rooms.

A 200-room extension of La Galawa Beach Hotel in Comoros and a 300-room hotel in Mauritius are planned. SI's 23% associate Sun Resorts recently completed a R80-million refurbishment of Le Touessrok Hotel in Mauritius.

Paradise Island is likely to be the first of several foreign acquisitions. The partnership with finance company Caledonian gives SI access to foreign funds.

Mr Venison says: "A window of opportunity has opened internationally as a result of recession which has hit hotel resorts. There is huge growth in gaming worldwide. Licences are becoming easier to acquire. We want to take advantage of this opportunity to position ourselves as a global hotel-resort and gaming group."

Possibilities for expansion include the US, Seychelles, Polynesia and the Far East.

But SA remains a major area of growth for SI, says Mr Venison.

"With political stability and a drop in violence the potential for growth in tourism here is huge. Sun City and The Lost City are now among the world's leading resorts and occupancies are over 80%." (288)

A R150-million refurbishment of Sun City and the Cascades and the addition of a 100-room hotel are due to get under way, possibly SI's last opportunity to use Bophuthatswana's 120% tax write-off for hotel developers.

With reincorporation imminent there is still no clarity on the future of Bophuthatswana's tax regime. Because of its generous tax incentives, the homeland has mopped up the lion's share of hotel developments since 1979. SI will pay no tax for the next few years as a result of its R1,1-billion investment in the Lost City and Carousel.

SA hotel developers receive a depreciation allowance of 5% for new hotels and 20% for refurbishments.

There are hopes that the new government will introduce tax incentives for hotel developments. The National Tourism Forum, comprising hoteliers, opposition parties and tourism representatives, sees tourism as one of the quickest ways for the economy to grow and create jobs. It is expected to recommend some form of incentive for the tourism trade.

Now 'one tourist, one welcome'

Star 7/12/94

FROM a stance that made people think of running, Peter Mokaba is inviting just the opposite, reports Carol Lazar

Peter Mokaba is talking revolution. But not the "one bullet, one settler" kind. Comrade Mokaba is speaking about revolutionising the tourism industry. He's deadly serious, extremely well informed and highly articulate. And pragmatic.

For example, part of his dynamic tourism strategy includes taking the highly controversial Self Defence Units (SDU) of the townships and turning them into tourist security forces in the townships and elsewhere. "They've been taught to defend. They know nothing else. Now is the time to take their skills and develop them positively," he says.

Mokaba, tipped by some to be the Minister of Tourism in an ANC government, is fiery about the crucial importance of tourism.

He will be the executive chairperson of the National Tourism Forum to be held in Johannesburg on the 25th and 26th of this month which is open to all in the industry.

He believes that tourism can become the country's Number One moneyspinner.

"Tourism is a major foreign currency earner," he says. "With proper development, tourism can alleviate our debt burden, restore liquidity to our presently ailing economy and improve our balance of payments.

"An increase in tourism will create more jobs and increase economic growth, which benefits everyone."

Mokaba believes that the present Government has never taken tourism seriously: "It has always been low on their list of priorities. They were too busy spending money on maintaining apartheid structures."

He adds: "Tourism is of highly strategic significance because it is labour intensive, thus creating jobs. It can be a great economic kick-starter, has great foreign exchange earnings potential, is a major booster for foreign trade, generates investments and is an excellent way of fostering international cultural exchanges and understanding among people." (288)

Mokaba says the ANC, realising the importance of tourism, will take it seriously, providing financial and other support.

"We have to get our people involved at all levels," he adds. "When people know they will benefit financially, they have incentives to become involved. This is our aim. It is also our aim to teach our youngsters about their country by creating youth clubs especially for travel. We shall also be concentrating on budget tourism and ways of enabling all South Africans to travel, both locally and internationally.

He smiles disarmingly: "We want to do things the right way. We're taking advice from the experts here, and from those overseas. Austria, Israel, the USA, India — everywhere.

"This is a great country and our message to the international community is, we don't only want financial investment, we want tourists, lots of them. We want people to come and see South Africa for themselves."



Peter Mokaba . . . the fiery ANC leader now talks tourist dollars.

'Interest rates cut after April poll'

ARG 8/2/94

CLAIRE GEBHARDT

JOHANNESBURG. — Economists are betting on a one percentage point cut in Bank Rate immediately after the April election.

This follows Finance Minister Derek Key's upbeat forecast for the economy last week when he said all the figures were pointing in the right direction.

It's also despite an apparently contradictory message from Reserve Bank Governor Dr Chris Stals that there is no room for expansionary monetary policy at present.

Economists interviewed said the prospects for the South African economy were better now than they had been for the past decade.

For the first time, economic growth forecasts were being steadily revised upwards instead of downwards, to more than 2 percent for 1994 on a broadly-based cyclical upswing.

Fourth quarter GDP growth figures due out soon are widely expected to show an annualised Asian-type increase of about 5 percent.

Inflation is expected to have dropped low enough in April to justify as much as a two percent reduction in the Bank Rate.

December retail sales are up.

And agriculture looks set for a dramatically improved performance this year.

Some economists argue that an interest rate cut might in part be political given confidence levels post-election.

The only negative remains the balance of payments (BoP) constraint and the danger that capital outflows could accelerate after the election if populist policies are implemented.

The level of foreign exchange reserves dropped so low in 1993 that they had to be shored up by borrowing more than R7 billion.

Nedbank economist Edward Osborne says the cut will probably be triggered in May by the expected sharp drop in the inflation rate to 7 percent in April.

"The bank will not do anything before the elections because it won't wish to compromise its independence, but in May they could justify the cut."

Mr Osborne says the cut is likely to be one percent rather than two percent because of Reserve Bank concern about the weakness of the BoP and any stimulus to imports.

Econometrix's Azar Jammine agrees that there is room for a one percent cut in May or June.

"The drop in the inflation rate to about 6,5 percent in April, three percent below current levels, will put real prime rate at about 9 percent.

"Despite the low level of reserves, this is incredibly high especially in a nascent economic recovery.

"If the Reserve Bank really wants to demonstrate its independence it will make the cut at 7pm on April 28 without knowing what the vote is."

Dr Jammine says a one percent cut will improve the financial position of companies and individuals.

"Most individuals borrowed to the hilt in the late 1980s and ended up paying interest of about 21 percent between 1990 and 1992.

"With prime now at 15,25 percent, a person who was paying R1 750 a month on a R100 000 mortgage bond will have seen his repayments reduced to R1 250 a month.

"Given more disposable income most people are paying off their debt but eventually they'll start spending and every interest rate cut brings that day closer."

Old Mutual's Dave Mohr is more cautious.

He says higher fourth quarter growth figures would be an argument against cutting interest rates.

"If growth is accelerating you don't want the current account to come under pressure as imports escalate.

"Post-election will be a very difficult time for Stals and he would have to have clear signs that capital outflows are reversing before he cuts Bank Rate and then it is likely to be only one percent in the second half of the year.

Mr Mohr notes that Dr Stals has reduced Bank Rate twice recently in the face of falling reserves and he is unlikely to do so a third time.

"However if foreign reserves start to pick up, we could see another one percent cut at the end of the year."

Budget hotels are winners

288

ARG 8/2/94

Business Staff

JOHANNESBURG.— Travellers the world over are opting for affordable hotel accommodation, says the chairman of the international hotel group Holiday Inn Worldwide.

Speaking at the official opening of the new Holiday Inn Garden Court Sandton here, Bryan Langton pointed to the international trend towards providing limited facilities and slashing prices to attract visitors to major destinations.

"The tourism industry is the world's largest employer, creating one new job every 15 seconds.

"With the globalisation trend, international travel has grown 40 percent over the past five years.

"One of the primary reasons hotels have managed to maintain high numbers of 'heads in beds' is the trend towards budget hotel accommodation."

The Garden Court concept originated in Europe and was imported to South Africa. To date, 23 Southern Sun hotels have been converted.

Helder Pereira, operations director for Holiday Garden Court South Africa, says the average increase in occupancy for these hotels since conversion is about 70 percent.

Heading the success stakes in the local budget hotel market are Southern Sun's three Formule 1 hotels.

The equivalent, but even lower-priced concept in the US, Holiday Inn Express, is proving a roaring success, says Mr Langton.

Transun notches up 21% rise in earnings

BIDay 8/2/94

MARCIA KLEIN

TRANSKEI Sun International (Transun) has surprised the market by overcoming difficult conditions to notch up a 21% rise in earnings to 17c (14,1c) a share in the six months ending December.

Chairman Peter Venison said Transun, whose major operation is the Wild Coast Sun, had reported significantly improved results, in spite of a weak economy and the effect of illegal casinos in SA. The results compare with reduced earnings in the previous year — both at the December interim stage and the year-end.

Turnover for the six months was 17% higher at R120,2m from R102,6m, and stringent and efficient cost control brought operating profit up 35% to R35,4m (R26,3m). (288)

Venison said the resort was reaping the benefits of its expansion programme, and this was the first full period that the full effects of the renovations could be realised.

The casino had shown good growth.

Occupancies were 63% for the period, and there was a good influx of day visitors. Occupancies compared with 68% in the previous interim period, but 57% for the full 1993 financial year.

Venison said not only were more people coming to the resort, they were spending more.

The interest bill rose significantly to nearly R2m from R529 000 as the company made use of borrowings to fund the major extensions to the Wild Coast Sun.

Pre-tax profit was 30% higher at R33,4m (R25,7m), and a higher tax rate — due to lower investment allowances available — saw earnings rise 21% to R24,6m from R20,4m.

A 14% higher interim dividend of 12,5c (11c) a share was declared.

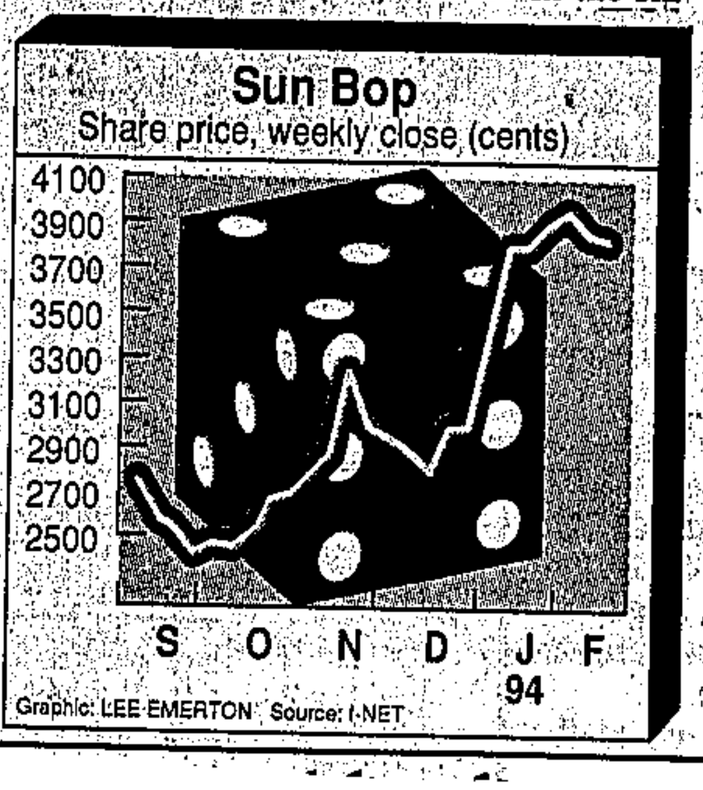
Venison said Transun expected a satisfactory growth in earnings in the full year.

Sun Bop earnings rise 22%

BDay 10/2/94

MARCIA KLEIN

CASINO and resorts group Sun International Bophuthatswana (Sun Bop) surpassed market expectations with earnings rising 22% to 113c (93c) a share in the six months ending December. (288)



Chairman Sol Kerzner said the results were excellent, and achieved despite "a somewhat static economy and continuing competition from illegal casinos in SA".

He said the 29% rise in turnover to R717,6m (R556,4m) was partly due to the fact that the Lost City resort traded for the full six month period, while it was open for only one month in the previous year.

Operating profit was 27% up at R178,8m (R141,2m). But a more than fourfold rise in the interest expense to R20,5m, from financing the development of the Carousel and Lost City resorts, resulted in a 16% rise in pre-tax profit to R158,3m (R136,6m).

Kerzner pointed out that interest-bearing debt dropped R76,6m to R279,8m, and

To Page 2

Sun Bop

BDay 10/2/94 (288)

From Page 1

gearing was reduced to 21% (30%).

Tax allowances as a result of the major developments reduced the effective tax rate to 15%, and enabled Sun Bop to increase attributable earnings 22% to R134,5m (R110,6m). A 17% higher interim dividend of 75c (64c) a share was declared.

Kerzner said that despite the large number of additional rooms at Sun City as a result of its expansion, and the depressed state of the SA hotel industry, the group's average occupancy of 72%, similar to the previous year, was "most satisfactory".

This was largely due to the successful international launch of the Lost City. He said about 60% of the business at the Palace hotel at the Lost City was foreign.

Kerzner said the board was expecting a satisfactory growth in earnings for the full year, but it was unlikely that the growth rate would match that of the first half.

An analyst said this result, together with better than expected earnings from Transkei Sun International, augured well for the interim results of holding company Kersaf, to which Sun Bop is the major contributor.

Five-star hotel to retrench 40% of staff

SHARON SOROUR
Labour Reporter

THE five-star Lord Charles Hotel in Somerset West, which has had "severe financial losses", is to retrench about 40 percent of its workforce and restructure its operation to prevent closure. (288)

A spokesman for the luxury hotel said occupancy had been "very poor". ARG 11/2/94

Between 82 and 85 of the 207-strong workforce would be retrenched, he said.

About 11 management staff had left since November.

The hotel, which opened in 1988, had consulted the SA Commercial, Catering and Allied Workers' Union (Saccawu) about its financial situation, and the union's auditor had investigated its financial status.

He said the union had not disputed the need for retrenchments, but the package offered.

"We are offering one week's pay for each completed year worked. We are not in a position to offer a larger package and the union has been offered an opportunity to verify the financial situation," he said.

Workers were demanding four weeks' pay for each year worked, he said.

Although the date for the retrenchments, which involve waiters, housekeeping and kitchen staff, was March 17, workers were free to leave from today with the hotel "paying them out in lieu of notice".

One worker said they had not had increases for the past three years, "and now they want us to leave this hotel, which we have helped build up, with less than R2 000 each".

She confirmed the workers were demanding one month's pay for every year worked, but said "they might settle for two weeks' wages for every year".

The union had proposed voluntary arbitration in a bid to resolve the dispute and the hotel had indicated it would respond once the union's "terms of reference" were clear.

The matter would then be referred to the Industrial Court.

● The brainchild of English ship engineering magnate Ronald Pilbeam, the Lord Charles cost R30-million and took 15 months to build.

Bacon plans growth in SA

Business Editor

SUN International's new MD in Southern Africa, Peter Bacon, said this week that the group was "poised to take advantage of the opportunities that will present themselves for expansion within the Republic of SA." (286)

Until recently Sun International was prevented by a restraint of trade agreement from competing with Southern Sun in SA. CT 12/2/94

Pointing out that the marketplace was undergoing fundamental changes, Bacon said the hotel industry was becoming increasingly competitive.

Bacon's appointment as MD is part of a restructuring of the group following the acquisition of the Paradise Island resort in the Bahamas.

He was born and educated in England and trained at the Hotel School in Cheltenham before spending two years with the United Nations as a graduate assistant working on the development of tourism in Malta.

He was personnel manager for the Forte group in Britain when he was recruited by Sol Kerzner to join Southern Sun in 1973.

He was MD of Southern Sun in 1984, when he took a break to study in the US at Stanford University Graduate School of Business.

In 1986 he moved to Europe to assist Sol Kerzner in the expansion of the company's international business. During this time he continued to oversee the Indian Ocean operations.

Sun Ciskei earnings up despite instabilty

(288) CT 14/2/94

From MARCIA KLEIN

DESPITE continued political instability in the region, resort group Sun International Ciskei (Sun Ciskei) increased earnings 21% to 18,6c (15,3c) a share in the six months ending December.

Results were achieved off a low base in the previous year, when earnings dropped 28% as the group was affected by recession, unregulated casinos and unrest.

With the continuation of these conditions the group — whose resorts include the Fish River Sun, Mpekweni Sun, Amatola Sun and Mdantsane Hotel and Entertainment Centre — increased turnover by just 7% to R58,8m (R54,8m) in the six-month period.

But directors said stringent cost controls and efficient working capital management led to a 16% growth in operating profit to R15m (R12,9m).

Occupancies and room rates were depressed, as they were in competing hotel chains in SA. But a large casino jackpot called Mega Money, which linked each gaming unit in the group, had been introduced. This, together with innovative marketing and promotional activities, enabled the growth in gaming revenue "to more than offset lower hotel revenues". Gaming revenues were, however, affected by unregulated gaming operations.

A sharp fall in the interest bill enabled Sun Ciskei to report an 18% rise in profit before and after tax to R15m (R12,7m).

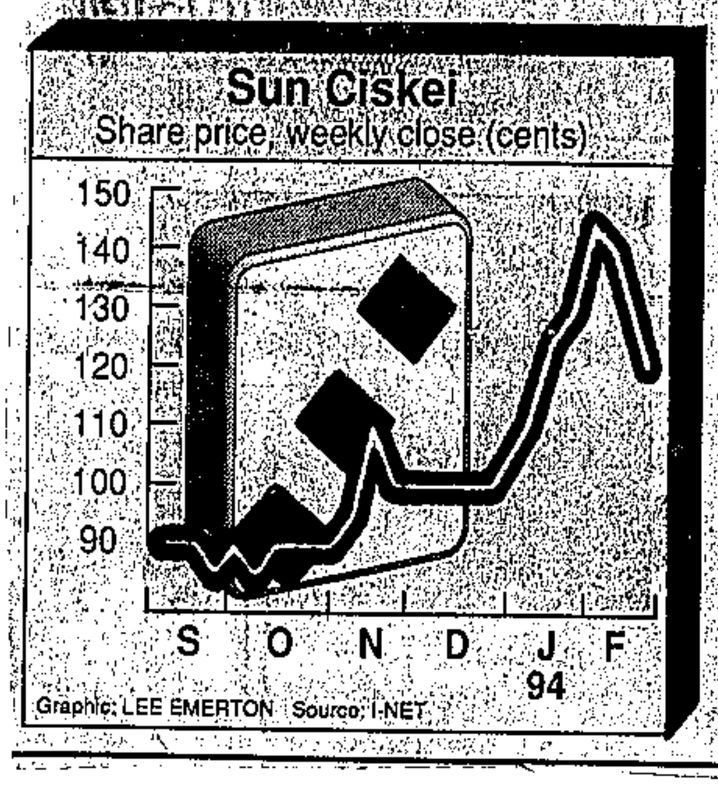
Attributable earnings were 21% higher at R13,9m (R11,5m). An 18% higher interim dividend of 13c (11c) a share was declared. Gearing was slightly lower at 46% (48%).

Directors said a satisfactory growth in earnings was expected for the full year.

The share lost 20c or 14,3% on Friday to close at 120c.

Sun Ciskei beats the odds

B'Day 14/2/94



MARCIA KLEIN

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Sun Ciskei

B/Day 14/2/94

☐ From Page 1

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Boom in tourism predicted

B/Day

(288)

THEO RAWANA

SOUTH African tourism, which lags far behind world trends in terms of income generation and job creation, will take off after the elections, says Satour executive director Spencer Thomas.

A fact sheet produced by Satour shows that while tourism is a top foreign exchange earner internationally, the SA industry contributes a mere 0,33% to the country's earnings. While one in 15 economically active people in the world are in tourism, the ratio for SA is one in 25.

While tourists had shunned SA in the past because of apartheid and concomitant violence, the new dispensation had changed attitudes.

"Take the Scandinavian countries, for example, which have previously been very difficult to market. Arrivals from these countries have increased between 20% and 40%."

Thomas said if the new government dealt effectively with violence, SA was headed for a tourist boom which would see gold fade into second position as main foreign exchange earner.

7/2/94

The Satour fact sheet shows that while 127-million job opportunities have been created by world tourism, in SA the figure the figure is 430 000.

The 2,7-million foreign tourists who arrived in SA in 1992 constituted 0,6% of the world's 450-million foreign arrivals, Satour says.

Bigger tourism role for blacks

CT 16/2/94 (288)

Own Correspondent

JOHANNESBURG. — A joint committee of Satour and Mr Peter Mokaba's National Tourism Forum (NTF) would be formed to "chart a strategy" for greater representation of blacks in tourism, Tourism Minister Dr Bhadra Ranchod said yesterday.

He told a news conference in Pretoria he had held talks with the former ANC Youth League president this week after Mr Mokaba had expressed concern about black representation in Satour and the future of South African tourism.

"I explained that Satour was a body created by an Act of Parliament.

"I said any changes in the structure of Satour would have to be made in the government of national unity," he said.

"Mr Mokaba spoke of the need to change the situation and to draw blacks into tourism. He said Satour should be more representative of the SA people.

"He said there should be a determined effort to employ people of colour, create jobs for the disadvantaged and bring tourism to the people," Dr Ranchod said.

A forum statement said the group, of which Mr Mokaba is chairman, was established under the auspices of the ANC "to address the numerous and complex issues associated with tourism, to evaluate the challenges and opportunities and to advise on policy".

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Mokaba and Ranchod discuss tourism

A JOINT committee of Peter Mokaba's National Tourism Forum (NTF) and Satour would be formed to chart a strategy for greater representation of blacks in tourism, Tourism Minister Bhadra Ranchod said yesterday. BIDAY 16/2/94

Ranchod told a news conference in Pretoria that he had held talks with the former ANC Youth League president on Monday after Mokaba, the forum's chairman, had expressed concern about black representation in Satour and the future of tourism.

"I explained that Satour was a body created by an Act of Parliament, and that

THEO RAWANA

staff at the board enjoyed security of tenure which had been provided for in the interim constitution. (288)

"I said any changes in the makeup or structure of Satour would have to be made in the government of national unity by all parties that had won 5% of the votes in the election," he said.

The forum said it was established, under the auspices of the ANC, "to address the numerous and complex issues associated

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Tourism

BIDAY 16/2/94

☐ From Page 1

with tourism, to evaluate the challenges and opportunities, and to advise on policy formulation consistent with the resources and infrastructure in the emerging SA".

Asked about reports that Mokaba had spoken about replacing Satour with another structure, Ranchod said that had not come into the discussions. (288)

"Mokaba spoke of the need to look at changing the situation and the need to draw blacks into tourism. He said Satour should be more representative."

He added that Mokaba recognised the wealth of experience in Satour and endorsed ANC president Nelson Mandela's sentiments that the new SA should not lose people who could make a contribution.

Ranchod had told Mokaba Satour already had a policy of affirmative action.

Satour had instructed its regions to appoint committees to deal with the problems, needs and frustrations of emerging entrepreneurs in the tourism industry.

Star 17/2/94

Timeshare set to take off

■ BY THABO LESHILO

The expected worlwide upswing in tourism over the next decade will lead to significant growth in the $4,5 billion timeshare sector, says Christel DeHaan, president and CE of international timeshare company RCI.

She said in Johannesburg yesterday the industry would generate $3,4 trillion in 1994 and $7,9 trillion by 2005.

Timeshare employs 204 million people worldwide. The figure is expected to rise to 345 million by 2005.

RCI Southern Africa manager Steve Griessel said the local industry remained at a healthy 78,5 percent sold. This, however, represented a nine percent drop on last year.

"There is definitely a more bullish sentiment among developers."

Inquiries from developers outside the industry have increased over the past quarter, he said.

He said steps had been taken to improve the image of the industry after the bad press of the past 18 months. This, he said, was because of the unprincipled tactics of certain sellers.

Hotel workers in retrenchment row

Labour Reporter (288)

WORKERS retrenched by the Metropole Hotel are refusing to accept the severance package they have been offered, says the SA Commercial, Catering and Allied Workers Union. ARG 18/2/94

Union spokesman Linda Gantsho said the hotel started negotiating the packages only last month for 12 workers retrenched after the closure of Wheelers restaurant.

The Long Street hotel had offered a week's pay for every year worked, with a ceiling of 10 years — not two weeks' pay, as previously reported. It had also offered to pay two weeks' notice.

Ms Gantsho said: "Mediation on February 12 was unsuccessful in resolving the dispute because management was not prepared to consult on issues which led to the retrenchments, but only on severance pay."

Hotel operations manager F M Galland said Wheelers closed because it was not viable. The retrenched staff had all worked in the restaurant.

Hotel work

Labour Reporter 288

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Union spokesman Linda Gantsho said the hotel started negotiating the packages only

SUN INTERNATIONAL

Fin 18/2/94

Hitting the jackpot

Despite odds tilted heavily by pandemic violence and a deep recession, companies in the Sun International stable have all reported rather better results than expected. (288)

Sun International Bophuthatswana (SunBop), which includes the Sun City hotel, casino and entertainment centre and the Carousel north of Pretoria, in particular, set a racing standard with a handsome 22% increase in attributable earnings.

Turnover rocketed 29% to R717,6m, much of the increase being attributable to the Lost City, including The Palace hotel, which traded for the first time. To that extent, results are not strictly comparable.

The abridged balance sheet holds no terrors. Interest-bearing debt actually fell R75,5m to R280m, reflecting the high cash generation — R229m from operations in the six months. Borrowings are all financed by banks and unsecured: as clear an indication as any of SunBop's blue-chip status.

Executive director Peter Venison says Sun City's occupancy over the six months averaged 78% — considerably above the industry average. "International tourists now see the Lost City as a destination," he says, "but the numbers are patchy and can be linked to levels of violence."

Transkei Sun International returned a dramatic 35% increase in operating profit to R35,4m (1992: R26,3m). However, taxation

FOX

rose sharply to R8,8m, reflecting the effective use last year of investment allowances. The 6% increase in the tax rate accounts for the attrition on the bottom line — which still rose an acceptable 21% — to R24,6m.

Chairman Venison confirms a substantial improvement in perceptions of the Wild Coast Sun, previously plagued by border tensions and fears that the highway to the Natal south coast and Durban was unsafe.

The relative surprise in these results is Sun International Ciskei. Its resorts are in a particularly depressed area, noted for high political activity that scares away tourists.

In these circumstances, a turnover increase of 7% to R58,8m is no small achievement. Even more surprising is the 21% increase to R13,9m in attributable earnings. Borrowings are down R8,4m since last year-end, from strong cashflow generation (nearly as much as over the entire 1993 financial year). Occupancy rates are below 40%, truly dreadful, and good performance is due mainly to a determined, sustained attack on costs.

If the market is nervous about these companies the cause is concern about the status of casino-linked resorts under a new political dispensation. Much of the success of these establishments rests on the dubious independence of the TBVC states.

What will happen when they are re-incorporated naturally excites doubts, though impresario Sol Kerzner has shown his ability to internationalise Sun City. Given tourism's established ability to have an exponential impact on economies and assuming it will be accorded genuine importance in a country with gross unemployment, the Sun International resorts could be well entrenched. At least, that is what investors will count on.

By and large, these results will please the market. In particular, they suggest parent Kersaf will deliver an equally good interim performance.

David Gleason

Fin 18/2/94 (288)

THE PALACE PAYS

Six months to	Dec 31 '92	Jun 30 '93	Dec 31 '93
SunBop			
Turnover (Rm)	556,4	620,2	717,6
Operating income (Rm)	141,2	157,9	178,8
Attributable (Rm)	110,6	117,9	134,5
Earnings (c)	93	99	113
Dividends (c)	64	68	75
Transun			
Turnover (Rm)	102,6	100,7	120,2
Operating income (Rm)	26,3	30,8	35,4
Attributable (Rm)	20,4	23,2	24,6
Earnings (c)	14,1	16,0	17,0
Dividends (c)	11,0	12,0	12,5
Sunciskei			
Turnover (Rm)	54,8	53,6	58,8
Operating income (Rm)	12,9	12,6	15,0
Attributable (Rm)	11,5	11,6	13,9
Earnings (c)	15,3	15,5	18,6
Dividends (c)	11,0	10,5	13,0



Tourism set for 'tremendous' year

Staff Reporter

THE influx of overseas tourists to South Africa increased by 12% last year and should escalate in 1994, with further expansion of the airways and increased foreign investment in the hospitality industry imminent.

This is the view of Tourism Minister Dr Bhadra Ranchod, who said yesterday that the Western Cape could take the lead in the resurgence of tourism in South Africa.

"After the elections South Africa will be a very popular tourist destination, and if there is a smooth transition, I believe 1994 could be a tremendous year for the tourism industry," he said.

Dr Ranchod revealed that two major Indian hotel chains were exploring expansion to South Africa and he expected European and American hotel groups would soon follow suit. CT 19/2/94

Successful marketing had resulted in a 30% increase in German tourists to the country last year and Satour was now targeting new markets in India, the Middle East and Australia.

Dr Ranchod said tourism was "a great money-spinner", as one job was created for every 10 international visitors, but it was also highly sensitive to violence and further growth depended on a smooth political transition. (288)

Satour outlines plan to strengthen tourism

BIDay 2/12/94

GERALD REILLY

SATOUR had developed a three-year international marketing strategy to attract more than a million visitors to SA in 1996, Satour promotions director Ernie Heath said last week.

Foreign exchange earnings in excess of R9bn would be generated and up to 57 000 new jobs created.

Details of the plan would be disclosed at the Indaba Tourism fair in Durban in May.

Satour, Heath said, would spearhead and co-ordinate the marketing efforts of the entire SA tourism industry.

He warned that unless the industry, Satour, tourism regions, airlines, accommodation providers and other industry operators worked closely together in overseas markets, the way would be opened for the co-ordinated efforts of competing countries.

Focused and co-ordinated strategies were vital to the success of the three-year plan.

Heath said the Indaba fair was a sellout, with all 525 exhibition stands being taken by more than 600 tour operating companies, hotels, airlines and other travel-related organisations.

Last year SA received extensive tourism-related coverage in the overseas media after 98 international journalists attended the fair. This year more were expected.

Stressing the importance of tourism in national economies, Heath said worldwide the industry employed 127-million workers — one in every 15 of economically active populations. The ratio in SA was one in 25.

In the international context SA was a small player with less than 0,25% of world tourism trade.

Tourism worldwide contributed 6,1% to GDPs. In SA the current figure was 2%. But in spite of the huge tourism backlog — mainly due to past political policies and sanctions — the nearly 600 000 overseas tourists who visited SA in 1992 was expected to have increased by up to 14% last year.

(288)

However, Heath said, crippling barriers in the way of uninhibited growth remained political turbulence and violence. Of crucial concern was the personal safety factor and crime involving tourists.

The first leg of the three-year plan would be the internationally publicised "Explore SA Year 1995" campaign.

Promotion efforts in target countries would be financed from the additional R25m granted Satour in the current budget.

Highlighted would be the Rugby World Cup, the Million Dollar Golf Classic and the Grahamstown Festival, among others.

Casinos and hotels buoy Kersaf results

BIDay 22/2/94

MARCIA KLEIN

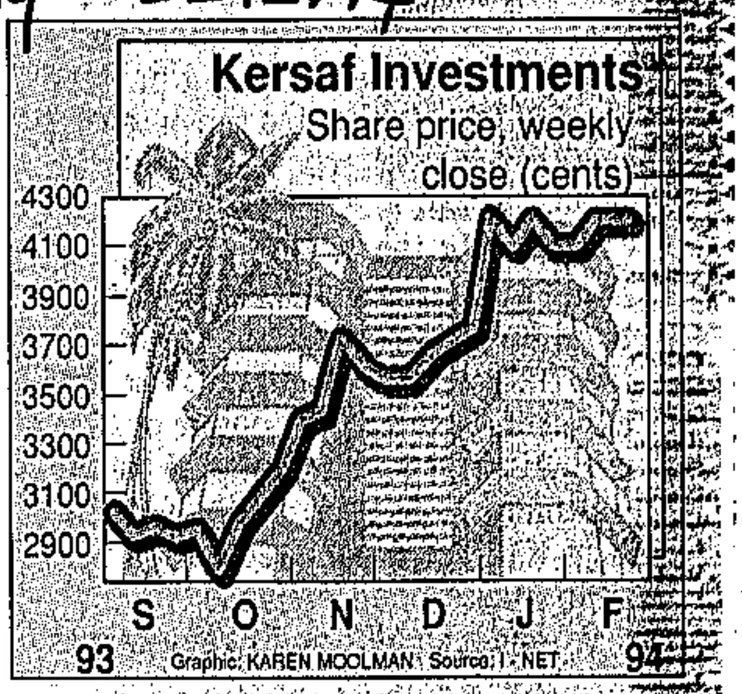
BUOYANT results from its Sun International casino and hotel subsidiaries enabled leisure group Kersaf to increase interim earnings 13% to 119c (105c) a share.

The earnings to end-December were at the upper end of market expectations. But the interim dividend was raised just 5% to 69c (66c) a share. (288)

Executive chairman Buddy Hawton explained it was necessary to take cognisance of the political situation in the short term, and it had been conservative in its dividend declaration. The group also wanted to push the dividend cover up — to 1,7 (1,6) times — to conserve cash.

It also expected that earnings for the full year would be diluted as a result of the additional shares in issue for the R163m acquisition — effective from January 1 — of nearly 42% of City Lodge.

Hawton said the 19% rise in turnover to R1,2bn (R999,6m) was helped by the inclusion of the Lost City resort for the full



period compared with only one month in the previous period. Operating profit was lifted 22% to R256,7m (R210,7m).

Net borrowings increased to R22,8m (R7,8m), largely due to interest charges on income from the opening of the Lost City and the renovated Wild Coast Sun.

Pre-tax profit was 15% higher at-

☐ To Page 2

Kersaf

BIDay 22/2/94

☐ From Page 1

R233,9m (R202,9m), and taxed profit rose 18% to R224,1m (R189,5m). Attributable earnings were 15% up at R93,2m (R81m).

Offshore arm Royale resorts showed an earnings increase higher than inflation. Hawton said this was achieved despite difficult times in Mauritius. The French economy was still in a trough, and associates' earnings were lower than the group would have liked. Unlisted interest Douglas Green Bellingham was in an industry that was going through a tough time, and it had not fared well. (288)

Hawton said Sun International's results were "most pleasing", particularly in the face of competition from illegal casinos.

Occupancies of 60% were two percentage points lower than the previous year, but room nights sold were 3% higher as a result of the opening of the Lost City.

Interleisure's results had been affected by higher investment and operational costs of new facilities. Revenue growth in core cinema business Ster-Kinekor was well up on the previous year.

Hawton said the group was looking at further development opportunities overseas, for opportunities to develop premier-type hotels in SA, and even further development of Sun City.

Kersaf was well placed to show satisfactory growth in earnings in the full year, but not at the same rate as the first half.

Expectations of the group's results saw the share close yesterday at R42, just off last week's R42,50 high and 50% up on the October yearly low of R28.

Sun gives Kersaf profits a boost

CT 22/2/94 (288)

JOHANNESBURG. — Buoyant results from its casino and hotel subsidiaries in the Sun International stable enabled leisure group Kersaf Investments to yesterday report a 15% rise in attributable profit to R93,2m for the six months ended December 1993 from R81m in the first half a year ago.

The earnings to end-December were at the upper end of market expectations. But the interim dividend was raised by just 5% to 69c (66c) a share.

Executive chairman Buddy Hawton explained it was necessary to take cognisance of the political situation in the near term, and it had been conservative in its dividend declaration. The group also wanted to push the dividend cover up — to 1,7 (1,6) times — to conserve cash.

The inclusion of the Lost City's operations within results for the first time for a whole period helped boost turnover by 19% to R1,2bn and resulted in a 22% gain in operating profit to R256,7m (previously R210,7m).

However, the interest bill rose R12,7m to R29,6m due to charging the interest costs to income from the date of opening the Lost City and the renovated and enlarged Wild Coast Sun.

Kersaf said Sun International, which contributes almost three-quarters of group earnings, had performed well while Interleisure's results were affected by the increased investment and operational costs of the new facilities opened in cinema, food and services divisions. — Own Correspondent, Sapa

Higher casino revenue lifts Kersaf

Star 22/2/94

■ BY STEPHEN CRANSTON

Increased revenue from casino operations, which included the Lost City for the full period, enabled Kersaf to increase earnings by 13 percent to 119c (1992: 105c) a share in the six months to end-December.

But in order to preserve income, the interim dividend has been lifted by just five percent to 69c (66c) a share.

Turnover rose 19 percent to R1,185 billion (R1 billion) and margins improved, with operating income up 22 percent to R256,7 million (R210,7 million).

Net borrowings were well up from R7,8 million to R22,8 million as interest costs for the Lost City and enlarged Wild Coast Sun were charged from the date of opening.

Sun International continued to experience competition from unlicensed casino operators, and room occupancies fell by two percentage points to 60 percent. (288)

Interleisure's contribution was down because of increased investment and operating costs of the new facilities opened in the cinema, food and services division.

Revenue from the core cinema business, however, rose 20 percent, thanks partly to the success of the movie Jurassic Park.

Group gearing fell from 26 percent to 21 percent, while deposits and cash increased from R151,4 million to R235,5 million.

Another leg to the business was acquired on January 1, when 44 percent of the share and 37 percent of the convertible debentures of City Lodge Hotels were acquired for R163 million, to be satisified by the issue of 4,4 million new Kersaf shares, increasing the total in issue by six percent.

The acquisition is not expected to have a material effect on full year earnings.

Looking ahead management says the uncertainties surrounding the April elections will dampen consumer activity, but nevertheless expects "satisfactory" profit growth at a slightly lower rate than attained in the interim period.

Fm 25/2/93 (288)

Kersaf Investments Limited

(Registration number 67/07528/06)

Profit and dividend announcement

for the six months ended 31 December 1993

Financial results

The unaudited group results for the six months ended 31 December 1993 are as follows:

Group income statements

	Half year ended 31 December			Year ended 30 June
	1993 Rm	% increase	1992 Rm	1993 Rm
Turnover	**1 184,9**	19	999,6	2 026,9
Operating profit	**256,7**	22	210,7	427,8
Interest received	**6,8**		9,1	16,4
Interest expense	**(29,6)**		(16,9)	(48,8)
Profit before taxation	**233,9**	15	202,9	395,4
Taxation	**(52,3)**		(50,2)	(82,8)
	181,6		152,7	312,6
Income from associates	**42,5**		36,8	74,2
Profit after taxation	**224,1**	18	189,5	386,8
Earnings attributable to outside shareholders	**(130,9)**		(108,5)	(222,5)
Earnings attributable to ordinary shareholders	**93,2**	15	81,0	164,3
Number of shares (000s)				
- in issue	**78 300**		78 300	78 300
- for EPS calculation	**78 300**		77 347	77 820
Earnings per share (cents)	**119**	13	105	211
Dividend per share (cents)	**69**	5	66	147
Interest cover (times)	**9**		13	9
Dividend cover (times)	**1,7**		1,6	1,4

Group balance sheets

	31 December		30 June
	1993 Rm	1992 Rm	1993 Rm
Shareholders' funds			
Ordinary shareholders'equity	**1 038,6**	983,5	990,6
Outside shareholders' equity	**1 230,1**	1 127,1	1 170,6
	2 268,7	2 110,6	2 161,2
Interest bearing debt			
Long term borrowings	**354,4**	435,2	448,6
Short term borrowings	**115,9**	107,1	88,2
	470,3	542,3	536,8
Total capital employed	**2 739,0**	2 652,9	2 698,0
Fixed assets and investments			
Operating assets	**2 530,0**	2 563,6	2 521,0
Investments and loans	**552,6**	514,7	532,3
	3 082,6	3 078,3	3 053,3
Current assets	**500,7**	418,9	428,9
Total assets	**3 583,3**	3 497,2	3 482,2
Interest free liabilities			
Deferred taxation	**(9,0)**	(10,3)	(9,0)
Current	**(835,3)**	(834,0)	(775,2)
	(844,3)	(844,3)	(784,2)
Employment of capital	**2 739,0**	2 652,9	2 698,0
Interest bearing debt to total shareholders' funds (%)	**21**	26	25
Net worth per share (Rand)	**13,26**	12,56	12,65
Deposits and cash (Rm)	**235,5**	151,4	216,4

Comment

The group's results for the first six months of the year were satisfactory in the light of the difficult economic conditions that prevailed and the social unrest experienced at times. Turnover at R1 184,9 million was 19% higher than the previous year with this performance facilitated by the inclusion of The Lost City at Sun City for the entire period compared with only one month in the corresponding period of last year. The increase in net borrowing costs, from R7,8 million in 1992 to R22,8 million, was mainly due to the charging of interest costs to income from the date of opening The Lost City and the renovated and enlarged Wild Coast Sun in December 1992. Attributable earnings for the period of R93,2 million were 15% higher than the previous year, with earnings per share of 119 cents being 13% up.

Sun International's results for the period were most pleasing particularly in the face of competition experienced in South Africa from the activities of the many illegal casinos. Occupancies for the period at 60% were two percentage points lower than the previous year, although room nights sold were 3% higher as a result of the opening of The Palace and the popularity of this world-class hotel.

Interleisure's results for the period were affected by the increased investment and operational costs of the many new facilities opened in the Cinema, Food and Services divisions over the past year. Revenue growth in the group's core businesses of cinema and related activities was satisfactory at 20% up on last year.

City Lodge

As was announced in the press on 19 December 1993, the company has, with effect from 1 January 1994, acquired a 43,95% holding in the ordinary shares and a 37,24% holding in the convertible debentures of City Lodge Hotels Limited. The purchase consideration of approximately R163 million will be satisfied by the issue of 4 404 281 new Kersaf ordinary shares. In terms of the rules of the Securities Regulation Panel, an offer must be made to the remaining shareholders in City Lodge and the document containing particulars of this offer will be mailed to these shareholders on or about 11 March 1994.

This acquisition is not expected to have a material effect on earnings for the year to 30 June 1994.

Dividend

An interim dividend of 69 cents per share (1992: 66 cents) has been declared in respect of the six months ended 31 December 1993.

Prospects

The uncertainties of the months leading up to the multi-party elections in April and immediately thereafter are likely to dampen consumer confidence and activity. Despite this, the board considers the group well placed to achieve satisfactory growth in earnings for the full year, although not at the rate attained in the first six months.

For and on behalf of the board

D A Hawton
Executive chairman

A F van Biljon
Director

Declaration of dividend

Notice is hereby given that an interim dividend of 69 cents per share for the six months ended 31 December 1993 has been declared, payable to members registered in the books of the company at the close of business on 11 March 1994.

Dividend cheques will be posted and electronic dividend payments made on or about 31 March 1994.

Non-resident shareholders' tax will, where applicable, be deducted from the dividend.

By order of the board

S A Bailes
Group secretary

21 February 1994

Registered office
3 Sandown Valley Crescent
Sandown
Sandton, 2031

Transfer office
Fraser Street Registrars (Pty) Limited
2nd Floor, Sage Centre
10 Fraser Sreet
Johannesburg, 2001

INCE

Budget hotel chain set to expand in SA

(288) ARG 1/3/94

Business Staff

BUDGET hotel chain Formule 1 plans to double its presence in South Africa by building six more hotels this year, said co-chairman of Formule 1 worldwide, Jean-Francois Bourgois.

Formule 1 is a joint venture between the Southern Sun group and Accor, a French-based company which owns more than 2 000 hotels throughout Europe and the USA, and was introduced to South Africa in 1992 with the Jan Smuts airport site.

In a recent visit to South Africa, Mr Bourgois commented that the planned expansion was proof of the growing popularity of the Formule 1 concept in this country.

'Accor's decision to establish the Formule 1 concept came about because of the demand in the one-star hotel market, as the one-star market in Europe constituting 50 percent of all hotel accommodation.

"Our success in the European market spurred us on to explore other potential markets, and South Africa had a definite need for budget accommodation," added Mr Bourgois.

He said local visitors currently comprised a high percentage of the chain's business.

But the growth in cross-border trade and an upturn in the economy should increase its foreign volumes, he added.

"Our main customers come from the business sector, such as sales representatives and trainees, but we also get large number of families and sportspeople."

Formule 1 is the country's most affordable hotel chain, catering for both the business and leisure traveller wanting comfort, hygiene and silence in convenient, urban locations.

The room rate is R84 and each room sleeps one, two or three persons.

The no-frills concept provides basic accommodation — a double bed, a single bunk, a prefabricated en-suite shower and toilet, air-conditioner and colour television.

Tourism seen as SA's most saleable product

(288)

Business Staff

DURBAN. — South Africa needs better marketing than it is getting from most of its unofficial envoys if it is to attract the type of investment necessary to prevent it being dragged into the morass of failed African economies.

Tony Cadman, London and Durban-based international business consultant, described in an interview how a Franco-American holiday development was lost to Natal last year after a local government official refused to discuss private beaches with the developers. ARG 1/3/94

The development went instead, to Madagascar, which sold the consortium an island and gave it a 99-year tax holiday for development of a top-class resort destined to attract billions of dollars of spending from international jet-setters.

Dr Cadman said South Africa's economic success lay in tourism.

"It's South Africa's most saleable product, but you need the right people to say the right thing to investors if you want to draw investment of the type and scale necessary."

He drew parallels between Durban's faded glory as a holiday centre and Rio de Janeiro, where squalor and crime had destroyed the resort status of what once had been one of the most popular leisure destinations in the world.

He said he had told a gathering in Durban recently of the Institute of Marketing Management that its members would become South Africa's most important ambassadors after April 27.

Visitors to South Africa from the global investment community, who currently were prepared to do no more than trade with the country, would want to know from people like marketers the practicalities of doing business in the country.

"The rot talked by politicians means nothing to the business community in the real world," he said.

"All that is required from whoever governs any country is that they adopt a totally free-market approach with low taxation, free trade and that sort of thing and allow the people with the know-how and the forces of the market to deal with issues like productivity and the manager-worker ratio."

Dr Cadman said South Africa rated low as a destination for development investment by Anglo-American multinational clients of his firm.

High taxation, political uncertainty and Africa's declining contribution to world GDP — down from 3 percent to 1 percent in the past 10 years — meant the country had to prove itself to the money-movers.

City Lodge profits take off

CT 4/3/94

(288)

Business Editor

CITY LODGE Hotels — in which Kersaf Investments has agreed to take a major shareholding — lifted earnings by 36% in the six months to January.

This was achieved on a 39% rise in turnover to R35m (R25m). Operating profit has grown by 38% to R15,2m (R11m). Earnings at share level rose to 26,4c (19,3c). The interim dividend is 11c a share (9c).

Pre-tax profit was R10,1m (R3,6m) and attributable earnings R6,5m (R4,3m).

The company's properties have been revalued and this, with the opening of new hotels, has resulted in a rise in net asset value to R3,40 per share from R2,36.

MD Hans Enderle says the average occupancy rate of the 11 City Lodges and Town Lodges was 75% compared with an industry average of 48%.

He was particularly happy with occupancies at the new City Lodges at the Victoria and Alfred Waterfront in Cape Town, and Morningside, Sandton, and the new Town Lodge at Jan Smuts Airport.

"Our performance for the first six months of the 1993/94 financial year is satisfying during a difficult time in the hospitality industry and a period of relatively low tariff increases."

Kersaf Investments has agreed to buy 44% of the group's ordinary shares and 37% of its convertible debentures. Kersaf wil make an offer to minorities on March 11.

Enderle said this would enable the group "to realise attractive growth opportunities in the year ahead."

TIMESHARE

Closing up the loopholes

Fin 4/3/94

A formal code of conduct has been drawn up for the timeshare industry by the Harmful Business Practices Committee. Though it does not necessarily protect consumers from timeshare developers who run into financial trouble, it does outlaw some of the tacky tricks timeshare vending companies get up to.

The code has been formulated by the business practices committee in conjunction with the Timeshare Institute of SA (Tisa). Says committee chairman Louise Tager: "The idea is to promote an equitable balance between industry and consumer interests by educating both parties about their rights and duties."

The code lays down guidelines related to advertising, sales, correspondence, resale and rental value, gifts and gift incentive programmes. Developers are obliged to provide audited statements every six months and there's an unconditional five-day cooling-off period for the buyer who has second thoughts about his purchase.

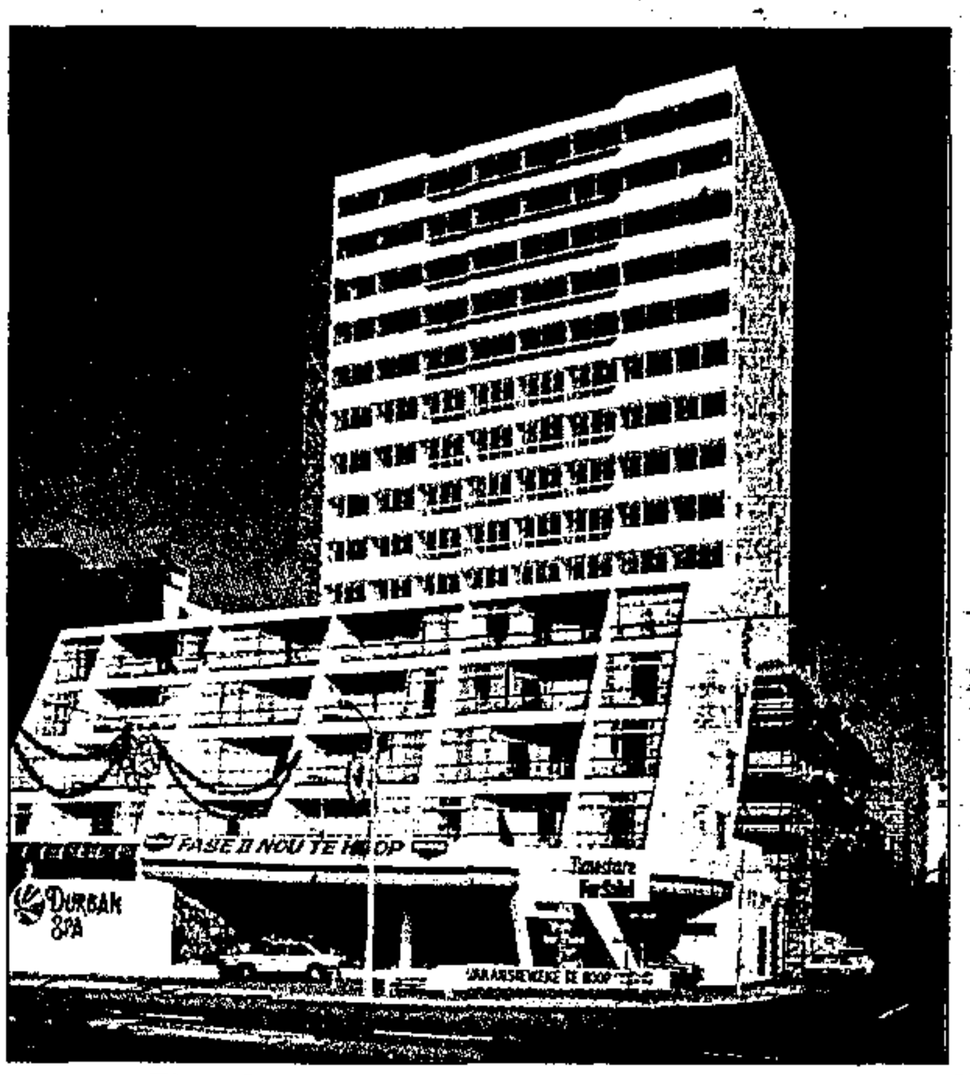
Its major shortcoming is that it does not guarantee protection from a developer who hits financial problems or goes insolvent. Tisa member and timeshare marketer Norman Voss says Tisa itself checks the financial soundness of Tisa applicants and members. "But membership of Tisa is not compulsory, so unscrupulous developers can still operate — though perhaps with greater difficulty as consumers become more aware of Tisa and its new code of conduct."

While some might see the code as an infringement on their marketing and sales strategies, the major timeshare operators seem to be backing it. Tisa executive director Peter Erasmus believes the code will enhance the industry's somewhat tarnished image. "Those active in the industry will think twice about using unscrupulous sales methods," he says.

Stocks & Stocks' Peter Foaden claims that, for the past 18 months, the industry has been operating in accordance with many of the principles contained in the code, but he feels its existence "is likely to influence industry marketing for the better."

The code will be administered by Tisa through the business practices committee. Nonconforming Tisa members face a warning, a fine with forced compensation to the public, suspension or expulsion from Tisa. Developers who choose to ignore its rulings face being blacklisted. Nonmembers who contravene its provisions could be called before the Harmful Business Practices Committee for censure.

"Of course the code doesn't replace any rights or remedies a consumer may have by virtue of any agreement, the common law or an Act of parliament," says Tager. But she notes that encouraging the industry to regulate itself is usually far more effective than legislation. "If business disciplines itself, there's less need for government intervention, which means taxpayers' money can be used in areas of greater need."



Timeshare . . . *bringing offenders into line*

Timeshare operator RCI marketing director Kevin Rawnsley says the five-day "cooling-off period" has been in operation for about a year. Together with the recent appointment of an industry ombudsman, Judge Cecil Margo, he says the industry's image is improving.

"The cooling-off period has taken the heat and aggression out of marketing. Salespeople are now choosing buyers for the right reasons and the public is becoming more trusting of the industry."

According to Erasmus, a mere 2% of contracts have been cancelled since the introduction of the cooling-off period.

Absent, however, from the code are regulations for the fledgling "points system." Erasmus says an addendum is being prepared. "It's a flexible code."

Detractors could argue that the code will merely entrench the existing players dominant in the market and make entry into the industry difficult for newcomers. But the Business Practices Committee's Evert Van Eerden says the committee would never approve a code that was inward, elitist or self-seeking nor would the Competition Board sanction such a code. ■

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MASS HOUSING

Fin 4/3/94

Looking for solutions

Brace yourself for a R4,5bn housing allocation in the August Budget — up around R1,5bn on the previous year. The new National Housing Board (NHB) seems determined to meet the ANC's objective of providing 300 000 houses a year to address the backlog.

The NHB's Monty Narsoo, speaking on expectations for the housing allocation in this year's Budget, said R4,5bn had been tentatively set as a target — though he admitted there might be pressure from other State departments, notably health and social welfare, to have it reduced.

"We believe that a figure of that order is sustainable. Malaysia, for example, spends more than that on housing. However, there is a debate going on within the ANC over whether it is affordable given the other demands on the Treasury," says Narsoo.

More significantly, implicit in the housing policy the NHB is drawing up is a shift in emphasis from a site-and-service solution to the housing problem towards instituting a mass housing construction programme similar to that of the Sixties, which saw the erection of a sprawling mass of 51/B matchbox houses in townships.

"Some people are just not going to accept being plonked in the veld with a serviced site and a toilet," says Narsoo. "An ANC government is likely to implement some kind of formal house building programme."

That might please the building industry, which could do with the work, but economists tend to reject the notion that you can solve the housing crises merely by throwing money at it. People have to be able to afford a house — which means holding down a job in a growing economy — before they can be provided with one, they argue.

This week the Minister of Housing Louis Shill announced a new housing subsidy scheme for would-be homeowners based on a sliding scale related to income. The subsidy scheme is effective from March 15. Underpinning it is the principle: the more a person earns, the less subsidy he or she is entitled to. For example, a person earning below R1 500 a month would qualify for the maximum subsidy of R12 500. Those earning R1 501-

World opening up for expanding City Lodge

MARCIA KLEIN

THE contribution of three new hotels, high room occupancies and maintained operating margins enabled City Lodge to overcome a difficult trading environment and increase interim earnings to January by 36% to 26,3c (19,3c) a share.

Recently Sun International's holding company, Kersaf, bought 44% of its shares and 37% of its debentures from the Mine Pension Funds. Kersaf was expected to make an offer to minorities on March 11.

City Lodge will change its year end to June in line with Kersaf's, and results for the second half will reflect five months of trading.

MD Hans Enderle said interim results from the company, which has 11 City and Town Lodge hotels, were buoyed by the inclusion of two new City Lodges — at the Victoria and Alfred Waterfront and Morningside, Sandton — and a new Town Lodge at Jan Smuts Airport.

Average room occupancy of 75% in the six-month period compared with an industry average of 48%.

Turnover was 39% higher at R34,9m (R25m), and operating profit rose 38% to R15,2m (R11m).

Enderle said City Lodge had weathered difficult conditions. Apart from the general economic and political environment, the opposition had converted more than half its rooms into limited service, and was proving competitive on prices.

New lodge openings saw the net interest charge rise to R5,1m from R3,8m, and the effective tax rate was increased to 36% (34%). Attributable earnings — taking into account the effect of listing expenses in the previous year — were 50% higher at R6,5m (R4,3m).

A 22% higher interim dividend of 11c (9c) a share was declared.

Enderle said there were opportunites, with the help of Kersaf's offshore arm Royale Resorts, to establish City Lodge elsewhere in the world. But it would move cautiously.

As far as shareholders were concerned, the deal would bring with it access to increased management resources. City Lodge did not operate in Sun International's areas, and it could look at opportunities there.

Enderle said the relationship with Kersaf would enable the group "to realise attractive growth opportunities in the years ahead".

He was expecting City Lodge to report good earnings growth for the full year. Two new Town Lodges — in Nelspruit and Midrand — would be fully operational by April, but they would not make a significant contribution to this year's results.

The share closed yesterday at R11,50, just short of the R12 yearly high it reached last month. The share was trading at a low of R6 in July last year.

10% more get away from it all in SA

ARG 9/3/94

JOHANNESBURG. — Tourism is improving, according to a statement from the South African Tourism Board today announcing the number of foreign tourists rose by between 10 and 15 percent last year. (288)

The 618 508 overseas visitors represented an increase of 10,5 percent, and the 2 462 277 from African countries a 14,9 percent increase.

Europe was the origin of 66,7 percent of foreign arrivals, with the largest proportion from Germany.

Reports on violence affected South Africa's traditional tourist markets in Britain, the Netherlands and Israel.

New tourist markets that showed "encouraging growth" were Russia, Pakistan, Malaysia and Thailand. — Sapa.

10,5% rise in overseas tourists to SA in '93

CT 10/3/94

SOUTH AFRICA enjoyed a 10,5% rise in the number of tourists from overseas last year.

Tourism Board statistics for the first 10 months of 1993 show an increase of 10,5% over 1992.

A Captour spokeswoman said yesterday that of a total 618 508 overseas tourists up to last October, about 72% had visited Cape Town. (288)

A South African Tourism Board statement said 66,7% of overseas visitors came from Europe, with the largest proportion from Germany. Arrivals from the United States rose by 19,8%.

● Arrivals from Africa were a record 2 462 277, owing to new air links and political changes.

Last big win — but sun dims for hotels

5 12/3/94

MMBATHO. — A 45-year-old anonymous Free State factory manageress won a Million Mania slot machine jackpot worth R1 517 293 at the Sun City Hotel in the early hours of yesterday morning.

But the 13th-biggest jackpot ever paid out by a Sun International resort was followed hours later by official messages discouraging visitors from going to Sun City because of uncertainty in Bophuthatswana and the security risk on roads inside the homeland.

Managing director Mr Peter Bacon said the Marula, Molopo, Thlabane and Taung hotels would remain closed until the situation returned to normal.

The Carousel was also closed yesterday because of lack of support.

Walkout

Guests fled the luxury Sun City complex as the turmoil raging in Bophuthatswana reached the previously safe resort, and management expect bookings to suffer for at least three month.

Mr Jerry Inzerillo, chief of operations for the complex, said last night occupancy had nosedived from 100% to 40% as workers staged a walkout at Cascades — and those who stayed were later asked to leave.

Mr Bacon said crowds had gathered outside some hotels, and security forces were called to guard the Marula Sun.

Sun International denied rumours that any of its hotels had been occupied or looted.

But reports late yesterday afternoon said the Thlabane Sun near Hartbeespoort Dam had been occupied and completely ransacked. — Sapa, Staff Reporter

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No worries over SunBop agreements

MUNGO SOGGOT and BEATRIX PAYNE

LEISURE empire Sun International was confident any agreements it had with the Bophuthatswana government concerning its operations would not be hit by the ousting of President Lucas Mangope.

Sun International MD Peter Bacon said yesterday that any arrangement concerning its Bophuthatswana businesses — which include Sun City, the Lost City and a string of hotels — had been made with the Bophuthatswana government, and not with Mangope. B/Day 14/3/94

"I assume the Bophuthatswana government still exists," he added, refusing to speculate on the TEC's takeover of the territory's administration.

The operations — grouped within Sun International Bophuthatswana (SunBop) — are a key contributor to Sun International's earnings. In the six months to December SunBop posted earnings up more than a fifth at R134,5m. SunBop shares lost 150c on Friday to close at R39. (288)

Bacon said Sun International had still to quantify its losses from the turmoil, but that the Taung Sun, the Tlhabane Sun and the Naledi Sun reopened yesterday, while Sun City and the Mmabatho Sun would be fully operational today.

The Mmabatho Sun and Sun City had been without Tswana staff on Friday, and Sun International said there had been few guests at Sun City. Sun International had also discouraged new guests from travelling to the resort because of reports of stone-throwing on access roads.

Other businesses in Bophuthatswana are also likely to take a sharp knock from the turmoil, but most companies with a stake in the embattled area were not ready at the weekend to quantify their losses.

Major players in the Bophuthatswana economy — which also include retail chains Edgars and Shoprite/Checkers — had either slowed down or closed operations. Mmabatho's main shopping mall, Mega City, was ransacked last week.

But the world's largest platinum producers — JCI's Rustenburg Platinum and Gencor's Impala Platinum — were both fully

☐ To Page 2

SunBop B/Day 14/3/94

☐ From Page 1

operational on Friday.

One mining source said Impala's mining rights could be affected by the collapse of the Bophuthatswana government.

The company had negotiated its present rights with Chief George of the Bafokeng tribe. He could now step aside, to be replaced by his elder brother Chief Edward, who was in exile in Botswana. (288)

"The return of Chief Edward would complicate an already complicated situation," the source said, as Impala mines currently gave lease payments to the State and royalties to the Bafokeng. "The political risk with Impala has come home to roost."

Platinum hit a seven-month high at $405,50/oz on Friday, as fears mounted that supplies would be disrupted.

Clothing retailer Edgars' Mega City store in Mmabatho lost to looters goods worth around R4,5m. Divisional operations manager Andrew Gardner said "the store is a shell, there is nothing left". Damage would be assessed today if the turmoil had ended.

Shoprite/Checkers closed its Bophuthatswana operations on Thursday. A group spokesman said at the weekend that its Temba store had sustained some damage. Both stores in Mafikeng were closed. It was not clear when the stores would reopen, or how far damage extended.

OK operations director Norman Newnan said a number of stores had been looted. OK stores in the territory were closed on Friday and were not likely to reopen until the situation was stable.

First National Bank said its Mafikeng branch service branches in Megacity and Taung had closed on Thursday. The Hammanskraal branch was closed after the SADF advised staff to evacuate the premises. "We don't seem to have experienced much damage," a spokesman said.

Nissan said the Rosslyn manufacturing facility was operating at full production on Friday. Production had halted on Thursday after workers participated in a march. A BP spokesman said it had been unable to supply most of its service stations, and had stepped up security.

Upheaval's effect on SunBop 'minor'

MARCIA KLEIN B/Day

POLITICAL events in Bophuthatswana would dampen Sun International Bophuthatswana's (SunBop) financial results to June, but analysts believed the effect on its homeland hotels was marginal considering the upheaval in the area. 15/3/94

Sun International MD Peter Bacon said yesterday that all of SunBop's resorts, excluding the Morula Sun, were open and "getting back to normal" and guests were being encouraged to visit the resorts.

Analysts said most of the financial effect on SunBop would be in terms of lost revenue over the weekend, as any damage to the group's properties would have been covered by insurance. This was not a peak period, so the effect would not be that significant. (288)(409)

Reincorporation of the homelands — and possible tax and casino licence implications for SunBop — had been a factor ever since the resorts opened, and these had been discounted in the share price, an analyst said.

Although it could be argued that Bophuthatswana was now, in effect, reincorporated into SA, this did not mean that the unregulated casinos operating within SA would be in a stronger position, as they did not have licences to operate casinos.

Analysts said SunBop — along with most other companies — could expect more disruption over the next two months. It could also be affected by cancelled bookings and a lack of enthusiasm by some people to visit the resorts as day visitors.

The share closed unchanged at R39 yesterday. Despite the trouble in the homeland, the share lost just 150c from last week's yearly high of R40,50.

Sun Bop shares hold up

Star 17/3/94

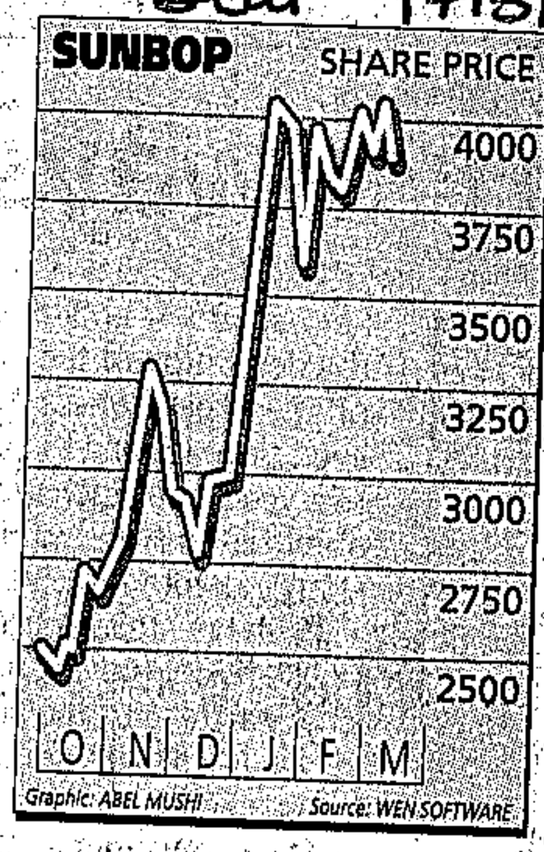
■ BY STEPHEN CRANSTON

The share price of Sun Bop has held up remarkably well since the troubles in Bophuthatswana.

Trading in the share has been light and it only fell R1,50 to R39, which would otherwise have been explained as a technical correction. (288)

Sun Bop will obviously find it difficult to meet its March budget, as it received negligible revenue for some six days, and the lucrative high margin Morula Sun was the worst affected resort. There were also numerous cancellations which will take time to replace.

But the effects on the business for the financial year as a whole should not be significant.



Simon Organ, a consultant to stockbrokers Anderson, Wilson, estimates that the troubles could take 0,75 percent off earnings growth in the second half of the year.

With the end of Bophutatswana now confirmed, Sun Bop will no longer enjoy the generous tax breaks, equivalent to 120 percent of expenditure, on hotel construction, though existing breaks should be honoured.

It will also become liable for Secondary Tax on Companies, equivalent to 15 percent of dividend payouts, which will be significant given the group's low dividend cover.

Nevertheless, Egon Trampitsch of brokers Frankel Pollak Vinderine says he is bullish about the share. He expects about 15 percent to 17 percent growth in the full year.

Hunting could 'help' new SA

.cr 17/3/14 (288)

'Brings in more than tourism'

IT could be argued from a conservation perspective that hunting should be promoted over tourism, Cape Administrator Mr Kobus Meiring told a congress today.

Delivering the opening address at the World Congress of the International Council for Game and Wildlife Conservation in Cape Town, Mr Meiring said that while he was not a hunter, he supported hunting as a conservation tool.

Tourists could do more damage than hunters because of their greater numbers and more importantly, sport hunting was more profitable than tourism.

"A lucrative hunting industry can exist with a limited capital investment, without large hotels and good roads," Mr Meiring said.

"A hunter also spends more money than the average tourist. Hunters have to purchase licences, employ a professional guide, and are mostly environmentally concerned."

He said the introduction and enforcement of legislation in the professional hunting industry had effectively raised standards.

It was imperative that the game farming and hunting industries become as self-sufficient as possible, not only to continue supplying demand, but to also capitalise on the tourism boom that was in store for the country.

Mr Meiring said South Africa was experiencing serious growth problems typical of a developing and changing society.

"The challenges presented by the new South Africa, especially in government institutions, is to not only develop our society politically, but also to utilise and realise the full potential of its human and economic resources," he said.

Ecotourism, including hunting, was one of the most important resources to generate work and income.

Meanwhile, the Rhino and Elephant Foundation called for the resumption of trade in white rhino horn.

Foundation president Mr Clive Walker told the congress the dehorning of rhino had not succeeded in stemming the decline of the animals, as poachers continued to shoot them for the small piece of horn that remained.

Delegates from all over the world are attending the congress. — Sapa

Captour criticised for ANC flyer

CT 18/3/94 (288)

Staff Reporter

A FLYER advertising an ANC tourism forum, included in the regular Captour newsletter, has so irritated the SA Association of Registered Tourist Guides that its committee is to write a letter in protest.

Chairwoman Mrs Evette Johnson said yesterday that her committee had nothing against the ANC, but it believed that no political organisation should have anything sent out in a Captour newsletter.

She said reports that her organisation would break ties with Captour were incorrect. It was not a member of Captour, although most of its over 100 members were individual members of Captour.

She had not heard of anyone resigning from Captour as a result of the flyer, she said.

Ms Lauren de Wet, a publicity manager for Captour, said she had heard the association's objection, but she said the ANC tourism forum was newsworthy and may well prove useful to Captour members, many of whom had expressed interest in the ANC's views on tourism promotion.

"We will not be a vehicle for political propaganda," she said. Yet if a similar situation arose, involving any political party, the issue of whether to include a flyer in the Captour newsletter would be taken on merit, she said.

SA timeshare holders in foreign rush

ROBYN CHALMERS

SA TIMESHARE holders flocked to international destinations during December with Resort Condominiums International's (RCI) exchange holidays increasing 27% on the 1992 December figure.

RCI Southern Africa MD Steve Griessel said international timeshare travel had been boosted by growing competition among airlines flying to and from SA and the fact that South Africans were now welcomed in most countries.

"Declining interest rates and inflation in SA have brought international travel within reach of more families and there is a growing acceptance of the principles of timeshare exchange," said Griessel.

Timeshare Institute of SA chairman Peter Foaden said a contributing factor was the substantial foreign exchange savings for overseas holiday accommodation through the RCI exchange system.

"The system gives SA timeshare holders access to equivalent accommodation in 75 countries worldwide. Aside from the RCI exchange fee, payable in rands in SA, there is no extra charge for timeshare exchange accommodation abroad."

Foaden said at current values, the investment cost of the 160 timeshare developments in SA stood at R1,3bn. The timeshare industry employed more than 10 000 people and contributed more than 30 000 bed nights to the local accommodation pool.

World Travel and Tourism Council statistics indicated that worldwide travel and tourism industries would generate $3,4-trillion in gross output and produce about 10,2% of world GDP this year.

A total of 204-million people would be employed in the tourism sector this year and the industry would contribute more than $655bn in worldwide tax revenue.

Griessel said for the first time in December, Europe topped the US as a timeshare destination for SA travellers with a 58% increase to 4 312 exchanges. Traffic to the US and Canada rose 13% to 4 060 exchanges.

"Spain is now the top European destination for SA holidaymakers with Britain the second choice, followed by Portugal."

He said the Australasian, South East Asian, Caribbean and Mexican markets were beginning to open up to SA travellers and there had been increased interest in all four markets.

[redacted]

THEO RAWANA

THE SA hotel industry was already feeling the benefits of the apparent upturn in the economy, Southern Sun group MD Ron Stringfellow said yesterday. BDay

Stringfellow was commenting on a statement by Board of Executors senior portfolio manager Rob Lee that "the SA economy stands on the verge of sustained economic growth of the sort which has not been experienced for many years".

"Occupancy figures of our hotels have been increasing steadily. Although we recognise that we need much more stability to sustain growth, we have demonstrated our faith in the future," he said.

Stringfellow said Southern Sun was ideally positioned to take full advantage of any real upturn.

"Over the last two years, while many industrialists were reducing capital expenditure, we were investing more than R300m in constructing new hotels and refurbishing existing ones. 24/3/94

"This includes 22 conversions of existing Southern Sun hotels to three-star Holiday Inn Garden courts, the construction of Sandton Sun and Towers, Sandton Holiday Inn Garden Court and five Formule 1 hotels, as well as the rebuilding of Paradise Sun in the Seychelles. (288)

"This has ensured that we have the full spectrum of accommodation, unparalleled depth of experience and a highly trained and enthusiastic team," Stringfellow said.

The group's five brands, Southern Sun Hotels, Southern Sun Resorts, Holiday Inn, Holiday Inn Garden Courts and Formule 1, cater for all guests, from discerning travellers to budget-conscious families.

Chips down for homeland casinos

Sun International's homeland casinos face an uncertain future now the homelands are being brought back into the fold. **Reg Rumney** reports



Sun king ... Sun International chairman Sol Kerner pictured during the building of the Lost City in Bophuthatswana. SunBop received generous tax breaks for the construction of the complex

WM 25|-30|3|94 (288)

THE fall of homeland supremo Bophuthatswana's President Lucas Mangope and the departure of Ciskei's Brigadier Oupa Gqozo has thrown the spotlight on the effect of homeland reincoporation on Sun International casinos.

Reincorporation will end SI's monopoly on gambling in what has always effectively been South Africa, although it will also allow SI to expand outside the homeland borders.

Sun International's casinos will be allowed to continue to exist after incorporation, in terms of the Gambling Act.

According to Hofmeyr van der Merwe senior partner Jan Dreyer, existing casinos in the homelands have 14 days to register with the yet-to-be-constituted Lotteries and Gambling Board after reincorporation.

Being part of South Africa could mean SI, a profitable, cash-rich company, will have to pay more tax as what are perceived to be favourable homeland tax regimes ending.

Casino operations are regarded as lucrative revenue sources for governments elsewhere in the world.

Legally, the position of homelands such as Bophuthatswana remain unclear in the interim, but provision is made in the new constitution for homelands to be reincorporated after the elections.

To take Sun International subsidiary SunBop as an example, it was granted exclusive rights to operate gambling casinos in the territory, as well as generous tax breaks for the building of the Lost City complex itself, by the government of the disgraced Mangope.

Those tax breaks were said to be 120 percent, though Sun International refuses to reveal the true figure.

On the other hand, SI casinos have had to pay to homeland governments a percentage of gross revenue as tax, as well as normal tax on company profits.

This percentage is between 10 and 15 percent, according to SI managing director Peter Bacon.

Bacon points out that the amount of the levy cannot be seen in isolation.

It has to be seen in the context of the other taxes the company pays and the investment and jobs created.

Pigg's Peak casino owner Howard Berchowitz says 15 percent is high in international terms. The levy on gross win in Swaziland, he says, is 4,5 percent.

For instance, US President Bill Clinton's administration this week proposed a four percent levy on net gambling revenues.

Do the agreements between companies like SI and the Bophuthatswana government still hold?

Bacon considers the agreements, which he says were made with the Bophuthatswana government rather than Mangope, valid and binding.

But he adds there is still a lack of clarity about the legal situation in Bophuthatswana.

University of the Witwatersrand constitutional law expert Prof Johan van der Vyver reckons that since Bophuthatswana was recognised as an independent state by South Africa the rules of state succession would apply.

Unless there are clauses inserted in the constitution to allow repudiation of agreements by the new regime, all the agreements made with the old regime will apply.

Hofmeyr van der Merwe tax expert Fiona Peart says it will be untenable to have tax allowances that far exceed what is allowed under the South African Income Tax Act for some companies, as will the zero income tax rating which some companies in the Ciskei have had.

She says issues such as the change in the tax treatment of certain companies on reincoporation will be tidied up in the Budget in August this year.

The South African government can repudiate agreements, she considers, but will not necessarily do so.

One option will be to allow agreements reached under the Bophuthatswana regime to run their course.

Another is simply to cut them off.

Another question raised by reincorporation is who inherits the Bophuthatswana National Development Corporation's effective 33 percent holding in SunBop through SunBop Holdings.

SunBop Holdings holds around 74 percent of listed SunBop, and the BNDC in turn holds 45 percent of Sun Bop Holdings.

That stake amounts to a healthy R1,5-billion or so, and will presumably be taken over by the regional or central government.

Tourism aiming for R10bn a year

GERALD REILLY

PRETORIA — SA's biggest international tourism promotion — the multimillion-rand Explore SA 1995 — will be launched at this year's Indaba Fair which opens in Durban on May 8.

Satour's chief director promotions Ernie Heath said that by 1999 the country could be earning up to R10bn a year in foreign exchange if the promotion succeeded in attracting more than a million foreign visitors to SA in that year.

Satour and organisations associated with tourism would spend more than R25m in established tourism markets as well as in markets which at this stage were untapped.

In the past few years, he said, tourism had been hampered by factors such as the Gulf war, the worldwide recession and unemployment and unrest inside SA.

However, the success of the tourism fair would hinge on the performance of the next government, on its success in bringing violence and unrest under reasonable control and in tourism facilities being steadily upgraded to keep pace with the demands and expectations of foreign visitors.

Major drive to promote SA

AMANDA VERMEULEN

TOURISM is the fourth-fastest growing industry in SA and all efforts should be made to promote the country to foreign visitors, says Southern African Tourism and Safari Association (Satsa) executive director Patrick Barta.

Satsa, a non-profit private sector-funded body, is launching a major campaign to convey its new slogan "Tourism Works", in conjunction with Satour's new awareness campaign launched in January.

"We need to convey to all South Africans the negative effects of violence and the benefits increased tourism will have for the economy," said Barta.

The importance of tourism needed to be taught at grassroots levels, beginning at schools and also through community organisations. "One in 10 people in this country is connected directly or indirectly with tourism. It is essential it is taken seriously in the new SA."

He said Satsa, which represented all the major players in the industry, was marketing SA abroad at trade shows and workshops. Workshops in Delhi, Bombay and Bangalore were planned for August, and Australia, South America, Singapore, Beijing, Egypt and Dubai were being considered as marketing opportunities.

Barta said Satsa would attempt to formulate a policy on tourism to encompass the next decade at its annual general meeting in June.

"Tourism is becoming more affordable and attracting more people.

"The industry will grow enormously over the next few years and with the added impact of the Cape Town Olympic Games bid, it could become the most significant sector in the economy."

'SA unable to act as engine for growth'

HARARE — A post-apartheid SA does not have the capacity to be an engine for growth in the region, says SA Development Community (SADC) executive secretary Kaire Mbuende.

He told a political and economic seminar that a democratic SA would be preoccupied with its internal problems and would not play a significant role in promoting growth in the region.

"I do not believe SA has the capacity to be the locomotive for growth in the region.

"It has its own problems. It will have to clear its educational and housing backlog for the majority of blacks and that is an enormous challenge."

He said SA's wealth was not as strong as it appeared.

"Its resources are concentrated in the military and a few rich," Mbuende said, adding that SA's per capita income was nearly the same as that of Namibia and Botswana.

Fears had been raised in economic circles that a democratic SA would swamp the region with its products and kill the local industry.

Mbuende said although SA had a high technological base, it was a high cost producer, making its products uncompetitive in the region. "If SA opens up, products from Zimbabwe, Zambia and Namibia can compete in that country."

☐ The SADC and the European Union have agreed after three years of talks on the terms of a Z$80m animal disease control project in five SADC countries.

The EU offered the funds in 1991, but withheld them when the SADC engaged a consultant whose methods of implementing the project were not acceptable to it.

"Late last year we agreed on the issue of including other animal diseases in the project and this cleared the way for the disbursement of the money which should be fairly soon," said Mbuende.

The funds would purchase disease control equipment and game fencing to control the movement of buffalo, an endemic carrier of foot and mouth disease. — Sapa.

Racial hotels have moved with times

By DAN SIMON (288) CT 29/3/94

A CITY publishing firm is at the centre of a row because the 1993/94 edition of its Guide to Hotels in Southern Africa lists several in the Western and Southern Cape as "whites only".

Some hotels that feature in this category are Niewoudtville Hotel in Niewoudtville, Porterville Hotel in Porterville and Gamtoos Ferry Hotel in Jeffreys Bay.

A Struik Publishers representative said yesterday the current hotel guide was compiled in 1992, when many hotels were apparently bent on retaining segregation.

Struik's travel and leisure publishing director, Ms Margy Hemp, said when questionnaires were sent to hotels in 1992, several responded that they only accepted white guests.

"The South Africa we know today is very different to the one we knew two to three years ago. The editor at the time thought it best to include these hotels with their preferences," she said.

But Porterville Hotel manager Mr Koos Vlok said the whites-only inference in the guide was "a mistake".

"We were segregated about four years ago but that has changed."

Niewoudtville Hotel owner Mr Hennie O'Kennedy said: "They did not get this from me. There is no colour in my hotel."

The manager of Gamtoos Ferry Hotel said: "Our hotel is for all. Feelings have changed for some time."

Ms Hemp said new questionnaires were being sent to all hotels and that racial preferences would not be published in future.

between police, marchers and unidentified gunmen.

Advance Umkhonto team to assemble soon

B1 Day 29/3/94

STEPHANE BOTHMA

PRETORIA — The first group of Umkhonto we Sizwe soldiers to prepare for integration into a new national defence force is expected to assemble at Wahlmansthal, north of Pretoria, before the end of the month.

The national defence force will replace the SADF after the election.

The advance team of soldiers would assemble at Wahlmansthal — an SADF base used for the storage of military vehicles — and start training and preparing for the arrival of Umkhonto members who would report at a later stage, the SADF said at the weekend.

The SADF confirmed that three possible assembly areas for Umkhonto soldiers were being investigated — Wahlmansthal, the Hoedspruit Air Force Base and a former SADF facility at Bourke's Luck in the eastern Transvaal.

"The final reporting dates (for Umkhonto soldiers) will be influenced by the period required for the final approval of the planning by their respective principals, the resolution of a number of remaining logistics aspects and the physical preparation which has to be completed to prepare facilities for this purpose," the SADF said.

The planning was being done by a specialist technical committee appointed by the Joint Military Co-ordinating Council, made up of senior representatives of the SADF and Umkhonto.

The planning was also subject to the approval of the council and ratification by the Transitional Executive Council's sub-council on defence. "Therefore it is not possible for us to give any details of numbers or anything else at this stage," an SADF spokesman said.

It is believed that there are about 20 600 Umkhonto we Sizwe soldiers in and outside SA, but it is not known how many of them will be accepted into SA's new defence force.

The technical committee would be paying special attention to security in the areas surrounding the possible assembly points, as well as ways to allay fears which might arise within communities in their vicinity, the SADF said.

Hotels furious at 'whites only' listings

B1 Day 29/3/94

Own Correspondent

CAPE TOWN — Several hotel owners and managers in the western and southern Cape are furious that their establishments are still listed "whites only" in the 1993/94 edition of The Guide to Hotels in Southern Africa, last updated in 1992.

They include the Hantam Hotel in Calvinia, Nieuwoudtville Hotel in Nieuwoudtville, Porterville Hotel in Porterville, Gamtoos Ferry Hotel in Jeffreys bay and Loeriesfontein Hotel in Loeriesfontein.

Struik Publishers said yesterday the guide had been compiled when many hotels were bent on retaining segregation.

Struik travel and leisure publishing director Margy Hemp said several hotel managements had responded to questionnaires sent in 1992 that they would only accept white guests.

"The SA we know today is very different to the one we knew two to three years ago. The editor at the time thought it best to include these hotels in the guide with their preferences.

"One must also remember that racism is alive and well in rural areas even though they deny it."

But Porterville Hotel manager Koos Vlok said the whites-only inference was "a mistake".

"We were segregated about four years ago, but that has changed. Last week I had an Indian woman and a black man staying here for the whole week."

Niewoudtville Hotel owner Hennie O'Kennedy said the guide was old.

Hemp said new questionnaires were being sent to all hotels and racial preferences would not in future be published. (288)

Zulus

From Page 1

Most of the casualties appear to have been Zulus who took the brunt of fire from police trying to keep order and what appeared to be snipers in office blocks.

Shortly before noon the drama moved to Library Gardens where snipers appeared to fire on thousands of marchers gathered there. At least five people were killed, some allegedly by police.

Witnesses said a policeman raked a group of Inkatha men sheltering behind a

There were also reports of about 10 Putco buses being hijacked from the company depot in Vosloorus on the East Rand.

Reacting to the day's events, Inkatha Transvaal secretary Themba Khoza said senior security force officials had phoned him on Sunday evening to warn that Umkhonto we Sizwe members would attempt to attack the march. However, it was too late to call off the march, which was in any event not an Inkatha gathering. The march

Hotel and shopping complex boost for Waterfront

ARG 2/4/94

(288)

WILLEM STEENKAMP, Weekend Argus Reporter

TWO new development projects, costing close on R500 million and creating thousands of jobs, are to start soon at the Waterfront, South Africa's premier tourist destination.

Giving Cape Town a major financial boost will be the construction of a R250 million, mega-sized, shopping centre and a five-star hotel.

These developments follow hard on the heels of the announcement by the Waterfront last week, first reported in Weekend Argus, that it was to go ahead with the R32 million Two Oceans Aquarium.

Work also has started in the Waterfront on a R35 million regional office for car manufacturer BMW.

Waterfront development manager Piet van Zyl said work on the new retail centre and hotel was to start next month and the complex was expected to be completed by the end of September next year.

Mr Van Zyl said it was conservatively estimated that more than 1 500 jobs would be created in the new hotel and shopping complex. During the construction period of the development, a further 1 000 jobs would be sustained.

The anouncement of the new R250 million project brings the total capital expenditure on new projects over the next two years to close on half a billion rand.

This includes the cost of the new small boat harbour in the tank farm, the residential marina next door and the work on extending the breakwater on the Granger Bay side of the Waterfront.

Mr Van Zyl said the new shopping complex — which will be next to the Victoria Wharf with the five-star hotel fronting on Quay 6 — would include two, possibly three, major national retail giants. And although Mr Van Zyl was not prepared to disclose who they were, it was reliably learnt that Woolworths and Stuttafords were involved in talks with the Waterfront.

■ In another first for Cape Town and South Africa, the Waterfront also is to get a 300-seat 3-D theatre with a screen five times the size of a normal cinema screen. The theatre should be completed by December this year.

temporarily closed.

Hoteliers outraged as IEC cancel reservations

ARG 2/4/94 (288)

MANDY JEAN WOODS
Weekend Argus Reporter

HOTELIERS were outraged this week when block bookings for the all of April made by the Independent Electoral Commission were cancelled without notice.

Some hoteliers have said they would take legal action against the IEC if necessary to recoup losses which could run into millions.

Many small country hotels had booked out all their rooms to the IEC and now, when they would normally be bursting at the seams with Easter weekend and Transvaal school holidaymakers, they are standing virtually empty, with little chance at this late stage of filling their rooms.

In addition, many hoteliers have spent money on stocking up on food and liquor, buying extra linen and towels and employing casual staff to cope with a sold-out situation.

According to Rennies Travel operations director Rupert Lawler, more than 27 private hoteliers and some of the leading hotel chains are affected. Rennies Travel made the bookings at the request of the IEC's travel and transport co-ordinator Annmarie Kelly in mid-March.

Mr Lawler said: "We booked hotel rooms in many towns across the country from April 1 to April 30th as requested. On Thursday this week, we received a call from the IEC to cancel the bookings."

Mr Lawler, who is also the current chairman of the Association of Travel Agents of SA said the impact on the industry would run into "many millions of rands. Many hotels could have done very well in April with the election and the holidays. This incident will have significant ramifications for the industry."

One of the worst-affected hotels is the Shangri-La Country Inn in Nylstroom. According to owner Johan Jansen van Vuuren, a fax from the IEC sent via Rennies Travel confirming reservation of all his hotel's 30 rooms for the month of April was received on March 18th. On Thursday the IEC cancelled the booking.

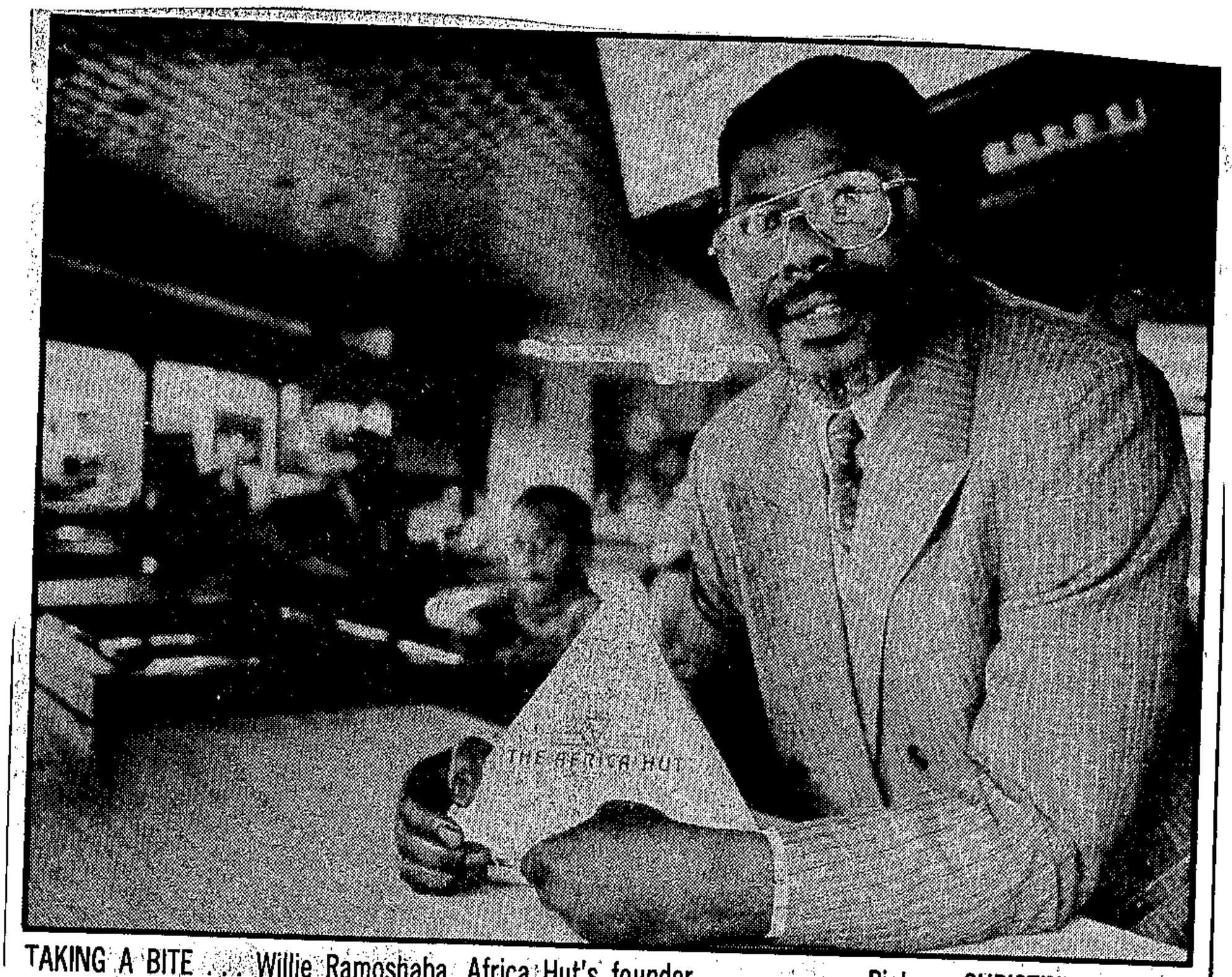
He said he had spent in excess of R100 000 stocking up on food and liquor and buying extra linen for the IEC guests and cancelled all leave for his staff. "I've lost around R420 000 in turnover — that's just the cost of the rooms alone, let alone other expenses. I have sent through a claim for R420 000 for the cancellation and will take legal action if they refuse to pay."

Robert Wilkie, owner of the 80-bedroom Drum Rock hotel in Nelspruit, also said the cancellation came out of the blue. "I have spent R80 000 stocking up and R20 000 on buying extra beds and linen. There is no way the IEC can cancel a block booking like this a day before and not pay."

Mr Wilkie said the total bill for accommodation would have come to R337 000 for the month. He said he would also resort to legal action if the IEC refused to pay.

IEC media spokesman Ghadija Vallie said the hotel accommodaion cancellations followed a decision by the IEC to decentralise the deployment of IEC personnel. "The IEC is confident the action will not be the cause of a reduction in occupancy rates. Our information is that between 10 000 and 15 000 foreign observers, in addition to at least 250 parliamentarians, will be coming to the country for the elections."

She said she could not comment on whether or not hoteliers who had suffered losses as a result of the cancellations would be reimbursed because "we first have to speak to our legal adviscr Paul Fouche and we have not been able to reach him yet".



TAKING A BITE . . . Willie Ramoshaba, Africa Hut's founder Picture: CHRISTINE NESBITT

The Hut dishes up dignity

S Times C Buss

By ZILLA EFRAT

A NEW franchise chain is making inroads into a business often run from greasy eating houses. 3/4/94

The Africa Hut claims to serve traditional African food with "dignity".

Added to basics such as pap, samp and rice, are skop (sheep's head), morogo (a vegetable) and ting (sour porridge).

Pap and steak sells for R4,95 and a meal of pap, vegetables and malamogodu (tripe cooked the traditional way) for R5,95. This can be washed down with a glass of amasi or mageu.

Africa Hut founder and chairman Willie Ramoshaba expects up to 15 outlets to be running by the end of the year.

A test shop at Dunswart station, Germiston, and a franchise in Hillbrow, Johannesburg, are trading successfully. A shop will open in the Smal Street Mall, Johannesburg, this month and another in Randburg in May.

A franchise has been secured for the Shell Ultra City, Ladysmith, and if successful, it will be replicated at other Ultras.

Mr Ramoshaba describes The Africa Hut "as a meaningful partnership between Africans and Boers". The venture is run by a black consortium, which includes himself, and five directors of the fast-food chain Bimbo's.

Bimbo's offers expertise in running franchise operations and the black partners bring knowledge of the black market.

The Africa Hut's customers appear to be broadly based. The Hillbrow outlet's are mostly black workers, but there are many white students and tourists, says Bimbo's André Botha.

The decor of outlets is based on tribal themes and the logo is similar to that of an Ndbele hut. (288)

The shops are open 24 hours a day and make home deliveries. Catering contracts for African theme functions are filtering in.

Mr Ramoshaba says he started developing The Africa Hut concept about two years ago. He spoke to large franchisors, but got nowhere.

Last August, he approached Mr Botha, whose immediate response was "this is the way forward". Two months later the test shop opened in Germiston.

Mr Ramoshaba says: "The chain brings respectability to traditional African food, a switch from the second-rate way it is currently served. It also makes the food available to more people and preserves tradition and culture."

SA's traditional tourists stay away

288

The Argus Correspondent

DURBAN. — Many tourists from South Africa's traditional markets, Israel, the Netherlands and Britain, are giving this country a big miss because they consider it unsafe here. ARG 5/5/94

The South African Tourism Board said unfavourable media reports and negative feedback from friends and family inside the country had contributed to the decrease in tourist traffic from these countries.

Last year's arrival figures from Britain show tourism increased by a mere 0,8 percent to 148 868. Tourism from the Netherlands decreased by 4,1 percent to 19 578 and from Israel by 15,3 percent to 9 529.

According to a survey conducted at Jan Smuts Airport, departing foreign visitors said they were largely satisfied with their visits, but they continued to note declining standards in personal safety.

While visitors from Europe have stayed away, tourists from Africa have scored a record of 2 462 277. The majority of them came from Lesotho, Swaziland, Zimbabwe, Botswana and Namibia.

Nick Stathakis, Satour's director for Africa, said many people were taking advantage of new airlinks with African states to spend their holidays in South Africa.

"Their spending patterns are comparable to those from overseas markets, as they are encouraged to look south for shopping, medical attention and study opportunities. Nineteen African airlines now fly to South Africa on a regular basis," he said.

Top hotelier warns political violence is killing tourism

(288)
ARG 13/4/94

□ Bookings cancelled after Reef gun battle

BRUCE CAMERON
Business Editor

THE hotel industry is facing a crisis, with many hotels likely to close if the current high levels of violence and political instability continue.

Protea Hotels managing director Arthur Gillis issued the warning yesterday.

Mr Gillis said the shootings in Johannesburg last week resulted in immediate and widespread cancellations.

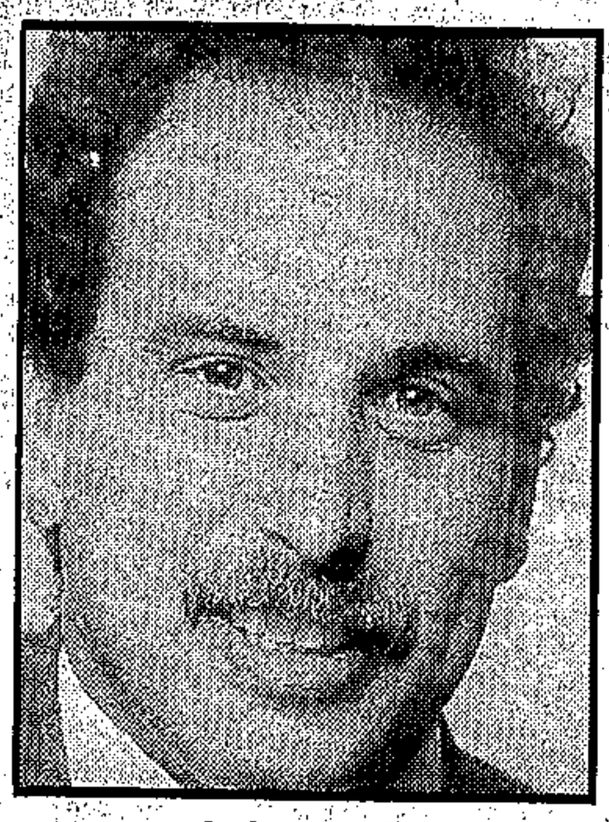
"Billions of people around the world were terrified by the scenes they saw on their television sets last week.

"There were cancellations from the very next day."

He said the violence could have long-term effects.

Even though Beruit in Lebanon was now relatively peaceful, "Would you want to spend a holiday there?"

He warned that the violence could also have a negative affect on next year's planned



Arthur Gillis

Rugby World Cup and the bid for the 2004 Olympic Games, which would in normal circumstances be a bonanza for the hotel industry.

He pointed out that the recent surge in violence had already resulted in Australia's Queensland rugby team backing out of the Top Sport Super Ten Rugby competition.

Mr Gillis said it was not only the hotel industry that would be hard hit.

Suppliers of goods and services to hotels and associated tourist industries would also be severely affected.

He said it was imperative that politicians realised what was at stake.

Mr Gillis said that if hotels paid taxes based on occupancy rates, politicians might realise the full effects of the violence.

"I am quite prepared to pay double the tax I'm paying now if we have 80 percent-plus occupancy rates, but if they drop below 40 percent then we should only pay half the tax we pay now."

Mr Gillis said as soon as a new government was elected, a conference should be called under the auspices of the new minister of tourism to deal with the problems facing the industry.

One of the major issues would be to break the cycle of violence.

COMPANIES

Hotels fare badly despite elections

AMANDA VERMEULEN

DESPITE expectations of good hotel room occupancy rates during the elections, the major hotel groups have reported dismal bookings for April.

Hopes of full hotels resulting from the influx of thousands of foreign observers and media people to witness the elections have been dashed with Southern Sun, Protea Hotels and City Lodge all experiencing worse bookings and occupancy rates than this time last year.

Southern Sun national sales manager Neil Fraser said April bookings had not matched expectations. "We thought all the hotels would register good room occupancy rates with all the foreigners in the country. Instead, it looks as if April will be poor compared with last year."

Protea Hotels MD Arthur Gillis said the 70 hotels in the Protea chain were also experiencing low occupancy rates.

City Lodge chairman Hans Enderle said the company was forecasting room occupancies well below those of April last year.

Many of the hotel groups believed foreigners in the country for the elections had made alternative arrangements, renting private accommodation.

'New hotels needed to cope with tourist flood'

THEO RAWANA

THE SA hotel industry would find it almost impossible to cope with the expected flood of tourists if it did not build new hotels now, a tourism expert said in Johannesburg yesterday.

Gelano Caras, CE of hotel, catering and tourism consultants Kessel Feinstein Consulting, said the hotel industry was currently trading at 50% of capacity and had had 10 years of bad trading.

And hoteliers, badly hit by the wave of violence and the state of political uncertainty, were filled with gloom and did not feel that there was a need for "over-development", he said in an interview.

Caras said hotels needed only to trade at an average 70% to break even.

"It needs only 18 months of moderate growth to have the hotels trading at full occupancy," he added.

"We have had a bad fall-off in hotel occupancy, but we are operating from a small base. All we need is a moderate sustained growth and we will break even."

Failure to build new hotels would cause scarcity of hotel space and would have the effect of pushing up tariffs.

"This will in turn lead to the local hotel industry pricing itself out of the market," Caras added.

"Had we had normal growth in the past few years, we would not be able to accommodate tourists with the number of hotels we have now," said Caras.

"We need to build hotels now in anticipation of the tourism flood," he added.

New tourism board for Western Cape

Staff Reporter

A NEW tourist group — the Western Cape Tourism Board — has been launched to try to unite "a fragmented industry".

At a press conference yesterday an executive committee member, Mr Don Ball, said all Western Cape regions, communities and interest groups would have representation on the new board.

"The challenge is to create a tourism culture in the Western Cape where every individual in this area is aware of the benefits of tourism," Mr Ball said.

The chairman of the board's executive committee, Admiral Martin Kramer, said the board's aims include: (288) CT 23/4/94

● Developing greater understanding and appreciation of the region's tourism resources.

● Using tourism to improve regional employment.

● Developing greater integration and redistribution of tourism resources and income.

● Ensuring overall integrated and systematic development actions.

● Promoting sustainable conservation of appropriate areas.

● Encouraging tourist interests in regional cultural patterns, arts, crafts, religious beliefs and architecture.

● Ensuring optimum utilisation of existing infrastructure and encouraging improvement.

● Assessing the needs of the various tourist market segments.

● Ensuring the improvement of service standards.

● Marketing the Western Cape in accordance with an agreed integrated and regularly updated plan.

Wild Coast awaits tourist boom

GREG KNOWLER
Weekend Argus Correspondent

■ Port St Johns on the Transkei's Wild Coast is preparing for the "second coming" following the slump in tourism caused by attacks on visitors.

288 ~~102~~ ARG 23/4/94

PORT ST JOHNS. — Brutal attacks on travellers in Transkei — and last month's shoot-out involving the army, African National Congress and the Pan Africanist Congress members here — have made the homeland a place to avoid.

But, several resort owners around the dilapidated town are fighting to lure back tourists and have spent huge sums of money to upgrade their facilities.

They believe that if the ANC wins the election, tourism is almost certain to increase — and if South Africa plunges into civil war, the Transkei will become a safe haven.

Second Beach Holiday Resort manager Ray Hoy said tourism in the once world famous resort died with SACP leader Chris Hani, who was assassinated in April last year.

"When Hani was shot tourism here went to hell," Hoy said, recalling the surge of cancellations by people from all over South Africa.

Mr Hoy has no time for the pre-election hysteria sweeping the country.

"The tense situation is having a direct influence on tourism here. I am getting sick and tired of hearing 'wait and see what happens after April 27'.

"That's all a load of nonsense, man, it's just another election where the white man will be liberated as well as the black."

Town treasurer Barry Gray was not so optimistic.

"The recent killings here are the problem. These ANC and PAC guys have AK-47s like you and I have watches," he said.

"We are trying to keep the army and police around so people feel safe, but it is really as safe here as it is anywhere around South Africa."

The Cape Hermes Hotel is still standing, but bears little resemblance to the halcyon days when Port St Johns was a favourite destination.

Most of the furniture has been cleared out and there is nessman Abie Cilliers bludgeoned to death at near Tsolo; and, most recently,

■ on April 9, a schoolboy, Mark Pizey, stabbed to death at Lwandile beach.

Last week the homeland's flag was lowered and the Transkei once again became part of South Africa.

A few whites still living in the small Wild Coast town no food or hot water.

Several rooms have been rented out and one bar is operating, but it is lucky to get five patrons a day.

The municipality is battling to survive.

Some serious attacks in Transkei in the past year include:

■ April 1, 1993: A Natal Newspapers van delivering papers in Qumbu attacked by gunmen. No injuries;

■ April 13, 1993: Brothers Alistar and Glenn Weakley shot dead near Port St Johns while returning from a fishing trip;

■ April 14, 1993: Two German tourists injured after being attacked by a mob of 200 at Mount Ayliff;

■ May 10: Free State businessmen wanted the lawless situation addressed and felt the reincorporation would see the SA Police and SADF taking control.

Several whites in Port St Johns said they were on first name terms with many of the black residents.

"There are so few of us here anyway, but all you have to do is get to know the local Xhosas. They are great people," resort owner Mr Hoy said.

Barkeeper at the dilapidated Cape Hermes Hotel, Zelphe Nontanda, said becoming a South African again did not make much difference to her.

"Down here we are so far from everywhere, and no-one cares about things like that. There is not much violence in Port St Johns — not like in Durban that we see on the TV," she said.

"Oh, I am scared to go there . . ."

Most residents of Port St Johns are members of the ANC and not the PAC like many people believe.

The relatively low level of violence in the homeland can probably be attributed to this lack of rivalry.

(By Greg Knowler, 18 Osborne Street, Durban.)

Shellfish tug-of-war in Transkei

Weekend Argus Correspondent

DURBAN. — Shellfish on the Transkei's Wild Coast are being plundered by unemployed who are desperate for some kind of income.

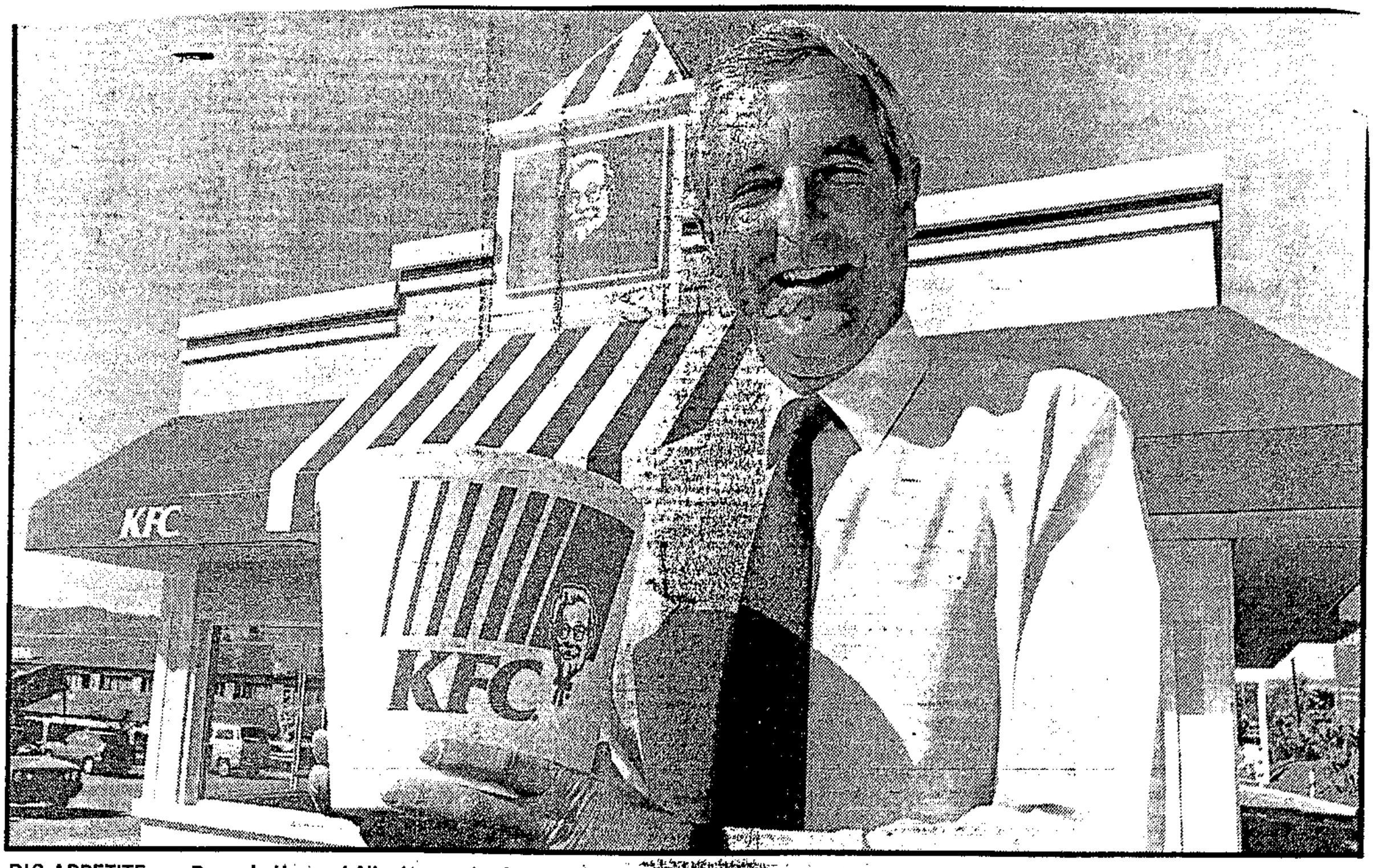
Undersized crayfish and tiny oysters are collected in their thousand and resort owners have banded together to try to stop them being wiped out.

Youngsters selling undersized crayfish are increasingly being turned away from resorts where in the past they were almost guaranteed a sale as chefs catered for the limitless demand.

This, combined with almost zero tourism, is removing the easy source of income for locals. Town treasurer Barry Gray said the shellfish along the Wild Coast was "incredible". A crayfish costs R1 and some have tails 20cm long. There is an abundance of oysters and mussels," he said.

"There is such a high rate of unemployment around here that people will do anything to make a few rands."

Bags of 36 oysters selling for R3,50 would cost at least R60 in a restaurant.



BIG APPETITE . . . Devco's Howard Allenberg, who foresees further growth for Kentucky Fried Chicken's outlets in SA

Franchiser to spread its wings

ST Times (Buss)

By DON ROBERTSON

KENTUCKY Fried Chicken International (KFC) is poised to buy back its 277 outlets in South Africa.

When the US group disinvested from SA in 1988, it left 165 franchise outlets, 56 owned directly. The total franchise operation was taken over by five businessmen who established Devco to oversee the business.

KFC is a subsidiary of PepsiCo, which intends to resume its bottling business in SA.

Devco marketing director Howard Allenberg says: "I am confident they will return in the next few months.

"There is a 'window' in their contract with a time frame which allows them to buy back into SA.

"The next opening in terms of the contract is in July.

"Last year, Bob Bothwell, president of KFC in Australia, New Zealand and South Africa, said it was the intention to return to SA. 24/4/94

"Although they operate independently, KFC tends to track PepsiCo.

"It is likely that KFC will buy out Devco and the store base and then build on that.

"On a recent visit to SA, KFC president John Cranor said there was sufficient potential to accommodate about 600 outlets." (92)288

In the two years after the US group quit SA in 1988, Devco played only a "functional role". In 1990 it was given the go ahead to develop the chain.

In the following two years 75 stores were opened, more than in the previous eight. Some were in Botswana, Namibia, Mauritius, Swaziland, Lesotho and Zimbabwe.

The SA operation is now the fourth largest outside the US after Japan, Australia and Canada.

Devco plans another 25 outlets this year at a cost of about R20-million. But Mr Allenberg says Devco does not have sufficient funds to develop the chain to its fullest.

KFC's return will come at a time when the SA arm is making record profits. In the week over Easter, KFC had a record turnover of R11-million.

Turnover was R480-million last year.

KFC serves about 750 000 customers a week in SA and they eat about 300 000 chickens.

The company is introducing a barbeque-type product prepared in a convection oven. Since its introduction in Australia, it has captured about 35% of the market. KFC hopes it will help to counter competition from Nando's Chicken.

New rules ahead for Sun International

B1 Day. 3/5/94

MARCIA KLEIN

THE effect that reincorporation of the homelands would have on Sun International was unclear, but the resorts and casino group would be faced with an additional tax hurdle, sources said yesterday.

Analysts said Sun International — which has operations in the former Bophuthatswana, Transkei and Ciskei — could be hit by increased competition from other casino operations if licensing agreements were changed, taxation on reincorporation was changed, and a new government increased gaming levies.

Group MD Peter Bacon said casino licences granted by the independent states would continue afer reincorporation, as long as the casinos were legally established and registered.

Analysts said Sun International would not be affected by competitors in the shorter term, but there would be an increase in competition in the medium term.

Sun International did not know what stance a new government would take. It could adopt the viewpoint of the independent states — that there should be tax allowances relating to building up the tourism infrastructure in the area.

One analyst said Sun International had completed its major developments — spending more than R1bn on the Lost City and the Carousel — so most of the benefits had been pocketed.

Any change in taxation could affect new development, but Sun International would gain significant benefits from the huge developments already completed, and it had a head start in terms of the assets which were already standing and generating income (288)

Analysts said a new government would be looking for ways to obtain more revenue, especially from companies which had benefited in the past from the homeland system. This could result in an increase in gaming levies.

The new government would not only receive tax and levies, but would also be a partner as it would inherit the shareholding of the Bophuthatswana National Development Corporation.

Bacon said an increase in gaming levies would be unfortunate because the casinos already paid tax on revenues as well as other taxes.

An analyst said the gaming levy at the Bophuthatswana resorts was already 15%, which was high, and this went to the regional government. In some regions, gaming was a major generator of revenues. Levies were good only as long as the company was trading well.

UK tourists expected to flood back to SA

LINDA ENSOR

LONDON — The flow of UK tourists to SA is expected to accelerate sharply in the post-election period with annual figures forecast to show a rise of 4%-8% over last year.

And in 1995 the rise is expected to be as high as 15%. A flood of inquiries has been received by the London office of the SA Tourism Board following the smooth conduct of the elections — a reversal of the negative sentiment which prevailed previously.

Fears of violence resulted in the number of British tourists to SA falling off by 8% in January compared with January 1993. For Europe as a whole, the decline in January was 3,5%.

SA Tourism Board's manager for the UK, Ireland, Scandanavia and Finland, Russel Barlow Jones said the violence in the runup to the elections had had a "devastating" effect.

To promote interest the board has launched an "Explore SA 1995" campaign which will link SA as a tourist destination with events such as the Rugby World Cup.

Last year 148 868 Britons visited SA, 0,8% up on the 1992 figure. A growth of 12 to 15% of all tourists to SA has been forecast by the SA Tourism Board.

"Investment in the tourism industry indicates the continuing importance tourism has on the country's economy," Barlow Jones said.

Spur makes much of a little

S1 Times (Buss) 15/5/94

By CIARAN RYAN

THE key to the success of Spur Steak Ranches lies in as much turnover from as few assets as possible.

The result is an operating margin of 50%, making it one of the most profitable companies on the JSE. Last year it was ranked fourth in Business Times Top 100 Companies with an average annual return of 270,65% over five years.

Because it is a franchise operation, there are few fixed assets and virtually no capital expenditure, resulting in a 70% return on shareholders' funds.

The latest results show 23% growth in turnover and 39% in earnings a share.

Chairman Allen Ambor says the year to February 1994 was marked by "a lousy last nine months".

Menu prices have not risen for 18 months because Spur squeezed its profit margins. (288)

Spur opened 27 outlets last year, bringing the total to 161. It plans 18 in the current year, five of which will be Panarotti Pizza Pasta restaurants. The benefits will be felt nine to 18 months hence. The Hard Rock Cafe in Illovo, Johannesburg, is being revamped and a shop will be opened in the Victoria & Alfred Waterfront.

The group comprises 140 Spurs, six Hard Rock Cafes and 15 Panarottis.

The group has fixed assets of R3,3-million and a head-office staff of 42, generating turnover of R35,1-million. The tax bill was 25% higher at R7,97-million last year, leaving attributable income of R9,6-million. Trademarks and franchise contracts are valued at R7,8-million and current assets at R13,6-million. The final dividend was 24,5c (19,5c).

Spur Holdings, which has 64% of Spur Steak Ranches, reported 36% growth in taxed income to R9,7-million (R7,1-million). Turnover was 21% higher at R35,3-million and earnings a share leapt 35% to 39,93c (29,67c). Dividends were 21% higher at 28,5c (23,5c).

Spur Steak Ranches traded at 1 300c this week.

Spur grills up strong growth

BDay 16/5/94

EDWARD WEST

CAPE TOWN — Spur Steak Ranches continued showing strong profit growth in the year to February, lifting attributable earnings 39% to R9,6m on the back of a 23% increase in turnover to R35,1m (R28,6m).

The dividend for the year was lifted 32% to 41c (31c) after a final dividend of 24,5c (19,5c) was declared.

Chairman Allen Ambor said the results were pleasing given generally poor trading conditions and the year falling in an 18-month period in which menu prices did not change.

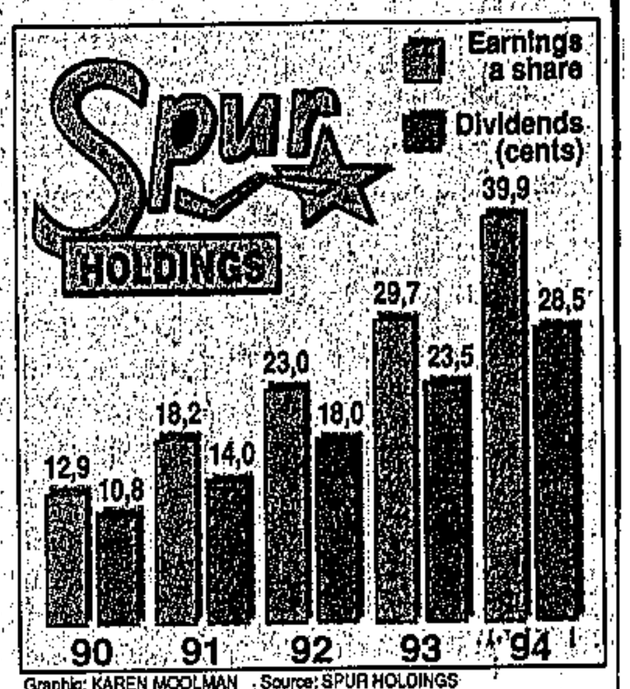
He said the group had come under pressure from suppliers to increase prices, but had chosen to squeeze its own margins rather than pass on price increases to consumers.

Notwithstanding the squeeze on margins, the operating margin climbed to 50,5% in the year from 46,5% last year. Earnings a share rose to 60,6c (43,68c).

Ambor said much of the group's growth stemmed from courting various market segments in highly focused marketing campaigns, spreading the customer base.

"Although the overall level of promotional activity has intensified, our marketing aimed at children, for example, has paid off with an increase in Spur's share of the family market," he said.

The number of outlets grew to 161 after 27 were opened in the year — one every two weeks. Diversification into the pizza and pasta business continued showing growth, and 15 Pan-



Graphic: KAREN MOOLMAN . Source: SPUR HOLDINGS

arotti's Pizza Pasta outlets had been opened in the first three years of franchising. (288)

Ambor said the franchising required low fixed asset capital expenditure, enabling Spur to achieve a 70% return on current shareholders' funds.

Management was confident of successfully trading in the new SA and had mapped out plans for well into the future, he said.

Spur Holdings, with its 64% holding in Spur Steak Ranches, lifted taxed income 36% to R9,7m (R7,2m). Turnover reached R35,4m, 21% up on last year's R29,2m. Earnings a share climbed 35% to 39,93c (29,67c) a share.

The full dividend rose 21% to 28,50c (23,50c) after a final dividend of 17c was declared.

Spur Steak Ranches gained 25c on the JSE to fix at 825c on Friday, just below the year high it hit in January. Spur Holdings notched up 50c to 1 400c, against the 1 450c year high struck in December.

EXECUTIVE SUITE

No stopping profit rise at Spur Steak Ranches

■ BY MARC HASENFUSS

Cape Town — Spur Steak Ranches has dished up another set of rare profit figures, reporting attributable earnings up 39 percent to R9,6 million in the year to February.

Chairman Allen Ambor attributes the strong showing to Spur's successful recipe of courting various market segments to spread the customer base.

He is particularly pleased because the year under review fell within an 18-month period when menu prices remained unchanged.

Spur has come under pressure from suppliers to increase prices, but has chosen to trim margins rather than pass price hikes on to consumers.

Margins, however, were still meaty — with operating profit coming in 33 percent higher at R17,6 million from a 23 percent jump in sales to R35 million.

The low-cost franchise nature of Spur's business enabled the group to show a 70 percent return on shareholders' funds, a ratio that more than justifies Spur's current share price premium.

Spur stayed on the expansion trail, opening an outlet every two weeks in the review period.

The 27 new outlets bring the total number countrywide to 161.

Diversification into the pizza and pasta business continued. In the first three years of franchising, 15 Panzarotti's Pizza Pasta outlets were opened.

Additions to the current menu will surely find favour with shareholders, who were served with a juicy 41c a share dividend — 32 percent more than last year.

Spur Holdings reported an equally sizzling 35 percent increase in attributable income to R6,3 million for the year.

The dividend payout has been pushed up proportionately to 28,5c a share.

Big Mac ready to fry in SA

ST Times (Bus)

By DON ROBERTSON

HAMBURGER chain McDonald's is due to announce "within weeks" its plan to enter South Africa's fast-food market, say attorneys for the group.

McDonald's entry has been anticipated by Irvin & Johnson, which has built a chip-processing plant at Delmas, about 70km from Johannesburg, which meets McDonald's strict standards.

I&J marketing director Roy Gordon says the R47-million investment means the plant is "McDonald's-compatible".

"When we were working on a plant design 18 months ago, we consulted McDonald's technical staff as well as a company in the Netherlands which builds chip plants for it. Our plant is probably the most modern in the world."

The plant cuts, par-fries, freezes and packs chips for a variety of customers, including Kentucky Fried Chicken. Production can be increased (288)

McDonald's paved the way for its SA entry last September when it won a dispute with Chicken Licken franchise owner George Sombonos, who had registered names used by McDonald's.

In March, two executives from McDonald's visited SA. Senior vice-president Jim Skinner said: "We are here to look around and talk to business and social leaders."

More visit but SA's world share still small

(288)

JOHN VILJOEN
Staff Reporter

ARG 18/5/94

FOREIGN tourists spent more than R7 billion on travel to South Africa last year.

A Satour report on international travel to South Africa showed a 10,5 percent rise in visitors last year to more than 618 000, with spending up an average five percent.

But South Africa's share of world travel remained low, at less than a third of one percent.

Asian tourists increased by a third, but Europe — especially the United Kingdom and Germany — provided the highest number of visitors.

Tourists spent an average of 4,6 days in Cape Town, compared with 5,1 days in Johannesburg and 2,3 in Durban.

South African service appeared to be improving.

Although levels of satisfaction were still low — fewer than two-thirds found service good — the trend was "moving in the right direction".

Tourists said they were attracted to South Africa by its scenery, wildlife and climate.

Safety remained a major worry for tourists and surveys of attitudes showed no improvement. Just 30 percent found personal safety "good", and 34 percent found it "below average".

Three-quarters of foreign hotel guests were impressed with South African hotels.

National parks were better liked than any other form of accommodation, but 14 percent of visitors were "less than satisfied" with their stays.

Steakhouse killing — two jailed for 25 years

Arg. 26/5/94

288

PATRICK FARRELL, Supreme Court Reporter

TWO former Spur steakhouse grillers have been jailed for 25 years for the murder of their boss — allegedly on the orders of his business partner.

Mrs Justice Traverso today sentenced Mbulelo Peter, 29, and Fezile Baka, 26, to 25 years' imprisonment for murdering Geoffrey Lomax at the Rocky Mountain Spur in Tokai last September.

She also sentenced them to 10 years' imprisonment for robbing Mr Lomax but the sentences are to run concurrently.

The judge said the two men must have been influenced by Mr Lomax's business partner Geoff Wolhuter who allegedly offered them R5 000 each to murder Mr Lomax.

She said both Peter and Baka had clean records and had lived "structured" lives and neither took an active part in the murder.

However, she said they had fully associated themselves with the murder and planned it over a few months.

Neither was in dire financial straits and committed the crime solely for financial gain.

Both had co-operated fully with the police and had pleaded guilty and had indicated they would be State witnesses for any charges brought against Mr Wolhuter.

She said they had shown remorse but it came after the crime, and she wondered if they would have shown remorse if they had not been arrested.

Mike Stowe appeared for the State. Karien Roux appeared for Peter and J Louwrens appeared for Baka.

Contracts row: Doctors urged to reject cards from Medihelp

288 ARG 27/5/94

SHARON SOROUR, Staff Reporter

DOCTORS are being urged to reject Medihelp cards — except in life-threatening emergencies — after the medical aid scheme's "high-handed" decision to force practioners to sign contracts if they want to be paid.

More than half a million patients throughout the country will be affected.

The Medical Association of South Africa and the Cape Independent Practioners' Association have attacked the decision and have advised doctors to reject the cards and insist that patients pay cash for consultations unless Medihelp publicly withdraws the envisaged contract.

Masa Western Cape vice-chairman and Cipa chairman Tony Behrman said Medihelp was the only medical aid in the country which had imposed a contract on doctors, thereby breaching the spirit of an agreement signed by the Representative Association of Medical Aid Schemes.

This followed the deregulating of Rams on January 1.

"It is no longer a statutory body to which all medical aids are obliged to belong, and the move unfortunately paved the way for maverick individual medical aid societies, like Medihelp, to unilaterally impose regulations on practitioners, thereby rekindling the kragdadigheid of the old South Africa."

Dr Behrman said the move would cause "tremendous" problems and affect 1 250 Western Cape practioners and 600 000 patients throughout the country.

By signing the contract, doctors would be obliged to ask patients to pay R12 in cash at every consultation and relinquish their right to reclaim the R39 consultation back from the patient if, for any reason, the payment was rejected by Medihelp.

"Masa has tried to negotiate with Medihelp, explaining that it is the only medical aid scheme of 186 in the country which has deemed it necessary to impose a contract on doctors. Cipa regards Medihelp as an outmoded organisation, and even their own association (Rams) considers it to be a rogue force in the industry."

The issue had to be judged against the background of cost containment.

"Every doctor in the independent practitioners' association is already attempting to contain costs and is trying to work in close collaboration with medical aid societies to reduce medical bills. Cipa has already far advanced negotiations with various medical aids on cost containment."

Medihelp was undermining the co-operative attitude between doctors and medical aids.

"Consequently, Cipa has aligned itself with Masa in advising its members to reject Medihelp cards except in life-threatening emergencies, insisting instead that patients pay cash at the point of consultation, unless Medihelp reverses its high-handed attitude."

Medihelp is a government medical aid for public servants, including prisons service employees and those in the police force. It could not be reached for comment.

Eastern Cape forms single tourism body

JACQUIE GOLDING BIDay

A SINGLE tourism body will replace the three statutory tourism boards in the Eastern Cape before the end of the year, the region's tourism steering committee chairman Blacky Komani said recently. 2/6/94

Komani said a request for funds to finance the restructuring would be put to government.

The three bodies currently governing tourism in the region — the Ciskei, Transkei and SA tourism boards — would be consolidated into one Eastern Cape tourism body with members "directly involved in tourism promotion and development", he said.

Eastern Cape Economic Affairs and Tourism Minister Smuts Ngonyama said there had been consenus on the merger at a meeting of the three boards last week.

The region was currently a "forgotten province", excluded from SA's promotional video which focused on "popular destinations", Ngonyama said. (288)

He said the region had enormous potential as a premier tourist destination. "But this will require repositioning and aggressive marketing in order to overcome negative perceptions."

Infrastructure in parts of the region was poor and service levels would have to be improved, he said.

Transkei would require "diligent attention and discipline" to deal with the poor image it had in the wake of violent incidents involving tourists last year.

A strong publicity campaign needed to be implemented to sell the region as one of the most peaceful and stable in the country and the community needed to be made environmentally conscious, he said.

"This would be encouraged when communities start to share in the tourism rewards," he said.

The single tourist authority would not be allowed to become a bureaucracy stifling initiative from any other tourist bodies but would formulate strategies with publicity associations and other non-statutory tourism bodies to uplift the area and attract tourists.

Eastern Cape Housing and Local Government Minister and ANC head of department for economic planning Max Mamase said the Eastern Cape faced strong competition from other provinces and therefore needed to develop strategies to "create its own market potential".

This would underline the Eastern Cape's unspoilt coastline and cultural diversity as well as its ideal year-round climate, said Mamase.

Details of the region's tourism restructuring will be finalised this month.

Visitors happier about touring SA

THEO RAWANA

OVERSEAS visitors' perceptions of SA as a holiday destination had improved considerably over the past year, a survey by the SA Tourism Board (Satour) has found. B'Day 30/5/94

Perceptions of personal safety in SA had shown dramatic improvement, with a "good" rating of 40,2% in February compared to 30% last August.

"While friendliness was rated 'good' by 73,5% and helpfulness by 68,2% of departing visitors in August last year, ratings improved in February this year to 80,8% and 74,1% respectively," Satour said. (288)

Of all the respondents involved in the survey, 82,4% indicated that they had found their visit "very enjoyable" or "enjoyable", and that they would recommend visiting SA to their friends or relatives at home.

International visitors spent an average of R3 500 in SA, excluding fares. Of this, 36% went on accommodation, 15% on meals outside places stayed, 16% on transport, 11% on entertainment and 22% on other expenditures.

For the first time in years, Cape Town (29 days) beat Johannesburg (26 days) as the most frequented destination, Satour said.

'SA can be No 1 in eco-tourism'

Star 7/6/94

■ BY ANITA ALLEN
SCIENCE WRITER

A high-powered initiative aimed at ensuring that the southern African region becomes the focal point of the global eco-tourism industry was officially launched in the Addo Elephant National Park at the weekend.

The Open Africa Initiative (OAI) is the brainchild of director Noel de Villiers, who started the Avis motor hire company.

Respected

Its board of founding trustees boasts some of the country's most respected names in the environment field.

They are National Parks Board president Naas Steenkamp and chief executive Dr Robbie Robinson, Natal Parks Board chief executive Dr George Hughes, political figures Dr Van Zyl Slabbert and Dr Enos Mabuza, SA Tourism Board chief director Ernie Heath, Sowetan editor Aggrey Klaaste, Dennis Moss, Errol Martin and Geoffrey Lipman.

The OAI seeks to establish an independent, non-profit voluntary association of individuals and organisations.

This will be made up of chapters of OAI membership, who will establish branches, elect a chairman, and participate in extending the OAI vision and objectives at the local level.

The network of members will be headed by the founding board of trustees, which upholds the integrity, stature and expertise of the association. Honorary trustees will be appointed from the ranks of the tourism industry and environment professionals.

Many other experts in related fields will be involved, to create a network of professionals, ranging from scientists, conservationists and environmentalists to architects, engineers, designers, writers and artists.

The OAI seeks to connect the minds and expertise of a great variety of people all linked by the same single-minded objective: to make southern Africa the world's major eco-destination.

"We have what the world wants," De Villiers says. "We have the open spaces and the pristine areas. What we don't have is the finance, but tourists have the currency we need."



De Villiers . . . ambitious plan.

He would like all South Africans to think tourism and to direct their conduct towards ensuring that southern Africa increases its share of the global tourism market.

The OAI dream envisages a series of unparalleled wildlife, scenic and cultural attractions stretching from Kenya, through Zimbabwe, to the Kruger Park, Natal, the Garden Route and Cape Town, and then up through Namibia.

"Today tourism is the world's leading industry, catering for some 400 million people annually. It is also the fastest growing.

Tailor-made

"In the technology-bound late 20th century, the desire to return to nature has become an international trend. Here is a business which might have been tailor-made for Africa, and the framework for development already exists."

The final result will be socio-economic upliftment through vastly enhanced opportunities for entrepreneurs and scope for the creation of millions of jobs.

"We can and must use our exceptional environmental heritage for the benefit if all our people and make it the unique mark of our place in global society."

Rickshawmen lose their pull

WM 10-16/6/94

The changing tourist market — and motor cars — has caused Durban's 2 000 rickshaw pullers to dwindle to 26, report **Ann Eveleth** and **Farouk Chothia**

ONE of the few bull-horn and bead-clad rickshaw pullers still working Durban's "Golden Mile", Mandla Mdletshe stands at the tail end of a dying tradition.

At 55, he's been a rickshawman for 35 years, following — literally — in the footsteps of his father and grandfather. Now his son Elfas, at 23, has joined him.

There are 26 pullers left on the beachfront, now confined to two points in front of the Holiday Inn and Elangeni hotels. In Mdletshe's father's time, there were more than 2 000 — and he remembers the days when there were rickshaws in Johannesburg and Cape Town.

One problem facing the industry is the motor car. "We can't go downtown or to the market any more on the road," Mdletshe explains, standing beside his majestic hand-crafted cart. But the changing nature of Durban's tourist public — specifically the dwindling number of whites who holiday there — is also a factor.

"There are not as many customers now as before when we rode all over town. Now more blacks come to the beach and there are less whites to ride in the rickshaw," laments Mdletshe.

Introduced from the Far East by Sir Marshall Campbell almost exactly a century ago, the rickshaw was a standard mode of transport through town for whites in the horse and buggy days.

Historical documents date the trade which Mdletshe says first came to Durban with "the white man from England" to between 1892 and 1894.

But the last known white rickshaw owner, VL Hickman, was forced to close his business when declining popularity saw him restricted to 25 licences in 1973.

To offset falling business, rickshaw pullers now make their own carts and embellish their costumes. The simple shorts and shirts of old have been replaced with elaborate garments of animal hides and beaded full-length sheaths which the pullers' wives make for them.

The headresses have grown too, with the traditional bull horns now adorned with paint and topped with designs made from sticks decorated with coloured yarn, mirrors and animal tails.

For some, rickshaws are a shameful relic of South Africa's colonial past — historically there was a high incidence of tuberculosis among the pullers.

But Mdletshe insists he loves the work. After proudly seating passengers, he dons his tall horned and woven headdress and with a jump, a whoop and a horses' whinny gallops off. "We get a lot of exercise. We can even run in the marathon," said Elfas.

At R5 a person, the rickshaw pullers eke out a living 10 months of the year, when they may only give two or three rides a day. They are on duty 12 hours a day, seven days a week.

Even the windfall of holiday months of July and December has dwindled in recent years. Elfas says 1990 was the last good year.

He blames the declining trade on the changing public perception of the industry following the political transition. "It's because we don't toyi-toyi," he said, arguing that the new breed of black sun worshipper prefers to fight with the rickshaw pullers than ride.

And as with everything else in Natal/kwaZulu, politics has a role to play.

The mainly Inkatha Freedom Party-supporting rickshaw pullers are migrant labourers from rural northern Natal, including Ulundi. Living in the ANC-dominated urban townships of kwaMashu, Umlazi and Clermont, they are often at odds with urban blacks who frequent the city's beaches.

FM 10/6/94

The surest route to black empowerment?

How's this for affirmative action: Stellenbosch BCom graduate Eugene Watson (27) helps set up township residents in their own businesses, many of them unemployed women, one a wheelchair-bound drive-by shooting victim. Each of them hires up to four people and turns a net profit of between R1 500 and R5 000 a month. Each job supports up to four additional people.

It's not a government black-empowerment scheme or part of the ANC's Reconstruction & Development Programme. Instead Watson makes a profit on the whole setup. The township businesses are franchised outlets of his Phone Spaza chain — public telephone and spaza shops run out of 7 metre shipping containers. Watson's Johannesburg-based company buys the containers, installs phone lines and shelves and then plunks them down where people need phones.

In addition to a small franchise royalty, he makes a commission on the spaza products they sell, such as bread and milk, and sells advertising space on the sides of the containers. More than 100 franchises are either up and running or about to open. "It was very entrepreneurial," he says simply.

While the ANC continues to threaten affirmative action legislation within 18 months if businesses don't start training, employing and lending to more blacks, the rapidly growing franchising trend may be the surest route to black empowerment.

There are big potential profits for franchisors, black and white, who train black franchisees and expand into untapped black markets. And lenders are more willing to make loans to franchisees because the business concept, such as a Spur Steak Ranch or a Kardies shop, often is already a proven success. Says Bob Pirtle, vice-president of the franchising arm of the USAid-funded Black Integrated Commercial Support Network: "All (the banks) have to talk about is you (the franchisee). They don't have to talk about your business."

The Franchising Association of Southern Africa says it has doubled its membership over the past year to about 100 franchisors. The total number of franchisors now operating in SA, locally and foreign-based, is around 200, according to Kessel Feinstein franchise consultant Bendeta Gordon.

That total alone should attract more overseas franchisors, says Burger King's Jeff Carr, vice-president of marketing and international development. He declines, however, to say whether America's biggest fast-food chain after McDonald's will be setting up local franchises. With big multinational names, such as Kentucky Fried Chicken, Wimpy and Pizza Hut already here, SA has an advantage over such countries as Germany, where franchising isn't popular, he explains.

There are concerns, however, that franchising's dramatic growth may be based too much on subsidised loans that underestimate even the lower risks that franchising presents. Both the Small Business Development Corp (SBDC) and USAid offer loan guarantees to banks that lend to franchisees — using government funds, the SBDC guarantees 70% of each loan to black franchisees and 60% for whites; USAid guarantees 50% for what it deems previously disadvantaged applicants. NedEnterprise says many of its franchisee loans take advantage of the guarantees. (288)

"That's a kind of subsidy, which will make moneylenders take risks that they would not otherwise ignore," says Dan Leach, a business economics lecturer at Wits. "That wipes out the market mechanism. Banks would have little incentive to collect on a loan in default." NedEnterprise's Rhode Truter says "there would be cases where the bank's risk exposure would be unacceptably high" without the loan guarantee.

But the SBDC says changes to its programme have sharply cut the number of bad loans. In the Eighties the SBDC had a similar guarantee scheme that backed each loan up to 80%, but it terminated the scheme in 1986 because the failure rates were so high. Says Kees de Haan, head of business financing: "The banks became too reckless. Up to a 70% guarantee they are still very responsible. Another critical factor under that (80%) scheme was that banks had the final say. Now scheme management has the final say."

That's a committee comprising government officials, participating banks and SBDC personnel. This current scheme, whose loans are roughly equally split between franchises and individual small businesses, has been running for four years and has a failure rate of under 5%, De Haan says.

As franchising grows, so too does the inevitable call for regulations to protect the franchisors already in business from new competitors. The call is for little more than a code of conduct for franchisors mandating fairness and the disclosure of documents, similar to what the voluntary franchising association has now. But the Competition Board is studying the heavy franchising regulations in the US and Britain to see whether SA should follow the same route.

Says Steven Greenbaum, president of the Las Vegas-based US franchisor PostNet, who visited SA last month to open the first local PostNet, in Benmore, Johannesburg: "The poor (franchisee) has invested his life savings, leveraged his home. We don't want him taken advantage of by a fraudulent operator." Adds PostNet master franchisee Chris Dunn: "We're going to get a lot of fly-by-night operators coming in, asking for big money and giving (franchisees) no service."

But PostNet can afford to call for regulation, as a successful, hi-tech US company that can cope with the expensive red tape which regulation brings. PostNet franchises — private post box depots offering an array of business services including faxes and phones — cost R195 000.

It's the Phone Spazas, whose franchises cost only R15 000 and whose franchisees are often unemployed when they apply, that might be expected to be more wary of even the most preliminary talk of regulation. But Watson also warns: "there are a lot of fly-by-nighters out there," and that "the biggest complaint for potential franchisees is franchisors ripping them off." He suggests compulsory registration with the franchise association — he himself is in the process of joining — so long as the association "addresses the problems of the small franchisor."

The association's executive director, Jack Barber, says compulsory membership is highly unlikely and that the association immediately would be accused of being anti-competitive if it promoted such a plan. But "it would be very nice if the newspapers would not accept any advertising from franchisors unless they are members of my association." He feels that would at least protect the public from "misleading advertising."

Counters Wits' Leach: "The general principle is that every monopolist will give reasons of public interest for regulations that benefit itself."

Nancy Stejas

Top 10 franchisors

		Company-owned outlets	Franchised outlets
1	Kentucky Fried Chicken		279
2	Wimpy Restaurants	6	190
3	Steers	2	150
4	King Midas		148
5	Spur Steak Ranches		142
6	Kardies (Kardicor)	10	141
7	Battery Centre		132
8	Kwik-Fit	10	130
9	Chicken Licken		121
10	Silverton Radiation Services	4	115

Source: Franchise Association of Southern Africa and *FM* research



AY, Friday, June 10 1994

Tourism 'must be in line with RDP'

BIDay 10/6/94

DEBORAH FINE

FOREIGN investors should not be allowed to conduct business in SA if the effects of their investments would not benefit all South Africans or were not in keeping with the goals of the reconstruction and development programme, Environmental Affairs Deputy Minister Bantu Holomisa said yesterday.

Speaking at the third annual tourism conference, in Johannesburg, Holomisa also warned local players tourism would not receive government support if the industry failed to create tangible benefits for SA's disadvantaged populations.

He warned foreign investors government was "extremely serious" about the RDP and the preservation of SA's natural resources, and would not allow any new developments to have a negative effect on the environment.

He said the most common factor preventing ecotourism from redistributing wealth in rural areas was the leakage of profits out of the host country to developed countries, as well as from the countryside to the cities.

The World Bank had estimated that 55% of tourist spending in developing countries eventually found its way back to developed countries, while other studies had shown leakages of up to 90% took place in countries where there was a lack of local ownership of services such as airlines, hotels and transportation.

While government welcomed all international investment in SA, it would seek at all costs to prevent such leakage happening, Holomisa said.

A further government priority was to facilitate the entry of potentially disadvantaged local entrepreneurs into the tourism industry.

Concerted efforts had to be made to involve local communities in tourism, especially in terms of decision-making and financial benefits.

There was also a need to review existing industry structures — such as the SA Tourism Board — to ensure they reflected the population's heterogeneous nature.

Racial and gender imbalances had to be rectified as soon as possible.

He said the strategic importance of tourism in SA's economic future should not be underestimated, and government should throw its full weight behind the industry to guarantee its success. (288)

It was, however, time for the industry and the private sector to prove the claims they had made about tourism's potential benefits.

Holomisa appealed to the industry to accept government's role in tourism, and to present constructive and practical plans to add value to the RDP.

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TOURISM

Fm 17/6/94

288

Waiting for the boom

Foreign peacekeepers and journalists recently gave local tourism a temporary boost. Will overseas holidaymakers now provide the permanent boost the sector needs?

The prospects seem encouraging, but don't look for a boom just yet as SA moves into winter, which is tourism's nadir, and Europeans, who make up two-thirds of our overseas tourists, enjoy their summer.

Delano Caras, CE of Kessel Feinstein Consulting, which produces the authoritative annual *Tourism Talk*, is optimistic. He says tourism is set to grow significantly, "whether or not the economy improves. The most recent image of SA, and a very vivid one at that, is of the colourful inauguration at the Union Buildings, and its unambiguous message of reconciliation, peace and stability. Tens of millions of dollars in advertising spend could not have achieved that kind of tourism promotion. Even a few bits of violence and the odd bombing will not, in my view, be sufficient to dampen a desire by many thousands to visit SA."

Caras believes that SA can attract 2m tourists a year by 2000. These will provide R8bn more a year in real terms.

The revival has started at Sun International resorts where, says reservations office manager Janet McBain, "bookings are looking very good."

But Protea Hotels chairman Otto Stehlik, who, along with Sol Kerzner, was recently invited to address the Hospitality Industry Investment Conference in the Waldorf Astoria in New York, hasn't seen a great increase in bookings. "It will take time for the new SA to filter through the international tourism industry."

Marti Malan, MD of Sites of Africa, which handles incoming tours, says cancellations have almost stopped and there has been a 35% increase in bookings compared with a year ago. "Most of our business still comes from the UK and Germany, but there is a lot of new interest from France, the US and Canada. Most appears to be game-related."

Southern African Regional Tourism Council executive director Michael Frame sees the recent elections developing curiosity in southern Africa, which will translate into increaseed tourism in the short term. "In the longer term, if we want to pass muster, tourists will have to go home with glowing reports of the service they get here."

Satour promotes SA abroad but, probably for the first time, there is now also a powerful private body, the Southern African Tourism & Safari Association, with 350 members, which is promoting regional attractions. Executive director Patrick Barta is enthusiastic about the possibilities for tourism that involve "game experiences, be they hunting, watching or just spending time in a reserve. It could account for 25% of the R8bn a year we earn from tourism. The SA Professional Hunters' Association estimates that overseas hunters spend more than R200m a year. There aren't all that many of them but they each spend four times as much as regular tourists do."

Fm 17/6/94

There is also an urgency to developing the conference and meetings market, which, says Helen Brewer, president of the Meeting Planners' Association, is already worth R900m a year. She adds that a conference delegate "is nothing more than a tourist with an expense account." Every out-of-town delegate spends an average of R500 on personal shopping. An out-of-continent delegate spends twice as much. (288) ■

Eco-tourism going places in sunny SA

Sl Times Economic J

By DIANA STREAK

SOUTH Africa has the potential to become a major player in the international eco-tourism industry but needs to develop its strategies and services first.

All set for September, the Ecotour '94 conference, the first of its kind, will focus on this rapidly growing industry which requires careful planning.

"Ecotourism is seen as the saviour for the South African economy," said Heather Campbell, a spokesman for the company organising the conference. 1916194

"We have the resources and there is a demand, but we need to train people to do it properly," she said.

"It will be South Africa's biggest international planning conference and workshop where everyone active in the industry can meet to plan the future. 288

Tourism is now the world's largest industry generating one in nine jobs and growing at four percent a year.

At present SA has 2,7 million tourists annually of whom 0,56 percent are from overseas. It provides two percent of the GDP, ranks 39th in the world and employs one in 70 people.

For every 11 tourists at least one job is created.

Last year South Africa earned R2,7-billion from foreign tourists.

First part of the conference, on rural and wildlife facilities, will be held at the Dikhololo Game Lodge near Brits in the Transvaal.

The second, concentrating on botanical and coastal development, will be held in Cape Town.

South Africa ranks third in bio-diversity in the world after Brazil and Indonesia.

● Tourists in South Africa will soon be able to have a closer look at birds of prey in their natural environment.

The country's first raptor route for bird-watchers would open in the Northern Cape within the next three or four months, said Satour tourism and development officer Owen Coetzee. — Sapa

Dearth of tourism tips Karos group into red

B1 Dep 21/6/94

MARCIA KLEIN

THE depressed tourism industry took its toll on the Karos Hotels group which fell into the red in the year to March with a loss of 9,5c (earnings of 0,3c) a share for the period.

Chairman and MD Selwin Hurwitz said that since the death of Chris Hani in April last year international tourism, on which Karos relied, had dried up. Occupancies were just 54% for the year.

Turnover was marginally lower at R104,1m (R105,2m) and operating profit was 15,4% down at R25,2m (R29,8m).

After operating leases, interest and depreciation, Karos showed a pre-tax loss of R1,1m against profit of R3,3m in the prior year.

The attributable loss of R4m compared with a prior year profit of R82 000. No dividend was declared.

Hurwitz said: "It would seem that we were doing the right things at the wrong time and we could have cut back or suspended projects." 288

But over the past 40 months, the board "has remained resolute that the tourism industry is set to expand".

Since the elections, there had been an increase in interest in the tourism industry and the group's medium-term prospects looked good.

He said the balance sheet remained strong, especially since the 1993 rights issue, and gearing was 33,5% against 56,8% in the previous year.

Trading in Mozambique, where Karos operates the Polana Hotel, had been good, and the group was looking at opening a second hotel in Maputo.

The first Sossusvlei Karos Lodge was scheduled to open in Namibia later this year and development of a second Lodge would begin in October.

Hurwitz said Karos — which is known to be keen on getting a gambling licence — was convinced that gambling activities should be limited to the hotel industry.

He was looking forward to a vast improvement in tourism, with conditions already slightly better.

Trading in April and May was weak, but June was a lot better and forward bookings for August onwards were particularly promising.

Karos expected to return to profitability in financial 1995.

Cons Corp in R66m African growth drive

288

CT 22/1/94

JOHANNESBURG. — In a R66m expansion drive, The Conservation Corporation said yesterday it had moved in to East Africa, purchasing two wildlife lodges in Kenya and Tanzania, plus a management company.

The eco-tourism company — operators of Lodolozi, Phinda and Ngala game lodges — has purchased Kichwa Tembo Camp (Kenya) and Ngorongoro Crater Lodge (Tanzania) from the Abercrombie and Kent group.

In terms of the transaction, Cons Corp has also purchased a major interest in A&K's associate hotel company Windsor Hotels — operators of the Windsor Golf and Country Club and the Mayfair Court Hotel in Nairobi, the Siana Springs camp in the Maasai Mara, and the Kichwa Tembo and Ngorongoro Crater Lodge. The Windsor Hotels group will be renamed The Conservation Corporation, East Africa.

In return, A&K has acquired a substantial equity interest in Cons Corp and its chairman, Geoffrey Kent, will become joint chairman — along with David Varty, group deputy chairman, while former Halcyon Hotels CE Steve Fitzgerald has been appointed group MD.

A&K chief financial officer David Weber has also been appointed to the Cons Corp board.

Bernstein said R51m of the total R66m raised by Cons Corp to implement its expansion had been secured through rights issues in the group's two investment companies in SA and the UK. The R15m was raised through the issue of new ordinary shares to the vendors of the business being acquired. The rights issues were underwritten in part by Hambros Bank Ltd.

'Part of the East Africa deal includes the right to develop a 70-bed new lodge at Serengeti Springs in Tanzania. In SA, the deal involves the formal acquisition of operational rights over Londolozi for 10 years.'

Tourism 'won't get more'

Own Correspondent

DURBAN. — Tourism cannot expect a bigger slice in today's Budget than before and will have to rely on other sources — such as the gambling industry — to boost its income and infrastructure, says Minister of Environmental Affairs and Tourism Dr Dawie de Villiers. (288) ST 22/6/94

He was speaking at a press conference marking the start of the SA Travel Workshop here.

His department was watching the developments in legislation on gambling and he would make a "strong representation" to the Lotteries and Gambling Board, he said.

"We will urge the board to ensure that any extension of gambling rights is beneficial to the tourism industry."

It could also be argued that a percentage of the income from gambling should be used to help newcomers and small entrepreneurs in tourism.

Dr De Villiers announced that the 1995 meeting of the Africa Commission of the World Tourism Organisation would take place in South Africa.

KAROS HOTELS

Fm 24/6/94

Another rough year

Even after the R40m rights issue in September interest payments pushed Karos Hotels into a loss for the 1994 year.

The 9,5c a share loss extends a pattern of disappointing results, including a 53% drop in EPS in 1991, a 13,9c a share loss in 1992 and EPS of only 0,3c in 1993. Karos had been heavily borrowed for some years but the culprit this time is not excessive gearing — thanks to the rights issue interest-bearing debt at year-end was down by about R19m to R60,6m, while debt:equity had dropped from 56,8% a year ago to what should be a comfortable 33,5%.

The problem was that trading profit was simply inadequate to meet the cost of even this debt. Turnover fell marginally and pre-interest margins (after operating leases and depreciation and amortisation) buckled from 12,6% to 6,7%. In 1993 interest cover was thin at just 1,2 times; this year it disappeared altogether.

Chairman Selwin Hurwitz blames this on the low occupancies of the Karos hotels. He notes that tourism slumped after the assassination of Chris Hani and the months from November to the general election were particularly bad for the industry, especially in areas such as the Garden Route, Drakensberg and eastern Transvaal. Karos's average occupancy rate for the year was about 50%, which, as Hurwitz points out, is far too low to maintain profitability.

One exception has been the Polana Hotel in Mozambique, in which Karos holds a 32,5% stake and a 20-year management contract. This hotel, isolated from the political turmoil and violence in SA and offering the main quality accommodation in Maputo, remained profitable. It was responsible for the slightly higher R1,5m profit of associated companies.

Hurwitz is optimistic that the tourism market has turned since the elections. Activity remained slack in April and May but demand has improved markedly. Management believes occupancies could touch 60% during the current six months and exceed that during the second half.

STILL WAITING

Year to March 31	1993	1994
Turnover (Rm)	105,2	104,1
Pre-tax profit (Rm)	3,3	(1,1)
Earnings (Rm)	0,08	(4,0)
Earnings (c)	0,3	(9,5)
Dividends (c)	nil	nil

After falling to the low base of the past few years, earnings are highly geared to a recovery in occupancies as well as the increased room rates that would become possible when occupancies exceed 60%. A full year with occupancies at about 63%, he says, would add about R20m to the bottom line.

It's also hoped that Karos will be awarded licences to run two or three casinos. These could require further capital spending, though Hurwitz says the amount will depend on where the casinos are. He adds that further expansion of hotel capacity will be by extending existing hotels rather than building new ones. "We could add another 1 000 rooms before we would need to build new hotels," he says.

As in the past, the share, at 130c, stands well below stated tangible NAV of 264c; the discount is 43%. That, and the gearing of profits to rising occupancies, emphasises the share's potential. But this share has long seemed to have good potential. With political resolution, perhaps Karos will at last begin to deliver.

Andrew McNulty

Tourism in SA yet to develop its full potential — report

SOUTH Africa enjoyed a 10 percent increase in overseas visitors in 1993 and a 15 percent growth in visitors from Africa, the Tourism Board said.

It said that in spite of all the positive developments in tourism in 1993, South Africa still had to reach its full potential. (288)

Europe remained the main source of tourists, with the United Kingdom producing 24 percent of total overseas arrivals. ARG 25/6/94

Germany was the second-largest market with 16,9 percent and produced the highest volume of holiday traffic — 84 percent of arrivals from this source were holidaymakers. — Sapa.

288

Hotels apply for gaming licences

27/6/94

Own Correspondent

JOHANNESBURG. — Most top hotel groups will apply for gaming licences, threatening Sun International's (SI) dominance over legal gambling, industry sources said at the weekend.

Southern Sun, Karos and Protea Hotels said that they were interested in acquiring gaming licences. Budget operator City Lodge, 80% owned by SI group company Kersaf, would not apply, City Lodge executive chairman Hans Enderle said.

Protea Hotels MD Arthur Gillis said the group would apply for licences through a joint venture with African Development Corporation (Afcor), which plans to open at least five casinos.

Gillis said new hotels could be built and existing hotels upgraded to accommodate casinos.

The Karos Hotel group has said it indends applying for licences for two or three casinos to be incorporated into existing hotels. Southern Sun's Ron Stringfellow said the group would also apply.

Three Cities Hotels and SI have both announced casino projects in Johannesburg and Eastern Transvaal respectively.

● Unisa law professor S Strauss, who was appointed head of the new Lotteries and Gaming Board, has decided not to take up the position owing to poor health.



Picture: DOUG PITHEY, The Argus.

READY FOR THE TOURISTS: Deputy tourism minister Bantu Holomisa and Riccardo Dell'Erba with newly-qualified tourist guides who include the first 19 black guides to be trained in the Western Cape.

'Western Cape tourism has a role in enriching the new SA'

ARG 29/6/94 (288)

DAVID YUTAR
Staff Reporter

THE Western Cape's tourism industry can play a vital role in the Reconstruction and Development Programme (RDP), says Deputy Minister of Tourism Bantu Holomisa.

Mr Holomisa handed certificates to 40 newly-qualified tourist guides including the first 19 black guides to be trained in the Western Cape.

The presentation took place at the offices of Springbok Atlas, the sister company of Gold Reef Guides, South Africa's largest company providing qualified guides to the tourism industry and the company which conducted the guides' training.

Mr Holomisa said the fact that in the past the benefits of the tourism industry had been enjoyed by only a limited sector of the population had caused a widely held perception among blacks that there was nothing to be gained from the industry.

"Yet it remains the industry that brings more money to the Western Cape than any other single industry," he said.

"If we are to redistribute properly, tourism can help us do that."

"But we need to find a way to help the majority of the population participate in the industry."

Tourist guides such as those trained in the latest initiative would be in great demand in the not-too-distant future, said Mr Holomisa, who added many people had never believed the country would enjoy such stability so soon after the elections.

In conducting this training scheme, Gold Reef Guides was setting an example of how to invest money in the country's economy, rather than taking it out.

Many black people in the townships would still ask what tourism could do for township communities.

Mr Holomisa proposed that every level of government seek ways of establishing tourism facilities such as hotels and restaurants in the townships as a way of bringing more black people into the industry.

At the presentation, Springbok Atlas managing director Riccardo Dell'Erba said 18 of the 19 black guides were from the Western Cape.

The training course covered areas such as facts and figures on the Western Cape, body language, dress code and public speaking.

Lectures were followed by practical sessions on the company's coaches.

TOURISM

Taking the offensive

The tourism industry is hoping for big things from Dawie de Villiers, new Minister of Tourism & Environmental Affairs. He predicts SA will attract 4,5m tourists next year and 9m in 2000 — compared with 3,1m last year, including 2,1m from Africa — and that SA could become the world's leading ecotourism country. Fm 11/7/94

De Villiers told last week's international tourism workshop, sponsored by the SA Tourism Board, that Satour "had soldiered on diligently during the difficult days to market SA abroad" but that it was ready for change. He is having its functions and strategies examined because "he intends to transform it into an organisation that "will meet the present challenges."

Satour is government's official marketing arm and he believes it needs to be "restructured in a way that will give the Minister the ability to become more active in tourism policy. We will have to look at some form of restructuring that will enable Satour to fulfil its function as efficiently as possible and do what it's asked to do. Having nine provinces, each engaged in tourism, requires that we rethink structures."

De Villiers won't say what changes he intends to make or when he intends to bring them about, though a new head will have to be appointed soon because executive director Spencer Thomas is scheduled to retire in September. (288)

Industry watchers point out that Satour is coming under the ministerial microscope just when it is marketing SA more imaginatively. For instance, getting SA Airways to fly 300 foreign journalists — the biggest number yet to visit — and 80 local media people to Durban for the conference was an achievement. Satour also handed out parcels of T-shirts, brochures and videos to the thousands of foreign tourists and journalists who descended on SA for the general election. It

also has a marketing plan for each of the next three years: Explore SA in 1995, The Year of Ecotourism in 1996, and a focus on sport and cultural events in 1997.

Despite the outreach programme, one journalist from Russia was concerned that De Villiers did not mention his country when listing new markets he would like to open as sources for tourists. De Villiers explained that Satour does not have the funds to open offices in every country but assured him Russians were welcome.

De Villiers's target for increased numbers of tourists should be achievable, says Jay Pack, consulting editor of *Travel Smart*, a New York publication. He says Satour's drive in the US has led to "a dramatic increase in the media coverage on SA's tourism potential and many network TV stations flighting excellent programmes on SA."

Fm 11/7/94

Kathleen Vanden Eynder, a tourism writer for the Switzerland-based *Golf Magazine*, says Europe has become more interested in SA as a tourist destination but it will take time before this is translated into aircraft passengers. "SA is far from Europe and still expensive to reach, but golf tours should be developed and promoted more aggressively. Because it's so expensive to play golf in Europe, those who play are usually upper-income people and wouldn't balk at the cost of a ticket — considering how cheap it is to play in SA." (288)

Satour area manager for Los Angeles Pamela Nicholson does not expect a sudden increase in tourists from her area but says there has been a surge in inquiries.

As for Taiwan, the rush has already started, says Echo Lin of Satour's Taiwan office. "We started a two-month promotion at the beginning of May and within a short time — even though it's in the middle of the off-season in SA — all seats out of Taipei on SAA and China Air were booked until the end of June. To get here, some Taiwanese people were routed through Hong Kong and Singapore."

She estimates that at least 5 000 Taiwanese came to SA in May and June, more than the 4 291 who came to SA during the high season in January and February. ■

New concept for tourism

AMANDA VERMEULEN

CASINOS and convention centres could be used together to build up and promote the SA tourist industry and attract the international convention trade, says the SA Tourism and Safari Association.

Association executive director Patrick Barta said casinos alone were unlikely to attract foreign holidaymakers, but if the country was promoted as an attractive convention destination, potential spin-offs and repeat visits could generate a thriving industry.

However, the type of convention facilities required to attract the quantity of business needed to boost the local tourism industry was beyond the abilities of most local developers. "A massive convention facility which accommodates up to 20 000 people can be supported by a casino operation. The government and municipal authorities could assist in making huge convention projects viable."

Tax revenue from casinos could be used to promote SA as a convention and holiday destination.

He said government had not realised the significant contribution tourism could make to the economy. "The government's attitude is reflected in the fact that no separate ministry was created for tourism.

But most major international hotel chains were aware of the tourist potential. "Major operators are either busy erecting hotels or investigating investment opportunities in SA."

Centurion Hotel sold to Meridien

By AUDREY D'ANGELO

THE Centurion Hotel in Sea Point — which currently consists of 70 sectional title apartments but is managed by Three Cities Hotels — has been bought by the Meridien Group in a multi-million rand transaction.

The sellers are an associate company of W & A.

Errol Friedman, chairman of Meridien, which also owns the Inverness self-catering apartments in Sea Point, said 75% of the apartments had been sold to investors. The rest would be marketed in the next few weeks.

Most of the apartments would continue to be managed and used to accommodate guests as part of the hotel. Negotiations were in progress with Three Cities Hotels — which runs the Carlton in Johannesburg and the Royal Hotel in Durban — on whether it would continue to manage it.

The Centurion is currently completely full. Guests include some of the entourage of French President Francois Mitterand and corporate clients.

Friedman said the Inverness apartments were also full. "There is a lot of business activity in Cape Town.

"Although we started the Inverness with holidaymakers in mind we discovered there was a big demand among business people who visit Cape Town regularly for self-catering accommodation and we concentrate on that market.

"We have customers coming back again and again and we are 100% full, even in June. In the high season, of course, apartments are let to holiday visitors too.

"We anticipate the same thing at the Centurion."

Corporate owners

Meridien's Cape Town MD, Farrell Lazarus, said that 10 of the apartments were in the Multi-Resorts Timeshare System and some had corporate owners who had them serviced by the hotel. (288) CT 6/7/94

Owners could either allow them to be used as part of the hotel, live in them or let them. They were sold fully furnished and equipped, "down to linen, vases and ashtrays" at prices ranging from R125 to R137.

Tourism seen contributing to economic well-being

Star 01/7/94

■ BY PATRICK WADULA

The economy is in a deep-seated structural crisis — a compelling reason why tourism should play a far larger role in the future.

So contends deputy Minister of Environment and Tourism, Bantu Holomisa, who says SA will need to grasp tourism's full potential if marketing efforts in this direction are to succeed.

Addressing the RDP inter-provincial conference on tourism yesterday, Holomisa said: "While tourism marketing should continue unabated, it will have a limited effect until the people of the country have been equipped and empowered to grasp the full potential of tourism and to take co-responsibility for the success of the tourism industry."

(288)

Since re-entry into the international arena, there had been a realisation that tourism could bring tremendous socio-economic benefits to South Africa.

But such realisation had to be complemented by:

■ The involvement of communities and regions in the industry.

■ Addressing the needs and aspirations of, particularly, emerging markets and emerging entrepreneurs.

■ A co-ordinated effort among all stakeholders in the industry within a common vision.

■ The development of the industry in a responsible and sustainable manner.

"We are facing many challenges in tourism, not least of which is the formation of provincial structures and their interaction with central government."

Tourism 'should play greater role'

(288) CT 6/7/94

JOHANNESBURG. — The South African economy, in which tourism should play a far greater role in the future, was in a deep-seated structural crisis and required fundamental reconstruction, Environmental Affairs and Tourism Deputy Minister Mr Bantu Holomisa said yesterday.

Addressing a national tourism forum here Mr Holomisa said while tourism marketing should continue, it would have a limited effect unless South Africans had been equipped and empowered to grasp its full potential.

"We are facing many challenges in tourism, not the least of which is the formation of provincial structures and their interaction with central government," Mr Holomisa said.

"We cannot afford to work in a fragmented manner, and to criticise each other. The spirit of unity that is already a reality in government structures should now be spread to all tourism-related bodies and groups," Mr Holomisa said. — Sapa

Cape Town top of the pops with visitors from overseas

Staff Reporter ART 7/7/94

OVERSEAS visitors feel safer here than they did a year ago, but they're still not impressed by the service.

And, for the first time, Satour's bi-annual survey has found Cape Town is the most popular destination for overseas tourists, representing 29 percent of total visitor days, compared with Johannesburg at 26 percent.

The Satour survey of visitors leaving the country shows personal safety ratings shot up from 30 percent in August last year to 40,2 percent in February this year.

But while friendliness and helpfulness towards visitors has shown consistent improvement, less than two-thirds of visitors rate service as "good". 288

In August last year friendliness was rated at 73,5 percent and helpfulness 68,2 percent — these figures went up to 80,8 and 74,1 percent in February. The most popular feature of South Africa is consistently its scenic beauty, followed by climate and abundance of wildlife.

The survey found that the average length of stay in South Africa was declining, with the average overseas visitor staying 19,5 days compared to 26,3 days a year ago.

Of the respondents surveyed, 82,4 percent found their visit "enjoyable" and said they would recommend a visit to South Africa to friends and relatives at home.

Pollution threat to tourism — Oliver

CT 7/7/94

By PETER DENNEHY

THE city's tourism industry faces a major threat since more oil washed on Cape Town's beaches yesterday.

New waves of pollution were expected for another three months as oil already on the shoreline was naturally redistributed onto other beaches.

And the source of the pollution has not yet stopped emitting oil. Mr Anton Moldan, the Department of Sea Fisheries' pollution officer, said that the Coast Guard aircraft had yesterday reported a "silvery sheen on the water surface", coming up from the source.

Captour chief Mr Gordon Oliver last night described the development as "bad news for the tourism industry" and the mayor, Mrs Patricia Kreiner, said it was "distressing" but both thought it would not keep people away from the Cape.

Mr Moldan said the oil emitted yesterday "was half-a-mile long". "The Kuswag vessel is dispersing it, not with chemicals but with breaker boards which it tows behind it," he said.

Mr Moldan said the "new oil" washed up on Saunders Beach in Sea Point would not be a new lot directly from the wreck, but "oil which is coming off (the shoreline) and shifting around a bit".

Already, there had been three pollution incidents on the Clifton beaches.

Meanwhile, maritime lawyer Mr Dave McGregor confirmed yesterday that he was acting on behalf of the Apollo Sea's owner, and for its insurer.

He refused to confirm either that the vessel had sunk, or that it was the source of the oil pollution.

"I can tell you that we have opened up communications with the Department of Transport (DoT)," he said, stressing that this did not mean negotiations were underway.

DoT public relations spokesman Mr Coenraad Pieterse said negotiations were at a very delicate stage and the department would not say a word about the Apollo Sea, until it issues an official press release.

Meanwhile, it has been reported that agents for the owners are insisting that independent bodies should tender for the task of searching the sea-bed.

They also required proof, like video material, that the Apollo Sea had sunk and leaked oil.

Mr Oliver appealed to tourists not to be deterred from visiting the Cape since there were "many beaches that have not been polluted and miles of coastline not affected by disaster".

Mrs Kreiner said: "I'm particularly concerned about sea life. Human beings can find alternative beaches ... but the sea life will take longer to regenerate."



OIL RESURFACES ... Cleansing department worker Mr Farrel Peters holds up oily mussels and other debris on Queen's Beach, Sea Point, yesterday. The mussels may not have been killed by the oil but washed up and then oiled. Picture: BENNY GOOL

Driveby shooting: 11 killed

CT 7/7/94

JOHANNESBURG. — At least 11 people were killed and eight seriously injured last night when gunmen in a bakkie opened fire on cars, taxis and commuters near the Wadeville/Katlehong bridge on the East Rand.

But police said the toll could be higher because darkness had hampered the search for more victims.

Three other victims were slightly wounded, police said.

The incident came after days of simmering violence between the ANC-aligned "self-defence" units (SDUs) and Inkatha hostel inmates.

In some of the worst violence since the election, at least 20 people have

Smith said damage of R150 000 was caused. The firemen were apparently shot at from deserted houses.

Thokoza and Katlehong were still tense yesterday afternoon.

Barricades, including broken tree trunks, shopping trolleys, dustbins and rocks still lined the northern entrance to Katlehong.

Renegade members of the ANC-aligned SDUs earlier this week denounced PWV Premier Mr Tokyo Sexwale's announcement that hostels on the East Rand would be upgraded, instead demanding the buildings be demolished.

Some members also warned Mr Sexwale's life would be in danger if he dared enter the East Rand townships.

But yesterday, the PWV government expressed concern about the threats by "self-styled SDU members".

A statement said: "The government

a peace meeting in Port Shepstone yesterday.

Violence at Gcilima near Margate was apparently sparked by the killing of local IFP leader Mr Mdaphune Xolo on Tuesday afternoon.

The IFP chairman in nearby Izingolweni, Mr James Zulu, said Mr Xolo and two others had been killed in an ambush outside Mr Xolo's house. He blamed the ANC.

A police spokesman described the area as "under control".

Local ANC leader Senator Siyabonga Cele rejected the IFP charges: "I seriously doubt any elements in the ANC would have killed Xolo."

He blamed the violence on "third-force elements".

"There is no reason for the IFP and ANC to continue violence," he said. — Own Correspondent, Sapa

Casino challenges lead to losses for Kersaf

BIDay 7/7/94

SUN International (SI) holding company Kersaf sustained further losses on the JSE yesterday, amid mounting investor concerns that the company stood to lose heavily from the influx of new hotel casino operators.

The share closed at R40, down nearly 5% on the day, and bringing its losses to more than 12% since the start of the week. The share had hit R53 in May.

Analysts said SI, which had long dominated the SA casino industry, could suffer heavy falls in revenue if the recent spate of applications for gaming licences spawned new operators.

SI MD Peter Bacon said yesterday that new operators could stifle government attempts to stimulate investment in SA tourism.

"Casino licences should be regarded as national assets to be used for development. Allocating licences to existing parties would hamper the expansion of the industry and limit opportunities for growth. The recent growth in illegal casinos, however, needs to be brought under control."

AMANDA VERMEULEN

Bacon added that the group also planned to apply for additional gaming licences. (288)

Analysts said that SI was facing increasing competition from the proliferation of illegal and legal casinos. "However, a major threat to SI's monopoly will come from new casinos in metropolitan hotels."

Last month all the major hotel operators, with the exception of City Lodge, 80% owned by Kersaf, announced they would apply for gaming licences when the Lotteries and Gaming Board was constituted.

One analyst said metropolitan casinos could severely reduce day-tripper business to the SI resorts, particularly Sun City.

"However, the company does have the advantage over the other hotels by offering resort entertainment, international sporting events and convention facilities, made more attractive to international business by the depreciating rand."

He said SI was also in a favourable position if other hotel groups decided to enter the resort market.

"SI has established world-famous resorts at the cost of billions of rands. For any other operator, wanting to get into that market, the cost could be prohibitive."

One major hotel operator said that it was high time an element of competition was introduced to the hotel casino market.

"All the hotel groups want a shot at a market which for too long has been monopolised by SI, to its enormous benefit."

Provinces want a role in tourism

BDay 7/7/94.

THEO RAWANA

TOURISM representatives of the nine provinces will demand to be fully involved in the restructuring of the SA Tourism Board (Satour) when they meet the Environmental Affairs and Tourism Minister next month.

This resolution was taken in Johannesburg yesterday at the end of a two-day interprovincial conference on tourism organised by the National Tourism Forum.

Forum senior director John Rothschild, who chaired the conference, said the forum delegation would make sure that two members from each province were chosen to monitor the application of the reconstruction and development programme (RDP) and affirmative action, which the new plan should embrace.

The conference, with the theme Reconstruction and Development Programme for Tourism, was held to get the perspective of the provinces. The forum had been asked by the ministry to work out a budget and a tourism plan which involved the provinces and submit these to a meeting attended by Minister Dawie de Villiers, Deputy Minister Bantu Holomisa, the forum and Satour on August 4.

The current tourism budget had been worked out five months before the election and was "fraught with old ideas" and had not taken in the stakeholders in tourism in the provinces, Rothschild told the meeting.

"Under the affirmative action policy we have to embark on training programmes to educate and train lots of people who have never known anything about tourism. For these programmes we need funds."

Funds were needed for a marketing plan that would be able to "sell the new product" that was SA, and the present 15 offices promoting SA overseas would need to be increased to hundreds.

The co-ordinated marketing plan also demanded that there be new faces promoting the new SA in key cities. "We are trying to integrate this parastatal (Satour). For affirmative action we need all the best talent. Tourism must embrace the marginalised people."

(288)

Rothschild said the forum saw the need for a magazine that would sell SA overseas. And for domestic tourism, it was working on a "dedicated TV channel" to sell tourism.

Provinces which made submissions at the conference were the Eastern Cape, Northwest, Northern Cape, Eastern Transvaal, Northern Transvaal and the Free State.

One province, the Eastern Cape — representing the two former independent states of Transkei and Ciskei, and the Eastern Cape — reported that it had decided to establish a negotiating forum "to facilitate the reorganisation of all existing tourism structures to create a united, fully representative provincial authority."

The forum, with powers to co-opt new members, would put together a position paper on tourism in the Eastern Cape for submission to the provincial economic affairs ministry.

Personnel training programmes would be drawn up in conjunction with educational institutions and the forum would draw up a set of principles as guidelines for tourism development and its promotion in the province.

The Northern Transvaal said its tourism development "master plan" would run over eight years to push the industry to generate about 40% of the total income of the province.

Operation launched to clean up West Cape

288

ARG 8/7/94

VUYO BAVUMA
Political Staff

PLANS to make the Cape "fairer" have been given a boost after township-based groups endorsed a move to clean up the environment.

Lerumo Kalako, regional minister of environment affairs, has set up three task groups to clean up the Western Cape and to encourage tourism and environmental awareness.

The move followings meetings between Mr Kalako, who is provincial minister of nature and conservation and environmental affairs and tourism, and various interest groups to determine the best way of selling the region.

The groups include representatives of Fedhasa, the Tour Operators Association, the Small Business Development Corporation and Captour.

And last night the plans were given a boost when township-based groups, including African Environmental Movement, Work to Win and Ebony Youth endorsed the move.

The groups plan to finalise the region's programme before its launch on July 17.

Mr Kalako said his ministry proposed that the clean-up include the clearing of alien vegetation, greening of townships and cleaning rivers.

Churches and schools would be asked to help with clean-up campaigns in their areas.

Mr Kalako said that in the past it had been difficult for township organisations to put environmental issues at the top of the agenda because there were pressing social issues.

But this would have to change because a clean environment was needed to promote a culture of tourism.

Black businessmen, including taxi drivers, would be drawn in to assist with the process.

But these initiatives should be undertaken in tandem with other departments.

"For example, to clean the townships effectively, the department of roads must be involved to take care of poor roads and stormwater systems that cause muddy conditions.

"In some cases the health department will also be involved to co-ordinate action against any outbreak of diseases."

Strict code of conduct for tourist industry

Weekend Argus Correspondent (288) ARG 9/7/94

PRETORIA. — Travel agents have welcomed a strict new code of conduct designed to protect thousands of tourists expected to flood into South Africa.

The code of conduct was published in yesterday's Government Gazette, paving the way for the tourism industry to meet international standards.

The code of conduct was introduced by the Business Practices Committee (BPC). It follows South Africa's transition to a democracy and the expected rise in the number of tourists visiting the country and South Africans travelling abroad.

The BPC said the purpose of the code was to allow tourists to determine what service to expect, what recourse there was in the event of dissatisfaction, what their legal standing is when dealing with travel agencies as well as forming a guide to standards for the tourism industry.

The new code will apply to members of the Association of SA Travel Agents and non-members.

Rise in number of foreign visitors

AMANDA VERMEULEN

HOTEL occupancies by foreign tourists in Johannesburg rose to 32,7% in March, from 26,6% in the same period last year, consultants Price Waterhouse Meyernel said yesterday. BIDay 19/7/94

The increase could be attributed to growing interest in SA from the international business community.

Pretoria also saw an increase in international tourist bookings to 7,4% from 6,4% last year.

Consultant John Awbrey said a number of foreign political and trade delegations had visited SA this year. "In November, a delegation of 100 Irish business leaders will visit the country, the largest so far."

Awbrey said the total number of foreign visitors to SA in March had increased 4,9% to 141 297. (288)

"This figure is very good considering the disruptions and political uncertainty ahead of the election. However, many of the hotel groups have reported low occupancies in April and May, but bookings have apparently picked up from June."

A breakdown of tourists' country of origin revealed that European visitors declined substantially.

But the number of tourists from the US, Canada, Asia, Africa and other countries increased year on year.

SA was becoming a popular location for international conventions, but Awbrey warned that it offered little repeat business. "The conference industry is like the fashion business. This year, SA could be the popular destination but next year the novelty would have worn off."

If convention centres were to work, government or municipal subsidies would be essential.

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Some hotel workers to lose jobs

ARG 20/7/94

288

Staff Reporter

STAFF at Cape Town's Mount Nelson Hotel will be retrenched because of "increased losses", the hotel has announced.

It is not yet known how many employees will go, but a hotel statement yesterday said the "retrenchment of a certain number of our employees will unfortunately be inevitable".

The hotel had informed the South African Commercial Catering and Allied Workers' Union of its plans and there were hopes of an "urgent" meeting.

Picket at 'Nellie' as workers object to retrenchments

AHH 21/7/94 (288)

☐ Forced into a corner, says management

JENNY VIALL, Staff Reporter

ABOUT 150 workers have picketed the Mount Nelson Hotel, protesting against restructuring and retrenchments.

Shop stewards for the South African Commercial, Catering and Allied Workers' Union said they were unhappy about talk of retrenchments without consultation, and staged a sit-in at the hotel yesterday.

They were concerned that management had not told them the truth about retrenchments, weakening their bargaining power.

"They're not being open with us. We were promised by the London owners that there would be no retrenchments and now Nick Seewer (general manager) is saying workers will be retrenched. We are not happy with the information available to us," said a Saccawu representative.

Picketing workers carried posters objecting to Mr Seewer's management style, retrenchments and the possibility of contracts replacing permanent work.

The hotel management announced this week that "certain measures" would be taken to lessen the burden of the hotel's poor financial performance.

Mr Seewer said restructuring and retrenchments were purely a business decision and "very regrettable".

"We've been forced into a corner. We understand our workers' concerns, but we can't allow the business to fold. We have to consider the hotel as a business: there has been a considerable drop in tourism and business travel to South Africa. We cannot foresee a great improvement.

"We have been criticised for being overstaffed, but before we took over in 1989 we were staffed on a summer season level. No hotel business can afford to do that."

Negotiations with Saccawu would go ahead as soon as possible, hopefully by tomorrow. said Mr Seewer.

Fine dining hit by recession

ET 22/7/94 (288)

Corporate cut-backs hurt trade

By IVOR CREWS

CITY restaurants are reeling under the recession, with some losing up to 40% of their customers.

This follows disclosures that occupancy at Cape Town's five-star hotels has plunged because of reduced foreign tourism. This has led to top hotels like the Mount Nelson retrenching staff after its occupancy rate plummeted in some winter months to between 8% and 9%.

Mr Louis Wege, the general manager of the Townhouse Hotel near Parliament, announced yesterday that its restaurant would stop serving lunches from August 1.

"After many years we have had to accept that our luncheons are no longer financially viable."

Mr Aldo Girolo, committee member and founder of the Cape Town Restaurant Guild, said city restaurants were not getting the support it had had in the past.

"Expenses have escalated dramatically and the Hildebrand Restaurant has not made a profit for over two years."

He said lunchtime trade at the Hildebrand Restaurant was 40% down and the trend was for people working in town to have cheaper pub lunches.

"In the current recession people simply can't afford to eat out as in the past and city restaurants are not attracting many diners," he said.

He pointed out that although the Waterfront was attracting people away from the CBD, some restaurants there had closed down too.

One reason restaurants were in crisis was that the expected foreign tourist boom had failed to materialise, he said.

The famous Cape Town landmark the Metropole Hotel recently closed down its well-known restaurant Wheelers as it was not paying.

The general consensus among restaurateurs was that many companies were tightening their belts and businessmen were not eating out as often as before.

Most restaurants reported that business was down by about 20% over the past few months.

Although the cost of food was increasing, with meat going up by 48% in the past two months, restaurants were trying to keep prices down to encourage trade and some were offering discounts.

SA suicide arms dealer

Steak houses 'sh
worker held

'We need to invent a new kind of tourism'

ARG 27/7/94

JOHN YELD
Environment Reporter



288

TOURISM is the world's biggest industry, employing 180 million people and accounting for 10,9 percent of all consumer spending — and Africa has what most tourists are looking for, says entrepreneur and Open Africa Initiative founder Noel de Villiers.

Speaking at an Argus/Fairest Cape "green" breakfast for the business community yesterday, Mr De Villiers said Africa had an abundance of what attracted most of the world's annual 400 million tourists: wide open spaces, sunshine, unblemished skies, wild animals, and places of solitude and silence.

"The question is, how do we turn this potential to advantage?

"What we must do is to invent a new kind of tourism, peculiar to Africa, in which we bring our natural wealth and our national needs together, balancing the requirements of humans and nature within the African context.

"Here is our chance to build bridges of understanding, create jobs, earn foreign exchange, uplift society, rekindle pride, connect ourselves with the world, and fulfil expectations."

The Open Africa Initiative aimed to bring like-minded people with a common goal together — to make Africa the world's number one eco-destination.

"Of the 400 million global tourists, Africa receives only 1,6 percent. Just an infinitesimally bigger share would dramatically improve our situation."

Some of the world's most spectacular natural marvels were to be found between Kenya and Cape Town, Mr De Villiers said.

"It is even conceivable that in the future the entire region could be linked from one end to the other by a chain of contiguous game parks — a mission for the accomplishment of which would surely qualify as the challenge of the millennium."

Open Africa was based on the belief that the continent's greatest assets were the splendour of its natural environment, the diversity of its cultures and the "extraordinary spirit" of its people.

"We have a vision ... a vision born here in Cape Town and we believe it can be stretched from here to cover the entire continent of Africa.

"Our vision is of a new Africa — the same place, but with a vastly different scenario to the hunger, strife and torment that has been our plight throughout the ages ..."

Blacks urged to play active role in Cape tourism

288

□ Things must change — minister

ARGT 1/8/94

JOHN YELD, Environment Reporter

THE Western Cape's tourism industry is extremely important economically and black people need to play a more active role in its development — especially by providing excellent service.

So says regional Environment Affairs and Tourism Minister Lerumo Kalako, who was speaking at the first meeting of the newly established Ubuntu Breakfast Club in Guguletu.

The region's tourism industry was the equivalent of the Transvaal's gold and had the potential to grow significantly, Mr Kalako said.

"(But) the industry is fragmented and controlled mostly by white people. It also has not been fully developed for the benefit of all the people in our province.

"I would like to encourage black business people to start playing a more active role, especially in the tourism industry, with the emphasis on the provision of excellent service."

South African business had a history of poor service and it was time to correct this, he said.

"Also, it will have a bigger impact if black business is seen to be leading this campaign."

Mr Kalako said he intended to involve as many new "stake-holders" in the tourism industry as possible.

This would include the development of hotels, restaurants and other facilities in townships, which could be significant in terms of Cape Town's bid for the 2004 Olympics.

"It can help to uplift townships and empower local people, and can help to give new life to our townships."

Specific programmes had to be set up to pass on skills and knowledge to those previously excluded from the tourism industry, Mr Kalako said.

● Referring to labour unrest, Mr Kalako said the government could not be expected to mediate in labour disputes, but had to ensure that such disputes were settled in an orderly way.

He appealed to business leaders to be "sensitive" in dealing with disputes.

"And, I appeal to unions and workers: Wherever you are taking up your problems, it must be done in an orderly way and not involve violence."

Mr Kalako said he was aware there was a perception in some quarters that the wave of strikes was being politically orchestrated.

However, he said: "These are normal labour disputes, in most cases."

Workers had genuine grievances and demands and these should not be exploited for political gain.

Building up foreign investment in South Africa could not be done at the expense of the poor, and disputes had to be handled with sensitivity, he said.

"I appeal to all parties to approach negotiations with this in mind."

Satour call to penalise racist facilities

THEO RAWANA

THE SA Tourism Board (Satour) has called for legislation that would penalise any tourism facility or establishment that practised racism.

In a reconstruction and development strategy document, Satour says all forms of racial discrimination must be eradicated from the tourism industry by next year.

Satour also says indications are that SA could be a sought-after destination for foreign tourism investors and that SA tourism, if effectively marketed, could push its foreign exchange earnings from the present R7bn to R9bn in the next three years.

Satour stresses that the 23-page document is a discussion document and will be distributed for comment and input.

Satour says the challenge for SA is to ensure holiday facilities are accessible to a broad spectrum of South Africans and its people embrace a tourism culture.

It says the target should be an increased number of international visitors rating SA's tourism service as "good" and at least 70% of all South Africans being fully aware of the benefits and responsibilities associated with growing tourism by 1999.

The board adds that by 1996 the national grading and classification system should include a wide spectrum of accommodationfacilities. B/Day

Satour says an integrated and co-ordinated tourism training strategy should be ready for execution by 1996, incorporating both formal and non-formal elements.

"By the beginning of 1997 tourism should be included as a component in the primary and junior secondary national geography school curriculum," it says. 318194

Sapa reports the nine provincial tourism MECs and a Satour delegation met Tourism and Environmental Affairs Minister Dawie de Villiers in Cape Town yesterday to discuss the co-ordination of a national tourism policy. (288)

The parties decided to investigate the possibility of a new public sector tourism structure.

Kersaf denies any conflict of interest in casinos

BIDay 8/8/94

AMANDA VERMEULEN

THERE was no conflict of interest in government holding shares in casino operations while acting as an industry referee, Sun International parent Kersaf said yesterday.

Sun International, in which Kersaf holds 80%, had sold shares in its casino resorts to the former TBVC governments.

Safren chairman Buddy Hawton said the relationship between the group and the TBVC governments had helped both parties. The governments had used revenue from their equity stakes to develop tourism, and Sun International had profited from a growth in the value of its shares.

The track record of the development organisations in the former TBVC states had proved that government involvement was a successful formula that could also be used by the new regional governments.

"Equity holdings in casinos will not affect the government's objectivity, providing the rules apply to everyone," Hawton said.

He said the casinos established in those states had been secondary to the primary focus of developing tourism. He acknowledged, however, that casinos had been the catalyst for the expansion of resort facilities.

Hawton said that unfair media coverage had affected Kersaf's share price, which had slipped from a high of R53,00 in May to R41,50 yesterday, and had not taken into account the investment the group had made in SA's tourism industry. (288)

Battle plan for tourism trade

(288)
CT 3/8/94

THE nine provincial tourism ministers met in the city yesterday to thrash out a battle plan to ensure the industry will cope with the expected influx of tourists at the end of the year.

It was decided to form a tourism co-ordinating committee to study new structures, financing methods and marketing strategies to handle the new arrivals.

City tourism boost from Hong Kong

(288) CT 3/8/94

By AUDREY D'ANGELO

SOUTH African Airways' first direct flight from Hong Kong to Cape Town today will bring a group of 100 Chinese tourists — believed to be the largest ever sent here from the colony.

SAA's manager in Hong Kong, Marie-Helene Maguire, said: "We are seeing a steady stream of tourists coming to SA from Hong Kong.

"Until now they have all flown to Johannesburg and visited Sun City and about 80% of them went on to Cape Town.

"SAA decided to add to our competitive edge by continuing the direct flight on to Cape Town once a week. The Wing-On agency in Hong Kong, which has been very supportive and sent thousands of tourists to SA, put this very big group together for the inaugural flight.

"I am sure they are the first of many others. People in Hong Kong have a lot of disposable income and they like to travel because the colony is so small. About 2,5m of them go abroad every year, to long haul destinations.

"Most of them have been to Europe, the US and Australia and are very interested in new destinations.

"It's summer in Hong Kong now — very hot and humid, and people want to get away. Tourist traffic will be heavy until November. The next influx will be in February, which will be the Chinese New Year."

SAA's main competitor on the route is Cathay Pacific Airlines, which flies twice a week between Johannesburg and Hong Kong.

False Bay to benefit from tourism plan

(288)

CT 4/8/94

By CHRIS BATEMAN
Political Staff

THE severely neglected False Bay coastline stands to benefit in the long-term from an ANC-led drive to involve local communities in tourism development — but Monwabisi and Strandfontein will benefit much sooner.

Upgrading, including irrigation systems, landscaping and dune stabilisation, is due for completion at the resorts by next month.

Reliable sources in the provincial department of Environment Affairs, Nature Conservation and Tourism said it was hoped to spread this upgrading towards Muizenberg.

"What we intend is to tap the massive tourism potential by involving disadvantaged communities from Mitchells Plain to Retreat, Tokai and Muizenberg in tourist ventures and secondary spin-off benefits," Mr Rod Solomons, of the department's Strategic Management Team, said.

His committee is sifting through various proposals to pass on to local Economics Minister Dr Allan Boesak. Final approval would come from the central government.



GROWING TRADE ... Kenya's Minister of Trade and Industry, Kiruw M'mukinda (left, front row) and six leading Kenyan businessmen visited the Cape Chamber of Commerce and Industry yesterday. They were welcomed by the president of the chamber, Ernest Wilson (centre, front row) and deputy president, Michael Stekhoven (back row, third from left). Members of the Kenyan delegation were (from left, back row), BM Kikuvi, Josiah Green, Silas Ita, Peter Muthoka and Paul Chemng'orem. Front row, right, Lawrence Ndeeri. Picture: ANDREW BROWN

Kenyan market of major appeal

By AUDREY D'ANGELO
Business Editor

KENYA can provide training to upgrade levels of service in the SA tourism industry, and is a rapidly growing market for many of this country's products including wine, its Minister of Trade and Industry, Kiruw M'mukinda, said yesterday.

On a courtesy visit to the Cape Chamber of Commerce and Industry he told its president, Ernest Wilson, and deputy president, Michael Stekhoven, that trade with this country had grown from nothing to $500m last year "and this year it will be double that".

The minister said that SA had become a major supplier of consumer goods, machinery and equipment to Kenya.

One of the reasons for his visit was to know more about the new government's policies on matters such as regional co-operation.

"The world is moving closer together as political and economic barriers come down. Kenya and SA are both members of GATT (the General Agreement on Tariffs and Trade) and are opening their boundaries in terms of GATT agreements."

Kenya could sell coffee, tea, flowers, agricultural produce and textiles to SA and could provide services. SA could export machinery and other goods to Kenya. It was closer than other suppliers and understood the market better.

The minister also invited SA manufacturers to open operations in Kenyan export processing zones (EPZs) which offered incentives such as tax holidays, duty free raw materials and no exchange controls. He said Kenya had a well educated and highly productive labour force, with lower wage levels than those in SA.

Pointing out that tourism was a major industry in Kenya, with high levels of service, he said training would be available for South Africans at its Utalii (tourism) training college. Such training had been provided by the college to people from other African countries.

Paul Chemng'orem, MD of parastatal Kenya Wine Agencies, said that his company alone had imported 3,1m litres of SA wine last year and would import 3,5m this year.

The wine was imported mainly for consumption by tourists. As a result of the SA wine exports, imports from France and Italy had "dropped significantly."

'Apartheid image' in tourism rivalry

Own Correspondent

DURBAN. — The competition for tourism between South African cities often reinforced the apartheid image that "white equals rich and black equals poor", kwaZulu/Natal Tourism Minister Mr Jacob Zuma said this week.

There was a tendency to regard Cape Town as a destination for whites and Durban for blacks, Mr Zuma told delegates at a regional economic growth conference here.

He said the marketing of South Africa's cities and towns should be integrated as a "single vision", instead of tourist boards and publicity associations competing against each other.

Durban's tourist base had been eroded since the 1960s as tourists sought more.

"But Durban has a large untapped potential — we need to market our cultural richness ... our strong Zulu culture evokes images of the legend of Shaka Zulu and needs to be aggressively promoted.

"We need to shift from the distorted colonial images of our indigenous culture .... We need to involve the people themselves."

In response to Mr Zuma's comments, Greater Durban Marketing Authority tourism director Mr Ted Hirst said that if Durban was regarded as a tourist destination for blacks and Cape Town for whites, it was because Durban was the first city to open its beaches, which resulted in an influx of black holidaymakers.

● Cape Town's beaches were actually the first to scrap apartheid in November 1989. (286)

According to newspaper reports, Cape Town had officially opened beaches by November 21, while Durban councillors where still debating the issue. CT 5/8/94

Star 9/8/94

Transun lifts earnings, dividend

■ BY CHARLOTTE MATHEWS

Transun, owner of the Wild Coast Sun hotel and casino, had a more than satisfactory 19 percent improvement in attributable earnings to R52 million in the year to June, says Sun International MD Peter Bacon. (288)

A dividend of 26c (1993: 23c) has been declared on earnings of 35,9c (30,1c) after taking the 5 percent transition levy into account.

Before the levy, earnings were 27 percent better at 38,2c a share.

Bacon said yesterday occupancy rates were 63 percent, the same as in 1993, a good rate in view of the decline in conference bookings over the election period.

If the Lotteries and Gambling Board recommended gambling be made legal in SA, it would obviously affect Transun, Bacon said.

August 9 1994

Transun boosted by day trippers

BDay 9/8/94

BEATRIX PAYNE

TRANSKEI Sun International (Transun) recorded 18% growth in attributable income to R52m for the year to June as day visitors to the Wild Coast Sun increased sharply.

Chairman Peter Venison said the group had achieved "substantially improved results" despite unrest before the election.

However, revenue growth had been impeded by illegal casinos in Durban, he said.

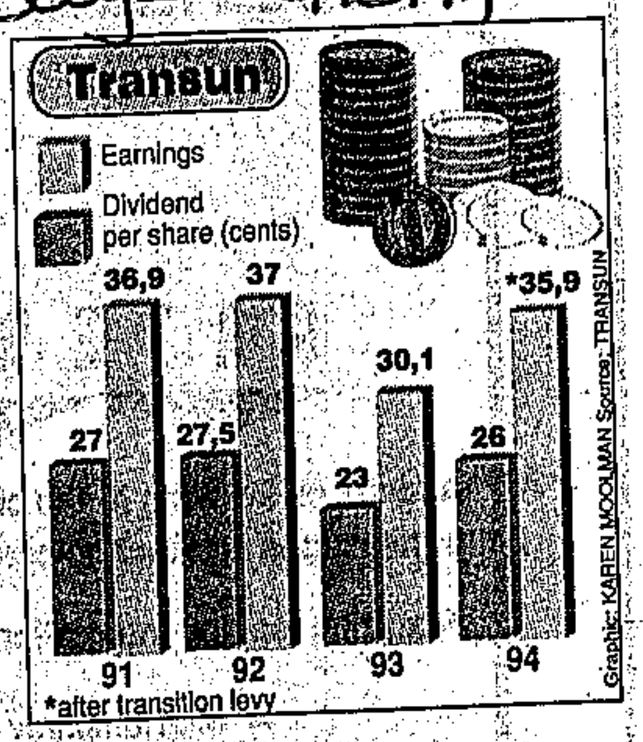
Parent Sun International MD Peter Bacon said occupancy rates for the year were steady from the previous year's at 63% but there had been significant growth in the number of day visitors.

"April and May had been very soft" as people stayed home over the elections and companies avoided the resort's conference facilities.

The R90m refurbishment of facilities had been completed and had attracted day trippers.

Turnover rose 21% to R246,1m and operating profit rose 38% to R78,2m. Net interest paid fell 43% to R1,4m (R2,5m) as improved trading conditions saw cash flows increase. Pretax profits rose 42% to R76,8m.

The tax bill jumped to R24,7m from R10,3m last year. Venison said the effective tax rate had increased to 32,3% (19,2%) because of higher capital allowances in the previous year and the recent imposition of the 5% transition levy.



Earnings a share rose 19% to 35,9c. Had the transition levy not been applicable the group would have posted a 27% rise in earnings to 38,2c. The dividend was 26c (23c).

Venison said forecasting for the year ahead was "difficult" because of uncertainty surrounding the restructuring of the gaming industry.

The introduction of legal gaming was being considered by central and provincial government, which were awaiting recommendations of the Lotteries and Gambling Board.

He predicted "reasonable earnings growth" in the coming year assuming illegal casinos were eliminated by restructuring of gaming legislation.

Workers picket Sea Point hotel

288 CT 10/8/94

SA Commercial, Catering and Allied Workers Union members protested outside a Sea Point hotel yesterday over the retrenchment packages of 39 former workers.

A Ritz Protea Hotel statement yesterday said a severance payment of two weeks' pay for each year of service had been offered to the workers.

The 39 workers, who were retrenched on July 18, wanted a severance payment of four weeks for each year, union shop steward Mr George Yalolo said.

• About 3 000 employees at 10 pelagic fish factories from Port Nolloth to Hout Bay have been striking since Friday.

Food and Allied Workers' Union spokesman Mr Henry Mostert said yesterday management had offered a 35c an hour increase, but the strikers were demanding a 60c an hour hike.

Negotiations were continuing, he said.

Sunbop earns same despite trying times

■ BY DEREK TOMMEY

Sunbop (Sun International Bophuthatswana) has weathered a difficult year, with no drop in profits.

The unrest in March and the turbulent political environment leading up to the election in April hurt the group's trading in the second half of the financial year to June, Sunbop said yesterday.

It was also hit by poor trading conditions and the continuing expansion of illegal casinos.

Nonetheless, it managed to increase turnover by 14 percent to R1,34 billion and its operating profit by 3 percent to R308,2 million.

Earnings attributable to ordinary shareholders rose by 3 percent from R119,2 million, equal to 192c a share, to R236,3 million, equal to 198c a share.

The final dividend has been reduced from 68c to 57c, but the total for the year is unchanged at 132c.

Interest payments rose from R30,3 million to R39,8 million following a full year's financing costs for the Lost City.

But tax allowances flowing from the Carousel and the Lost City, together with the lower earnings in the second half of the year, led to a tax rate of 12 percent.

Chairman Sol Kerzner said prospects for the economy were encouraging.

But the recent spate of labour unrest, which affected Sun City, and uncertainty about the future of gaming, made forecasting difficult.

But earnings for the coming year should at least match those of the past year.

SunBop lifts earnings 3,4% in poor conditions

AMANDA VERMEULEN

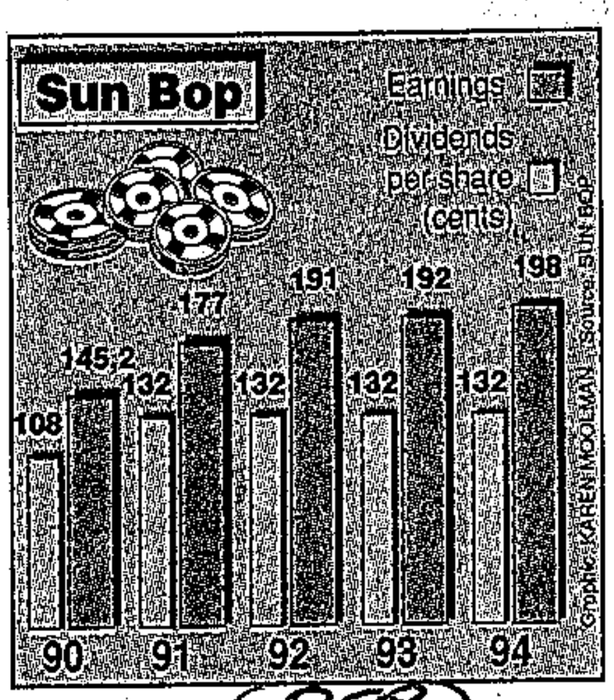
GAMBLING and resort group Kersaf's subsidiary Sun International (Bophuthatswana) lifted earnings 3,4% to R236,2m for the year to June, despite poor trading conditions and the continued expansion of illegal casinos.

Earnings a share increased 3,1% to 198c and a final dividend for the year of 57c (68c) was declared, with the total dividend maintained at last year's 132c.

Operating profit increased 3% to R308,2m but an increased interest expense of R39,8m (R30,3m) relating to financing of The Lost City reduced pre-tax profits 0,1% to R268,4m.

SunBop chairman Sol Kerzner said the March unrest in the former Bophuthatswana and upheaval leading up to the election affected second-half trading, eroding margins.

However, a lower tax bill of R32,2m (R40,3m) boosted SunBop's earnings to R236,2m (R228,5m). The



tax allowances flowing from the Carousel and The Lost City developments, combined with the lower earnings in the second half, reduced the effective rate of taxation to 12%.

Kerzner said the group reported a 64% occupancy rate, compared to 70% in the previous year, following a large number of cancellations of local and overseas bookings in the second half of the year.

He said that while the introduction of legal gambling in SA was still under consideration by both the national and regional governments, and the Lotteries and Gaming Board, it was expected that the harmonisation of the tax systems of SA and the former Bophuthatswana would be phased in.

Cosatu and Kerzner's Sun International last week announced negotiations with a black consortium which could see the company forming a partnership with black business. Kerzner was reported to be offering the consortium free shares in future gambling enterprises, believed to be worth about R1bn.

Kerzner said post-election prospects for the domestic economy were encouraging. But the recent spate of labour unrest in the country as well as uncertainty about the future of gaming made forecasting difficult for the group.

However, he said that earnings for the coming year should at least match those of the past year.

Rationalisation pays off for Sun Ciskei

AMANDA VERMEULEN

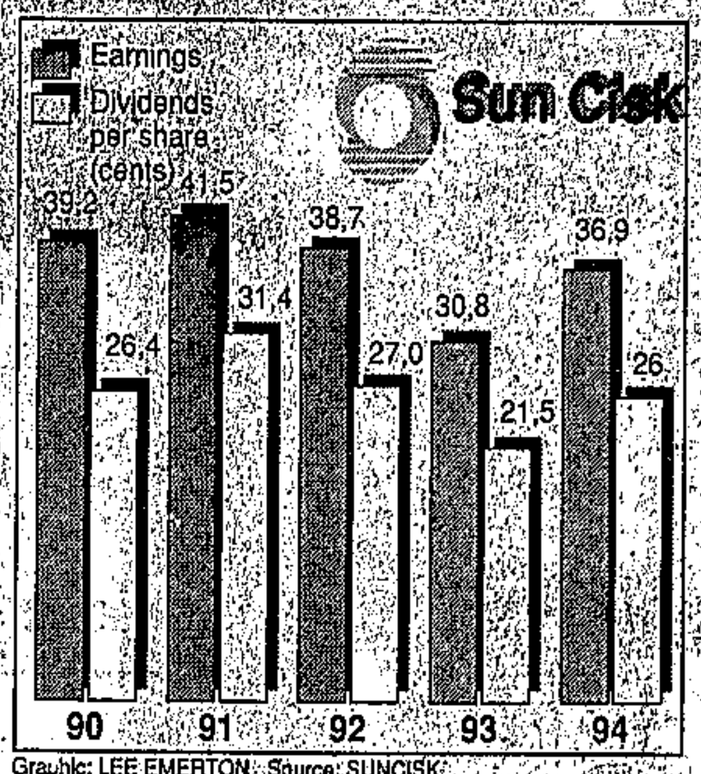
CASINO resort group Sun International subsidiary Sun Ciskei lifted earnings 20% to R27,7m for the year to June through rationalisation in the previous year, strict cost controls and effective management of working capital.

Earnings a share before the 5% transitional levy increased 27,9% to 39,4c. After the levy, earnings increased 19,8% to 36,9c a share. A final dividend of 13c was declared, bringing to 26c (21,5c) the total dividend for the year. Turnover grew 8,2% to R117,3m, while operating profit increased 17,6% to R29,8m.

Sun Ciskei acting chairman and Sun International MD Peter Bacon said trading conditions had remained depressed. The proliferation of illegal casinos had a restraining effect on revenue growth.

Interest received, which grew to R1,9m (R180 000), and a lower interest payment of R106 000 (R279 000), partially offset the levy of R1,8m, resulting in after-tax profit of R29,7m (R25,3m).

Bacon said the introduction of legal gaming would be considered by the Lotteries and Gaming Board, headed by Prof Nic Wiehahn. While the number of unregulated casinos had continued to increase, authorities in the Eastern Cape were attempting to curtail these operations.



Graphic: LEE EMERTON Source: SUNCISK

A more stable sociopolitical environment and moderate economic growth could be expected during the coming year. However, forecasting remained difficult because of "the illegal casinos, the uncertainty about the restructuring of the gaming industry" and tax changes.

While the group anticipated satisfactory growth in operating profit, the extent to which it would flow through to attributable earnings would be influenced by changes to tax laws as former homeland taxation was brought in line with SA's.

Sun Ciskei treads cautious road

(288)

JOHANNESBURG. — Casino and hotel group Sun Ciskei posted a 20% increase in attributable earnings of R27,7m for the year ended June 30 1994 compared to R23,1m a year ago.

Earnings per share after taxation levy increased by 20% to 36,9c, compared to 30,8c last year. The group declared a final dividend for the year of 26,0c, 21% higher than last year's dividend of 21,5c.

CT 15/8/94

The improved results reflected the effects of strict containment of costs and effective management of working capital in the face of depressed trading conditions and an increased taxation charge due to the new 5% transition levy.

The number of unregulated casinos had continued to increase but the group was pleased to note that the Eastern Cape provincial authorities had recently attempted to curtail these operations.

The Sun Ciskei board remained cautious about future business prospects due to the uncertainty surrounding the restructuring of the gaming industry. Future results would also depend on the pace at which taxation rates presently applicable to the group would be harmonised with those applicable in the rest of South Africa.

City Lodge set to gain from Kersaf

B/Day 16/8/94

HOTEL group City Lodge lifted earnings 36% to R14,5m for the 11 months to June, as occupancy rates outstripped the industry average.

AMANDA VERMEULEN

The company reported 11-month earnings so its year-end would correspond with that of Kersaf Investments, which bought a 44% stake in City Lodge in January.

Earnings a share increased 35,9% to 58,6c and a final dividend of 17c was declared. This brought the total dividend for the year to 29c (24,8c).

Turnover increased 25,7% to R66,2m, partly as a result of full period contributions from three new hotels.

Executive chairman Hans Enderle said two new Town Lodges were opened late in the financial year.

Occupancy rates hit 75%, compared with a 47% industry average. Operating profit grew 27,4% to R30,3m, while pre-tax profit increased to R20,8m (R16,2m).

Tax rose to R6,3m (R5,4m).

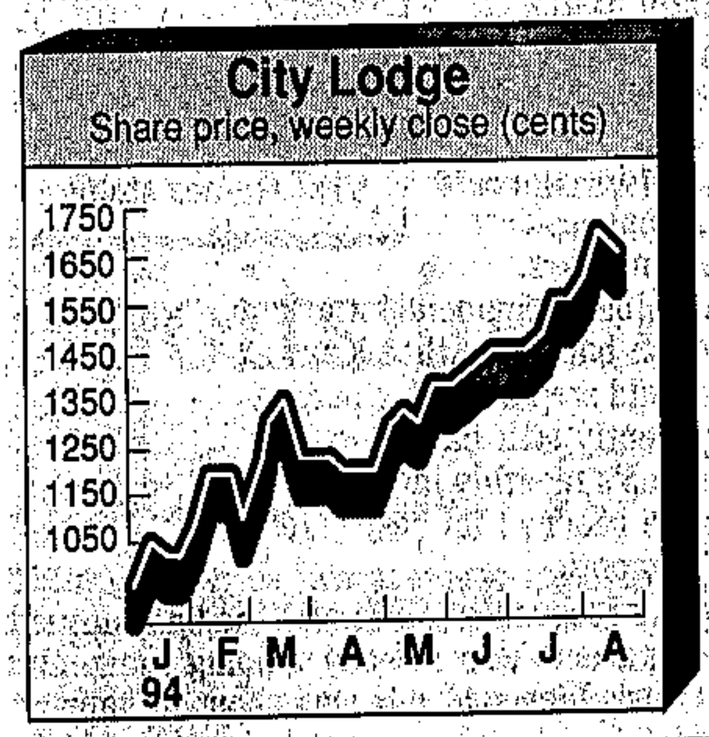
The capitalisation share route was chosen to conserve cash for future hotel developments, reducing the tax rate from 34% to 30%.

288 288

Enderle said that Kersaf's acquisition of the Mine Pension Fund's stake in the company augured well for City Lodge's future growth, not only in SA, but in neighbouring states and even overseas. He said Kersaf would assist in marketing the company overseas to attract some of the expected increase in foreign visitors.

Shareholders' funds increased to R63m (R18,2m) largely as a result of the revaluation of land and properties. This contributed to net asset value a share rising to R3,59 (R2,42).

Prospects for continued earnings growth were good.



City Lodge posts 36% earnings rise

(288) CT 16/8/94

JOHANNESBURG. — City Lodge Hotels today justified the doubling of its share price in the 11 months to June 30 by achieving a 36% rise in attributable earnings based on a 26% increase in turnover.

The company reported 11-month earnings because of a change from a July to June year-end to correspond with Kersaf Investments which became a 44% shareholder in City Lodge in January.

Attributable profit, which was assisted by a saving in STC of about R1m due to the directors' decision to issue capitalisation shares instead of a final dividend, rose to R14,5m compared to R10,7m in the corresponding 11 months to June 1993.

The capitalisation share route was chosen to conserve cash for future hotel developments and had the effect of reducing the company's effective tax rate from 34% to 30%.

Turnover increased from R52,7m to R66,2m as a result of full period contributions from two new City Lodges (City Lodge Victoria and Alfred Waterfront and City Lodge Sandton Morningside) and one new Town Lodge (Town Lodge Jan Smuts Airport).

Town Lodge Midrand and Town Lodge Nelspruit were opened at a cost of R23m toward the end of the financial year, but would only start showing a meaningful contribution to results in the year to June 1995.

Earnings per share jumped 36% to 58,6c and shareholders' funds increased by R44,8m to R63m largely as a result of the revaluation of land and properties on Januuary 1 this year. — Sapa

Hotel group justifies share's rise

ARG 16/8/94

(288)

CITY Lodge Hotels justified the doubling of its share price in the 11 months ended June with a 36 percent rise in attributable earnings from a 26 percent increase in turnover.

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Town Lodge Midrand and Town Lodge Nelspruit were opened at a cost of R23 million towards the end of the financial year, but would only begin showing a meaningful contribution to results in the year ending June, 1995.

■ **Impala** shareholders will receive unchanged dividends of 140c for the year ended June, even though tough conditions in the rhodium and nickel markets, together with reduced platinum sales and increased capital expenditure, depressed distributable earnings.

Chairman Michael McMahon said the benefits of higher platinum and palladium prices and the effects of the 15 percent depreciation of the rand on mining income were offset by the weakness of nickel, the halving of the rhodium price and lower platinum production.

The outcome was that income from metals fell by R15,8 million, or 4,2 percent, to R359,7 million.

Platinum sales were down by 50 000 ounces, because of reduced mine output after cost-savings efforts, including the closure of the high-cost No 11 Shaft, and because of under-achievement over the many public and political holidays. Total income from platinum was down eight percent.

Pre-tax income was 16 percent lower at R288 million, attributable income was 15 percent lower at R170 million, and distributable income was 39 percent lower at R66 million.

Mr McMahon said the sale of Ayrton Metals for R62 million helped convert last year's net debt of R120 million to net cash of R21 million.

■ An injection of R408million has put banking group **Sechold** in the black again, after a R199,7 million loss in the futures market.

The new capital boosted ordinary shareholders' funds at June 30 to R224,4 million (1993: R82,9 million) and total shareholders funds to R424,4 million (R143:3 million).

Chairman Stephen Koseff says Sechold has been restructured, leaving the four banking subsidiaries and Securities Equities to focus entirely on the securities markets.

The banks contributed to a 49 percent rise in operating profit to R119,5 million. Attributable profit before abnormal losses was R29,2 million.

■ Conversion to new computers and provision for doubtful advances saw **African Bank** post a loss of R2,9 million for the year ended March.

The bank, however, continued its impressive growth in keeping with its five-year strategic plan: Assets increased by an impressive 49 percent to R625,7 million.

The plan includes issuing its first cheque book as well as ATM and credit cards, becoming a member of the Clearing Bank's Association and seeking a listing.

■ **Randgold and Exploration Company** has asked a consortium planning to take over First Wesgold to cancel a general meeting for this purpose planned for Thursday.

If the meeting was not called off, it said, it would make an urgent court application to stop the implementation of any takeover resolutions passed at the meeting.

FirstCorp Merchant Bank, Randgold's advisers, valued First Wesgold at R25 million, excluding rehabilitation liabilities, based on information provided by First Wesgold's management and technical consultants. — Business Staff and Sapa

Racism in tourism should be wiped out by 1995, says Satour

□ Plan to impose penalties for discrimination

(288) ARG 16/8/94

ANDREA WEISS
Staff Reporter

RACISM in the tourism industry should be wiped out by 1995.

This suggestion is contained in a "consultative document" outlining a reconstruction and development strategy for the tourism industry in the next five years.

Produced by Mike Fabricius and Ernie Heath of Satour, the document proposes that all forms of racial discrimination should be eradicated by proactively penalising any discriminating facility or establishment.

It also suggests a proactive approach to make tourism accessible to all South Africans who in the past were excluded from an industry catering mainly for whites.

"This trend should be reversed in order to ensure that South Africans experience and develop a pride in their country," the document says.

It points out that South Africa's tourism earnings are relatively low compared to world figures. Tourism on average contributes about six percent to world GNP compared to about two percent locally.

Foreign exchange earnings from tourism are estimated at R7 billion but could expand to R9 billion in the next three years.

The plan suggests that tourism can contribute towards reconstruction and development if it promotes the development of human resources, expands basic services and generates jobs.

Because in the past tourism largely served the needs of whites, a process of change is needed to "unlock" the local mass market and increase foreign exchange.

The plan also proposes that by 1995 at least 100 unemployed youths between the ages of 18 and 25 should be trained and operating as "tourist protection officers", and a further 50 should be working as tourist guides.

To safeguard tourists, all areas with high crime rates should be identified and a comprehensive service should be operating, including pamphlets, public signage and a toll-free emergency number.

Because tourists seek out environmental quality, priority should be given to environmental sustainability.

Suggestions include a voluntary contribution fund at national and provincial parks to be put towards upgrading services in communities living near these parks.

Organised labour also needs to be drawn into the tourism industry by being given representation on tourism advisory and negotiating forums.

Funding and training for small entrepreneurs should also be actively supported.

"While most tourists travel in and to South Africa to experience its climate, scenic beauty and wildlife, South Africa's people are unmistakably its greatest asset.

"South Africans are world-renowned for their commitment and struggle towards a democratic society and for the peaceful manner in which the transition to a new political order has occurred," the document says.

Don't reinforce image that black means poor — minister

DURBAN. — Tourism bodies should avoid supporting an image that black tourists are poor, says KwaZulu-Natal tourism minister Jacob Zuma.

"We must try to ensure that marketing our towns is done in a way that does not reinforce this image," he told a regional economic conference.

Mr Zuma said Cape Town had almost become an exclusive holiday destination for whites, while Durban was preferred by blacks.

"Intercity competition is not necessarily good and it reflects the old apartheid order." Domestic tourism marketing was very limited and should be done by everyone dealing with people from out of town.

"From the taxi drivers to waitresses, local people must be involved in the marketing process."

He intended convening a KwaZulu-Natal tourism conference to map out a promotion strategy.

An international convention centre under construction would set Durban ahead of most other cities in the country, but the facility should also be used to benefit the community and local artists.

Durban could sell itself as Africa's prettiest port and had as many different cultural influences as Mombasa or Zanzibar. — Reuter.

Business Report

Southern Sun hotels plans R55m revamp

CT 16/8/94 (288)

Business Editor

SOUTHERN SUN will spend a further R55m in the current financial year on refurbishing and upgrading hotels.

Group MD Ron Stringfellow said yesterday that its repositioning strategy had been a success with an average 63% occupancy for the year "up 11,3% on the previous year and substantially above the industry average for all gradings of 43%."

Stringfellow said the repositioning of the Garden Court hotels, in particular, had helped the group gain market share.

Garden Court occupancies rose by 17% during the year.

"The brand has been a success because we listened to the customers and gave them what they wanted."

He said occupancies for the group as a whole had been "higher, every month, than in the equivalent month last year."

There had already been an increase in business travel at the top end of the market, following the election, and forward bookings for the international leisure market looked good.

The group was working on several casino projects.

But "until egislation on this issue has been pased it is difficult to make any firm commitments or plans."

Satour expects 800 000 tourists to SA in 1995

JACQUIE GOLDING

NEARLY 800 000 tourists are expected to enter SA next year, which could earn the country an additional R700m in foreign exchange, the SA Tourism Board said yesterday. BIDay 19/8/94

The growth predicted could create about 4 500 additional direct and 9 000 indirect job opportunities.

Satour chairman Piet van Hoven said various factors would contribute to the expected growth.

"These include SA's new international status with numerous new marketing opportunities, the Explore SA 1995 campaign, and the staging of the World Rugby Cup tournament in the country next year."

Last year, 618 508 overseas visitors entered SA while arrival figures for this year were expected to increase about 10%. An increase of about 20% for next year was expected, Van Hoven said.

Satour chief director Ernie Heath said Satour had decided to expand its international presence to India, Singapore, Scandinavia and Brazil.

Heath said although SA was poised for a growing tourism industry, it could only reach its full potential once the level of crime and violence decreased.

A recent World Tourism Organisation study ranked SA first among African countries in terms of foreign exchange earned from international tourism.

288

Tourism boost expected in 1995

Staff Reporter

A 10 PERCENT increase in foreign tourists is expected this year — with a 20% leap forecast for 1995, Satour said yesterday.

Mr Piet van Hoven, South African Tourism Board (Satour) chairman, said 618 508 overseas visitors entered South Africa last year.

Close on 800 000 overseas visitors are expected in 1995. (288) CT 19/8/94

This will earn the country an additional R700m in foreign exchange and create approximately 4 500 additional direct and 9 000 indirect job opportunities.

He said in a statement that various factors would contribute to this expected growth.

"These include South Africa's new international status which implies numerous new marketing opportunities, the Explore South Africa 1995 campaign and the staging of the World Rugby Cup in the country next year. This event alone is expected to draw 60 000 visitors."

● According to a recent study by the World Tourism Organisation, South Africa currently enjoys the third largest share of Africa's foreign arrivals.

South Africa ranks first in terms of foreign exchange earned by tourism.

More tourists in SA

By Josias Charle 22/8/94

MORE than 800 000 overseas visitors are expected to visit South Africa next year — earning the country nearly R1 billion in foreign exchange, the SA Tourism Board has announced.

Apart from the financial spin-off, it is expected 4 500 direct and 9 000 indirect job opportunities would be created.

Satour chairman Mr Piet van Hoven said various factors would contribute to this expected growth.

"These include South Africa's new international status which implies numerous new marketing opportunities, the Explore South Africa 1995 campaign and the staging of the 1995 World Rugby Cup tournament. This event alone is expected to draw 60 000 visitors," he said.

Last year 618 508 overseas visitors entered the country. Arrival figures for this year are expected to increase by about 10 percent, after which an increase of about 20 percent for next year is predicted.

Chief director of tourism promotion at Satour Dr Ernie Heath said that in view of the value of tourism in terms of foreign exchange earnings and job creation, the international marketing of South Africa as a tourist destination should be intensified.

Kersaf boosts earnings by 9%

288 CT 23/8/94

From AMANDA VERMEULEN

JOHANNESBURG. — Leisure and entertainment group Kersaf lifted earnings nearly 9% to R179m in the year to June despite unrest in the former Bophuthatswana and SA during the run-up to the elections.

Earnings a share increased by 6,6% to 225c and a final dividend of 81c was unchanged from 1993, bringing to 150c (147c) the total dividend for the year. Turnover increased by 8% to R2,2bn and operating profit by 7% at R574,2m.

Pre-tax profits grew 5,6% to R541,7m. Taxation increased to R98,3m (R85,4m), with after tax profit up 3,7% to R443,4m.

Chairman Buddy Hawton said adverse conditions resulting from violence had seriously affected the group's performance, resulting in second half earning increasing only moderately compared with 15% growth in the first six months.

Hawton said Sun International, the group's largest contributor to earnings and turnover, was hit by unsettled trading conditions in the second half of the year, with SunBop and Sun City most affected.

Revenues for the year were 11% higher, which included Lost City results for the full year compared with only seven months the previous year, and attributable earnings were 9% higher than 1993.

The hotel industry experienced a resurgence in occupancy levels as the year progressed but this was mainly restricted to lower graded hotels.

Resort hotels continued to be adversely affected. Sun International resorts reported an average occupancy rate of 58% for the year, compared with 60% last year.

While the future of the gaming industry was still under consideration by local and national government, the group's resorts would be permitted to continue operating after re-incorporation into SA. Hawton added the estimated 2 000 illegal casinos in the country would continue to have a detrimental effect.

The harmonisation of the tax systems of SA and the former TBVC states would be undertaken by Inland Revenue in phases, commencing in the coming year.

Interleisure, in which Kersaf has a 37% holding, traded satisfactorily despite being negatively affected by unrest and elections.

A 6% increase in earnings was due mainly to a strong performance from Ster-Kinekor, the reduction in net interest costs and a lower tax rate which offset earnings declines in Cinemark and Computicket.

The group acquired a 44% stake in City Lodge from January 1 for R163m. City Lodge reported a 36% increase in earnings for the 11 months to June — a change in its financial year to bring it in line with the Kersaf year end.

Hawton said trading conditions for the year were expected to show some improvement.

Boesak slams lazy workers, poor service

289 CT 25/8/94

Political Staff

A POOR work ethic and "general laziness" in the Western Cape resulted in poor service provision, Western Cape Economics Affairs Minister Dr Allan Boesak said yesterday.

Addressing the provincial legislature, Dr Boesak said it was "hugely important" to change this attitude, especially with tourism being such a major local income earner.

Switching to his ministry, he said he had been assured it would have its powers devolved from central government "within two months".

His ministry would be responsible for regional promotion and marketing, ursury inspection services, some administration, liquor affairs, promoting industry and techology, investment, industrial promotion and development and the RDP.

In spite of the lack of finances and clarity on his powers and functions, his Strategic Management Team had launched an investment company initiative and was tying up a deal that "could result in the creation of between 30 000 and 40 000 jobs over the next 10 years".

Satour promoting campaign for future

Weekend Argus Reporter

SATOUR has launched a national tourism awareness campaign aimed at winning the hearts and minds of South Africans.

The domestic campaign, called "Tourism — Share The Rewards", was launched at the Whale Well in the SA Museum yesterday and complements Satour's international promotion "Explore South Africa 1995". The latter is intended to stimulate and promote tourism to South Africa.

"Share The Rewards" is aimed at creating a tourism ethos and provides an anchor theme and the slogan to which all organisations, communities and individuals can link their activities.

The campaign has been advertised on the radio and in several publications.

The objectives are:

■ To help South Africans understand the benefits of tourism, for communities and the economy;

■ To get South Africans to take ownership of tourism, either through working in the industry, becoming hosts to tourists or becoming tourists themselves; and

■ To make people aware of the responsibilities associated with a growing industry and to prepare them for the expected influx of visitors by promoting hospitality, excellent service and a pride in South Africa.

'Tourism can be Cape's gold'

288
ARG 27/8/94

ADELE BALETA
Weekend Argus Reporter

■ Tourism has been given top priority, with every region in South Africa having a tourism minister. It is our newest growth industry, but much will have to be done to make it reach its full potential.

TOWNSHIPS don't scare away tourists, but shoddy service, inhospitable residents and cities with no night life do, says Lerumo Kalako, Western Cape Minister of Nature Conservation, Environmental Affairs and Tourism.

In his address to Satour's Tourism Awareness Workshop at the Whale Well in the SA Museum yesterday, he said it was necessary to pool resources to make tourism the key industry in the province so that it became "what gold was to the Transvaal during the latter part of the 19th century".

The government had realised tourism was the most dynamic growth industry and there was for the first time a Tourism Minister at a national level as well as in nine provinces.

But, he cautioned that a tourism policy was going to be shaped largely by the levels of growth within the industry.

There were about 450 000 job opportunities generated in South Africa by the industry and the Western Cape was set to gain R1,6 million. The provincial GDP benefited five percent from tourism and 3,09 million foreign tourists visited the region last year.

The Western Cape's natural environment provided a productive base for the industry's resources "hence an ecologically sustainable development should be an integral part of a tourism strategy".

The starting point to promote tourism "is to create a culture which is welcoming, not only to foreign tourists, but also to our own people," he said.

Several areas needed attention including customer services and shopping hours that catered for tourists. Energy needed to be injected into the cities which "were almost dead at night".

Apartheid had excluded the majority of South Africans both in ownership and management of the country's resources and tourism was no exception.

Black people needed to be encouraged to play a pivotal role in this sector. Mr Kalako said there was a need for the private sector to inject capital into training black people how to manage hotels, restaurants and travel agencies. "We need to see blacks on the boards of directors of the companies that are involved in tourism," he said.

■ At the same workshop Captour's chief executive director Gordon Oliver said that while it was important to improve customer services by changing attitudes, it was imperative that consumers complained more and voiced their discontent about bad service.

"Customers need to speak up and complain, but they also need to say thank-you when they are satisfied," he said.

Spur group still sizzling

Business Staff (288) ARG 30/8/94

TRADING at Spur Steak Ranches had been "quite comfortable" in the first six months of the current year, chairman Allen Ambor told shareholders at the group's AGM in Cape Town today.

Refering to new outlet openings, he said Spur made a sluggish start this year due to uncertainty before the election. "We have opened a few so far this year and there should be a rush at the end of the year."

Responding to shareholders' questions regarding the increasing amount of income retained, Mr Ambor said it was important for Spur to have an "acquisition chest".

"We are not obliged to make any acquisitions but opportunities come quickly."

He confirmed that the group was developing a new brand in a perceived growth sector of the market. Mr Ambor could not give further details at this stage.

SPUR STEAK RANCH
Fin 2/9/94
Keeping the pace
(288)

If anyone had told Spur Steak Ranches chairman and founder Allen Ambor 10 years ago his chain of restaurants would be among the top profit performers on the JSE, he would have been surprised. He has not only achieved this but Spur has again shown it can sustain a compound EPS growth rate as high as 40% a year.

In the 1994 year, a 23% increase in turnover was translated into a 39% rise in EPS. This was in the worst year of the recession, when disposable income was at its lowest. Efficiencies were improved while Spur menu prices were held constant for 18 months until April, two months into the current financial year.

Over the past seven years, turnover has grown by a compound 38%, pre-tax profit by 44%, EPS by 41% and dividends by 33%. Return on equity is 73%, fractionally higher than a year ago (though shareholders' funds in this business are intrinsically low). Tangible net worth jumped by 31% to 82c. Borrowings are negligible and cash flow remains high.

During the year, the Spur chain opened 26 franchised outlets, about one every two weeks, indicating it still sees healthy demand for franchises. Ambor says 18-20 new outlets are planned for this year but adds that there may be more. It depends, he says, on the economy.

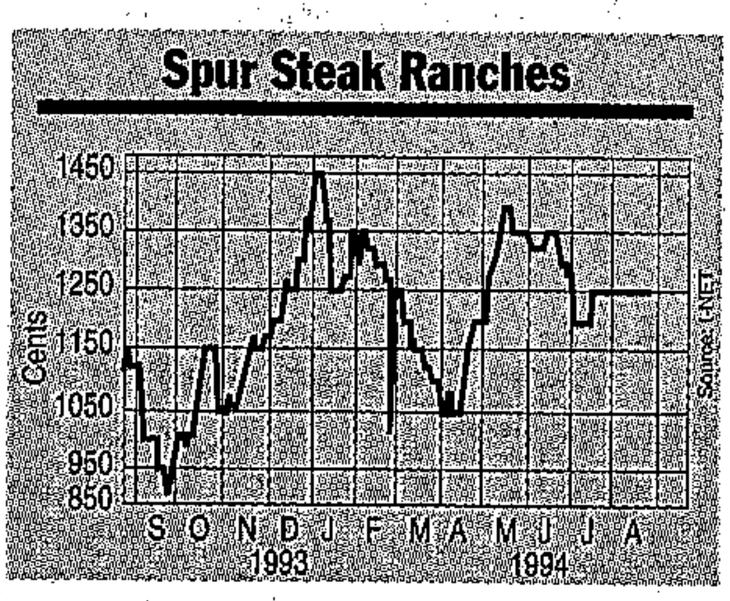
Ambor is diffident about forecasting results for 1995 but says he is optimistic that the rate of increase can be maintained. He hopes that infrastructural expenditure will underpin demand for Spur restaurants and the growing, 15-store Panarottis Pizza/Pasta franchise. Simply put, he believes the earnings record of the past seven years will be kept up.

At R12,50, the p:e is 20,7 and the dividend yield 3,3% — hardly unreasonable for a company that could achieve EPS growth around 35%. EPS for 1995 would then be about 81c. That puts the share on a prospective p:e of 15, which is probably fair value given the growth record.

Gerald Hirshon

Activities: *Franchisor of Spur, Panarottis and Hard Rock Eateries.*
Control: *Spur Holdings 64%.*
Chairman: *A J Ambor; MD: G Topat.*
Capital structure: *15,8m ords. Market capitalisation: R198m.*
Share market: *Price: 1 250c. Yields: 3,3% on dividend; 4,8% on earnings; p:e ratio, 20,7; cover, 1,5. 12-month high, 1 450c; low, 900c. Trading volume last quarter, 328 000 shares.*

Year to February 28	'91	'92	'93	'94
ST debt (Rm)	0,2	0,1	1,4	2,1
LT debt (Rm)	0,8	1,9	—	—
Debt:equity ratio	0,09	0,30	0,19	0,06
Shareholders' interest	0,6	0,5	0,4	0,5
Return on cap (%)	57	52	59	58
Turnover (Rm)	17,7	26,6	36,1	35,1
Pre-int profit (Rm)	6,8	8,8	13,2	16,7
Pre-int margin (%)	38	33	36	48
Earnings (c)	22,0	31,0	43,7	60,2
Dividends (c)	17,0	23,0	31,0	48
Tangible NAV (c)	44	53	63	82



TOURISM

Fin 2/9/94

Preparing for the boom

Minister of Environment Affairs and Tourism Dawie de Villiers must have been working on pure gut-feel when he advised tour operators to "prepare to meet thy boom," at the SA Tourism Board's (Satour) Travel Workshop in Durban in June.

He couldn't have known that 78 959 bednights had been sold to foreign tourists in May — 5,4% less than the 82 383 in May 1993. The Central Statistical Service (CSS) divulged the figure only in July. And he certainly couldn't have known that in June there would be a 22,5% increase in bednights sold to 89 891, from 73 409 the previous June. That information was only available this month. (288)

The May and June figures reflect genuine foreign tourists from Europe, the Americas, Australasia, Asia, the Middle East, and independent African countries. Visitors from the former TBVC states were previously included, but from May have no longer been counted as foreign tourists. Had they been, there would have been a near 27% surge in June.

Most tourists stayed in three-star hotels (around 26%) and Johannesburg, which was listed as the prime destination for roughly 46% of them, was the most popular destination in terms of bednights sold.

According to the CSS, 54,7% of foreign visitors in June came on holiday, 5,1% to work, 0,4% to study, 11,4% were in transit

Fin 2/9/94

and 28,4% came on business. Europe remains the biggest source (40%-50%), but the largest increase was in visitors from Asia and Oceania — 103,1% and 22,1%, respectively.

This is in line with what the Southern Sun (SS) group has been experiencing, says group operations director Helder Perreira. "We had a very good June and July, particularly in respect of visitors from the East. While visitors from Taiwan were mainly here on holiday, those from Malaysia and Japan came for both business and leisure."

Protea hotel group MD Arthur Gillis says bookings from foreign visitors for the September to April period are 20% up on last year. However, that's "off a very low base, and though significant, won't fill our hotels. We'll still be running promotions."

Perreira says SS's forward bookings "look excellent. We cannot believe the demand for accommodation we are seeing," he says. "From September to the end of March it's substantially up on last year. Demand is increasing and the rate of cancellations, compared with last year, is decreasing. We cannot meet demand for October and have told some tour operators to seek other hotel accommodation. Overall we're looking at an 18%-20% increase."

Gillis attributes the increase "to SA being morally acceptable now. Overseas visitors no longer have to be defensive. They can say openly, and with pride, that they're spending their holiday in SA."

There hasn't been any noticeable increase in domestic holiday travel, but corporate travel is showing signs of revival. The City Lodge group, which caters mainly for corporate travellers, had an excellent June and July, says MD Hans Enderle. Its Victoria and Alfred Hotel is running at 90% occupancy. ■

More Japanese to visit SA

By ANDREW BROWN

TOURISM between Japan and South Africa would grow with the introduction of direct flights between the two countries, but it would be a gradual growth, the leader of a Japanese delegation in Cape Town said yesterday.

Mr Yuichira Nagamori, president of JTB Group of tour operators in Tokyo, was addressing a tourist seminar at the Waterfront.

He said the high expectations of Japanese tourists had to be met before South Africa could benefit substantially from the travel-hungry nation.

Members of the delegation were invited by SA Airways, Satour and Cathay Pacific Airways to visit South Africa and inform the travel industry on Japanese tourist expectations, to increase the virtually non-existent holiday traffic between the two countries.

(288) CT 7/9/94

Delegation members stressed that Japanese tourists had stringent requirements of five-star hotels and wanted guides who could speak Japanese and understood their mentality.

GRAB A FRANCHISE

Southeaster (Suppl. to South)

BY GENÉ FESTER

FRANCHISING is fast becoming one of the most profitable areas of business investment in South Africa.

The franchise system enables you to go into business for yourself but not by yourself.

The franchiser (original owner) is someone who has developed a successful company and then sells the rights to its name, trademark and business knowledge to the franchisee (buyer).

The franchisee may then open a business under the franchiser's name, but is committed to follow the business system/format already proven successful by the franchiser.

Every franchise of the same name should provide the same product, service and decor. This is illustrated by franchises such as Kentucky Fried Chicken, Cardies, St Elmo's and the Spur.

The customer then expects the same service, quality of food or goods and store layout at every outlet.

Mr Chris Champion, owner of various Kentucky Fried Chicken franchises, told Southeaster about his experiences.

"Every business has risks. Owning a franchise is like owning your own business — it takes hard work and dedication. Nobody can make you become a successful franchisee — you have to work hard," he said.

"I work 18 hours a day, 365 days a year. Working eight hours a day is not good enough."

"It is very difficult for a young entrepreneur to break into a franchise such as Kentucky, because you need a substantial amount of capital. But there are smaller franchises which require less capital. You have to be able to recognise the opportunity and grab it," he said.

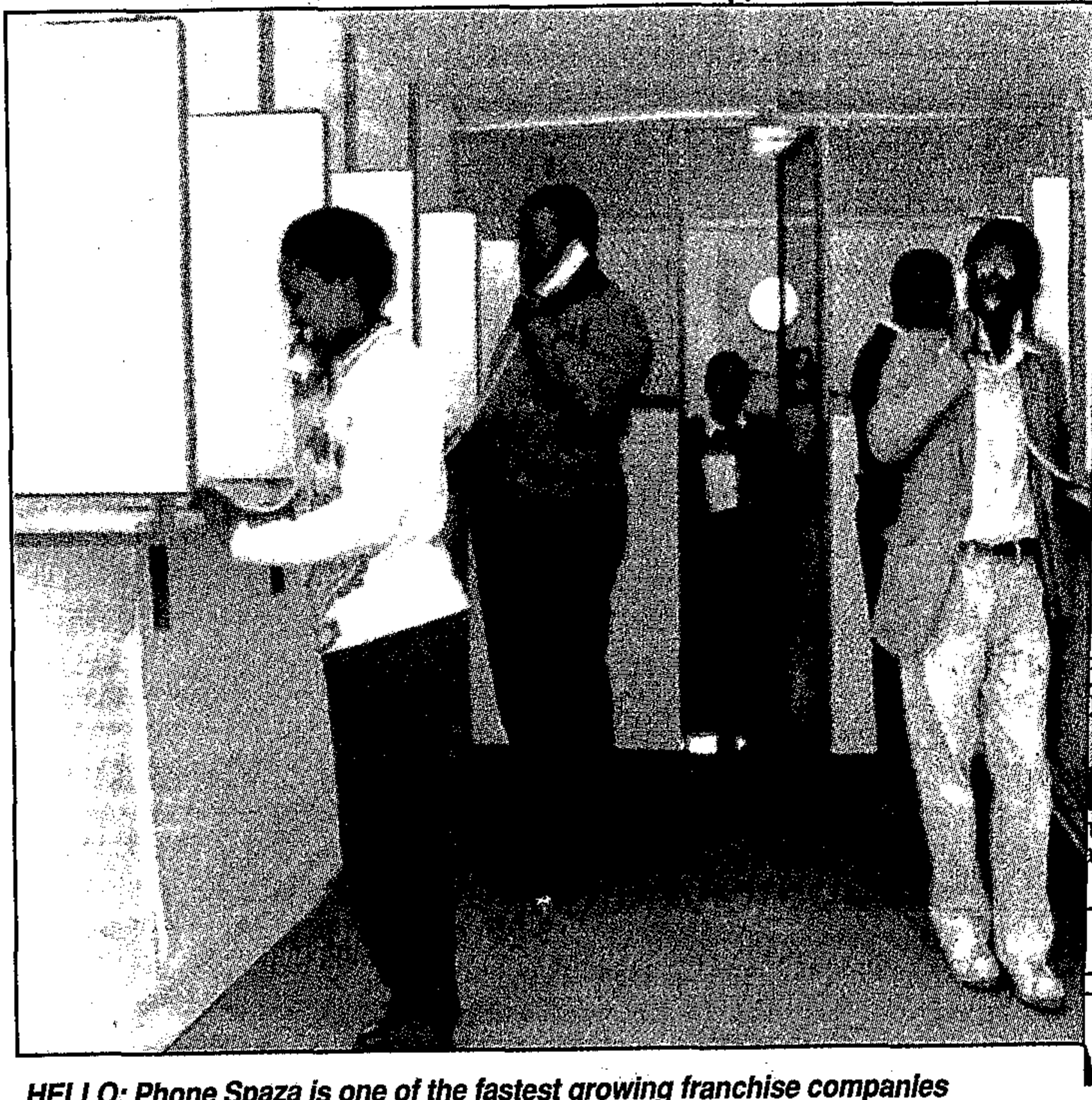
The Phone Spaza is an example of an entrepreneur doing just that. The spaza provides a telephone service which monitors calls on a central computer system, thereby saving customers the bother of paying coin by coin for a call with street noises in the background. The Phone Spaza is becoming one of the fastest growing franchise companies in South Africa.

It is important to choose your franchise carefully. Make a detailed study of the business and what they offer, and establish whether it will be profitable.

- Will the franchiser provide training for you and your staff?
- Will they help you find a suitable site?
- Will they help with the construction and design layout of your franchise?
- How much capital will you need to open a franchise?

Before buying a franchise you must make sure that you are adequately prepared to start the business and see that is will survive financially during those first few critical months.

For more information contact the Franchise Association of South Africa at (011)4033468.



HELLO: Phone Spaza is one of the fastest growing franchise companies

Hotel firm wants roll of the dice

ARGUS 9/94
288

DALE KNEEN
Weekend Argus Reporter

■ Southern Suns plans to get its slice of the lucrative gambling cake when casinos are legalised.

SOUTHERN Suns has launched a campaign to get its share of the lucrative casino industry.

The group, which has the financial backing of South African Breweries, wants to bid for licences to open casinos in existing hotels, but would build new ones if that was what legislation dictated.

Cape Town has not been excluded from the group's plans and Southern Sun managing director Ron Stringfellow has already held discussions about casinos with Western Cape Premier Hernus Kriel.

A Southern Sun document, *The Legalisation Of Casinos In South Africa*, said the group had intentionally not opened any "illegal" casinos during the last three years when many others had opened.

But, as the 17 casinos which were built in the TBVC states have been incorporated into South Africa, Southern Sun would like to see legislation introduced as soon as possible to legalise casinos.

"As a matter of urgency, legislation must be drafted to 'level the playing fields' and allow other interested parties to participate in legalised gaming."

Major points of disagreement among parties interested in operating casinos are whether casinos should be allowed in central business districts and how many licences should be allocated and on what basis.

Southern Suns would like to see casinos in CBDs and argues that if casinos are to be linked to tourism infrastructure such as major conference centres, it makes no sense to locate them away from built-up areas.

The existence of about 200 off-course horse racing totes negated arguments that casinos should not be in the CBD because they exposed people to the risk of losing their savings without making a definite decision to travel to a casino.

Mr Stringfellow said the licence issue was clouded in all instances by the specific interests of the party concerned.

The "illegal" operators simply wanted to be legalised and casinos that were in the TBVC states wanted to delay competition and minimise the number of licences allocated to protect their market share.

Southern Sun believed the number of licences should be decided according to the effect the licences would have on tourism, tax generation and to ensure casinos did not open on every street corner.

Limiting licences to about 25 would mean two or three new licences would be granted in each province, meaning the most lucrative licences close to the Reef would go to existing casinos, penalising new operators.

"In addition, there are 17 existing licences owned by one operator and unless they were prohibited from gaining new licences (which would not seem reasonable), the playing fields would not have been levelled."

Conferences 'better than tourist trade'

288

Business Editor

CONFERENCE business is more lucrative than tourism because delegates normally spend more than the average tourist, says Radka Kucera, Captour assistant manager of marketing and public relations.

CT 16/9/94

And she has had an increasing number of enquiries from international conference organisers, some for as far ahead as 1996.

"The amount of queries I get from organisations wanting to hold international conferences in Cape Town is incredible. SA is certainly the flavour of the month at the moment," she said yesterday.

"Conferences are a vital contributor to a country's economy. Research indicates that a group of 500 out of town delegates on a three day conference spends about R1,3m on accommodation, air travel, tours and meals.

"If the delegates are from outside Africa that figure can virtually double to R2,6m".

But competition for this business is fierce — and, she points out, Cape Town is at a disadvantage in not being able to accommodate a very large international conference. "We urgently need a new conferen."

More visitors coming to SA

(288) CT 20/9/94

Still down from past seasons

Staff Reporter

HOTEL bookings from foreign tourists for the summer are up from last year's "disastrous" season, but are nowhere near the levels of the past, local hotel managements said yesterday.

Airlines report heavy bookings from foreigners travelling to South Africa over Christmas and New Year, but say these are mainly people from Britain who are visiting relatives.

Satour in London said demand from tour operators for airline seats was "running high" for the December/January season — and a 15% increase in the number of visitors was predicted for 1995.

The number of visitors from the UK in December 1992 to January 1993 was 148 868 — which excluded the visiting friends and relatives category.

Mr Nick Seewer, general manager of the Mount Nelson Hotel, said: "We will all have to invest a lot of money and time into promoting South Africa. The doors will not simply open and foreign tourists flood in."

Cape Town's other five-star hotels, the Bay and Cape Sun, both report an increase in bookings from foreign tourists.

Mr Hylton Ross of Hylton Ross Tours said there had been a dramatic increase in the number of bookings from tourists from the East, which had previously been very low.

"Most foreign tourists we call VFRs — visiting friends and relatives — who disappear into private homes after they arrive.

"There has been a low, but steady trickle from Europe, but we can't rely on the US. As soon as a cracker goes off the Americans disappear.

"It won't be a great season this year, but we are optimistic that the dark years for tourism are over," Mr Ross said.

British Airways manager for the Cape Mr Ian Petrie said flights were fully booked around Christmas and New Year, which had been the case for decades.

Lufthansa spokeswoman Ms Karen Duncker said their SA-bound flights were heavily booked for the festive season. She said she expected the German market to pick up as SA had become "salonfähig" — socially acceptable — since the election.

● Satour is about to launch a R5 million publicity campaign in conjunction with SA Airways. It will include advertisements on British television and in the national press.

Mountain needs legal protection

CT 21/9/94 288

Games bid logo 'will draw fame'

By BARRY STREEK,
Political Staff

LEGAL action was needed to preserve Table Mountain because its management was fragmented, the Minister of Environmental Affairs and Tourism, Dr Dawie de Villiers, said yesterday.

He also said he was "much disturbed" by the present management and shared the concern of many environmentalists about the "present unsatisfactory situation".

Dr De Villiers committed himself to legal action to save Table Mountain after senators from all parties supported intervention during an interpellation debate.

The Democratic Party's Senator E K Moorcroft, who introduced the issue in the Senate, said Table Mountain and its environs were priceless assets.

But it had been denuded of its unique fauna and flora by a network of roads and buildings, and invaded by exotic trees.

"For 300 years the Peninsula mountain range had been comprehensively raped, for all to see."

The National Party's Senator Mark Wiley said that if the government decided today to underwrite Cape Town's Olympic bid, Table Mountain would become "the best-known natural feature on the face of the earth".

The Table Mountain logo was part of the Cape Town 2004 bid, the first time a natural feature had been used for this purpose and would become known as one of the best-known natural assets of the country.

"The problem is that there was no implementable management plan," Mr Wiley said.

Dr De Villiers said Table Mountain had been administered by a number of different and unco-ordinated executive authorities.

It was, however, a difficult task as there were 12 local authorities and 162 private landowners with vested interests.

Mr Moorcroft said the DP was asking for Dr De Villiers to assume responsibility for the whole process of devising a single conservation approach.

Dr De Villiers replied: "I share the sentiments that some legal action is required. I commit myself within the powers given me to pursue that objective."

Paula is taking tourism to Cape Town townships

ARG 22/9/94

☐ Business built up from scratch

ADELE BALETA
Staff Reporter

PINNING down businesswoman Paula Gumede is not easy.

International tourists, schools, community groups (like stokvels) and civics from as far afield as Knysna are stalking her to run tourism workshops.

And Captour, recognising Mrs Gumede's entrepreneurial talent, has appointed her as community liaison manager with a brief to take tourism to the townships; to educate people about the contribution they can make to tourism and making them aware of the employment opportunities and financial rewards.

Added to this task Mrs Gumede — a returned exile and mother of three young sons — runs her own business, called One City Tours.

Mrs Gumede has built her business from scratch and is taking up to four



minibus-loads of tourists daily on her chosen routes.

"We do, for example, the city, the wine route and Cape Point but with a difference: we stop at townships and squatter communities along the way so that residents can also benefit."

Stopover points include Hout Bay squatter camp, Mbekweni near Paarl, Kyamandi near Stellensbosh and Site 5 near Noordhoek.

"I negotiate and consult my stopovers with the community. If the situation is violent and people don't want us there, we don't go. I try to get locals to produce and sell their crafts."

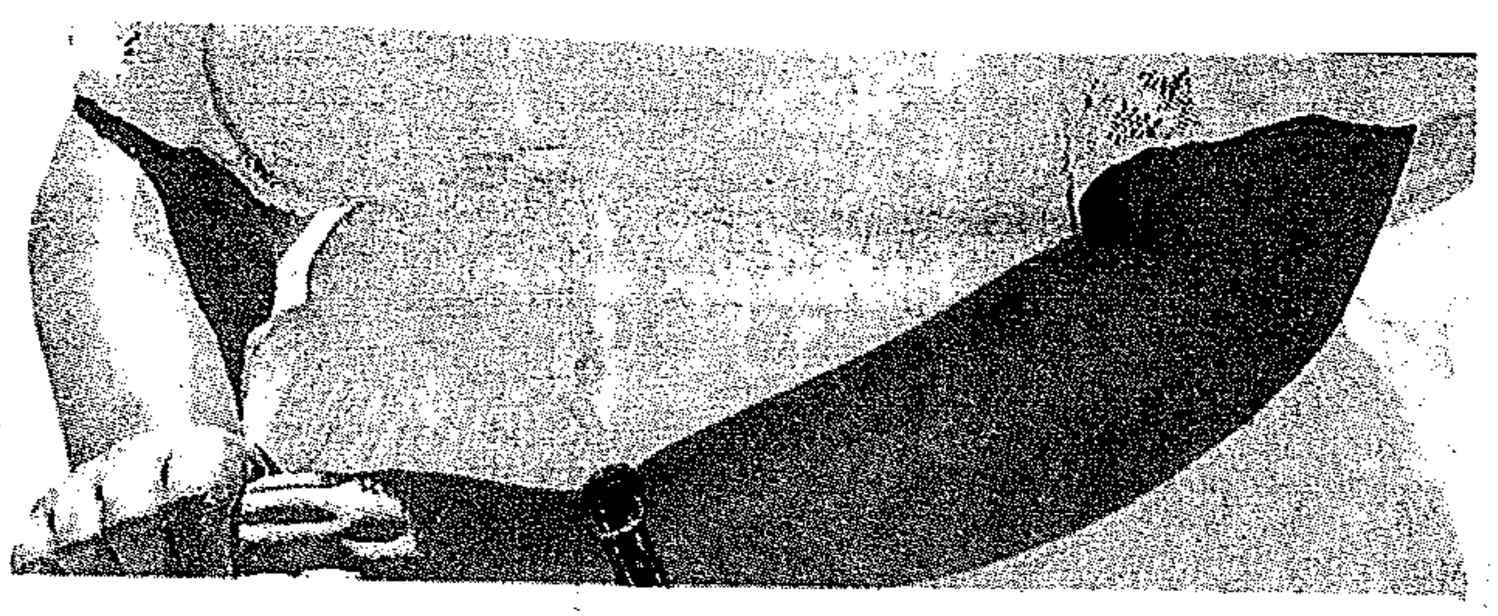
People also needed to understand their selling power and the necessity to produce on a regular basis.

"There is so much opportunity to bring business to spaza shops and other concerns in the township."

The road has not been smooth for Mrs Gumede.

She matriculated in the Transkei and left South Africa through Swaziland in 1979 to join her eldest sister in New York. With a United Nations scholarship in hand, she completed a nursing diploma.

The tourism bug bit hard when she worked part-time in an airline office issuing tickets. Later she completed a travel and tourism management course.



Picture: BRENTON GEACH, The Argus.

WANTED WOMAN: Paula Gumede takes time off from her busy schedule to relax in the sun in St George's Mall.

In the late 1980s she was homesick and became bored with nursing.

"I figured there were lots of nurses in South Africa but hardly any black people in tourism, which was exclusive, and I wanted to contribute to the industry."

In Johannesburg, she knocked on the doors of SAA, Satour and the Small Business Development Corporation with her ideas, including educative tours for students, but no one was interested as she had no experience in the country.

Unable to find a school in Johannesburg for her eldest son, who is autistic, she came to Cape Town in 1992 and lives in Guguletu.

Then, things turned. She landed a job with Idasa, running tours to the townships. The project was closed after a year as Capetoninas did not respond well, there was no more funding and the situation became tense after Chris Hani's assassination.

But she decided to follow through doggedly with the idea on her own, and began negotiating routes with the Codeta taxi organisation. After being turned down by the SBDC many times, she finally secured a loan for her own minibus.

ARG 20/9/94
288

'Capetonians are ignorant about tourism'

GORRY BOWES-TAYLOR
Staff Reporter

MOST Capetonians are ignorant of the value of tourism, and this fact is largely responsible for negative attitudes towards visitors, says Captour chief Gordon Oliver.

"To help address that ignorance, we've started a programme of public education on tourism, its value and importance, and how to go about treating visitors," he says.

"We've appointed Paula Gumede, who is Xhosa-speaking, at management level. She's from Guguletu and she's a professional tourism operator who has worked overseas in the travel trade.

"It is her brief to take tourism into black townships and Cape Flats areas.

"She is also required to run seminars and workshops in the various communities, through established groups — schools, business, church, women's organisations, sports bodies."

Mr Oliver said it was important for Captour to demonstrate clearly how tourism could work "for us all".

Tourism created jobs and great business opportunities for those with entrepreneurial skills — the good cooks, the potential tourist guides and operators.

"To assure tourists of service excellence, we need to be far more enthusiastic about our work — because we actually have so much to be extremely enthuastic about.

"My observations, and these are merely observations, lead me to think that business people across the board don't pay enough attention to detail — the personal attention at a hotel reception desk, the manager whose personal duty it is to inspect the cleanliness of the table cloth, the promptness of service, the preparation and serving of food."

He also emphasised co-operation with other regions: "We want to market co-operatively with other regions — southern, northern and north-western Cape.

"Nonetheless, although we work closely with our neighbours, the Western Cape and Cape Town can be marketed as a 'stand alone' destination.

"Captour will be spending a percentage of its budget on marketing where the fish are biting — in the UK and Germany.

"It makes good marketing sense for us to to link up with other tourist attractions, like Namibia has done. They are very proactive in their marketing. I like their product.

"We would do a deal with various airlines to link us with other popular places — Victoria Falls in Harare, Chobe in Botswana.

"We need co-operative marketing to put together packages that work for Southern Africa.

"I also feel strongly for southern Cape, the Garden Route, and the West Coast and the whole range from the Boland to Hermanus and its whales."

However, there are funding problems for this ambitious programme.

Ministers step into row over cableway

CT 23/9/94 (288)

ANDREA WEISS
Municipal Reporter

PROVINCIAL ministers have stepped into the fray over the future of Table Mountain's cableway.

And the Cape Town City Council has told them it will not be "held to ransom by a very small elite group of people".

The council and the Table Moutain Aerial Cableway Co Ltd are locked in battle over the cableway, which is rated as one of Cape Town's top tourist attractions.

The company, which has held the lease on the mountain for 67 years, is refusing to vacate the premises by October 4 when a new two-year lease starts with a new consortium.

While the council holds the lease of the undertaking, the company actually owns the land and base station from which the cablecar operates.

In a statement today, the council said chairman of the executive committee Arthur Wienburg and council officials had met Peter Marais, minister of local government, and Lerumo Kalako, minister of environment affairs, nature conservation and tourism, earlier this week to brief them on the situation.



Peter Marais



Lerumo Kalako

We won't be held to ransom, says council

In a response to a request from the ministers, the council prepared an aide memoire for the provincial cabinet.

In the memorandum released today, the council said it was determined that it would not be "held to ransom" by a very small elite group of people.

The council said that as the landlord, it had the right every 10 years to terminate the lease first given to the company in 1926, giving one year's notice.

A decision to exercise this right was made because it believed it was time to terminate the "monopolistic and restrictive rights" enjoyed by the company because of its "lack of vision".

The council said its intent was to open up a major opportunity by competition on a national and international scale for proposals to make the western table of the mountain a world-class tourist attraction.

The council said that in events leading to the present situation, the company had presented the council with plans for the limited upgrading of the cableway but that the council had seen these as inadequate for present day and future needs.

Negotiations had followed and by March this year, progress had been made and the council hoped that agreement could be reached on upgrading.

It said, however, the company had "refused to be contractually bound to an upgrading commitment mutually planned in terms of a specific time period, preferring to retain the sole decision on the timescale in terms of its own narrow commercial perceptions".

Earlier this week, at its annual shareholders' meeting, the company vowed it would not vacate the premises until it had been paid adequate compensation well in excess of the R10 million.

Ecotourism 'catalyst for growth in W Cape'

(288) ARG 26/9/94

JOHN YELD
Environment Reporter

"UNDISCIPLINED" development has left scars along the Cape coastline, and new plans for tourism-related facilities do not always take the environment properly into account, says regional minister Lerumo Kalako.

Speaking at the opening of Ecotour '94, an international conference and training workshop on Southern African ecotourism which began at the Waterfront today, Mr Kalako said he firmly believed ecotourism could be the catalyst for generating tourism growth in the region.

But tourism was by its nature both a user and an abuser of the environment.

"Much of what happens in tourism occurs in some of the most attractive and fragile environments in the world," Mr Kalako said.

"We in the Western Cape are extremely conscious of the natural resources we possess and their potential for drawing tourists.

"We are also aware of the danger of over-utilisation of these resources."

He appealed to the tourism industry to become more involved in protecting the natural assets on which it depended, and said the industry had to help develop a sound environmental policy which encouraged the goal of sustainable development.

"When environmental damage has been caused by tourism development, it has been due most often to poor planning of individual tourism schemes or to the overall rapid and unchecked growth of the industry," Mr Kalako said.

"At a time when the playing field for tourism is both expanding in spatial dimensions and shrinking in environmental quality, it is imperative that this industry plays a strong role in balancing the global relationship between development and the environment."

SA urged to prepare for tourism boom

(288) CT 27/9/94

By AUDREY D'ANGELO
Business Editor

SA SHOULD prepare itself to cater for a significant increase in tourism, advises British Airways group MD Robert Ayling. "That means more hotel and resort development — inland and by the ocean — and providing activity holidays."

Ayling, who came to Cape Town yesterday to take part in the 10th anniversary of British Airways' first flight to the Cape, said at the Victoria and Alfred Hotel that people in the UK and other parts of Europe had grown tired of short-haul destinations that had become too familiar.

"They want new holiday experiences and are prepared to spend a night in a plane in order to go somewhere quite different.

"They will come here, and we will certainly respond to the increase in demand."

Pointing out that the tourism industry was now one of the largest in the world, Ayling said it had transformed life in places like Majorca where the population had been poor and were now relatively affluent.

In addition to British and European visitors, he expected increasing numbers of Australians to stop over in SA on their way to and from Europe.

Many of them now stopped over in South East Asia, but ties between this country and Australia were likely to increase.

Qantas, the Australian national carrier in which British Airways had a 25% stake, would encourage this.

Discussing the present state of the aviation industry, Ayling said some of the better-managed airlines were returning to profitability.

But there was over-capacity on most routes — although not in Southern Africa.

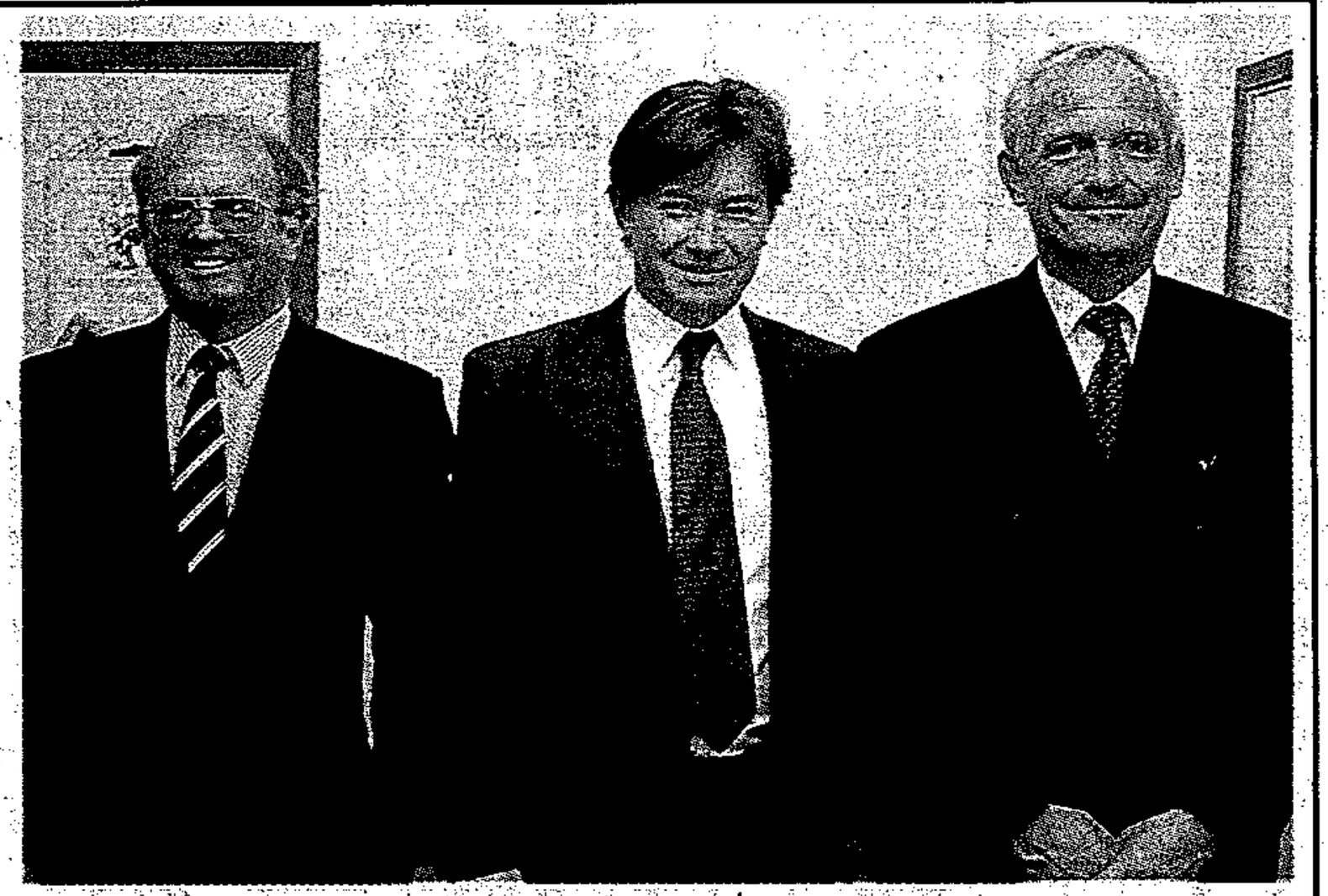
This overcapacity would, unfortunately, continue as long as there were governments prepared to subsidise unprofitable national airlines.

He pointed out that BA had remained profitable for the past 14 years, in spite of the effects of the long recession — and of the Gulf War, which had caused passenger numbers to drop by 40% because people were afraid to fly.

BA had done so by reducing the size of its workforce without compulsory redundancies, reducing its assets, concentrating on its most profitable operations and keeping expenditure to a minimum without affecting safety or reducing service levels.

Ayling emphasised: "We did not reduce expenditure on things that mattered — new aircraft, maintenance and product development. And we never reduced our standard of service."

He said that Club Europe, the short-haul Business Class, was currently being upgraded. Flexibility of configuration would ensure sufficient numbers of Business Class seats.



CELEBRATING... British Airways group MD Robert Ayling (centre) arrived in Cape Town yesterday on the 10th anniversary of the airline's first flight to the Cape. With him are BA's regional manager in Southern Africa, Malcolm Freeman (left) and Robert Lee, regional GM for Africa, the Middle East and India. Ayling predicted a surge in tourism to SA as British and continental travellers tired of short-haul, familiar destinations.
Picture: ANDREW BROWN

Thebe taps into leisure industry

(288)

CT 28/9/94

From AMANDA VERMEULEN

JOHANNESBURG. — Thebe Investments has teamed up with entertainment group Interleisure to take cinemas to the townships, in the first stage of a move into the leisure industry that could see similar operations established beyond SA's borders.

The joint venture between Interleisure subsidiary Ster-Kinekor and Thebe subsidiary Moribo is called Ster-Moribo and has 26 cinema screens, making it the country's third-largest cinema chain.

Thebe MD Vusi Khanyile said the deal reflected the group's interest in the entertainment and media industries, but this did not mean that Thebe was focusing solely on these sectors.

The company was recently involved in the takeover of Citizen Bank, the creation of a merchant bank, and the launch of regional airline SA Express with Canada's Lardel Holdings.

Interleisure MD Mike Egan declined to put a value on the deal, but Ster-Kinekor MD Mike Ross said the cost of establishing each new cinema was about R3m. Ster-Moribo aimed to double cinema numbers within two years, representing an investment of about R78m.

The company launches its first cinema complex in Soweto today, and other established complexes include those at the Kine, Carlton, Hillbrow and Highgate centres.

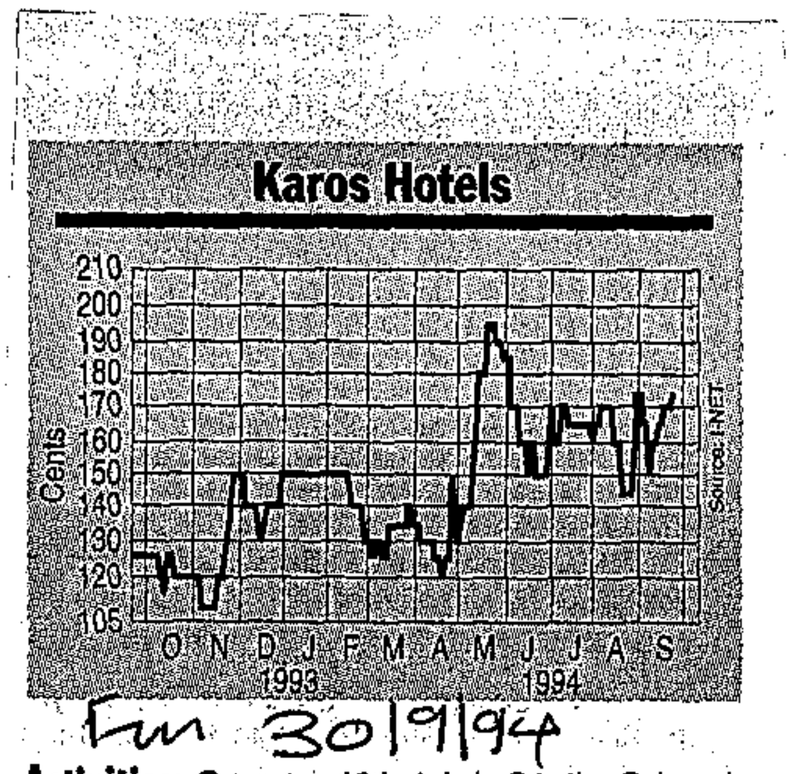
The initial focus was on the PWV, but Ster-Moribo hoped to move into KwaZulu/Natal and the Cape within six months, and then beyond SA's borders.

Moribo chairman Moss Mashishi, who will be Ster-Moribo non-executive chairman, said the expansion plans depended on the rate of development in black residential areas. The new company was talking to developers for new sites, and would also have an option to take part in all future Ster-Kinekor developments.

Ticket pricing policy had yet to be finalised, but Mashishi said this would depend on the location of each complex.

Moribo — which also has a stake in the gaming industry through its 18% holding in scratch card business Games Africa — plans to apply for casino licences and a licence to manage a national lottery.

It was also interested in a stake in the local music industry, event management and the promotion of major concerts.



Fin 30/9/94

Activities: *Operates 13 hotels in SA, the Polana in Mozambique and the Sossusvlei in Namibia.*
Control: *Marvol Holdings SA (22%), Nedbank (14%).*
Chairman and MD: *S Hurwitz.*
Capital structure: *59,2m ords. Market capitalisation: R100,6m.*
Share market: *Price: 170c. 12-month high, 205c; low, 110c. Trading volume last quarter, 432 000 shares .*

Year to March 31	'91	'92	'93	'94
ST debt (Rm)	9,4	15,6	25,5	20,4
LT debt (Rm)	38,9	34,8	36,1	40,6
Debt:equity ratio	0,69	0,66	0,59	0,35
Shareholders' interest	0,54	0,55	0,59	0,68
Int & leasing cover	1,95	0,92	1,32	0,87
Return on cap (%)	6,1	4,4	5,6	2,8
Turnover (Rm)	71	89	105	104
Pre-int profit (Rm)	11,0	8,4	13,2	7,0
Pre-int margin (%)	15,6	9,4	12,6	6,7
Earnings (c)	14,5	(13,9)	0,3	(9,5)
Dividends (c)	6	nil	nil	nil
Tangible NAV (c)	350	324	431	264

KAROS HOTELS

Still waiting

Fin 30/9/94

Chairman Selwin Hurwitz is right when he says that from a short-term perspective, "it would seem that we are doing the right things at the wrong time." (288)

Karos could have cut back or suspended projects in a time of poor market conditions, high interest rates and escalating violence, but in 1990 it embarked on a large capex programme which involved upgrading its hotels from three- to four- and five-star. It remained resolute that the tourism industry was set to expand.



Karos's Hurwitz ... *preparing for a tourism boom*

The real problem began when trading profit became inadequate to meet escalating interest payments. In 1993, payments were R9,9m (three-quarters of operating profit); last year's R8m interest bill swallowed the entire R7m operating profit — and some. This was even after the R40m rights issue in September, giving offshore investment company Marvol a 22% stake. Payment was received in October, so benefits were felt only in the latter five months.

Karos's average occupancy rate for 1994 was about 50%, which Hurwitz agrees is too low. Turnover fell marginally, but the pre-interest margin tumbled from 12,6% to 6,7%; interest cover buckled from 1,32 to 0,87. The bottom line is that Karos needs to boost occupancy rates. (288)

It sees part of the solution as focusing away from areas of political turmoil areas and towards places such as Namibia, where tourism is said to be becoming more buoyant. The group holds a 43,65% interest in the Namib Etosha Tourism Group (Pty) and this company's first development , the Sossusvlei Karos Lodge is scheduled to open this month. Further possibilities are being investigated in Namibia as well as Mozambique where the Polana, in which Karos holds a 32,5% stake, improved profit last year.

Hurwitz is confident this year will see a return to profitability and "encouraging signs are emerging with occupancy rates and percentages set to increase."

Fin 30/9/94

EPS have never reached the prospectus forecast (for 1990) of 35c-40c, with a dividend yield of 7,5% on a cover of 2,5c. For the past three years the dividend has been passed. Five years after listing, the share, at 170c, still stands at a 36% discount to NAV. This, with the anticipated rise in occupancies and resultant return to profitability, suggests the share could still have good potential. (288)

Kate Rushton

Threat to tourism as SA hotels fall short

GARNER THOMSON
The Argus Foreign Service

LONDON. — The tourist boom starting in South Africa is already under threat from a lack of hotels of the price and standard demanded by the increasing numbers of foreign visitors.

This emerged here yesterday in a survey by The Times, which reports huge tourist interest in South Africa.

It quotes tour operator Martin Thompson as saying: "Business is booming. It's a case of first come, first served."

But now that the world is waking up to South Africa's charms, hotel space is proving drastically short. (288)

Charles Newbold, managing director of Thomson Holidays, says: "We have not formulated any plans to operate to South Africa because we have a real problem with the shortage of accommodation at the right price. ARG 7/10/94

"I understand that in the game parks, accommodation is ridiculously expensive — £100 a night plus. On that basis, the parks are not competitive.

"What we would be looking for is a large quantity of mid-range hotels, and they just do not exist. You could say that the South Africans have been working in a false market: they have some of the best hotels in the world in terms of service and value, but you will not find a huge volume of people able to afford them."

Mr Thompson says his firm continues to be "very excited" about South Africa but says a "huge bang" is unlikely.

Tourists carp over airport service, 'white playground'

ARG 12/10/94

(288)

ADELE BALETA
Staff Reporter

POOR service at Cape Town airport, limited television viewing options and a perception of the Waterfront as a "white playground" are among the criticisms foreign visitors have levelled at the Mother City.

But they rate the city highly as a tourist mecca because of its natural beauty and hospitality.

Commissioned by the city council, the March survey of 470 foreign visitors is part of an initiative to explore Cape Town's tourist potential and to provide the impetus for a long-term tourism strategy.

Most of the 470 visitors — 59 percent males and 41 percent females — came from Europe (94 percent, of whom 30 percent were from Britain). Two-thirds of those surveyed were 35 years and older, and most were employed in high-income occupations.

They ranked the city as a prime destination because of its beauty and hospitality. It was an inexpensive city and served as a gateway to the country.

Visitors were disappointed by the limited variety of television programmes, their poor technical quality and the limited number of channels.

Cape Town airport, with its outdated facilities, failed to meet international standards. It needed a comfortable lounge, more efficient service and improved customs clearing procedures.

A second survey in April revealed that tourists were irritated by overcrowding on the Table Mountain cableway. They suggested that the cableway buildings be upgraded and that more safety rails be constructed.

This survey identified the Waterfront as a popular attraction, but at least 36 percent of respondents bemoaned the lack of South African and Cape culture.

Some referred to the area as a "white playground" which was inaccessible to the less affluent.

They felt Cape Town needed to guard against over-commercialisation and loss of authenticity of "local atmosphere", tradition and custom. They also wanted more local cuisine.

Initiatives to combat crime and provide greater security in the city — mainly at night — were also necessary.

Foreign tourist boom expected

Star 12/10/94



Delano Caras (seated) with (from left) Tourism Talk co-authors Judy Bird, Gillian Saunders, Christelle Kleynhans.

■ BY THABO LESHILO

The number of foreign tourists to South Africa is expected to grow by 17 percent this year, bringing the figure to a record four million visitors, says Kessel Feinstein Consulting.

Kessel Feinstein are consultants to the hotel, catering, tourism and leisure industries and publishers of Tourism talk: Southern Africa.

They estimate tourism in South Africa to be worth R12 billion a year or 3,4 percent of GDP — a ratio lower than the global worldwide norm.

Writing in the 1994 edition, chief executive Delano Caras says foreign tourism to South Africa is set to grow, whether or not the country experienced economic growth.

He says arrivals from abroad grew markedly in 1993 despite the high levels of violence in the run-up to the elections.

"Last year marked the seventh successive year of increases in the number of overseas tourists visiting South Africa. However, the aggregates are still extremely low by world standards.

"South Africa's approximate 1,4 million foreign tourists in 1993 represented marginally more than 0,25 percent of the global market, putting it in the company of such countries as Bahrain, Chile and Cyprus."

Caras does not expect substantial growth in domestic tourism — said to be worth considerably more than foreign visits — until there is real improvement in the economy. (288)

"Only 12,5 percent of the rooming-nights sold by registered hotels in 1993 were occupied by foreigners, (compared with an average 50 percent worldwide)"

He says the UK remains South Africa's single biggest source of overseas tourism with 154 000 or 23 percent of arrivals in 1993. Although, he says, more visitors came from Africa, five times as many room nights were sold to overseas visitors.

Kessel Fenstein has been appointed the sole official representatives of the World Tourism Organisation in southern Africa. The UN body promotes travel and tourism to stimulate business and economic development. It operates in 165 countries.

Caras urged the Government to urgently adopt tourism as a national priority and move swiftly to clear the air regarding gambling in order to stimulate tourism infrastructural development.

"We therefore recommend that national policy on casinos should firstly ensure the immediate closure of all unlicensed casinos.

"The State should also divest itself of any interest in the existing ex TBVC- state casinos, and should not become a partner in any new casino ventures," says Caras.

TOURISM

Fin 14/10/94

Threatened by good times

At long last the tourists are coming — but our welcome is qualified

288

Environmental Affairs & Tourism Minister Dawie de Villiers demonstrated keen insight at the SA Tourism Board (Satour) workshop in Durban in June when he told the industry to "get ready to meet thy boom."

Those who ignored that advice are floundering in the start of the boom he predicted. Granted, SA's tourist industry has to cope with peaks and troughs but the current mood calls for expansion and investment. It no longer makes sense to downgrade hotels to get "bums on beds," as one CE put it, and reduce staff to cut costs.

Times are changing and investments in the tourist infrastructure will have to be made. Satour says 618 508 tourists from overseas came to SA in 1993 and 800 000 should come next year, including those who will fly in for the Rugby World Cup in May-June. Delano Caras, who co-authors *Tourism Talk,* Kessel Feinstein Consulting's authoritative annual review of tourism, believes 780 000 foreigners will visit SA this year. These may be conservative estimates though. Sun International group MD Peter Bacon says a million overseas tourists "is a target that can be achieved, considering Australia, which is farther from Europe and cannot match SA's attractions, gets 3m a year."

The term "overseas visitors" has added impact now that it applies only to people from abroad who enter SA through airports in Johannesburg, Cape Town or Durban. The category excludes visitors from the former TBVC territories who were classified as overseas visitors until May.

What could have been described as a trickle in June is developing into a flood. The high season is starting and the signs are there. SA's tourist infrastructure will not be able to cope with a big increase. Hotel occupancies that were on the verge of dropping below 40% in May are already about to break through the psychological 50% barrier and coach tour operators are running out of capacity.

City Lodge executive chairman Hans Enderle says: "The industry can cope with an additional trickle of tourists, not a surge — which may be around the corner." For the past few months, his group's average occupancies have been 80%. The Victoria & Alfred City Lodge reported 90%. Says Enderle: "The hotel industry will not cope easily with two additional jumbos, each filled with 350 tourists wanting to stay in hotels for three weeks, coming into SA every day."

Satour chairman Pieter van Hoven says the hotel industry still has spare capacity "but there is no doubt it will be under pressure next year."

Of SA's 1 200 hotels, 28% are one-star hotels, 37% are two-star, 23,4% four-star and only 4,2% five-star.

The lack of five-star accommodation, especially on Durban beaches, bothers tour operators touting for business in up-market foreign areas. Many top earners insist on that class of hotel when they go on holiday, says SAA's Paul Althoff.

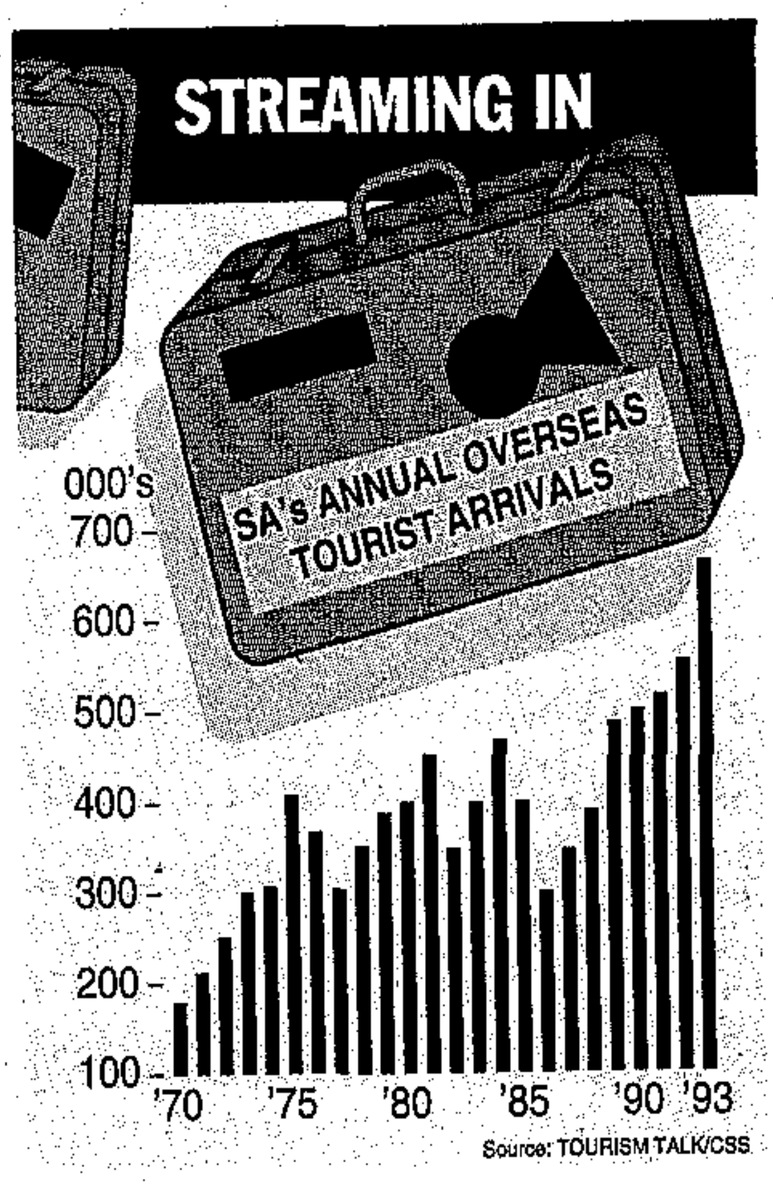
Many would also like to spend holidays at Beacon Island Hotel in Plettenberg Bay but that is now a timeshare unit and does not take bookings from tour operators. However, there are plans to build extra rooms for tourists, says Southern Sun operations manager Helder Perreira.

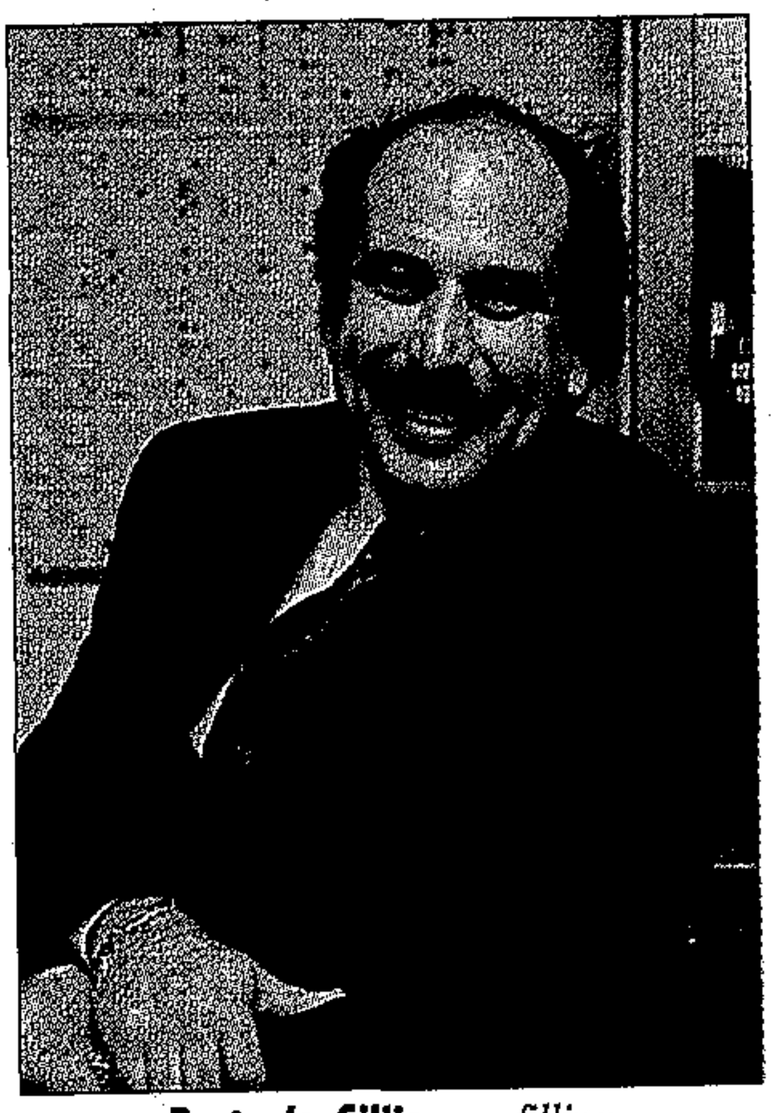
The shortage of five-star accommodation also bothers Japanese and many US tourists but not "the big volume tourists from Singapore, Hong Kong and Malaysia," says Arthur Gillis, MD of Protea Hotels, which are also filling up.

Says Gillis: "International occupancies will be exceptionally good in the early part of next year, when we'll do unbelievably well. October and November are looking great. We're not very busy with internationals in December-January but will peak with them in February-March."

Occupancies at Sun City, SA's premier tourist attraction, are already hovering around 85% and rising, which is better than this time last year, says Bacon. He adds: "Our occupancies are much better. Forward bookings are also better than they were last year and they're still coming in."

Perreira says there are only 20 000 three-





Protea's Gillis ... *filling up fast*

to five-star bed nights available in SA and capacity will be at its peak until March. "Any surge will mean that the industry will have to expand." He says hotels will not cope with an extra 200 000 overseas tourists arriving in the peak period.

Most of the increase will come from Britain and Germany, SA's top two sources, as well as North America, which provided only 65 763 tourists last year but is growing in importance.

On percentage rises, the Far East, which provided 57 503 last year, is set to take first place. While SAA plays a waiting game, foreign airlines linking SA with the Far East are jockeying for position and planning to increase flights in what they believe will constitute an important chunk of the world aviation market.

Cathay Pacific, which was operating with load factors of about 50% in July, is now operating above 70% and will be filled from mid-November to mid-January, says country manager for southern Africa Charles Carlow. The airline plans to add another flight to its twice-a-week runs between SA and Hong Kong.

Malaysia Airlines will add a third flight at the end of the year.

SAA is watching developments on the Far Eastern routes, says CE Mike Myburgh. In the latest annual report of holding company Transnet, he singles out the area as the one which probably has the biggest potential to boost tourism to SA. But he has no plans to increase flights to Hong Kong or Taipei. His strategy is to let other airlines develop routes and then SAA can

claim its share.

It doesn't matter where the tourists come from as the airlines will cope, even during the World Cup, "which will be a three-week phenomenon," says SAA senior GM Nick Vlok. "We're already seeing substantial growth on last year and will adapt capacity to meet demand. There is no way we'll let that opportunity slip between our fingers.

"The air transport part of international tourism will not be a problem. All 49 airlines flying into SA have spare capacity. But the infrastructure — hotels, airports and tour buses — could prove inadequate." The airlines will also cope with demand within SA. SAA, Comair and Sun Air can lay on more flights, lease aircraft and, in SAA's case, use bigger ones. SA's outlying airports are well served by a host of airlines that fly small aircraft.

The tour bus industry's problem is that the market now wants five-star coaches. It is not prepared to put up with operators trying to get as much use as possible out of old equipment.



Imperial's Scott ... *geared for growth*

The SA Bus Operators' Association does grading but only for members' vehicles — and progress is slow. "About 150 qualify and we're halfway through grading them," says executive manager Eric Cornelius. "So far, 16 have been graded as five-star, 21 as three-star and 30 are being inspected." That is clearly not enough.

Riccardo Dell'Erba, marketing director of Springbok Atlas, which is in the Imperial Group, says: "At this stage, we're just making do. Infrastructure is not geared to handle the volumes of tourists who want to come to SA at the same time, from mid-November to mid-April. The real test will come with the Rugby World Cup. That is when we'll see how we can cope."

Many who come here for the rugby cup will want to travel around SA by train. Pam Pokane, Spoornet deputy executive marketing manager in charge of inter-city trains, realises the cup will be a heaven-sent opportunity to boost turnover.

But she accepts Spoornet will not be able to meet demand because of the public corporation's policy of running down its inter-city service (*Business* September 2).

The hire-car industry will probably not cope with peak demand, says Budget Rent-A-Car MD Tony Langley. He says higher demand can be met by acquiring new vehicles, but, because of the recent strike, manufacturers cancelled the rental industry's long-standing orders so that they could supply dealers.

What that means, says Langley, "is that the industry will have its hands tied meeting local demand during the peak period, let alone meeting the requirements of an increase in international tourists."

The vehicle rental industry normally buys cars on six- to nine-month sale/return and so, before buying more vehicles, will want to be sure that demand from tourists and others will be sustained.

Imperial Car Rental MD Carol Scott, however, believes the industry will cope. "You cannot put up a hotel in a day but we can buy cars daily," she says. "In any event, we're geared to do twice the business we're doing."

Of the main players, it appears that bus companies and the hotel industry have been caught unprepared. Spoornet, for its part, seems willing to ignore an opportunity to make money. Business is about taking risks. Perhaps some of the executives who are running SA's hotels, buses and trains should look for quieter jobs. ■

MINING

Fundamental recovery?

The years of trauma and contraction could be ending

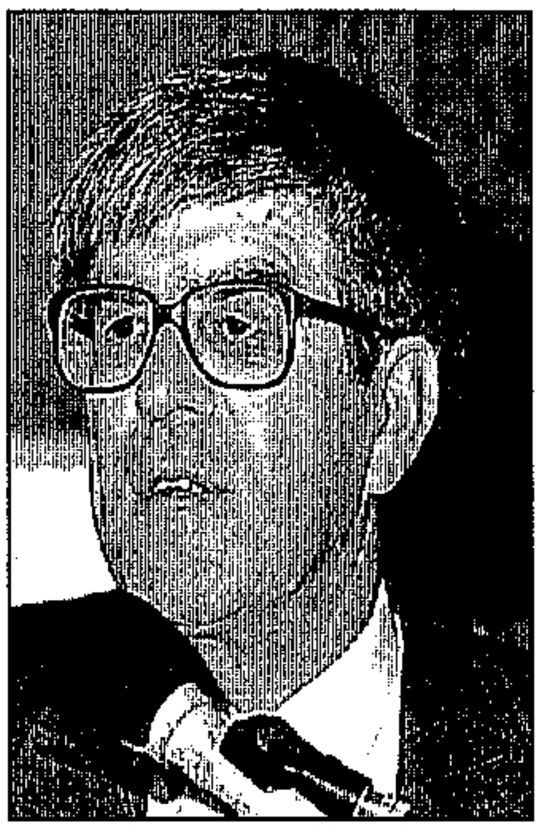
On the JSE, mining shares in most sectors are booming. During the past 12 months, the All Gold index has gained 57%, the Metals & Minerals index 101% and the Coal index 162%. And equity prices this time are not simply rising on an overvalued stock exchange, without support from fundamentals. In international markets, gold and many commodities — such as coal — are trading at product prices well above lows set in the downswing (see graphs).

For local producers, the effects are greater as the rand has continued to depreciate. Does this mean the mining industry's years of trauma and contraction may be ending?

The answer, inevitably, varies across the industry. Some sectors remain troubled and mining is far from fully regaining the role it once held as the primary engine of the economy in terms of employment, foreign exchange earnings, capital investment and tax payments. However, there is ample evidence that the pressures have eased.

Revenues are rising again. Growing confidence among mine managers is already resulting in higher capital spending, which could soon extend to approvals for new long-term projects. If market trends continue, without unduly steep increases in the inflation rate, it could mean a revival of fortunes.

Better export revenues, whether a result of better rand product prices or higher sales volumes, could boost SA foreign exchange earnings significantly. Last year's total mineral export earnings of R38bn accounted for 48,5% of national export earnings. About 42% of the total came from just three areas: gold (R23,2bn), platinum group metals (R5,2bn) and coal (R4,5bn).



Gengold's Maude

It is not only the mines that stand to gain directly from firming commodity markets. A broadening and expanding beneficiation sector — producing products such as carbon and stainless steel, aluminium, ferrometals, petrochemicals, plastics, and pulp and paper — will benefit from a sustained upswing in the world commodities cycle.

Some of these producers are still operating well below current or projected capacity. These are capital-intensive operations with high value-added components. With demand firming, their profit margins could widen swiftly.

That could be enough to at least stem the tide of job losses and possibly bring about some reversal. Many thousands of jobs have been chopped from most of the major mining sectors, gold producers taking the biggest cuts. According to Chamber of Mines statistics, in 1986 the number of employees on member gold mines averaged 534 255; by last year they were down by 168 007

Continued on Page 34

Southern Sun reaps the benefits of restructuring

ST Times (Buss) 16/10/94

By CIARAN RYAN

THE restructuring of the Southern Sun hotel group has started to pay off, with occupancies rising to 70% from 55% two years ago.

This is showing on the bottom line: earnings jumped to R47-million in the year to March from R17-million in 1993. The group will pay no tax for several years due to massive tax losses built over the last 10 years. Ron Stringfellow, the hotel group's managing director, says earnings will increase again in the year to March 1995.

Occupancies in August and September, normally quiet months, peaked at 70% compared with the industry average of 55%.

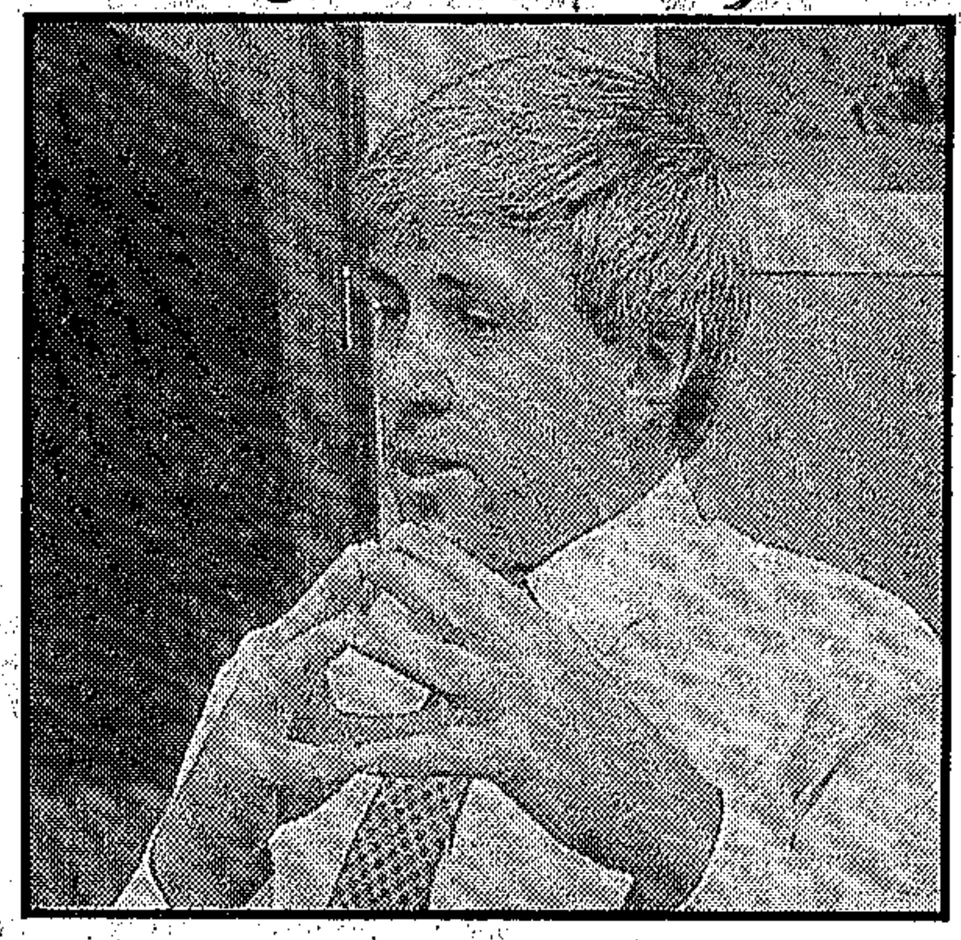
The hotel group should enter a new growth phase once casino licences are issued in the next few months. The Lotteries and Gambling Board released its interim report this week, paving the way for legalised gambling under strict conditions.

Southern Sun has joined forces with the National African Federated Chamber of Commerce and the Foundation for African Business and Consumer Services to form the Casino Holding Company, to pitch for new casino licences.

The holding company equity will be split 50-50 between Southern Sun and its partners.

"We expect to be a major force in the casino industry in due course," says Mr Stringfellow. "We have the financial backing of SA Breweries, so we are well poised for future growth."

Southern Sun was delisted by parent SAB two years ago because of its dismal performance. Mr Stringfellow, former managing director of Zimbabwe Sun Hotels, was brought in to restore the group to health.



RON STRINGFELLOW ... expects further increases

(288) (342)

He restructured the 10 000-room 55-hotel group into five brands: Holiday Inn Garden Courts, Holiday Inns, three- and four-star Southern Sun Resorts, four- and five-star Southern Sun Hotels and the no-frills Formule One chain.

A total of 24 hotels were converted into limited service Holiday Inn Garden Courts, and another built from scratch, competing head-on with Safren's City Lodge group. Hotel restaurants were franchised to independent operators, room service was curtailed and conference facilities disbanded. This resulted in lower operating costs which were passed on to guests in the form of lower tariffs.

Only three Holiday Inns remain — Jan Smuts, Sandton and Pretoria. The group's 13 Southern Sun Resorts are still feeling the strain, says Mr Stringfellow, but the expected inflow of foreign tourism will have an immediate impact on performance.

"We now have three game lodges, which research tells us is where the market of the future is," says Mr Stringfellow.

Of the original Southern Sun Hotels, only five remain. Flagship of the group is the Sandton Sun Hotel, which was augmented with the addition of the 230-room Sandton Sun Towers last year. An additional Holiday Inn Garden Court is under construction in Sandton.

There are now eight Formule One hotels in the group and two under construction, with occupancies of more than 80%.

Return on assets is still "unacceptable" but growing, says Mr Stringfellow.

The group invests up to R50-million a year in hotel refurbishments. Major refurbishments of the Sunnyside Hotel and Elangeni Sun have been completed. A refurbishment of the Cape Sun is also under way.

Fin 21/10/94

CITY LODGE

Occupancies high

Fin 21/10/94

Activities: *Owns and operates nine City Lodge and four Town Lodge hotels.* 288

Control: *Kersaf 44%.*

Executive chairman: *H Enderle. MD: C Ross.*

Capital structure: *24,8m ords. Market capitalisation: R403m.*

Share market: *Price: R16,25. Yields: 1,9% on dividend; 3,9% on earnings; p:e ratio, 25,4; cover, 2,0. 12-month high, R17,00; low, R6,75. Trading volume last quarter, 343 000 shares.*

Year to June 30	'92	'93	*'94
LT debt (Rm)	71,9	39,2	33,5
Debt:equity ratio	2,00	0,30	0,46
Shareholders' interest	0,26	0,69	0,73
Int & leasing cover	3,31	3,12	3,18
Return on cap (%)	19,0	19,6	16,3
Turnover (Rm)	46,5	58,2	‡72,2
Pre-int profit (Rm)	21,5	26,4	‡33,1
Pre-int margin (%)	46,2	45,3	45,8
Earnings (c)	35,5	48,4	‡63,9
Dividends (c)	21	27	‡31,6
Tangible NAV (c)	54	74	254

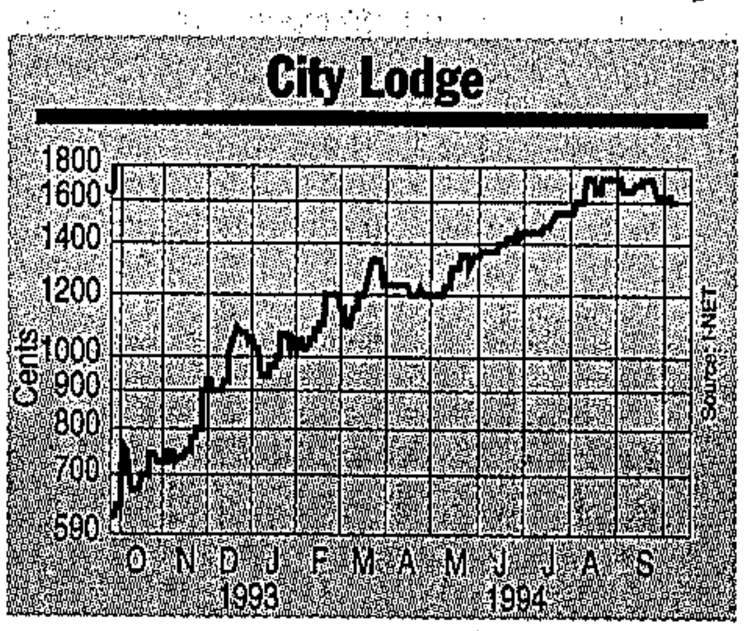
* 11-month trading period. ‡ Annualised.

City Lodge habitually opens two hotels every year and increases earnings by at least a quarter on maintained margins — or, at least, it has done for the past four years. In the depressed leisure market, where hotel occupancy rates average 47% versus the group's 75%, this is indeed commendable.

Admittedly, revalued fixed assets, a share capitalisation and three new lodges assisted in boosting the figures last year. Shareholders' funds increased substantially from R44,8m to R63m. This was mainly due to the surplus revaluation of land and buildings earlier this year of R33,6m and profit retentions for the period. NAV rose to R3,59 from R2,42 a share and gearing plummeted from 42% to 24%.

The balance sheet also reflects a R6m drop in cash to R4m. This is not an area of concern. A similar decline was recorded in long-term borrowings and, more significantly, about R23m (funded internally) was spent opening Town Lodge Midrand and Town Lodge Nelspruit towards the end of the financial year.

Management's decision to issue cap-



italisation shares instead of a final dividend — a concept gaining popularity — supplemented cash retention after attributable profit rose 36% to R14,5m. A saving of R1m in STC was made and the effective tax rate fell four percentage points to 30%. 288

"The capitalisation share route was chosen to conserve cash for future hotel developments," says CE Hans Enderle. Speculation that City Lodge is looking across the oceans for expansion is accurate. However, Enderle says "this will not happen tomorrow." In fact, only after expanding into southern Africa and "linking up with local partners would we make any final decisions."

For now, the group will look to fill local gaps. And there are plenty of them; City Lodge is not represented in Pretoria and they operate only one hotel in Durban.

Enderle, who holds 26% of issued capital (now worth about R110m) must be pleased with the doubling of the share price to R17 over the past year. The anticipated tourist boom, along with the Rugby World Cup in 1995, makes prospects look good for a repeat performance this year. The counter, on a p:e of 29,7, is deservedly rated above Kersaf and Sunbop — but is hardly cheap.

Kate Rushton

SA tourism set for boom — experts

CT 21/10/94

(288)

By EUNICE RIDER

TOURISTS are expected to flock to sunny South Africa even before the end of the year, improving on speculation that the first massive influx of tourists would only come with the Rugby World Cup in June next year.

Overseas interest in South Africa is reaching record levels and overseas arrivals in the country during June this year increased by 23,5% from 30 694 to 37 905, when compared with the same period last year, said Dr Ernie Heath, deputy executive director of the South African Tourism Board (Satour).

Dr Heath said South Africa's new international status had made it favourable for tourism marketing and Satour's had launched the Explore South Africa 1995 campaign overseas, shortly after the April election.

He said British tour operators had indicated that since June their revenue had "almost doubled for every successive month".

Dr Heath said experts believed close on 800 000 overseas visitors would enter South Africa next year, creating about 4 500 additional direct and 9 000 indirect job opportunities.

SAA flights are expected to be fully-booked over December. The "normally-quiet months" of October and November already show marked increases in overseas reservations, said SAA senior manager Mr Danie van Wyk.

According to a study by the World Tourism Organisation (WTO), South Africa currently ranks first in Africa in terms of foreign exchange earned from international tourism.

Mr Rupert Lawlor, chairman of the Tourism Liaison Council, said co-ordinated marketing efforts were paying off and South Africa was seeing the start of a tourism boom which would peak next year.

'Balance resources, population control'

VICTORIA FALLS. — South African Deputy Environment and Tourism Minister Mr Bantu Holomisa yesterday said one of the biggest challenges for the government would be to prepare programmes to stem population growth.

He said at the second Southern African international conference on environmental management here, a balance should be struck between resources and the country's population to ensure sustainable development.

He said over-population was the main environmental problem and damage was worsened by a lack of access to resources by the country's black majority and over-consumption by the privileged minority.

He said black indifference to environmental issues was worsened by feelings of exploitation and resentment. — Sapa

NEWS Major boom in foreign visitors expected to create thou

Tourists flood into SA

Sowetan 24/10/94

■ DRAMATIC UPSURGE SA now 'global player' in travel trade

By Mckeed Kotloio

SOUTH AFRICA is expecting a major boom in the number of overseas tourists before the end of the year.

This could create about 4 500 direct and 9 000 indirect job opportunities.

Deputy executive director of the South African Tourism Board Dr Ernie Heath said overseas interest in travel to this part of the world was reaching record levels.

He said British tour operators marketing South African products had indicated that their revenue had almost doubled for every successive month since June this year.

Heath also stated that Satour's overseas offices reported a dramatic rise in the number of consumer inquiries on travelling to South Africa.

He added that in June this year the arrival of tourists in this country increased from 30 694 to 37 905—a 23 percent increase—while preliminary airport arrival fiqures indicated a 26,7 percent increase for the same month.

He attributed the dramatic upswing to the country's new international status, which was favourable to tourism marketing as well as the marketing opportunities grasped by the travel trade and Satour.

South African Airways senior manager of product planning Mr Danie Van Wyk said tourist and business travel to this country had increased greatly in the past few months.

"We expect this trend to continue well into 1995," he said.

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Global player

Tourism Liaison Council Chairman Mr Rupert Lawlor said South Africa's buoyant economy was an indication that the country had become a global player.

He added that co-ordinated marketing efforts were starting to pay off and about 800 000 tourists were expected to visit the country next year.

Hotel occupancy rates reap benefits of upswing

(288) CT 25/10/94

By MAGGIE ROWLEY
Deputy Business Editor

THE recovery in the SA hotel industry is continuing with the average room occupancy rate for August increasing by 13,3% to 51,1% year on year, the latest survey by Central Statistical Services show.

The survey also shows an increase, albeit at a slower rate, in the bed occupancy rate which rose 7,7% year on year in August to 33,5%.

The average income per room night sold for all categories of hotels rose 14,7% year on year with five-star hotels showing the highest increase at 28,9% followed by two-star hotels at 16,3%.

While hotels in the Witwatersrand and Vaal Triangle had the largest increase in room occupancy — up 58% — Cape Town hotels showed an average year on year increase of 22,4% in room occupancies, a 19,6% increase in bed occupancies and a 34,6% increase in income.

Five-star hotels showed the greatest increase in hotel income with revenues rising by an average 38,9% year on year, followed by four-star hotels with an increase of 23,1%.

Next in line were one-star hotels with a 19,9% increase in income but these hotels reflected the largest increases in room and bed occupancies which rose by 34,8% and 16,1% respectively. In spite of the increases, room occupancy rates at one-star hotels were the lowest of all categories in August running at an average of 36,6%.

Room occupany rates at five-star hotel were only up 2,1% and bed occupancy rates at 2,7% which would seem to indicate improved efficiencies and greater revenue acruing from conference activities.

While room occupancy rates at four-star hotels improved by only 10,8%, occupancy rates are the highest of any group at 62,8%.

The survey is conducted from a sample representing all registered hotels per star grading and tourism region. Hotels operating mainly on a timeshare basis are excluded.

Out of the 21 regions surveyed, 17 showed a higher occupancy rates. The Witwatersrand with 54,8% occupancy rate was followed by East London (49,1%) and Maritzburg (29,6%).

East London showed the highest room occupancy rate of 63,5% followed by Bloemfontein (63,2%), Pretoria (63,1%) and the Cape Peninsula (61%).

In total, 16 tourism regions showed increases in bed occupancy rates with East London leading the way again with 40,1% improvement followed by Martizburg (28%) and Kimberly (26,3%).

With regard to hotel income, 19 tourism areas showed increases. The largest increase of 49,6% was seen in Kimberley, followed by Boland (35,5%) and the Cape Peninsula (34,6%).

COMI

Spur group sees 'stunning' growth

B/Day 27/10/94

AMANDA VERMEULEN

FAST food restaurant group Spur Steak Ranches lifted net attributable income 33,7% to R5,5m in the six months to August, the eighth consecutive year the group has improved earnings more than 30%.

Earnings a share increased to 34,7c (25,9c) and an interim dividend of 21c (16,5c) was declared.

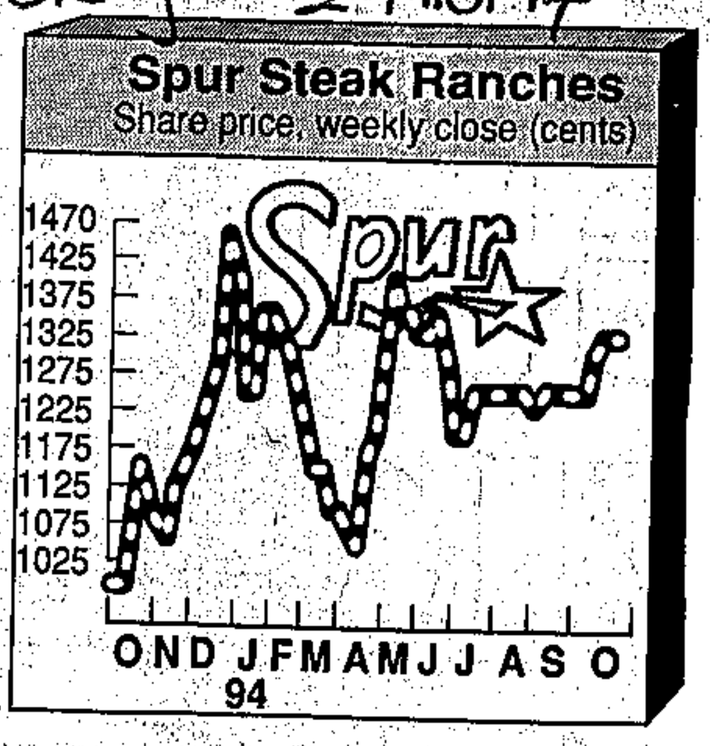
Turnover was up 30,6% at R21,7m, with pretax income higher at R9,7m (R7,5m).

Tax of R4,2m (R3,4m) left net attributable income at R5,5m (R4,1m).

Spur, which was launched 27 years ago, was one of the runners-up in this year's Institute of Marketing Management awards, having been nominated for Marketing Organisation of the Year.

Spur chairman and founder Allen Ambor said recently the group had been consistently successful in its franchise operation, which included 17 Panarottis Pizza Pasta outlets, four Hard Rock Cafes and 143 Spur restaurants countrywide.

Part of the group's branding was a direct result of a 2% levy on franchisees' turnover for the group's marketing campaigns. The next step would be a push into the townships, with a new Spur due to be opened soon at Dobsonville shopping centre in Soweto.



Analysts said the results were "stunning" and reflected yet another year of good figures.

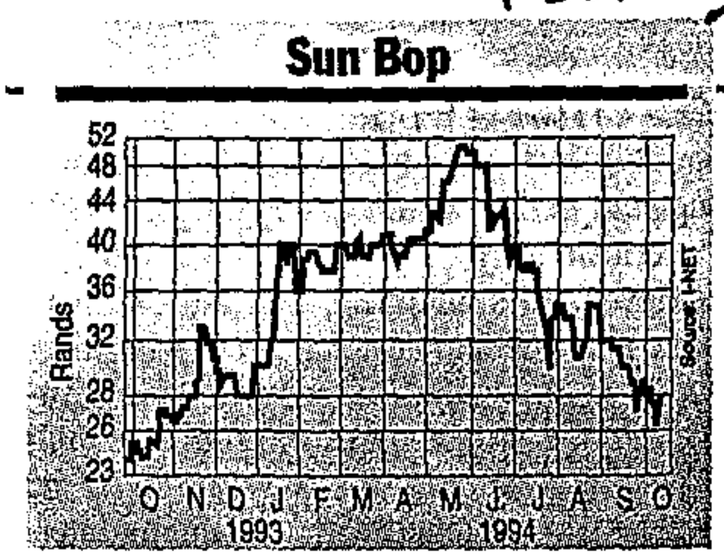
"The directors have clearly proven that despite concerns that the market had become saturated or that the Panarottis chain was not working, in all probability these fears were unfounded."

Spur Holdings, which has a 64% stake in Spur Steak Ranches, also showed good net attributable income growth of 34% to R3,6m. Turnover rose 29% to R21,8m, while pretax income rose 30% to R9,9m.

Earnings a share increased to 22,9c (17,1c) and an interim dividend of 14c (11,5c) was declared. (288)

Fin 28/10/94

288



For any business reliant on, or closely linked to tourism, 1994 proved particularly risky. Widespread violence in the lead-up to the general election could hardly have been foreseen. For casino-resort group Sun International Bophuthatswana (Sunbop), violence took its toll on the business and on its profits.

A good performance in the first six months to December saw EPS climb 22%. This was partly thanks to the benefits of the opening of the Lost City, but the growth was all but eliminated in the following six months. Turnover was up 29% in the first half; only 14% for the full year.

A pre-tax profit increase of 16% compares with a 17% loss in the second half, translating into a mere 3,4% rise in EPS for the year.

Tax allowances flowing from the Carousel and the Lost City, with the lower earnings in the second half, led to an effective tax rate of 12%. Chairman Sol Kerzner is encouraged by the authorities' indication that the rationalisation and harmonisation of tax between the former Bophuthatswana and SA will probably be phased in. It will be done, he says, without prejudicing businesses.

It was not only the lack of foreign visitors which affected business, but also the drying up of the stream of day trippers to Sun City. By the year-end, these had failed to return to previous levels.

A measure of the poor trading was the occupancy rate of 64% after 72% in the first half. This is the lowest since the listing, though it is still above the industry average of 46% overall and 54% in the three-, four- and five-star category. The inconsistency with the growth in turnover highlights the importance of gaming to SunBop's profits and its vulnerability to the recent proliferation of illegal casinos. The pre-interest margin continued its steady decline to 23% from 1991's 30%.

Sunbop has maintained a strong balance sheet, which has enabled it to undertake numerous major development projects. Borrowings declined marginally to R378m; gearing remains manageable at 28%. Interest cover is a healthy eight times.

Kerzner says "prospects are encouraging, providing that labour unrest can be controlled and there is a responsible blueprint for gaming." His provisos may make the stock unattractive to risk-shy investors.

Though business in the first quarter of the current year was affected by industrial unrest, management says activity has now picked up and forward bookings are particularly pleasing. If this continues, it should enable Sunbop to overcome an increasing tax rate and produce good growth.

Analysts are forecasting EPS growth of 15%-20% this year. Weakness in the share price should be seen as a buying opportunity.

Marylou Greig

SUNBOP Fin 28/10/94

Activity picking up

Activities: *Resort hotels encompassing entertainment, recreational, conference and casino facilities.* 288

Control: *SunBop Holdings 73,5%.*

Chairman: *S Kerzner.*

Capital structure: *119,3m ords. Market capitalisation: R3,34bn.*

Share market: *Price: 2 800c. Yields: 4,0% on dividend; 7,1% on earnings; p:e ratio, 14,1; cover, 1,8. 12-month high, 5 000c; low, 2 450c. Trading volume last quarter, 1,14m shares.*

Year to June 30	'91	'92	'93	'94
ST debt (Rm)	9,0	3,8	3,3	—
LT debt (Rm)	58	156	353	378
Debt:equity ratio	11	14	0,29	0,28
Shareholders' interest	0,58	0,67	0,61	0,65
Int & leasing cover	n/a	n/a	10,3	7,9
Return on cap (%)	22,4	16,1	14,8	14,8
Turnover (Rbn)	0,77	1,00	1,18	1,34
Pre-int profit (Rm)	230	269	298	307
Pre-int margin (%)	30	27	25	23
Earnings (c)	177	191	192	198
Dividends (c)	132	132	132	132
Tangible NAV (c)	527	918	1 012	1 103

Fin 28/10/94

HOTELS

Getting in on the act

SA has a good tourist infrastructure. But if the much-vaunted tourist boom does eventually take place, SA may not have enough quality hotel rooms to cater for the influx.

Responding to signals from the market, developers are already manoeuvring to bring extra hotel rooms into circulation.

But not just any hotel room is likely to be in short supply. The shortage is developing at the top end.

Southern Sun, SA's biggest operator of five-star hotels, has repositioned 24 hotels as lower budget Garden Court Holiday Inns. They include former five-star hotels such as the old Johannesburg Sun and Durban's Maharani. Group operations director Helder Perreira says it's "highly unlikely" they will be returned to their former glory.

He insists most tourists are happy to stay in a Garden Court: "If you're lucky, only 10% of international tourists go for five-star hotels." (288)

The SA Tourism Board (Satour) believes 800 000 foreign tourists will visit next year. Assuming the estimate is correct and ignoring domestic tourists, about 80 000 will want top-class accommodation.

Sandton splash-out

Southern Sun, which runs the successful five-star Sandton Sun, recently opened the adjoining five-star 230-room Sandton Towers. In mid 1995, Stocks Hotels and Resorts will open the R130m, 240-room, five-star Michelangelo Hotel at nearby Sandton Square and R40m is being spent adding 170 rooms to Protea's four-star Balalaika Hotel virtually around the corner.

The R105m, 244-room, five-star Hyatt Regency being financed by Iscor Pension Fund in Johannesburg's upmarket suburb of Rosebank, will open in September 1995, says Marshall Finlay, MD of developers Finlay and Associates.

Sun International is negotiating with Transnet Pension Fund to build a five-star hotel on Cape Town's Victoria & Alfred Waterfront, says MD Peter Bacon. The group is considering a 350-room hotel costing R200m. If the negotiations succeed, it will start building next year and should have the project completed in 1997.

Cape Town could do with another five-star hotel. It has two, the Mount Nelson and the Cape Sun, which is usually 30% block-booked by international airlines. According to Kessel Feinstein Consulting's publication, *Tourism Talk*, the typical foreign tourist spends three to five days in Cape Town. In 1992, the Western Cape was the preferred destination for 13,5% of all domestic tourists. And in 1993, domestic tourists accounted for 77,5% of all bed nights sold by registered hotels. ■

t to go to work

A ENSOR

lictments will be out of November." He rial would begin ear-

tments had been con- the 11 sitting judges, l warrant of arrest , sent to the relevant execution and judici- would start.

ieved it was crucial ts abuses to be offi- dged otherwise they r decades as victims ge and justice.

tting up of a tribunal ıtrocities in Rwanda ssed and it was possi- his tribunal would be ver Rwanda.

ieved, and it was also ı on the UN agenda, nent international should be set up to erious human rights ountry.

hat it was impossible e people involved in ıe former Yugoslavia to trial as the atrocities had occurred on too massive a scale.

"Whatever we do will mainly be symbolic. We will have a limited number of trials," he said. The aim would be to take action against the most seriously guilty against whom the tribunal had sufficient evidence to prove beyond reasonable doubt that a crime had been committed.

Those who were responsible for giving orders rather than those who executed them would be targeted. The tribunal would not be constrained by the political consequences of its actions. Penalties could include imprisonment, fines and confiscation of property.

Goldstone said one of the major difficulties facing the tribunal was the fact that a number of government and non-government officials wanted to give evidence on the basis of confidentiality, but tribunal rules precluded this as they obliged the prosecutor to pass on all relevant information to the defence.

He had asked to be allowed to accept confidential information which could be an important source of leads for investigations.

Levy dispute puts Meat Board's future 'in balance'

BDay 3110194

LOUISE COOK

THE Meat Board's future was in the balance with the refusal by abattoirs, producers and wholesalers to pay the compulsory levy to the board, sources said.

The Meat Board has urged the industry to resolve the problem surrounding levy payments, the floor price and "surplus removal".

It said it was imperative to find solutions by next year, but care had to be taken not to abolish any system unnecessarily.

There was wide disagreement on who was liable to pay the compulsory levies in terms of the Agricultural Marketing Act.

Another problem facing the board was disagreement about the need for "surplus removal" — the exporting of surplus production. It was seen as too expensive by some feedlots, abattoirs and individual producers, sources said.

The floor price system through which the board ensured meat prices did not drop below certain levels was also rejected by sections of the industry.

SA Meat Traders' Federation chairman Eddie Bielowich supported the marketing system and said the problem came from "those who screamed the loudest but benefited the most".

SA Feedlot Association chairman Ivar Karan said his association had received no complaints from members about levy payments. He supported the Meat Board system and said it helped ensure stability in the market.

Meat Board GM Pieter Kempen said compulsory levies were used to finance statistics, promotions, research and market development and training.

Tourism up after positive news

BDay 3110194

THEO RAWANA

POSITIVE news reports on SA, which contrasted with the wave of adverse pre-election publicity, have led to heightened tourist interest from all over the world, says the SA Tourism Board (Satour).

Foreign business travel to SA for July shot up to 14 216 compared with 10 286 recorded in the same month last year. Holiday travellers increased to 36 685 from 30 557 last year, a Satour spokesman said.

Florida, US, commerce department secretary Charles Dusseau presented Satour last week with a proclamation expressing his state's interest in developing bilateral tourism and trade opportunities with SA, the spokesman said.

Satour said in its Quarterly Review that while adverse news coverage preceding the election had led to a marked decrease in the number of inquiries in Europe on travel to SA, the picture had changed for the period from April to June, particularly since the presidential inauguration in May.

UK travellers had shown increased interest in SA, and SAA now had 50% of the market share in Germany, as more consumers took an interest in visiting SA.

Satour said French interest in SA as a tourist destination had increased 25% between May and June. The increase in inquiries in Italy was reflected by tour operator I Viaggi Del Elefante producing a tour programme to SA for the first time.

The picture was much the same in the Netherlands and Israel.

North American levels of confidence in SA as a tourism destination had improved with many tour operators including SA in their packages.

Indications were that SA would have "bumper arrivals" from Australia and New Zealand for the Rugby World Cup. In addition, the Australian Incentive Association would stage its annual conference at Sun City next year.

The effect of the negative publicity SA had been given in Taiwan and Southeast Asia was changing. Japan had gone as far as officially offering financial and other assistance to SA, Satour said.

Visitors from Africa continued to stream into SA with interests ranging from shopping, medical attention, conference facilities, business and entertainment, Satour said.

Foreign tourists rate winelands tops

ARG 3/11/94 (288)

ANDREA WEISS
Municipal Reporter

VISITING wine farms is "top of the pops" for foreign tourists — but Sunday closures are a source of irritation.

And one of the chief disappointments for tourists to the Cape is that they cannot stay longer.

These are the findings of an opinion survey of 458 foreign tourists who visited the Cape in March this year, contained in a report which was tabled before the council's town planning committee yesterday.

The majority of visitors were from Europe, and about half were over the age of 45. On average they spent R197,57 a day during their 19,48 days in South Africa, and at least half of them used hired cars.

The survey, conducted by the city planner's department in the departure hall at Cape Town airport, found that most respondents were "very enthusiastic" about their visit to the winelands.

They commented specifically on the good quality and variety of wines and were also impressed by the informative presentation of the wine-making industry and the hospitality of their hosts.

"But a few visitors did comment on the lack of tourist orientation of the farms and limited weekend hours. Respondents suggested the need to improve guided tours and to provide more information about the farms and their whereabouts," the report said.

Other highlights selected by the tourists were Table Mountain, Kirstenbosch, Cape Point and the Victoria and Alfred Waterfront.

Tourists indicated they wanted to experience more of South African culture and sample more Cape cuisine. Many felt restaurants were too "Americanised".

The report recommends that the Cape should guard against over-commercialisation and the loss of authenticity of local atmosphere, tradition and custom.

It said there was a clear need to develop and promote local history, culture, and arts and crafts, along with more local cuisine.

Local's lekker, say foreigners

(288)

ET 3/11/94

. . . But improve security

Municipal Reporter

FOREIGN tourists in Cape Town have indicated in a survey that they would like more local flavour in their holidays.

The City Planner's Department survey notes that there is a need for more local cuisine.

Local history, culture, arts and crafts should also be developed and promoted, the survey reveals.

On the other hand, these must not be too "commercialised".

Tourists want the existing local culture, history and the environment to be preserved, rather than created just to be served up to them.

The opinions of 470 tourists were canvassed. The vast majority (over 90%) were from Europe and Britain. Two thirds were over 35 years of age, over one third were also over 55.

Twenty percent were in Cape Town on business, but most were on holiday or visiting relatives and friends. Most were here for the first time. Half of them stayed in hotels.

Most of the visitors questioned visited the Waterfront (90%), went on scenic drives (80%), visited wine farms (80%), went to the beach (79%), Table Mountain (78%) and Cape Point (77%).

Many of them noted that they were appalled by the enormity of the gap between haves and have-nots in Cape Town.

Environmental comments tended to focus on the poverty of some suburbs, as well as the litter along roadsides.

Some who had been here before said the air had got dirtier.

"Visitors were hesitant to travel alone or go out at night, particularly in the city centre", the report says.

Seven respondents had bad experiences in the city centre. Some of these were apparently incidents of harassment by drunkards and beggars.

Desires for more night-time entertainment in or near the city centre were often expressed.

The report concluded that initiatives were necessary to provide greater security in the central city, particularly at night.

R10m pledge for tourism

Staff Reporter

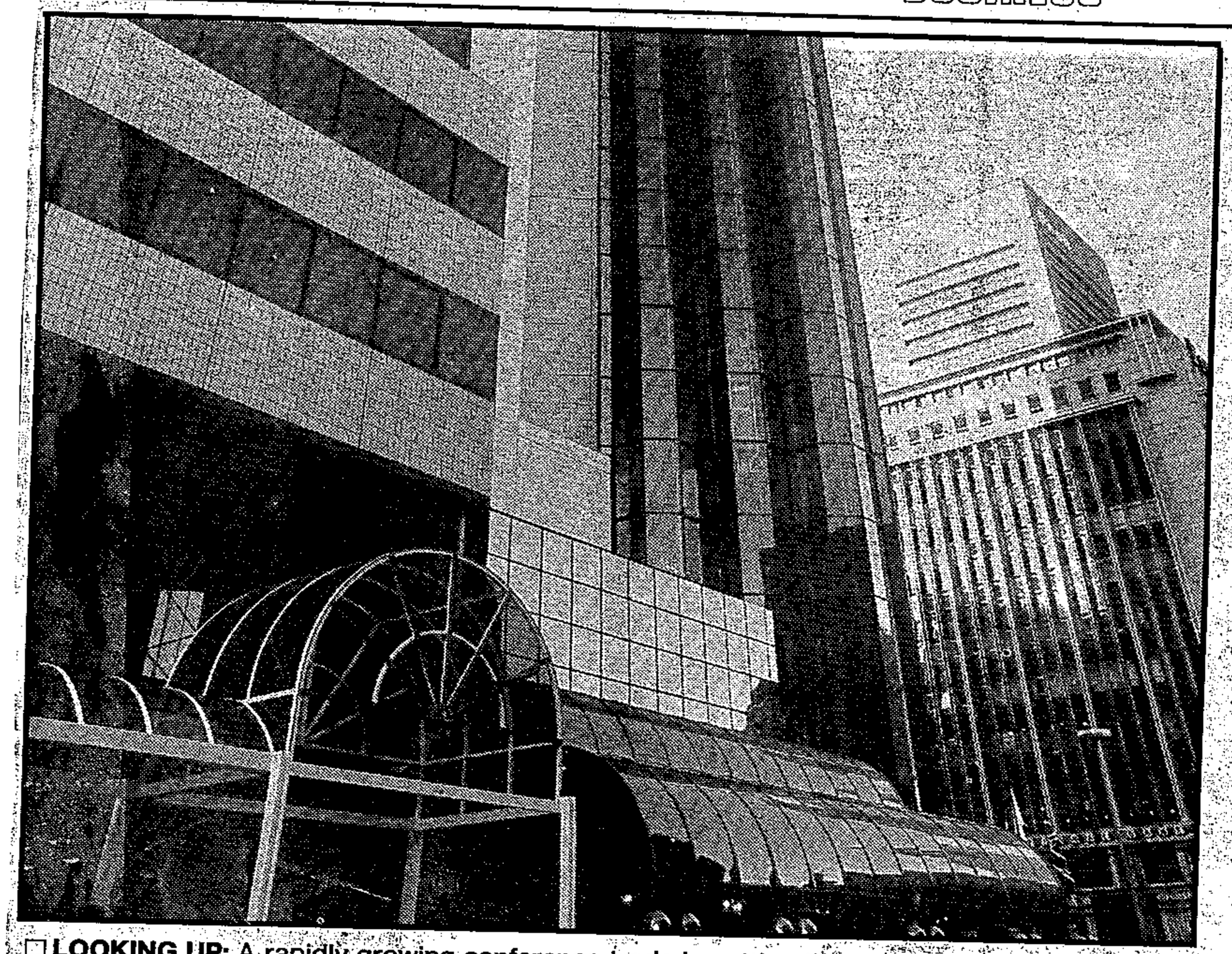
AN international distilled spirits and wine beverage conglomerate which set up a South African branch on Wednesday, has pledged R10 million towards uplifting tourism in the country over the next five years.

Mr Bantu Holomisa, Deputy Minister of Environmental Affairs and Tourism, said the money would be used to empower disadvantaged communities in the tourism industry.

He thanked Seagram SA for making the pledge. CT 4/11/94

He said he hoped other international companies would do the same.

288



□ **LOOKING UP:** A rapidly growing conference trade is putting the smile back on Cape Town hoteliers' faces.

Tourists and parleys get hoteliers smiling

ARGUS 5/11/94 (288)

JOHN VILJOEN
Business Staff

A BOOMING conference trade and an influx of tourists are bringing smiles to the faces of Cape Town's hoteliers.

"We've definitely turned the corner," said Cape Sun general manager Harry Murray.

He reported high occupancy rates for October, an "extremely good month".

The hotel was benefitting from good tourist numbers but was also hosting conferences each week.

"What we have to do now is to sustain this through the winter months," he said.

One strategy Cape Town hotels should adopt was to "bring next summer forward" by one month.

Tourists had arrived from October 1 this year but hotels should extend the season by pushing for bookings to start on September 1 when visitors could enjoy the Cape spring.

Captour chief Gordon Oliver said October had proved an excellent month for the Cape tourism industry and November was likely to prove equally successful.

In addition to hotels and others in the accommodation business, car hire firms had done extremely well, he said.

"These are good indicators for the season."

Accommodation was still available for December but bookings were picking up, he said.

Cape Town continued to grow in popularity as a conference venue and the city was playing host to an increasingly wide range of gatherings.

George Cohen, general manager at Somerset West's Lord Charles, reported increased conference business.

"A lot more conferences are coming to Cape Town, both nationally and internationally."

Many conferences were already confirmed for next year and there had been many enquiries for other convention bookings.

Mr Cohen shared the optimism over prospects for Cape Town hotels, but said this would hinge on continued political stability.

The anticipated post-election tourism boom had been delayed as it took time for people to plan overseas holidays, he said.

Tourists would come to South Africa in truly large numbers only when there were cheaper air fares between this country and the United States and Europe.

Tourism, wine could make SA, Australia friends

WINE (288)

By CHRIS BATEMAN

NEW tourism "packages" and wines could make South Africa and Western Australia lucrative trading partners in the international market, Mr Heny Cowan, Deputy Premier of Western Australia, said yesterday.

Speaking during a courtesy visit to Western Cape Premier Mr Hernus Kriel, the influential Perth-based politician said his government could also offer top grade expertise in marketing, food processing and post-harvest packaging.

Impressed by the Peninula's tourism potential, he pleaded with Capetonians not to "empty all the money from European visitors pockets before they get to us". CT 16/11/94

He said that while Western Australia was fiercely competitive in all fields, tourism packages with South African destinations added to their Western Australian and Asian ones would be highly attractive to Europeans.

On the subject of local wines Mr Cowan said the whites were "first class".

● The major challenge facing the South African Tourism Board (Satour) was to meet the demands of black groups for the tourist industry to be made more representative.

The new executive director of Satour, Mr Mavuso Msimang, said Satour's legitimacy was being strongly challenged and the organisation would embark on an aggressive programme to develop black entrepreneurs within the industry.

Huge interest in SA tourism at fair

From LINDA ENSOR

LONDON. — The South African stand at the World Travel Market here has been inundated with inquiries from travel agents and buyers worldwide, UK director of the South African Tourism Board Mr Russel Barlow-Jones said.

The South African stand won an award for being the best from Africa and the leisure group, the Conservation Corporation, was recognised with a Guild of Travel Writers' award for its publicity campaign.

The travel fair attracts travel agents, senior management and buyers from all over the world.

All nine of South Africa's provinces, 19 of its hotels and hotel chains, 26 tour operators, game reserves, coach operators, health resorts, car rental companies and airline companies are represented

The international exhibition is being used to launch the South African Tourism Board's "Explore South Africa 1995" marketing project which, it is hoped, will attract about 800 000 overseas visitors to South Africa next year and bring in £140 million (about R770m) in extra foreign exchange.

There had also been huge changes in the pattern of tourists visiting SA since the elections, SA Tourism Board executive director Mr Mavuso Msimang said.

Besides a flood of African businessmen and buyers, there was also a strong flow of Japanese and Far Eastern visitors. The problem was that there were not enough flights to carry potential Japanese tourists

Mr Msimang said the original projection of tourists visiting South Africa this year, had been revised from five percent to over eight percent, with a growth of about 15% forcast for next year.

ET 17/11/94

(288)

City set to host world travel event

(288) CT 22/11/94

By CHRIS BATEMAN

ONE of the world's biggest money-spinning events, the World Ecotourism Congress, is virtually certain to be hosted by Cape Town in 1996, etching the region indelibly on the international tourism map.

Only the final contract signing with the congress organisers, the hugely influential Adventure Travel Society, is outstanding after its president, Mr Jerry Mallett, approved the local package bid in Tasmania this week.

Western Cape Environment Affairs, Nature Conservation and Tourism Minister Mr Lerumo Kalako, who returned yesterday from this year's congress in Hobart, Australia, said it would mean an immediate R8,25 million "shot in the arm".

This would be spent by an expected 1 000 delegates over three weeks, with long-term world media exposure generating "untold millions".

The province will also send 200 aspirant ecotourism workers Down Under next year to secure internationally-recognised certificates of training.

Other candidates will be trained to train people locally.

Ecotourism is the fastest growing sector in a travel industry which saw 478 million people tour other countries last year.

'Exciting destination'

The congress would ensure continued media exposure in the wake of next year's Rugby World Cup, fencing and cross-country internationals.

Mr Kalako said yesterday: "The ball is in our court — they very much want us because we are an exciting and relatively unknown destination."

He said delegates were well-informed about South Africa and had quizzed him about ongoing taxi wars here.

Foreign tourism tide turning, says Satour

THEO RAWANA

SA HOTELS this year sold the highest number of bed nights to foreign tourists for the month of September since 1987 — a feat the SA Tourism Board (Satour) saw as the turning of the tide for tourism.

The Central Statistical Service (CSS) reported that the total number of bed nights sold to foreign tourists in September was 115 760 — 20,4% more than for September 1993. BIDay

The most popular tourism regions were Johannesburg with a market share of 34,5%, and the Cape Peninsula with 24,7%. 24/11/94

A Satour spokesman said the increase, backed by the 32% increase in international airport arrivals last year, reflected a turn in SA tourism.

"It is a build-up to the Christmas holiday season, but we expect our peak period to be May/June next year when visitors come for the rugby World Cup. We expect SA to receive more than 30 000 visitors during that period," he said.

EDWARD WEST reports that Cape Town is gearing itself up for a bumper season over Christmas.

Surveys conducted by Satour and the Central Statistical Service, with local input, indicated that the city could expect about 150 000 overseas tourists from December to February, spending about R145m, Cape tourism body Captour said.

Figures for the last quarter reflected that tourists visiting Captour's travel centre had doubled in the past two years. The centre was expecting about 50 000 tourists in December alone.

A Cape Chamber of Commerce & Industry survey showed that retailers in the Western Cape were equally buoyant in their predictions for Christmas sales. Most retail sectors expected a 10%-15% increase in November and December sales compared with the same period in 1993. (288)

The province's jewellery industry appeared the most optimistic, with an expected monetary sales increase of 13,4%.

City living comes to Cape Town

Landmark CBD project

IAIN MACDONALD
Weekend Argus Reporter

■ The old Telkom building in Cape Town's CBD is earmarked for a huge new development incorporating office and residential living.

A MAJOR new R120 million residential and office property development akin to the London docklands development is to take shape between the CBD and the Waterfront.

The development, near the traffic department, will be called Victoria Junction.

It is a conversion of the 74-year-old Telkom telephone works complex bounded by Somerset Road and Prestwich Street into a city-living complex of lofts, studios, offices, restaurants and possibly a hotel.

The developers, the Newport Property Group, say the site is "along with the power station site/ICS on the Foreshore, probably the largest development site left in the city's CBD".

The company bought the property from Telkom earlier this month and sees Victoria Junction being the "first phase of what could become a major urban gateway to the Waterfront".

With up to 60 000 square metres and at a cost of R120 million, the developers see the first tenants moving in by Christmas 1995.

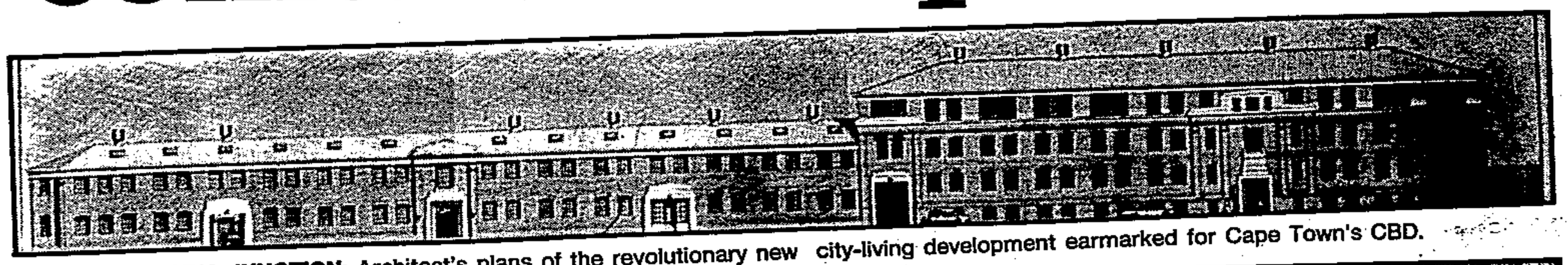
The company has been pioneering "industrial living" in the city, with its Dunkley Square project in Gardens transforming a factory into a chic living and working area which has a clothing factory on the ground floor, offices on the first floor and lofts and studio penthouses on the upper two floors.

"The 15 lofts at Dunkley House were sold out in about two weeks," said sales director Stuart Chait.

"We would say we've already sold out the 36 lofts at Victoria Junction without any general knowledge of it, although we don't even have sale agreements ready, and we only bought it a few weeks ago."

According to Chait and partner Ian Fife, the Victoria Junction development was "not for tourists, but for people and smaller businesses who enjoy living and working in the city".

"There is intense interest from a small but growing group of Capetonians to whom a suburban gash home is a fate worse than death," Ian Fife said.



□ **VICTORIA JUNCTION:** Architect's plans of the revolutionary new city-living development earmarked for Cape Town's CBD.

He added that the property industry was aware of the company's plans and had "introduced some interesting possibilities".

These included "a Malaysian hotel group and some Italians who wanted a small apartment hotel".

He pointed out that, on a world scale, rents for office or studio space were highest in Hong Kong and lowest in Cape Town, but this was set to change soon and he expected Cape Town office rents to "go higher than those of Johannesburg in the longer term."

According to the architects, the top floors of the old telephone works will be turned into lofts, ceilings will be removed to give up to eight metres of height and mezzanine floors will be added, with large windows covering the southwest walls, as well as French windows and Louisiana balconies.

The design team includes Cavin Chait, Peter Fehresen and Philip Stiekema of architects Krynauw, Chait, Van Rijswijk, who were responsible for the Dunkley Square development.

Prices for units range from R129 000 to over R300 000 and the lofts and studios will "overlook a series of yards where there will be coffee shops and small restaurants", the architects say.

Friendly City going all out to ensure safety of visitors

(288) ARG 30/11/94

PAT CANDIDO
The Argus Bureau

PORT ELIZABETH. — The Friendly City is making an all-out effort to live up to its name and be a safe place for visitors this festive season.

This follows a spate of muggings, theft and bag-snatching in Main Street, where workers have complained bitterly of being virtual prisoners in their offices at lunchtime, too scared to go out.

Women have been robbed in broad daylight of their vehicles or handbags, and even had gold chains, rings and sunglasses ripped off them, causing uproar about the upsurge of crime in the central business district.

A pregnant woman had a narrow escape when a knifewielding man tried to hijack her car with her young daughter inside.

This time a man came to her aid, but people have often claimed that while they are being attacked, others stand by and do nothing.

A young Malabar woman, Nazira Loonat, 24, collapsed and died while chasing a man who had ripped a gold chain from round her neck.

Waves of outrage and calls for stronger police protection followed the attacks.

Many woman took to wearing cheap, imitation jewellery and leaving their expensive items at home.

CBD Traders' Association chairman John Mowbray called for increased policing, a call echoed by shop workers and owners. They said shoppers were no longer coming to town.

Another concern was the scores of young "parking attendants" who were upsetting motorists by insisting on being paid for finding parking spots. Some said these people were spotters for criminals.

Police now say everything possible will be done to restore order to the area.

A mobile police station has been placed in Main Street and another in North End.

Police patrols, many in civvies, have been drastically increased and vehicles have been placed at various vantage points.

Traffic police confirmed they would be on the look out for the "parking attendants".

Karos posts turnaround in profits

CT 30/11/94 (288)

Own Correspondent

JOHANNESBURG. — Higher room occupancies and gaming activities helped Karos Hotels show a turnaround in its fortunes to post an attributable profit of R1,4m in the six months to September, against a loss of R4,9m in the comparable period.

The group also announced that Luxembourg-based shareholder Marvol Holdings had sold its 22% stake in Karos for between R30m and R40m to Kinross Investments, a company incorporated in the Isle of Man.

Karos chairman Selwin Hurwitz said Marvol had decided to sell its investment, acquired a year ago, because it had little chance of increasing its stake to 51% as planned.

"With the greatly improved prospects of SA tourism, it is unlikely that our other shareholders would be willing to relinquish their shares."

Some Kinross shareholders have had a long association with Karos through the Polana Hotel in Maputo.

Earnings a share for the review period were 2,4c against a loss of 17,5c in the last interim period. No dividend was declared but Hurwitz said it would be paid at year-end.

Turnover increased 23% to R60,2m, while operating profit improved 42% to R15m from R10,5m last year.

The next six months should show an improved performance, thanks to the traditionally busy tourist season, while the Rugby World Cup, in May and June 1995, promised high occupancies for the group.

Karos will seek five SA casino licences next year

AMANDA VERMEULEN

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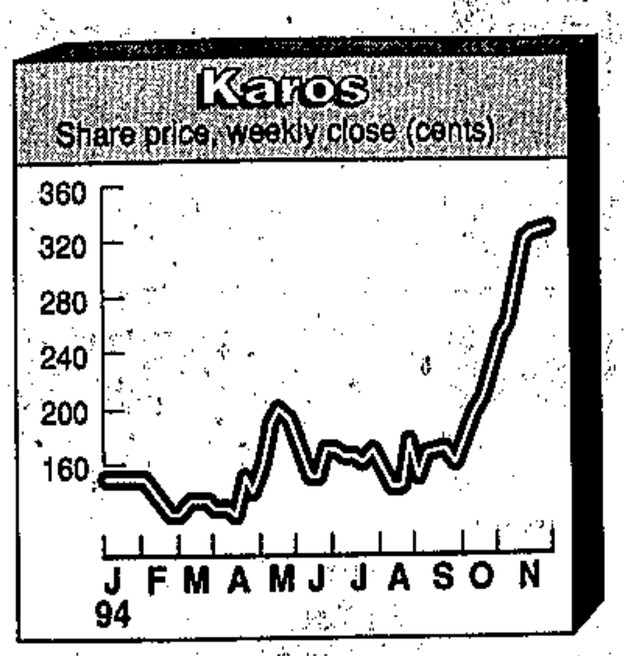
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Hurwitz said the group's gaming activities had contributed to its improved performance. When the government allocated casino licences next year, Karos hoped to apply for five in SA, while an application would be made in Mozambique for a casino licence for the Polana.

He said that the group's long-term upgrading of its hotels to four and five-star accommodation would begin to show benefits soon. Future casino licences would help the group finance its operating costs, while the conference industry, which currently contributed 20% to group turnover, would probably grow in size.

Karos was planning to increase conference facilities at the Karos Indaba in Fourways, with a new facility to seat 1 400.

Coming years would see the group focus on ecotourism. It had already moved in this direction with the recently opened Sossusvlei Lodge in Namibia. Four more hotels were under consideration in Mozambique, with the group probably acquiring existing structures.

The next six months should show an improved performance, thanks to the traditionally busy tourist season, while the Rugby World Cup, in May and June 1995, promised high occupancies for the group.

Tourism earned R500m in 1990

CT 2/12/94

(288)

VILLIERSDORP. — Domestic and international tourism earned the Western Cape more than R500 million in 1990, provincial premier Mr Hernus Kriel said yesterday.

Opening the Denneoord holiday resort on the banks of Theewaterskloof Dam near Villiersdorp, he said the Western Cape attracted about 550 000 of the estimated three million domestic tourists in 1990.

They spent between R450m and R540m in the province.

In addition, about half the 550 000 foreign tourists in 1990 also paid a visit to the Western Cape and spent about R85m.

Job opportunity

Mr Kriel said the multiplier effect of domestic and foreign spending in the province gave a final figure of about R1,5 billion. In addition, it was estimated that every 30 tourists in an area created at least one job opportunity and two more indirect jobs.

Denneoord cost about half the price of other resorts in the Western Cape and would therefore help to further increase the province's share of the domestic tourism market.

A further R550 000 is to be spent on facilities at the resort. — Sapa

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Places to hide away

Look no further than SOUTHEASTER'S guide to Cape Town camp sites, compiled by Vicky Stark

IT'S THAT time of the year again when you have to hunt down your tent from the last person you lent it to.

Thousands of people choose to spend their holidays camping, pitching their tents in the same spot each year near the beach or the mountain.

If you haven't booked your camping site at your favourite spot yet, here are a few alternatives:

● **Zandvlei** off Prince George's Drive in Muizenberg has electrified camping sites, so lovers of the great outdoors can take along their television sets and microwaves.

Prices for the caravan sites range from R55 per day for two people sharing to R70 per day for four to six people sharing.

A spokesman for the City Council said the caravan park is well booked from December 10 to January 4.

Out of 120 camping sites, only 12 non-electrified plots are available at prices ranging from R15,50 per day for two people sharing to R19,50 per day for four to six people sharing.

● Sites at **Blue Water Caravan Park** near Strandfontein range from R13 per day for two people sharing to R19,50 per day for four to six people sharing.

● **Strandfontein** camping site usually has plenty of space for those who prefer spending hot summer nights on ground sheets.

Prices range from R11 per day for two people sharing to R20 per day for four to six people sharing.

● **Princessvlei**, reputed to be a getaway for gangsters, hasn't been too popular recently. But touring Americans may be interested to know there is a flat rate of R21 per day for four to six people sharing.

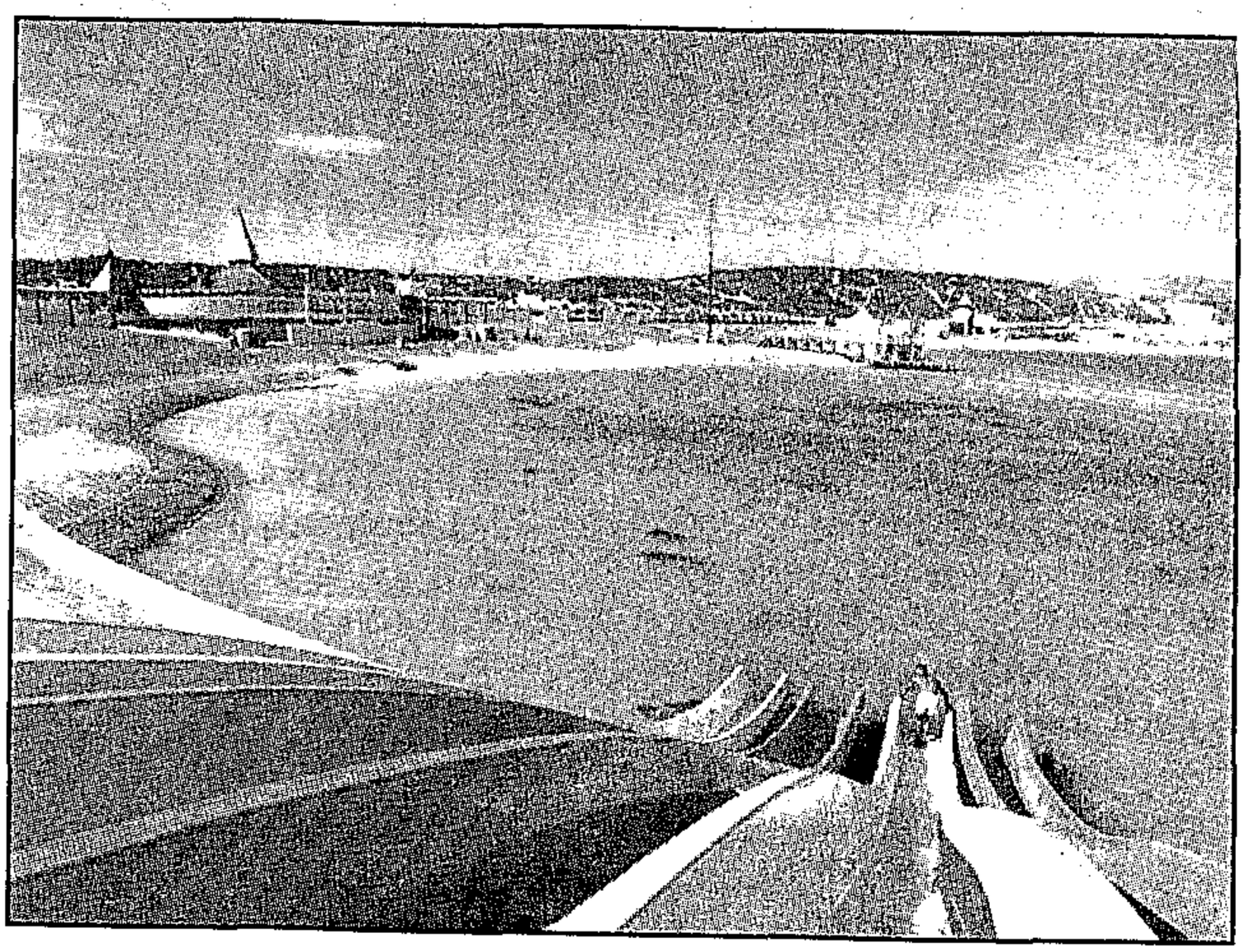
To book any of the above sites call the City Council at 400-3607.

● **Soetwater** caravan park, also known as Medusa or Die Anker, is fully booked until mid-January.

There is, however, a vast camping site nearby which starts filling up after December 16 and is packed to capacity by Boxing Day. Campers are advised to book early. For more information call Mr Adams at 7831747.

● Season booking started on September 1 at **Monwabisi** — so rush for occupation of the 42 remaining camping sites. This resort sports the largest tidal pool in the southern hemisphere.

Rental is R30 per day and campers are required to book at the office. For more information call Mr Oosthuizen at 3971006.



READY FOR REVELRY: Monwabisi resort has the biggest tidal pool in the southern hemisphere ***Photo: Yunus Mohamed***

● **Silverstroom** near Atlantis has 14 caravan sites and 15 camping sites available. Try and get to the booking office well before New Year's Eve. For more information call (0226) 61123.

● **Macassar Beach** has 72 camping plots and 71 caravan sites available. Space is rented at R20 a day and a R50 deposit must be put down when booking. For more information call (024) 571977.

● **Koggels Baai,** which lies between Gordons Bay and Rooi Els, operates on a first-come-first-served basis. There are 120 tent stands and 110 caravan sites.

Camping sites cost R27 and caravan sites cost R35 per day. There is an additional charge of R2 per person per day if there are more than five people occupying one site.

For more information call Mr Thompson at (024) 561286.

Kalako: No problem to swop portfolios

ET 7/12/94

288

By CHRIS BATEMAN

SWOPPING his Nature Conservation and Environmental Affairs portfolio for Mr Lampie Fick's Sport portfolio should pose "no problems", Tourism Minister Mr Lerumo Kalako said yesterday.

Responding to reports that the long-rumoured portfolio swop was imminent, Mr Kalako said it "made sense and shouldn't create any problems".

With the Olympic bid for 2004 and the Rugby World Cup next year, sources said, combining Sport and Tourism was a pragmatic adjustment, and adding Environment and Nature Conservation to Agriculture was seen as efficient administration.

Tourism Board: 'No nepotism'

Staff Reporter

SELECTION for the country's new Tourism Board will be marked by extensive consultation and final endorsement by the cabinet to avoid nepotism, says Lerumo Kalako, provincial Minister of Environment Affairs and Tourism.

Addressing the Interim Board of Management at Groot Constantia, Mr Kalako said that all interested parties would be consulted over the selection process for the Board, which will ultimately be ratified by the cabinet to ensure ministers did not merely pick their friends. ARG 8/12/94

He said the Board would have to be open, independent of the government and should include experts.

"It must not be a political platform, but must ensure that the province reaps the fruit of tourism."

He said while Satour would continue to play a role in marketing South Africa abroad, it had to have provincial representatives in the national office to promote specific areas.

Gearing up for major KwaZulu development

(28) BD 14/12/94

THE Tongaat-Hulett Group is restructuring its property division, Moreland Estates, to tackle a R1m casino/resort hotel complex, low-cost housing and upmarket property developments in KwaZulu/Natal canefields.

Moreland Estates CE Gordon Hibbert said the division was being restructured to manage the group's property portfolio for developments north of the Umgeni River, and also to play a pivotal role in the growth of the regional economy.

The division hadinvested more than R100m in the development of residential and industrial infrastructure and services, he said.

The function of managing the portfolio entailed liaison with interest groups in the Durban functional region (DFR) via the Tongaat-Hulett planning forum. The forum established that there was chronic unemployment in the region, which provided less than 15% of the area's jobs.

There was a need for developments to reduce commuter time wastage and traffic congestion, as well as "activity corridors" on land claimed from sugar cultivation, he said.

The group asked the SA Property Owners' Association to help it broaden property owership and involvement with the industry, and initiated property developments for the lower and upper

SELLO MOTLHABAKWE

markets in the Umgeni River region.

The company had already sold affordable homes costing between R20 000 and R30 000 to some of its employees, Hibbert said.

Areas still being developed for this sector include Mount Moriah and Mount Edgecombe. These developments would be sustainable well into the next century.

The group this week released the second 35,2ha of prime industrial and commercial land at Mount Edgecombe for development. It mandated local industrial property brokers to sell 28,8ha at Mount Edgecombe Activity Park and 6,4ha adjoining the Old Mill Industrial Park. Asking prices ranged from R110/m² to R150/m².

The proposed development of the 350-bed casino/hotel complex was on 300ha in the Zimbali area. The company had rights for the development of 850 units, the hotel, and a controlled development plan for an upmarket resort. Plans included holiday housing, a golf course and coastal and nature conservation.

Hibbert said the company approached Sun International and institutional investors with a view to getting them involved in the project. The company was already exposed to expenditure of R20m on the venture, he said.

BUSINESS DAY, Wednesday, December 14 1994

also took place at John Orr's department store.

Transkei Wild Coast hotels hit by boom festive season

(288) BD 20/12/94

KATHRYN STRACHAN

THE Transkei Wild Coast has been hit by a boom festive season, with almost all hotels reporting full bookings over the Christmas period.

While reports of attacks on tourists last year left hotels all but empty, Cobb Inn could have been booked twice over this year, and Umgazi River Bungalows could have been booked three times over.

"It's like the old days again," a tourism industry source said.

Umgazi River Bungalows has been booked up for Christmas for the past six months.

The establishment in July of a tourism protection unit, with special emphasis along the coastline, has also helped to allay tourists' fears.

One resort, faxing directions to booked guests, gives a suggested route saying there has been no ambushes or hijackings along it for at least three months.

The bumper festive season has signalled the start of efforts to promote the appeal of the area to tourists and to begin controlled development. Officials are, however, aware of the need to protect one of the last unspoilt coastlines in the world.

"Uppermost in our minds is the intention that any development will be very, very sensitive to the environment," Eastern Cape tourism minister Smuts Ngonyama said. A number of groups were interested in leasing land to develop hotels and small chalets. Development would be in keeping with the natural surroundings, and only small "family-type" hotels would be permitted.

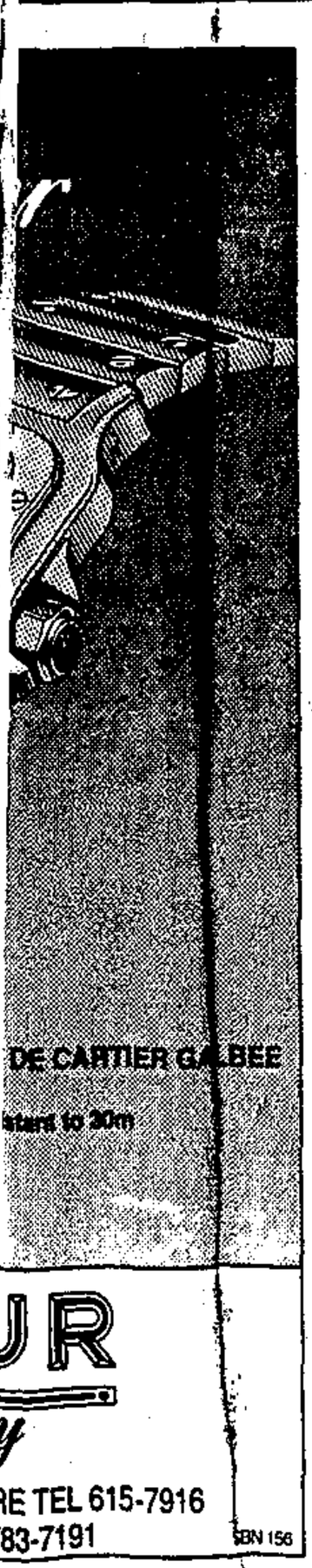
Transkei Tourism Board CEO Clive Berlyn said development would retain the beauty of the area.

"We don't want to repeat the mistakes made in other countries where development cannot be supported by the infrastructure, and where it destroys the natural beauty."

The first step of devising a coastal control development plan had been completed. The plan would demarcate areas and stipulate the type of development and included three projects. One was an upmarket camping site; the other two small resorts.

In the new year plans would begin to improve access to the area. Existing roads needed to be improved and 10 new airstrips would be built. The idea of a north to south coastal road was prohibitively expensive, and was resisted by most parties which regarded it as a threat to the remote appeal of the coastline.

Communication systems to hotels would also be improved.



KwaZulu/Natal puts its case in land dispute talks

BD 20/12/94 (271) (B)

SUSAN RUSSELL

DELEGATIONS from KwaZulu/Natal and Eastern Cape will resume discussions on the border dispute over East Griqualand when delegations from the two provinces meet for a second round of talks in Pretoria next month.

KwaZulu/Natal local government minister Peter Miller said yesterday the delegations had met under the chairmanship of Deputy President Thabo Mbeki last week to discuss the issue.

The KwaZulu/Natal delegation presented a memorandum containing historical, administrative, economic and logistical reasons for its claim that East Griqualand (Mount Currie) should remain part of the province while Umzimkhulu should be excised from the Eastern Cape and incorporated into KwaZulu/Natal.

Among the submissions put forward was that Umzimkhulu and East Griqualand residents already made extensive use of health and secondary and tertiary educational facilities in KwaZulu/Natal. Major financial institutions already dealing with both disputed areas were also based in KwaZulu/Natal and major road, rail and electricity links were with KwaZulu/Natal.

At last week's meeting, the Eastern Cape reserved its right to present argument on why East Griqualand should be incorporated into the province.

One of the main issues for discussion was whether a judicial commission of inquiry should be established to investigate how best and under which province the disputed areas would be governed. The question of how the will of permanent residents could best be tested after the facts had been determined by a commission would also be discussed.

Miller emphasised it had to be clearly understood that no decisions on the future of East Griqualand or any other district would be taken at the January meeting.

'Shack hotel' for tourists

(288) THEO RAWANA BD 20/12/94

THE first of the SA Taverners' Association's "shack hotels" to give white tourists a taste of township life would be up and ready by next June, association general secretary Dave Moshapalo said yesterday.

Moshapalo, who has also been elected general secretary of the Foundation for African Business and Consumer Services, first mooted the idea of township bed-and-breakfast facilities for tourists last July, when he outlined plans for the shebeen industry to play a major role in tourism and benefit from the expected flood of visitors to SA.

Plans by Fabcos affiliate organisations such as FabTravel, FabFoods and Black Travel Agents of SA for the launch of the concept were well advanced; the first of these "classical shacks" would be built in Soweto before being introduced nationally.

The organisations would be involved in various activities such as bringing tourists to the townships and providing food and entertainment.

Security would be provided by black-owned security firms because they had a more intimate knowledge of black areas than anyone else.

"We want to address the fears of whites who are influenced by negative reports about what happens in these areas," Moshapalo said.

Besides bed and breakfast, tourists would be taken on tours of the townships to see for themselves what they had been denied over the years by "unfounded fears" about township life.

Moshapalo lashed out at the system for grading hotels, saying it was a sham because five star-rated hotels and other facilities could not provide the services which would be available at taverners' establishments.

"Grading should be consumer-driven instead of being imposed by someone from above. Let market forces decide," Moshapalo said.

Inflow of tourists 'heralds a new era'

Business Day Reporter

(288) BD 23/12/94

SA WAS entering a new tourism era as the number of foreign tourists increased constantly, SA Tourism Board (Satour) executive director Walter Msimang said yesterday.

Airport arrivals for October indicated foreign tourist arrivals showed an increase of 14,2%, from 61 871 to 70 647, compared with October last year.

While Europe remained SA's primary tourist market, the Asian market was beginning to fulfill its potential with the number of visitors from Japan increasing 24,6% in October from 966 to 1 204.

The number of Taiwanese visitors had increased 41% and arrivals from Hong Kong by 322,6%.

The UK was still the biggest market, with 12 269 visitors in October.

A record quarter for trading was announced by SAA's UK and Ireland operation. The months of August, September and October had shown major growth in sales of first and business class travel on flights from London to SA during 1993, in some cases up to 83%.

During this traditionally non-peak period, load factors on SAA flights from the UK averaged 98%.

The number of visitors from the Netherlands increased 19,7%, from Sweden 20,6%, from France 24,8%, from Portugal 35,4% and from Spain 33%.

Msimang believed the trend would continue well into 1995, with the Rugby World Cup expected to bring an additional 30 000 foreign visitors to SA.

Fully booked hotels turn tourists away

(288)

CT 28/12/94

Staff Reporter

FOREIGN and local tourists have been streaming into the city, filling most hotels with occupancy rates of between 90 and 100% — and some hotels have had to turn away visitors because they are fully booked.

City Lodge general manager Mr Graham Allan said his hotel in Mowbray was fully booked until January 2 and they had to turn people away.

This December has been the best for the Ritz Protea Hotel in Sea Point in the last two years, with more overseas visitors booked into the hotel.

It has had a 100% occupancy rate on a number of occasions since the beginning of the month.

Ritz general manager Mr Mac McAffrey said Cape Town was becoming more desirable for domestic markets, with a number of local tourists making reservations at the hotel.

The five-star Cape Sun said it had had to turn people away in the last few weeks because suites were fully booked.

General manager Mr Harry Murray said the hotel would be busy for the next three months, and he hoped the busy season would continue with the start of the World Cup.

Chief executive officer of Captour Mr Gordon Oliver said yesterday more than 1 500 people had visited Captour daily since the middle of this month.



CAPE OF WINDS . . . Dutch tourists (from left) Mr Arjen Sytsma, Ms Anneke Postema, Mr Dick van der Vort and Ms Syutske Sytsma van der Vort, hold on for dear life on the Foreshore yesterday, in an effort to stay grounded in the storm-strength south-easter that has blown since Monday.

Picture: ALAN TAYLOR