SERVICE SECTOR - Accom, Liquor & catering - General

1993

Council vote to take over cableway

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Municipal Reporter

THE Cape Town City Council voted in secret last Thursday to give notice that it will expropriate the Table Mountain cableway next year.

In terms of the present lease, council spokesman Mr Ted Doman said, the council cannot get more than 2,5% of the cableway takings.

He said this was a mere fraction of the three or four million rands a year that the council spent on upkeep of the mountain.

In terms of the 99-year lease, the council has an opportunity once every 10 years to expropriate the cableway undertaking. CT 2/9/93

Mr Doman said notice of expropriation would bring the Table Mountain Cableway Aerial Company to the negotiating table. He said compensation would have to be paid to the company.

Bed-breakfast facility now gets green light

By CLAUDIA CAVANAGH

THE Administrator has overturned two previous decisions by Constantia's Local Council, thus allowing a resident to turn a large home into a bed and breakfast facility.

Dr Andrew Smit of Duntaw Close told the Review he had appealed to the Administrator after spending R400 000 on upgrading his property and waging a battle with the council for more than a year.

Turned down

He said: "We're absolutely thrilled by the news. This business has caused more tension in our lives than anything else ever before."

Dr Smit applied for permission to open the bed and breakfast facility in March and submitted modified plans in May. Both applications were turned down by the council.

The refusal was made partly on the grounds that the noise of vehicles and outdoor activities from the property — at the end of a short cul-de-sac — would affect the neighbourhood.

At the time, Dr Smit was quoted as saying that a neighbour was waging a "malicious campaign" against him.

Apparently someone had visited neighbours with "false information and instigated them to object".

As a result, 14 neighbours from as much as half-a-block away had objected.

In papers tabled at one of the council meetings, Dr Smit said his five children had grown up and left home and he could not accept that the noise created by visiting adults could be louder than that created by his children over the years.

Earlier this week he said the large double storey house had six bedrooms — one for him and his wife to live in and another five en-suite for guests.

Opening day

They plan to open with a splash on October 14.

Chairman of the Local Council of Constantia Valley, Mr Andrew Ross-Munro, said he expected this sort of thing to happen "every now and again".

"Dr Smit's applications were turned down because of objections from the neighbours. I think his house will make a very nice bed and breakfast facility."

Fun run for Red Cross

THE SA Red Cross Society will hold a Fun Walk on Sunday.

There will be two categories: Fish Hoek to Cape Town (Parade) 28 km and Newlands to Cape Town (Parade) 8,5 km.

The Mayor of Fish Hoek, Councillor M C Wallace, will fire the starting gun.

Funds raised by the Red Cross will be used for the needy and destitute.

Mr S W Samson, the national president, will be handing out the spot prizes.

Refreshments and Red Cross T-shirts (R10) will be on sale at the Grand Parade.

'Disastrous results' for city's health, tourism

288 ARC 3/9/93

CLIVE SAWYER Municipal Reporter

POLLUTION from car exhausts in Cape Town has increased by 80 percent in the past 10 years — and in the next 10 years could double, with disastrous results for health and tourism.

The solution is to increase drastically the cost of using private cars to raise funds for public transport, says a city council report.

A city planner's draft report on a future public transport policy said that even if traffic growth increased more slowly, travelling speeds would drop by about 40 percent as congestion worsened.

"The detrimental impacts on the health of Cape Town people and tourism, worth about R1,4 billion a year, will be severe."

The report said Cape Town had to focus on public transport if it was to become one of the great cities of the world. This could be done by introducing policies on parking provision and fees, planning and development.

"Such a policy will undoubtedly be unpopular with many because for public transport to succeed, the playing fields must be levelled and motorists must start to pay the true cost of using cars.

"Motoring will become more expensive and the revenue collected should be used to finance public transport improvements."

A metropolitan transport authority, "with sufficient statutory power, accountability and financial clout" was needed to co-ordinate bus, rail and minibus taxi services.

The population of metropolitan Cape Town was growing by about three percent a year and most new residents would be poor people living on the periphery of the city.

The number of travellers, and distances travelled, would increase dramatically. Most would have to use public transport.

A policy was needed to ensure public transport was affordable by all and offered an attractive alternative to car commuters.

"It is likely spending in the new South Africa will focus on people's basic needs — housing, jobs, education and health.

"Convenient, affordable and efficient transport will be essential in restructuring the apartheid city, but given the backlog of needs the construction of transport facilities is likely to be a low priority on the government's shopping list," the report said.

Proposed policies included:

- The city council supporting the principle that the motorist should meet the true cost of car commuting, and funds raised in this way be used to subsidise public transport.
- The council investigate and promote measures to dissuade commuting in single-occupant vehicles.
- The council recognises the urgent need to improve public transport termini.
- Subject to availability of funds, the council will give priority to the provision of public transport facilities.
- A parking policy that encourages use of public transport.
- A review of public transport subsidies to benefit users.
- Support and promotion of high-density development along public transport routes.

City planner Neville Riley and medical officer of health Michael Popkiss said the report should be put to the metropolitan transport advisory board and the Western Cape Economic Development Forum for discussion.

City smog guidelines exceeded 24 times

Municipal Reporter

POLLUTION guidelines have been violated 24 times in Cape Town so far this year, says medical officer of health Michael Popkiss.

Whether smog is visible depends on weather conditions, when warm air traps pollutants in a process known as inversion.

But even if pollution is not visible, it is there — and suspicion is directed mainly at petrol-driven engines and wood-burning in areas without electricity.

"The only way to reduce air pollution is to get it at source, and you can do that only by making cars with cleaner-burning engines, with catalytic converters and a proper fuel economy system," said Dr Popkiss.

He said unleaded petrol was a prerequisite for cleaner air — but warned that using unleaded petrol in cars without catalytic converters could worsen air pollution.

However, unleaded petrol and catalytic converters were not enough.

"You have to stop cars and for this you need a better system of public transport."

Suncrush boosts earnings by 20%

CT 6/9/93

From MARCIA KLEIN

JOHANNESBURG. — Natal-based soft drink bottler Suncrush's trading results in the year ended June were hurt by pressure on volumes and difficult conditions in the industry, but a lower tax rate enabled it to boost bottom-line earnings 20% to 42,7c (35,7c) a share, and increase the total dividend to 12,2c (10,8c).

Since year end, Suncrush's shares have been split 50 for one, and earnings and dividends have been expressed in terms of the number of shares in issue after the split.

Financial director Brian Allison said poor trading conditions meant Suncrush was operating below budget for much of the year.

Turnover was up just 7% at R572m (R534,8m), and operating income was 8% higher at R91,7m (R85,2m).

Allison said Suncrush managed to maintain margins at 16%, but could do little about the pressure on volumes.

After higher income from investments and a rise in the interest bill — reflecting the rights issue in investment arm Tempora and in Suncrush — pre-tax income was up 5% at R92,7m (R88,3m).

But the reduction in the tax rate enabled it to report a 19% increase in income after tax to R57,3m (R48,3m). Attributable income before extraordinary items rose 22% to R59m (R48,4m).

Trading earnings were 14% higher at 36,7c (32,2c) a share, while investment earnings — including Tempora — were 71% higher at 6c (3,5c) a share.

Allison said sales in August and November had been poor and most of the other months had been below budget. Since year end there seemed to have been some improvement in trading conditions. Although the company was trading within budget, the budget was conservative.

Commenting on the decision to list investment company Ettington Investments separately, he said Tempora was becoming increasingly beverage based in terms of its investments, which largely included Cadbury Schweppes and Dalys.

Its other investments, which included Saficon, Sakers Finance, Seardel and Searcon, were not fitting into its portfolio. The institutions involved with Suncrush in Tempora were happy to see it take them out into a new investment arm.

Allison said Suncrush was cautiously optimistic about the current financial year, but said that political events, unrest, disposable income and consumer confidence had an effect on its trading.

The share shed 10c or 1,1% to close on Friday at 880c in anticipation of results. Since the 50-for-one share split in July, the share has reached a high of R10 and a low of R8.

Dalys, which holds 50,45% of Suncrush, reported earnings of 62,9c (52,6c) a share.

Violence fails to stem German tourism to SA

By AUDREY D'ANGELO

VIOLENCE in SA has not discouraged visitors from Germany, a spokeswoman for Lufthansa said yesterday.

"Our bookings are still very good both ways, and we have not had any slack period at all."

Lufthansa — which, like other international airlines, has been hit by the recession and stiff competition on international routes — returned to profitability in the last quarter.

The spokeswoman said it was following a policy of not replacing staff who had left. It had also formed "a daughter company, Lufthansa Express, for domestic flights in Germany."

Some Lufthansa staff had been offered new contracts, at lower salaries, to work for Lufthansa Express.

Lufthansa and the privately-owned Austrian airline Lauda Air announced last week that they would form a new regional European airline.

The Lufthansa spokeswoman said this did not mean the two companies would amalgamate. The new company would be another "daughter", serving European routes.

Lufthansa and Lauda Air have co-operated since last year. Lufthansa holds 26,5% of Lauda Air. CT 6/9/93

Three Canadair planes with 50-seat capacity have been ordered for the new company and are due to be delivered in the first three months of 1994. Staff hiring has also begun. (288)

Ecotourism 'best for good conservation'

ARG 6/9/93

□ Benefits available to all, tourism workshop told

JOHN YELD
Environment Reporter

ENVIRONMENTALLY balanced tourism is the best way to ensure successful conservation and the socio-economic development of the African continent, says business consultant Noel de Villiers.

Mr De Villers, a former managing director of Avis who has extensive experience in promoting tourism in South Africa, was giving the keynote address at a workshop "Science and tourism: Partners in the development of the coastal zone" held at Hermanus last week.

Ecotourism made the benefits of conservation available to all a nation's people, rich and poor, he said.

"Moreover, it can generate the cash needed to sustain its environmental resource base and in many instances even to enhance it.

"In fact, the benefits are generally so widespread that I have repeatedly borrowed from Churchill during the past five years in stating that there is nothing that can do so much for so many in less time, than tourism."

Unplanned tourism was a potential destroyer of the environment, Mr De Villiers warned.

"The globe is full of evidence of the aftermath of rampantly developed and badly planned tourism."

More than 46 percent of South Africa's workforce was unemployed, he said.

"We know that schemes are afoot to increase our manufacturing capacity, to improve our exports, to attract foreign investment.

"These schemes are laudable and impressive, but one does not have to be an economist to see that inevitably they are hopelessly inadequate.

"The rate at which we need to create jobs far outstrips even the most optimistic estimates of what is achievable in the traditional sectors of the economy."

South Africa was ideally positioned with "exactly the right product at precisely the appropriate time" to meet the requirements of the world's biggest market — a desire to return to nature, Mr De Villiers suggested.

"Through the sustainable utilisation of our natural resources, we have the makings of an African-style economic revolution that could turn this country and continent around."

● South Africa must develop a service culture if it is to take advantage of the "golden goose" of tourism, says University of Cape Town ecologist Roy Siegfried.

In an introductory presentation at the workshop, Professor Siegfried said it was probably "a blessing" that large numbers of tourists were not yet visiting this country.

"We would be caught with our pants down — we would be embarrassed. We simply cannot handle them at this stage."

People in the tourism industry had to be properly trained and a service culture developed.

A system of tradeable permits for tour operators would be a key element in a sound tourism policy.

● Red tide is a recognised problem but should not be over-rated as a danger for the seafood industry, says University of Cape Town marine zoologist George Branch.

"We needn't be scared of these things — we have the knowledge to manage them," he said.

In addition to the well-known seafoods like crayfish, mussels and perlemoen, South Africa enjoyed a wealth of edible marine species for which there was a potentially rich international market.

These included limpets, kelp and various species of seaweeds, whelks, periwinkles and sea urchins.

As well as being able to eat seafood, it was important that tourists — local and foreign — should be able to make the most of the experience of this food source, Professor Branch said.

"Probably nowhere in this country do we have a good seafood market."

Penguin power ...

Environment Reporter

SOUTH Africa's negative attitude to the potentially lucrative penguin watching industry — such as at Boulders Beach near Simon's Town — is "just crazy", says University of Cape Town conservation biologist Peter Ryan.

He told the workshop on science and tourism that a small colony of nocturnal penguins in Australia was that country's biggest wildlife attraction.

Gate takings at this colony were R40-million a year from some 500 000 visitors, and their indirect spending amounted to about R200 million each year.

"We have much more attractive penguins," he said.

There was definitely a market for coastal bird-watching — "it's being partially met but it's not being met very well" — and penguins were a "real drawcard".

He suggested that South Africa's present policy of keeping people away from the Prince Edward Group of islands, including Marion Island, should be reviewed.

107 to be SA's '911' number

A BILL to establish a South African equivalent of America's 911 national emergency telephone number was published yesterday.

South Africa's number will be 107. CT 7/9/93

The bill provides for reporting centres to receive and process calls.

The 107 number is to be used only if a caller believes life, limb or property is threatened. People contravening this provision could be fined or jailed.— Sapa.

New bridge at SA, Zim post?

DURBAN. — Zimbabwe and South Africa are considering building a new bridge on their shared border over the Limpopo River.

Revealing this at a tourism workshop here yesterday, Mr Edward Chindori-Chininga, Southern African director of the Zimbabwe Tourism Office, said it was expected to run alongside the Beit Bridge.

CT 7/9/93 (288)

Top Russians' offices sealed

MOSCOW.— The offices of Russian Vice President Alexander Rutskoi and deputy prime minister Mr Vladimir Shumeyko have been sealed pending the outcome of a corruption investigation against both men, authorities announced yesterday.

Both officials have been suspended and their offices will remain closed for the duration of their suspensions.

Violence takes its toll on the tourist industry

CT 7/9/93 (288)

MILLIONS of rands have been lost by tour operators and hotels as the tourism industry slumped in the wake of the recent St James Church massacre and the Beaufort West bus attack.

Huge cancellations by overseas tourists, specifically because of violence, have resulted in retrenchments and cutbacks at some establishments.

Local bookings and business conferences are all that are keeping some establishments from going under.

The number of overseas visitors who entered through Johannesburg, Durban and Cape Town airports during July decreased by 0,4%, compared with the same month in 1992.

However, the Central Statistical Service said that during the period January 1993 to July 1993, the total number of foreign visitors increased by 12,5%, compared with 1992.

"Things are very bad," said Hluhluwe Protea Hotel general manager Mr Steven Zampieri.

"We had 50% cancellations last month. Tour operators told us it was because of the church massacre and bus attack.

"We had to retrench 12 people last month and if it wasn't for businessmen and local tourism we would have closed down," Mr Zampieri said.

Mr Rob Deane of Bushlands Game Lodge and Zululand Safaris said his bookings were 79% lower than for September last year.

"One tour operator averaged 33 tourists a run in September last year compared to eight this year.

"These are around-the country tours so you can imagine what all the hotels on that route are losing," he said.

The Natal publicity association blamed lost bookings on the violence and inflation. — Staff Reporter, Sapa

UK prisoners surrender

LEYLAND, Lancashire. — Some 400 rampaging inmates who seized control of a northern England prison early yesterday and wreaked havoc in an all-night orgy of destruction surrendered to officials at midday.

The rioting prisoners torched and vandalised buildings, furniture and facilities at Wymott Prison in Leyland, northern England, causing damage estimated by officials at up to £40 million (R200m). — Sapa-AFP

First victim-offender mediation service set up

SOUTH Africa's first victim-offender mediation process — aimed at keeping offenders out of the criminal justice system while providing restitution to their victims — has been launched in Cape Town.

The system provides for a third party to mediate between offender and victim, a Human Sciences Research Council (HSRC) spokesman said.

"The rights and losses of victims, which are usually neglected in the normal criminal justice process, are addressed during the mediation process.

"It is less expensive than many other forms of sentencing, such as imprisonment, and is particularly suited to juvenile offenders and first offenders involved in property crime," he said.

The programme was established by the National Institute for Crime Prevention and the Rehabilitation of Offenders (Nicro) after research funded by the HSRC. (288) CT 7/9/93

Sweden set to trade with SA

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ARCT 8/9/93

STOCKHOLM — Sweden could today decide to drop trade sanctions against South Africa, following yesterday's agreement in Johannesburg to create a multiparty Transitional Executive Council, a foreign ministry official said.

"What happened yesterday is very important. It is now possible for the Swedish government to take away the limits for trade with South Africa," said Staffan Bjork.

An all-party foreign policy committee was holding a routine meeting, closed to the Press, in Stockholm this morning.

Earlier the foreign ministry said this committee had the power to remove trade sanctions, and that the key event in South Africa would be the formation of the transitional council giving blacks their first taste of real political power.

Sweden has had harsh trade and investment sanctions in place for many years and has been one of the most vociferous critics of apartheid.

This year Stockholm began issuing trade exemptions to companies, but said it would wait for the transitional council to be in place before removing the investment ban.

But arms and oil embargoes were likely to remain in place in the medium term.

● In Pretoria this morning Canada welcomed the agreement reached on the establishment of the Transitional Executive Council.

External Affairs Minister Perrin Beatty said the agreement was a positive step and he commended the parties which had worked with such dedication to reach it.

As chairman of the Commonwealth foreign ministers' committee on Southern Africa, Mr Beatty was consulting his Commonwealth counterparts on the next steps, including an early meeting of the committee. — Sapa-Reuter.

Safren in 12,3% earnings slump

B/Day 9/9/93

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LINDA ENSOR

CAPE TOWN — Poor performances by the main divisions of leisure, transport and hotel group Safren contributed to the 12,3% drop in earnings a share in the year to end-June, but the total dividend was maintained at 255c a share.

With slightly more shares in issue, earnings fell 12,3% to 541c (617c) on a 4,5% rise in turnover to R4,5bn (R4,3bn). A final dividend of 190c was declared.

Deputy chairman and CE Buddy Hawton said the year had been tough, although the second half was better than anticipated. At interim stage an earnings decline of more than 18% was expected for the year.

The fall in earnings was stemmed by a lower tax rate of 15,5% (26,4%) and the profit on the sale of vessels, but was fuelled by higher depreciation costs, a sharp climb to R90m (R40m) in net interest paid and a slide in operating margin to 21,3% (22,2%).

Operating profit rose marginally to R952,6m (R950m) and pre-tax profit fell 17,7%, while attributable income dropped 10,8% to R295,6m (R331,4m).

The group's core business, Safmarine, suffered from intense competition in the low-volume international market which pushed down rates. Its attributable earnings slumped 12% to R130,2m (R148m).

Safmarine's aviation subsidiary, Safair, made substantial losses compared with the previous year's profit, because of serious problems in its Angolan operation. The war and the difficulty recovering accrued

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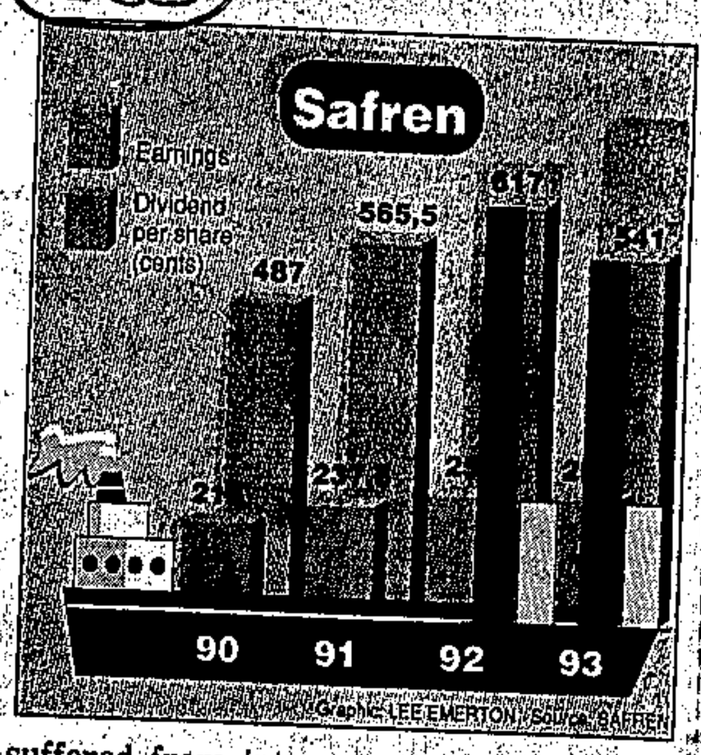

Safren

B/Day 9/9/93

☐ From Page 1

revenues had had to be provided for. Hawton said Safair was now operating on a cash-only basis in Angola.

Flitestar made losses and high-level talks were taking place with government to determine whether Flitestar should remain in business when domestic air fares were too low and the market had too much capacity.

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Kersaf's attributable income fell 9,3% to R124,5m (R137,2m) as the violence and a decline in tourism took their toll on hotel occupancies. The re-emergence of illegal gaming operations also undermined the group's casinos. While The Palace and Valley of Waves at Sun City had met expectations in terms of revenue, operating costs were still high, Hawton noted.

Kersaf had to carry high interest costs arising out of its major capital developments at Sun City and the Wild Coast.

Earnings of the offshore leisure arm Royale Resorts were down 15% due to the drop in tourism in the overtraded Mauritian market and the depressed French economy. Hawton said Royale Resorts was investigating an investment opportunity in the Caribbean.

Lower import volumes knocked Rennies, although this was offset by maize imports. Rennies' attributable earnings slid 5,9% to R42,8m (R45,5m). The cutback in consumer spending and the sharp fall-off in film production, ate into Interleisure's results.

Hawton said the group's enormous cash flows and lower authorised capital expenditure of R362m (R701m) would enable it to reduce its interest-bearing debt, which at year-end stood at R1,7bn (R1,2bn).

Hoteliers alarmed at new settlement

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Municipal Reporter

HOTELIERS and restaurateurs in the Hottentots Holland basin are dismayed at the possibility of their trade being knocked by stonings on the R300 route after low-income housing is established nearby.

CT 10/9/93

Mr Theuns Vivian, assistant regional director of Satour, said he had spoken to several people in tourism-related concerns in Somerset West, Strand and Gordon's Bay.

All told him the N2 stonings had knocked their businesses badly.

Since security on the N2 had been stepped up they were recovering, but he was concerned that low-income housing was now to be established near the R300.

Nine hectares of land have been earmarked to house 300 families near the airport turn-off from the R300.

Cable car speed may be doubled

CT 16/9/93 (288)

By PETER DENNEHY

THE Table Mountain Aerial Cableway Company may double the speed of its cable cars to 30km/h to carry more passengers in peak months. The cost would be about R9 million.

Mr Ken Sturgeon, a partner in the company's consultancy firm, MLH Architects, said that if the company did decide to double the speed this would be a long-term project.

Speeds could be increased marginally without much change, but doubling them — even only for the six or eight-week peak season — would require new cables and cars.

"It is doubtful if an additional 50 000 passengers a year would warrant a major investment in new machinery," the company said. About 400 000 people a year use the cableway.

Meanwhile, computer booking outlets are expected to be operating by mid-summer this year at the Captour offices, the Waterfront and the Lower Station, guaranteeing people departure time "within half an hour". Later there will be six outlets. Peak-time passengers complain of having to queue for three to four hours.

In a bid to retain the cableway lease for the remaining three decades of its original 99-year lifespan, the company is to present its R12-million "Master Plan", already approved by the National Monuments Council, to the Cape Town City Council next week.

Late last month the city council decided it would give notice to the company that it would expropriate the cableway a year from now. The lease gives the council an expropriation opportunity once each decade.

The company has planned a R5m upgrade of both the lower and upper cable stations. The lower station will have its entrance moved to the front of the building, an amphitheatre will be built at the back, and a restaurant will be built in the middle.

The upper cable station is to have a patio built around it. The toilet block, with the viewing site above it, is to be rebuilt, and a new building will be erected beside the restaurant, expanding the restaurant or allowing for conferences and other functions.

At the bottom cable station, paving and landscaping will be used to create an atmosphere like the Waterfront's. The company wants to "create a world-class facility", now that South Africa has "re-entered the world community".



ROLL UP . . . A refurbished cable car brings up a load of toilet rolls in its new luggage rack, installed to transport goods out of passengers' way.

Picture: STEWART COLMAN

Give the workers jobs back — judge

THE Labour Appeal Court has ordered the reinstatement of 17 Lanzerac Hotel employees who were unfairly dismissed in May 1992, about 14 months after Pepkor chairman Christo Wiese bought the estate near Stellenbosch.

Labour Appeal Court presiding judge Mr Justice J H Conradie said the retrenchments were unfair as the workers had not been consulted about retrenchment — merely notified.

He ordered Lanzerac Landgoed (Pty) Ltd to reinstate the dismissed workers and pay them the equivalent of six months' salary, plus interest of 18,5 percent over one year.

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The company was also ordered to pay the applicants' costs of appeal.

Mr Wiese, the shareholder in Lanzerac Landgoed, bought the neglected estate in February 1991, wanting to restore the Cape Dutch manor house as a residence.

ARG 18/9/93

He had also considered closing down the estate's struggling hotel business, fearing it might inhibit his use of the manor house as a home, the judge said.

After several changes in ownership of the hotel, the workers were retrenched at the end of April, 1991, losing an ensuing Industrial Court application for their reinstatement.

According to the court, Mr Wiese had told Mr S P Fitzgerald of Halycon Hotels (Pty) Ltd — who rented the hotel from Mr Wiese — that he would pay the redundant workers' severance packages.

Mr Fitzgerald had made it a term of agreement with Mr Wiese that he would be entitled to trim the staff complement in accordance with his own management criteria.

In their appeal, the dismissed workers argued they had not been given adequate notice; the selection process was unfair; and that the respondent had failed to consult them about the retrenchments.

Counsel for Lanzerac Manor said they were temporary employees and not entitled to the full panoply of retrenchment procedures. — Sapa

Tourism Board elected

PRETORIA. — Minister for Tourism Dr Bhadra Ranchod has named the 15 members of the new South African Tourism Board.

Among the more prominent are the CEO of the National Soccer League, Mr K Modise, Natal Administrator Mr C van Rensburg Botha, deputy chairman of the Johannesburg Publicity Association, Mrs P Lion-Cachet, group managing director of Southern Sun, Mr R Stringfellow, group managing director of Holiday Holdings, Mr G Simpson, and the CEO of the National Parks Board, Dr G Robinson. — Sapa

(288) ARG 18/9/93

Terre'Blanche hits out at Goldstone

DIRK VAN EEDEN

PRETORIA — Judge Richard Goldstone had violated Roman Dutch law by finding the AWB "guilty" before its members had been tried in court, AWB leader Eugene Terre'Blanche said yesterday.

Terre'Blanche, handling his own defence before a Pretoria magistrate, pleaded not guilty to a charge that he refused to give evidence to the Goldstone commission's inquiry into the events at the World Trade Centre, Kempton Park, on June 25 when armed right-wingers occupied the centre.

Khaki-clad AWB members packed the courtroom, while at least 100 more waited for their leader at the entrance, waving AWB and Vierkleur flags, hand guns clearly visible.

Those who entered the building had to hand in their guns, hunting knives and flags.

They were outnumbered by policemen and traffic officers.

Terre'Blanche attacked Goldstone for expecting him to give evidence which might be used against AWB members who were, at the time, in custody in connection with the occupation. In addition, he did not know then whether he would be charged.

It was unreasonable also of Goldstone to expect him to cancel public meetings to give evidence two days after a summons was served.

Terre'Blanche asked for the State's assistance to subpoena Goldstone to testify when the case is brought before the court again on November 17.

When Terre'Blanche left the court he was met with chants from his followers of "AWB, AWB".

Agents forced to insure travellers

B/Day 22/9/93

TRAVEL agents would in future be bound by law to issue insurance to customers travelling to a foreign country unless written notice of refusal was received.

The newly promulgated Tourism Act required agents to offer comprehensive insurance to customers and to display notification that insurance was strongly recommended.

Agents would have to provide default cover — sufficient to enable the traveller to return to SA should he be stranded in a foreign country — and linkage with an international assistance organisation which would be responsible for accepting and processing all cases needing assistance.

The Act required agents or tour operators to always have a copy of the Standard Trading Conditions available.

The conditions specified that insurance was issued automatically unless written notice of refusal was received from the traveller.

Destinations which would be excluded by the Act included the TBVC states, Lesotho, Swaziland, Botswana, Namibia and Zimbabwe.

According to the Act, insurance would be deemed to have been offered to all travellers by the fact that they accepted, either in person or by delivery by third parties, the air tickets or other documentation.

The Act further required the insurance offered by agents to have the following benefits:

STEPHANE BOTHMA

- A one-way air ticket from the point a passenger was stranded in a foreign country to the point of origin in SA;
- Hotel accommodation on a half-board basis until the departure of the first available flight; and
- Transfer from the hotel to the airport of departure.

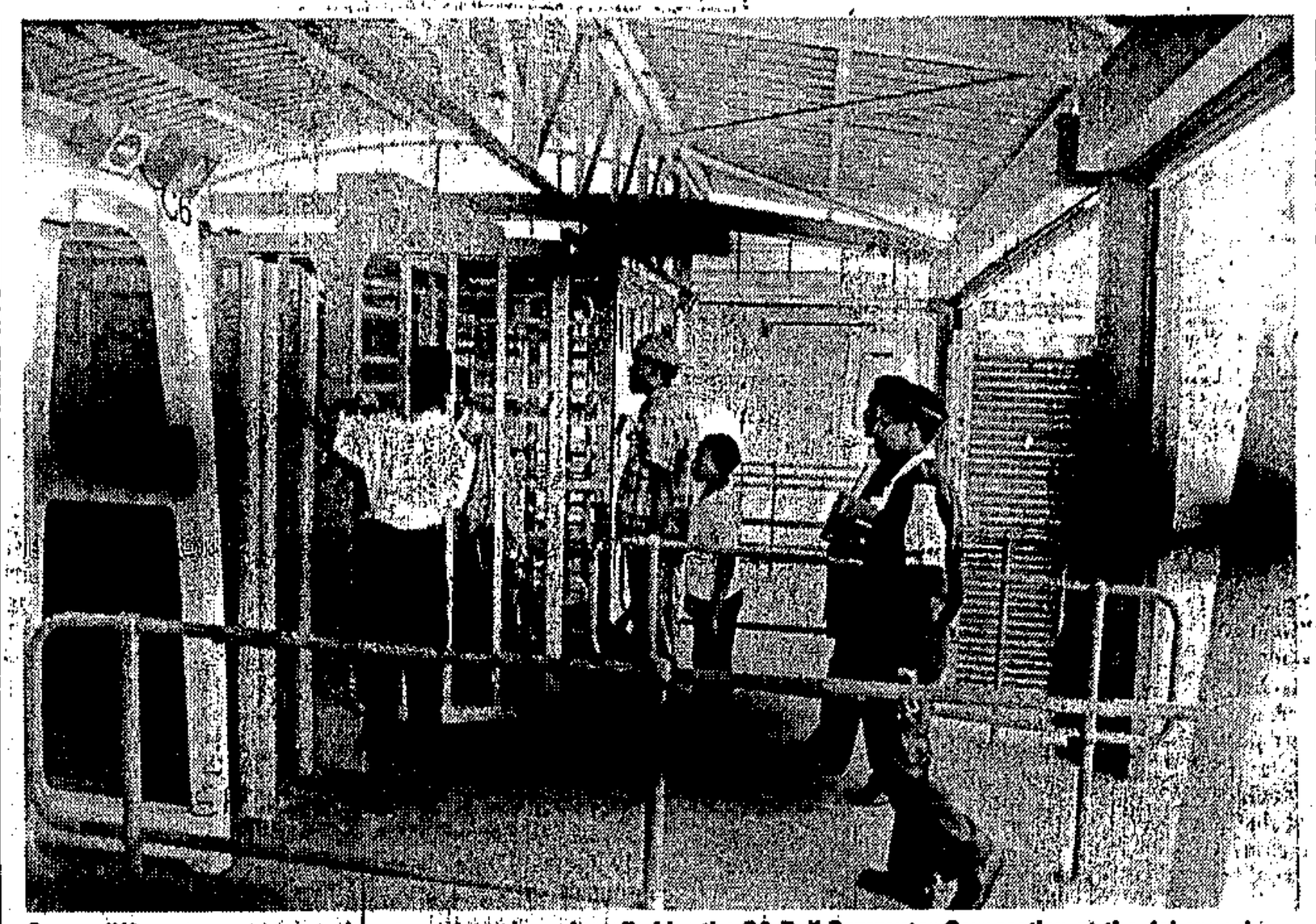
Reacting to the move, Rennies Travel yesterday said it would guarantee repatriation back to SA to all its air ticket holders in case of default by overseas service suppliers at no extra cost.

Rennies marketing manager Kananelo Makheta said the guarantee was an interim measure (until the Act was fully implemented) and was applicable to all its ticket holders irrespective of whether they had purchased travel insurance.

"This guarantee entitles the ticket holder to an air ticket to SA, accommodation costs until the departure of the first available flight and transfer costs to a maximum of R10 000," Makhetha said.

Customers who needed repatriation had to contact the Rennies office where the ticket had been purchased, by making use of a collect telephone call.

The office would then contact International SOS Assistance after confirming that the ticket was purchased at Rennies Travel, he said.



Seven different access control systems have been installed by the SA Rail Commuter Corporation at the Johannesburg station and Dube station in Soweto, above, to study their effectiveness in countering train violence. The turnstiles and metal detectors are designed to prevent people carrying weapons from boarding trains. Picture: GARTH LUMLEY

SA train security measures pay off with fewer deaths

B1Day 23/9/93

STEPHANE BOTHMA

SECURITY measures implemented by the SA Rail Commuter Corp at a cost of R140m over the past year have decreased the number of deaths on Reef trains by 35% and the number of injuries by 45%.

The increased police presence on trains and railway stations and the establishment of close links with community organisations had also contributed to the drop in violence, the corporation's MD Wynand Burger said yesterday.

Addressing a seminar on security in Johannesburg, Burger said before the start of the carnage on the East Rand in August, the number of deaths and injuries on trains had been 60% lower than for the same six-month period last year.

The corporation had also immediately implemented the recommendations of the Goldstone commission submitted to Transport Minister Piet Welgemoed in July last year, by:

- Deploying a newly formed "rail guard" — a specially trained armed security force whose role it was to protect commuters;
- Fencing off all railway stations in the Johannesburg metropolitan area; and
- Developing a new hi-tech, high-security train.

The corporation yesterday introduced seminar delegates to a variety of access security systems — designed to prevent a person carrying any weapons from entering a station platform — currently being tested.

The systems had been installed at Johannesburg station and Dube station in Soweto earlier this year, and research was being done into which of the systems was the most effective.

Once one of the systems was selected, it would be installed in phases at all high-risk stations, Burger told the seminar.

Concerning the high-security train, Burger said extremely expensive features had been built into the carriages. The corporation planned to have 40 of these train sets in service on the Reef during the course of this year.

The trains would have new "hopper" windows, with the lower half fixed and the top half hinging inwards to an angle of 30 degrees, which would prevent commuters from being pushed out by perpetrators of violence.

By the end of this month, 40 full trains would have the new windows at a cost of R12m.

At the same time, 53 full trains would be fitted with new security end and side doors at a cost of more than R9m.

Trains would also be fitted with integrated communication systems and closed-circuit television systems.

Fewer overseas visitors in July

JOHN DLUDLU

THE number of foreign visitors to SA in July this year dropped by 0,4% compared with the same month last year, according to data released yesterday by Central Statistical Services (CSS).

In July this year, 51 236 foreigners visited the country against 52 156 people in July 1992, a 0,4% decrease.

The figures covered overseas visitors who entered the country through its three main airports, Jan Smuts, Louis Botha and DF Malan.

According to the CSS, about 80% of foreign visitors entered and departed from SA through these three airports.

However, between January and July this year the total number of overseas visitors increased by 12,5% compared with the same period in 1992. B1Day

Unlike in the past, tourist data also included the visitor's country of origin. All those who did not state their country of origin had been excluded from the calculations. 23/9/93

CSS official Alida Casteleijn said yesterday she believed the drop was seasonal and normal.

"Traditionally, in July very few visitors come here because of the weather conditions which are usually very cold. But the figures pick up in subsequent months as the weather improves."

She did not discount the continuing violence as a cause for the drop in the number of foreign tourists but said the extent of violence as a contributory factor to the drop would only be reflected in the August figures. (288)

The data showed a decrease in the number of visitors from European, African and Oceanic countries. However, there was an increase in visitors from North America and Asia in July this year, compared with the same period last year.

Anxious pup

BLACK matric pupils coun
anxiously awaiting tomorrow
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(DET) said yesterday reco
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After a year of teacher stri
and class disruptions, a range
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DET deputy director-gener
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the many players involved.

He said more than 360 0
registered to write their fi
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write their final exams on

Bomb scare del

AN unidentified caller last night delayed the first public address in SA by an official PLO representative by issuing a bomb threat.

PLO ambassador to Zimbabwe Ali Halimeh was due to address a gathering of the SA Institute of International Affairs at Jan Smuts House on the Wits University campus. No sooner had guests taken their seats

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East Rand

"All the shops surroundi
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TOURISM Fin 24/9/93

Sleeping on the floor?

(288)

The SA Tourism Board (Satour) claims nearly a 15% increase in the number of overseas tourists visiting SA from January to May but the hotel industry is asking: where are they? They aren't staying at hotels. The number of bed-nights sold in the period to foreign visitors, however, including those from African countries not counted in the overseas tally, dropped by 7,8%, according to the Central Statistical Service (CSS).

In the first five months of the year there were 261 752 overseas visitors, up from 228 370 for the same period last year, according to figures compiled by the Department of Home Affairs and used by Satour. The CSS records that bed-nights dropped from 656 672 in the period last year to 605 377 this year. Fin 24/9/93

CSS figures for June, the first month of growth this year, show a 3,4% increase in bed-nights sold to foreign tourists.

Last month Satour predicted that tourism would revive in October but revised that estimate and says there will probably be no growth in the October-December period. This will reduce overall growth for the year to 5% above 1992. (288)

Hoteliers deny occupancies are rising or that they are moaning in the hope of getting government hand-outs. They accept that there is an off-season drop but find difficulty in reconciling the CSS figures of falling bed-nights with the Home Affairs/Satour figures that show an increase in overseas tourism. They surmise there was either no increase or, if there were, it didn't consist of the conventional tourist who spends three or four weeks touring the country and staying at hotels.

"We have questioned Satour about its data because what isn't shown is how long foreign tourists stay," says Southern Sun group MD Ron Stringfellow. "We have had large-scale cancellations. People who would have come to SA go elsewhere and we are getting most cancellations from people we regard as genuine tourists — who spend three to four weeks touring — on whom the hotel industry relies. The foreign businessman who has to come still comes, as does the tourist who comes to visit friends and relatives."

The Ministry of Tourism's Luise Nicholson says SA is still getting tourists but, "because of the recession here and overseas they are staying with friends and relatives, and they are not going on structured tours, as tourists used to do. They're going away, to Durban or the bushveld, and staying at the cheapest accommodation, so no returns are made to the CSS."

Satour's Derina Holtzhausen suggests there is evidence that tourists are using other accommodation, such as guest houses, country lodges and bed-and-breakfast facilities.

Protea Hotels group MD Arthur Gillis disputes Satour's claim that people are going to self-catering establishments. "There has not been a significant rise in patronage of our Places Self-Catering Accommodation operation, which has 50 units. A large increase would have suggested Satour is right."

A Home Affairs spokesman insists its figures are "very accurate" but Gillis says there is a problem with the way the statistics are collected. "Many South Africans hold dual citizenship and probably use their foreign passports when entering and leaving the country." ■

Caribbean deal for Kerzner

288 CT 24/9/93

From MARCIA KLEIN

JOHANNESBURG, — The Sun International group, headed by Sol Kerzner, is set to sign a multimillion-dollar deal to acquire a significant stake and management control in a Caribbean hotel and casino operation.

A source said the deal, which was near completion, would involve an investment of about $175m.

Kersaf executive chairman Buddy Hawton confirmed that the group was involved in a consortium which was close to an agreement with the operation's owners.

The resort is on Paradise Island near Nassau in the Bahamas.

Hawton declined to comment on the amounts involved, but said the investment would be substantial. "We are planning to buy in to the extent of a majority interest." This, and subsequent refurbishment, would be funded largely through equity and long-term borrowings. The consortium would have equity and management control.

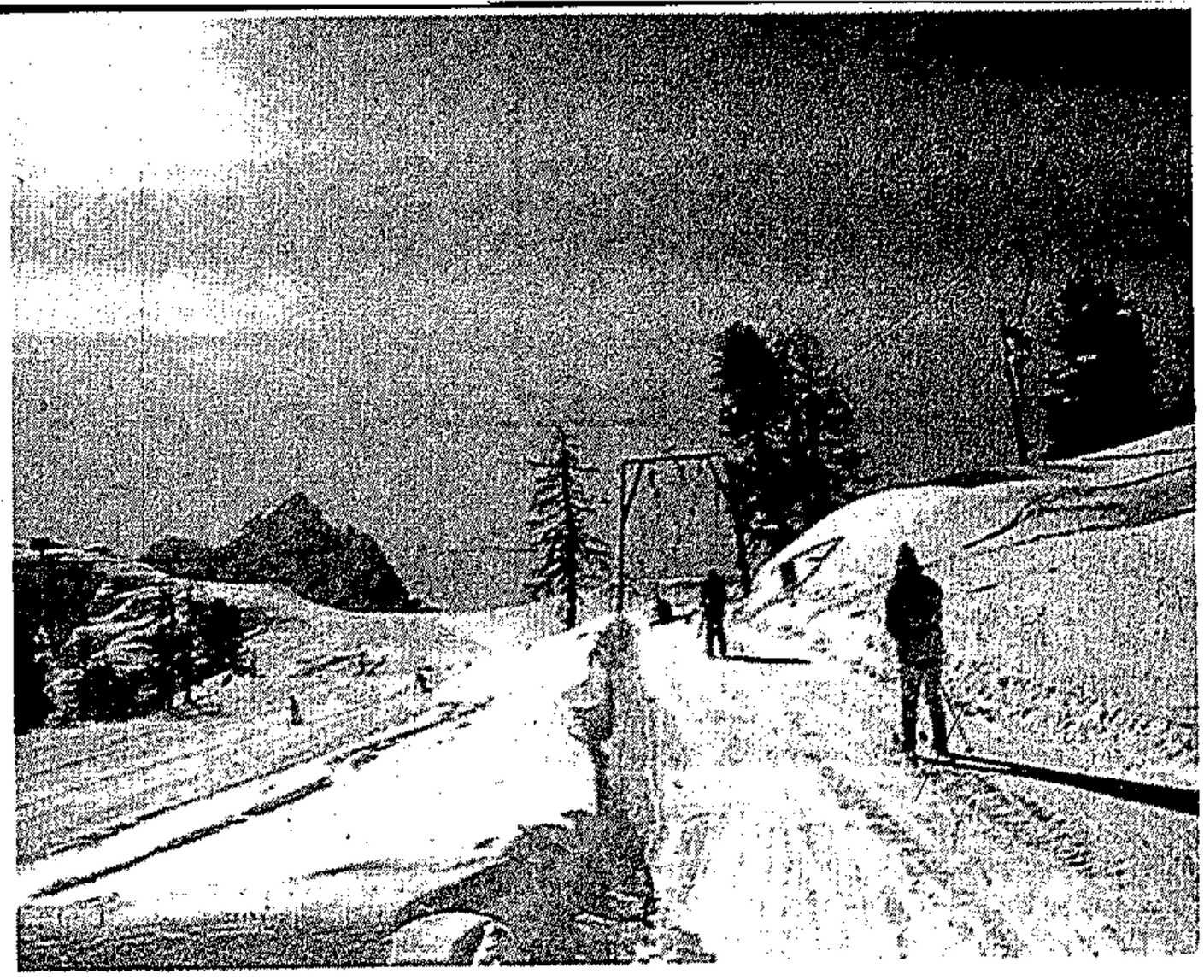
Hawton said the resort was viable and could have continued without any expenditure. But it would be refurbished and expanded to include a theme park.

Hawton hoped negotiations, led by Kerzner, would be concluded within a couple of weeks. "This will put us in a position to hopefully take over by the middle of next year," he said.

Satour hits campaign trail with theme deals

(288) ET 24/9/93

MARKETPLACE
by AUDREY D'ANGELO
A column on the media, PR and advertising



CORTINA D'AMPEZZO ... Famous for decades as the playground for the rich in the Italian Dolomites, and now part of a cut-price skiing package being offered by Alitalia to South Africans.

THE SA Tourism Organisation (Satour) is planning a series of annual campaigns starting in 1995. It thinks conditions will be tough until July next year, with reports of violence discouraging foreign visitors.

But Ernie Heath, Satour's chief director of promotions, says he thinks the turning point will come after that and the time will be right for an aggressive Visit SA campaign in new markets in the Pacific Rim as well as in Europe and the US.

This, he says, will be followed by a series of annual themes with 1996 the Year of Ecotourism and Adventure. Even the marketing of conference facilities will be coupled with visits to game parks afterwards.

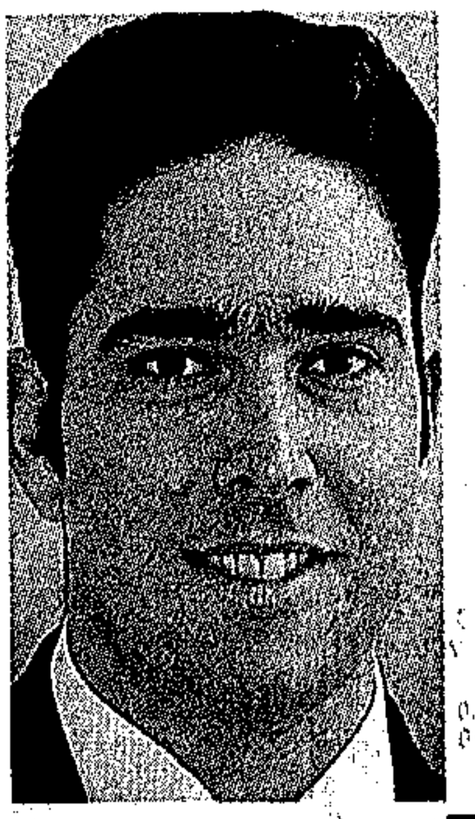
After the year 2 000, Satour hopes for a thematic build-up to the Olympic Games in this country. "I am certain we will have them in 2 004."

Heath says Satour's main market is still the UK. But that market seems to have stabilised and there is more potential for growth in France and Germany while the numbers coming from Israel are falling.

At present, he says, "our worst marketers are South Africans telling friends and relatives not to come this year because of pre-election violence. There has been a 24% growth in tourism from the US in spite of the violence.

"There has been a 30% growth in tourism from Australia following the rugby tour and the fall in the air fare. There has also been growth in tourism from south east Asia and the Middle East. So there may be a total shift in our main market in the next few years."







WESTERN CAPE MARKETER OF THE YEAR AWARDS ... Hoteliers Steve and Nicky Fitzgerald, (left) owners of Halcyon Hotels, received the Western Cape Marketer of the Year award at a banquet at the Cape Sun last night. Laurence Levine, (far left, below) owner of the Mr Delivery restaurant delivery service in Sea Point, has won the Institute of Marketing Management's Emergent Entrepreneur of the Year award. And publisher Jane Raphaely, (right, below) managing editor of Associated Magazines, has won the Institute of Marketing Management Communicator of the Year award.

'Shocking' TV ad rates

● Wesley Hill, chairman of the Media Directors Circle, is scathing about steep rises in TV1's advertising rates for November. He points out that "the average increase across 1600 to 2300 time channels is a shocking 55% with some time channel rates increasing by over 100% when compared with November last year."

Hill says such increases would be justified if audiences rose by 55%, but this is unlikely since "TV1's programmes for November haven't improved.

"Marketers must realise that the implementation of a three-tier rate structure has done nothing more than camouflage these exhorbitant inflationary rate increases.

"Blatant inflationary increases like this are causing agencies and their clients to schedule alternative stations. M-Net and CCV-TV have managed to confine their increase to a respectable 13%."

Admitting that the two other TV stations cannot give the same market penetration, Hill said: "There are other ways of skinning a cat.

"Advertisers can put their money into radio and newspapers to get the same reach, with bigger and bolder advertising."

Cut-price breaks

● Airlines have been competing on packages in the past two years, each trying to outdo the others with cost-cutting extras including accommodation, car hire and shopping vouchers.

Now two of them are using the advantages of the destination itself to promote their flights. SAA, which starts a new twice weekly service to Dubai from October 21, plans to make the city's outstanding shops a selling point. It will be marketed to South Africans as the perfect place to do their Christmas shopping.

And Alitalia is profiting from the fact that ski resort Cortina d'Ampezzo was used as the spectacular background for Sylvester Stallone's latest movie, "Cliffhanger", to market a package between January 7 and April 1994. From R3 699 it includes the return air fare between Johannesburg and Venice, seven nights with dinner and breakfast, a six-day ski pass and a day exploring Venice.

Cheers!

● Ramsay, Son & Parker has added a new magazine with the self-explanatory title of Wine to its successful list.

Wiese's wine dream sours

288

Gaye Davis in Cape Town

PEPKOR chairman Christo Wiese's failure to properly consult workers before retrenching them has turned his dream of restoring the Lanzerac Estate near Stellenbosch to its former glory into a nightmare.

The Labour Appeal Court has ordered the reinstatement of 17 Lanzerac Hotel employees dismissed in May last year, finding that their retrenchment was an unfair labour practice in that they were not consulted but merely notified they were to be laid off.

In addition, Wiese's company, Lanzerac Manor (Pty) Ltd, must pay each worker compensation of six month's salary with interest, as well as the costs of the appeal lodged after they lost an industrial court application for their reinstatement last October. WM 24-30/9/93

The judgment, handed down last week, described how Wiese wanted to turn the historic house into a private residence, but kept the battling Lanzerac Hotel going by leasing it to the former manager. Its "slide into ruin" continued, however, and the hotel management "disappeared into the corporate night" without paying its staff.

One of Wiese's companies, Skiereiland Beleggings (Edms) Bpk, which later changed its name to Lanzerac Manor, then took over the hotel which continued to run at a huge loss until Wiese went into partnership with hotelier SP Fitzgerald of Halcyon Hotels (Pty) Ltd.

Fitzgerald made it a term of his agreement that he be allowed to cut back on staff, while Wiese undertook to pay employees' severance packages. But while these were deemed by the court to have been "adequate", the process was not.

Counsel for Wiese argued that full retrenchment procedures weren't necessary as the workers were temporary, though later conceded that this in itself should not have deprived them of rights they would otherwise have enjoyed.

Mr Justice JH Conradie and two assessors found there was no reason why following proper retrenchment procedures should have interfered with staff cutbacks at the hotel: "Consultation was not attempted because it was not thought necessary," the court said.

Nor did the fact that Fitzgerald had been given a free rein to trim staff remove Wiese's company's responsibilities to his employees.

Describing the case as "a serious violation" of the rights of the retrenched workers, the court ordered their reinstatement and compensation, saying that although retrenchment guidelines worked out by the industrial court and Labour Appeal Court were no more than guidelines, they could not be departed from without reason.

City Lodge beats hotel slump and its forecasts

B/Day 27/9/93

288

MARCIA KLEIN

HOTEL chain City Lodge managed to better its optimistic pre-listing forecasts despite a continuing decline in the local hotel industry.

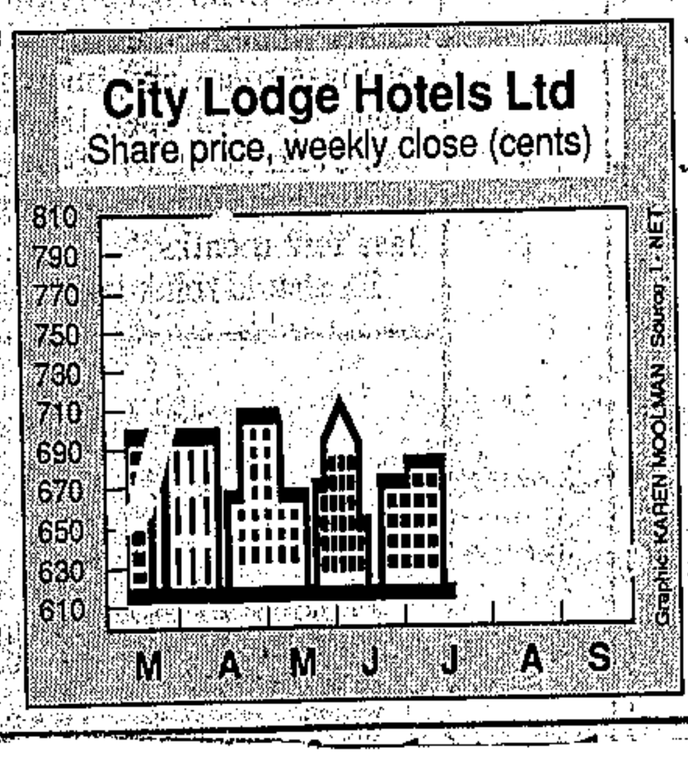
The company, which listed on the JSE in November, reported a 36% rise in earnings to 48,4c (35,5c) a share in the year to end-July, 7% higher than forecast.

MD Hans Enderle said results were achieved despite violence, which particularly affected the hotel business, and the changes made by Southern Sun and other players in terms of rebranding their hotels to limited service operations.

Competition between the various players meant prices on average would move around the inflation rate, and not significantly above it as they had been doing for some time, Enderle said.

In the face of competition, City Lodge had held prices in certain areas and reduced prices in others.

Despite all of these factors, City Lodge achieved an average occupancy rate of 78% in the year. This compared with a hotel industry room occupancy rate of 47% for the same period.



Turnover rose by 25% to R58,2m (R46,5m), and operating profit by 23% to R26,4m (R21,5m). Enderle said turnover was "favourably influenced by three new lodges which became operational during the latter half of the year".

The three — two City Lodges on Cape Town's Waterfront and in Morningside, and a Town Lodge near Jan Smuts airport — brought the total to 11, and increased the number of rooms by 40% to 1 600.

An increase in interest expenses resulted in a 19% rise in pre-tax profit to R17,9m (R15,1m). But a lower tax charge of R5,9m (R6,5m), resulting from allowances on new lodges and the lower corporate tax rate, saw profits before listing expenses increase by 39% to R12m from R8,6m.

Attributable earnings were up 35% at R11,6m (R8,6m). A final dividend of 18c a share was declared, to bring the full year dividend up 29% to 27c (21c) a share — against 26c forecast.

The balance sheet was strengthened by the listing, and gearing was 42% compared with 656% in the previous year.

Enderle said the three new hotels would be operational for a full year in financial 1994 and would have a positive effect on earnings. Two new lodges would add another 224 rooms to the total by early 1994.

He believed high occupancy levels could be maintained in financial 1994, and that profitability would grow "by at least the rate of inflation".

City Lodge was interested in expanding into southern Africa in the future. "But we have nothing to announce now," he said.

SERVICE EXCELLENCE

How to introduce it . . .

In Part 2 of The Argus's Service Excellence campaign, ALAN MAGUIRE discusses the all-important question of *how* you introduce service excellence.

GORRY BOWES TAYLOR
Staff Reporter

ALAN MAGUIRE is managing director of People and Performance: Customer Service Consultants. He graduated from UCT in 1970 with a BSc in industrial psychology and has held senior training and human resource positions with Harrods, AECI and Chloride Batteries.

He had his own manufacturing/service company in Britain and presently consults to companies in the retail, manufacturing and service sectors on customer service excellence.

"Customer service excellence is not only critical to long-term financial success," he says. "It also provides a training ground for managing socio-political change inside and outside the company."

So much for the why. HOW do you go about introducing service excellence?

Service requires three levels of action:

- **Strategic decisions**
- **Management systems**
- **Service skills**

STRATEGY

● Service culture?

The meaning of service excellence must be spelled out clearly so that everyone in the company understands what it means. It is not just about the sales people handling the customer more efficiently. Service starts with product quality, includes sales care and ends with back-up service and support. Every person in the company either serves customers or serves someone who does.

Define target customers:

Everyone must understand who the customer is. Is a manufacturer's customer the retailer or is it the end-user? Most people have more than one customer and most have internal customers as well.

Statement of intent: (288) ARG 28/9/93

Top management must identify its commitment to service excellence. It needs a full-time obsession with getting things right first time. Management must spell out how service excellence will benefit the customer, and that benefit must be deliverable.



● Customer expectation clear?

The company must find out from the customer what is expected. This can be done in such a way as to suit individual circumstances, and can range from detailed surveys to face-to-face get-togethers, such as focus groups.



ALAN MAGUIRE: "Customer service excellence is not only critical to long-term financial success, it also provides a training ground for managing socio-political change inside and outside the company."

Define quality service characteristics:

Once the company knows what the customer expects, that expectation needs to be translated into specific criteria against which service can be measured.

Measure actual service against expectation:

Back to the customer to find out what she thinks of you.

SYSTEMS

● Cycle of service plotted?

Look at the company in the way that the customer experiences you. The customer normally has contact across the company — reception, sales, product quality, delivery, invoice, after sales service, etc.

Identify customer points of contact:

Jan Carlzon of Scandinavian Airlines refers to these contacts as *Moments of Truth* (The Argus: Thursday, September 23, 1993). Every contact is an opportunity for the customer to judge the company, so they need to be favourable.

Define objectives and standards:

For each Moment of Truth, define the key responsibility of the incumbent in terms of how the customer experiences that moment. From the definition of service characteristics (above) measurable standards of performance are established.

Consider internal and external customers:

If every employee either services customers or serves someone who does (management included), then every position must be defined in terms of the contribution made.

SKILLS

● Employees empowered, willing and able?

Front-line people cannot deliver service if they are not adequately trained. Unless people are willing to make the effort to satisfy customers, service delivery will fall flat on its face. Willingness is a state of mind created by the example set by top management.

At every step, employees will test management's sincerity. One of the ways they will test that sincerity is in the authority they are given to deliver service. Without authority (read: the right to use their initiative), they will not be capable of satisfying the customer and service delivery will fall.

Identify barriers to service:

Lack of training, lack of commitment and lack of authority are primary barriers. Inadequate support from peers and managers are secondary barriers. These have to be identified and removed.

Identify authorities and present specific training:

Once standards of performance have been identified, employee competence can be measured and training can be developed to cover any shortfall. This training is essential if employees are to be given decision-making authority.

STRATEGY

● Measure customer satisfaction

Back to the customer. Even if everything went according to plan, the customer's expectations would by now have changed so they need to be re-established.

Customer service excellence isn't something new; it is doing just what we (hopefully) already do. But it does require the dedicated attention of senior management and a determination to translate activities within the company into an "impact on customers". In themselves, these steps aren't difficult. But in combination they represent a fundamental change in emphasis in the way the company is managed and run. And that change needs a champion to make it happen.

Hotel pay strike (288)

JOHANNESBURG. — Five hundred employees stopped work at the Carlton Hotel here yesterday to press home wage demands. CT 28/9/93

Buoyant profits at City Lodge

JOHANNESBURG. — City Lodge Hotels boosted attributable profit — before listing expenses — by 39% to R12m on turnover which increased by 25% to R58,2m in the year to July 31.

Earnings per share rose 36% to 48,4c and the annual dividend jumped by 29% to 27c a share — 9c interim and 18c final. Dividend cover improved from a ratio of 1,69 to 1,79.

Actual attributable profit — after listing expenses — exceeded the prospectus forecast of R10,8m by R760 000, the actual earnings per share was 7% higher than the forecast and the dividend payout was one cent a share above that stated in the prospectus.

— Sapa

Earnings jump as City Lodge packs 'em in

288

ARG 28/9/93

MARC HASENFUSS
Business Staff

CITY Lodge Hotels checked out in its debut year as a listed company with an impressive 35 percent gain in attributable earnings to R11,6 million — easily beating the prospectus earnings forecast of R10,8 million.

Earnings a share for the 12-month period ending July came in at 48,4c, from which a 27c dividend was paid.

The hotel group shrugged off the negative economic effects to achieve an average room occupancy rate of 78 percent in the period under review — well ahead of the 47 percent average recorded in the industry.

The above average occupancy rate and the opening three new lodges — V&A Waterfront in Cape Town, Morningside in Sandton and a Town Lodge near Jan Smuts Airport — was reflected in turnover which climbed 25 percent to R58 million.

MD Hans Enderle said the results were achieved in spite of re-branding, and re-focusing by the Southern Sun group and other players in the hotel industry.

"We also managed to maintain our profitability at an acceptable level in spite of price stabilisation that saw hotel industry tariffs increase by the lowest rate in many years."

He said the three new lodges had quickly gained popularity and made a meaningful contribution to profitability in the time they were operational.

The group has also spent more than R11 million upgrading existing lodges. This capital expenditure was financed from internal cash flows.

Looking ahead, Mr Enderle stressed that City Lodge's immediate future was closely linked to the unfolding political changes and the status of the economy.

However, he was confident that the group would benefit from increased business and leisure travel, given a successful political transition, a reduction in violence and an economic uptick.

"Our confidence in the future is evident in our current expansion programme that includes the construction of Town Lodge Nelspruit and Town Lodge Midrand to add another 224 rooms to our national total by early next year.

Mr Enderle said the two new Town Lodges were part of the company's plan to develop the Town Lodge brand as a national "sister" chain to City Lodge.

He believed business travellers would continue to be the major customer base for City Lodge and Town Lodge but local and international tourists would also become an important market, especially in tourism areas such as Cape Town, Port Elizabeth, Durban and Nelspruit.

"Management is confident that high occupancy levels can be maintanied in the 1994 financial year and that profitablity will grow by at least the rate of inflation in this period."

SA restrictions 'eased'

HARARE. — Zimbabwean Home Affairs Minister Dumiso Dabengwa has promised to further ease visa requirements for tourists from South Africa.

South Africans dominate the Zimbabwean tourism market, accounting for 50 percent of the country's visitors last year.

Mr Dabengwa was speaking at a function to commemorate World Tourism Day at a Harare hotel.

"You will recall that in recognition of the significance of the South African tourism market's contribution to our tourism and indeed the economy, in 1992 my ministry eased visa requirements for South African tourists," he said.

But, "further moves in this direction are dictated not only by this factor. There are equally important political considerations government takes cognisance of". — Sapa.

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SERVICE EXCELLENCE

Management must lead the way — with a smile

288
ARGT 30/9/98

Our SERVICE EXCELLENCE campaign continues today with Part 3: Sage advice from Ronald Bownes, business consultant, who focuses on improving customer service levels in client organisations.

GORRY BOWES TAYLOR
Staff Reporter

RONALD Bownes says: "Well done to The Argus on the Service Excellence campaign! At last there is some meaningful concern and coverage of customer service in what is predominantly a serviceless city.

"We all need to bear in mind that emulating Sydney's successful bid for the Olympics is the easy part. Providing service to meet international expectations is quite another — we need at least 10 years of hard work!

"I believe that top-class service is no longer an organisation's competitive edge, but an imperative for survival."

WHY IS SERVICE SO POOR?

All the usual arguments surface: political situation, unions, poor calibre of staff, lack of competition, apathy, etc etc. Forget these excuses. The main reason is simply: **Service is poor because leaders and managers are not committed to service. Yes, poor service is a direct result of poor management — no more, no less.**

"Managers and leaders must change *their* attitudes. Only then will the attitude of their frontline staff change. With a changed attitude their commitment must be total, and their involvement in the service effort must also be total. This should include:

- Ongoing personal involvement
- Setting a budget for service improvement
- Developing a plan for service improvement
- Staff training
- Measurement and audit of the process
- Rewards for outstanding service providers





RONALD BOWNES: "Top-class service is no longer an organisation's competitive edge, but an imperative for survival."

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- Setting a budget for service improvement
- Developing a plan for service improvement
- Staff training
- Measurement and audit of the process
- Rewards for outstanding service providers

MANAGEMENT'S ROLE

The single most important factor in the improvement of service is management's commitment. In the development of a top-class service culture within an organisation, the role of the leader/manager is an onerous one. The role the manager must play in the development of higher service standards will require the following effort:

- Be a role model to staff
- Be the champion and cheerleader of the service effort
- Create an environment that is conducive to encouraging work
- Re-invent jobs for better service
- Employ passionately service-orientated people
- Sell the service vision/mission to the staff
- Train, empower and motivate staff to service excellence
- Provide structures and systems that support the service process
- Develop strong communication channels between customers and company
- Be self-critical and ask how you can do it better
- Stoke the service fire every day.

With this role in mind, management can now put a constructive service plan in place which will involve everyone in the organisation. This is where the manager takes a selling role — selling service philosophy to the staff, selling the benefits of superior customer service and the rewards of higher service achievements.

THE SERVICE STRATEGY

With management's commitment, a service strategy can be developed. Setting tangible and attainable service objectives is the critical factor. These objectives must be relative to service improvement in a specific business. Some examples could be: to shorten delivery time, to smile more, to thank customers when they leave a shop, to call on customers, to reduce complaints and increase compliments and so on. However, you will not go far wrong if your focus is on **creating the most satisfying and memorable experience** for every customer each and every day.

A sound service strategy must consist of the following elements:

1 A responsive and flexible company structure.

2. Systems and procedures that make it easy for the customer to do business with you.

3 A pleasant environment for customers and staff.

4 Processes that enhance service delivery.

CAMPAIGN



RONALD BOWNES: "Top-class service is no longer an organisation's competitive edge, but an imperative for survival."

5 Support tools (telephone, computer, information) that help staff provide more effective and efficient service.

6 Training for both management and staff.

7 Communication channels that gather and convey information for the benefit of customers.

8 Measurement and reward of the service effort.

Most service improvement programmes fail because a strategic approach encompassing all eight elements is not planned in totality. Service affects every fibre of a business.

PEOPLE

The most important element of strategy is staff. To encourage all staff to carry the company flag and be consistent providers of high-class service, you must provide:

1 Ongoing training
2 Conducive environment
3 Systems and support tools
4 Empowerment
5 Team-building
6 Reward and feedback

Training must cover the minimum of product knowledge, systems, procedures, communication, humanistic and service skills.

The environment must be warm, friendly, ergonomically productive, be pleasant to work in and have adequate staff facilities for recreation (and recuperation!).

Staff should be empowered so that they are equipped to take responsibility and ownership of the customer's problems and solve them there and then.

The issue of reward and incentive could ignite a year-long debate. Suffice it to say that, when you see your staff providing outstanding service, reward them *immediately*. Any delay means a loss of impact and will have little motivational effect.

Being in the firing line, meeting the customer eight hours a day, every working day of the year, is a stressful one and requires special people with special characteristics and strengths. This service-orientated being must:

- Communicate clearly and listen well
- Smile a lot and be confident
- Be a volunteer and supportive
- Be flexible and think on your feet.
- Be enthusiastic and respond quickly

In summary, the top-class server must be the same cheerful, active person at 4.30 pm as at 9 am!

Plans for Cape Point

CT 30/9/88 (288)

Staff Reporter

A FUNICULAR railway line up Cape Point and tourist facilities with a curio shop, restaurant and tearoom or coffee shop are being planned for the Cape Point Nature Reserve.

According to the agenda of yesterday's monthly Regional Services Council (RSC) meeting, two groups had responded to a March tender by the RSC to develop the tourist facilities.

But according to a council spokesman the RSC did not take a decision to adopt the recommendation yesterday because "information contained in the agenda note was insufficient and further details were needed".

The RSC said in their information document that an environmentally sensitive and architecturally attractive development had to be achieved and the development must not create a burden to the council in terms of finance or maintenance.

Two proposals were received before the closing date of April 30. One is from Concor Holdings and another from three businessmen who intended to form the Cape Point Development Company should their proposal be accepted.

SERVICES SECTOR – Accommodation, Liquor & Catering

General

1993

JANUARY – APRIL

It's a beautiful city but . . .

(288 ARG 26/1/93

Tourists pour ire on the Mother of tourist destinations

VENNESSA SCHOLTZ, Staff Reporter

TOURISTS who contribute millions to the economy of the Western Cape say the lure of the mountains and the deep blue Atlantic is not enough to ensure they will carry on making the long journey south every season.

They do not appreciate dirty beaches, sky-high restaurant prices, hawking in St George's Mall and a host of other things they say marred their holidays this summer.

Earlier this month The Argus and Captour published an advertisement inviting visitors to tell Cape Town's chief of tourism "exactly what you think of what's on offer".

Tourists from other parts of South Africa, Austria, Switzerland, the United Kingdom and other countries flooded the Captour offices with complaints, comments and compliments.

One of the areas which drew the most complaints was hawking in St George's Mall.

"We had quite a number of complaints, at least 14, about the mall. Complaints were that people are harassed to buy from the stalls and that it was impossible to cross from one side to the other," said Miss Lauren de Wet, a spokesman for Captour.

"A number of people questioned free trading, saying it was not allowed anywhere else in the world. One person said 'total chaos is prevailing'. The stalls were not appreciated at all."

Deterioration of the central business district including litter, bad parking habits, not enough parking and "bad pavements" drew 27 complaints.

Public toilets at Cape Town station and the beaches were described as a disgrace and disgusting and some complained there were not enough toilets on beaches.

Restaurants drew criticism because of excessive prices and there were four complaints about unhygienic shops.

Cableway bookings were highlighted as a problem and the N2 freeway to D F Malan Airport was described as an "eyesore".

Complaints about beaches included litter and dog poo, entry fees and lack of crowd control.

There was a suggestion that smoking and drinking be banned on beaches.

Suggestions included a bus service from the city to Kirstenbosch, musical events on Greenmarket Square, that the Natural History Museum and the restaurant in the Company Gardens stay open later and that buildings fly the South African flag.

Another suggestion urged The Argus to "provide a Waterfront programme".

"Most respondents started with 'You have the most beautiful city, but . . .'" said Miss De Wet.

"We are happy with the response, although we are not happy that people have had so many problems.

"We are also happy that visitors have an avenue to complain through, because now it's easier to see where problem areas are."

Miss De Wet said Captour would investigate each complaint.

Offer to buy Fancourt

B|DBM 9|2|93. 288

CAPE TOWN — A Dubai-based international conglomerate GEAP International was keen to finalise an agreement to buy the luxury, provisionally liquidated Fancourt resort, GEAP MD Mahendra Patel said in an affidavit before the Cape Town Supreme Court yesterday.

GEAP had international interests in manufacturing, trading and contracting operations, had been active in a variety of overseas acquisitions and had been involved in the development of hotels and golf courses in the United Arab Emirates, court papers disclosed.

Patel's affidavit was submitted in support of an application for an extension of the return date of the provisional liquidation order.

Patel said he was in SA at the request of the group's chairman Hamaid Bin Drai to inspect Fancourt after Group Five chairman Peter Clogg, on a visit to Dubai in January, proposed GEAP acquire the resort.

"I have now physically inspected

LINDA ENSOR

the Fancourt Development and am satisfied to continue with the agreement reached in principle subject to certain normal conditions, that is a due diligence by my auditors."

Patel said provided financial figures were verified and subject to the satisfactory finalisation of an agreement with creditors and shareholders, GEAP International would be in a position to make a reasonable offer to the Masterbond investors and concurrent creditors within the next few weeks. Masterbond investors have about R100m tied up in the project.

But he warned a final liquidation would have a negative effect as the adverse publicity would result in a lack of confidence and GEAP might reconsider making an offer.

Clogg said he was confident GEAP had the financial wherewithal to invest in Fancourt though no details of the offer were provided.

"Patel is very interested in Fancourt and we have agreed on our strategy to negotiate the acquisition of the Fancourt Project which we are confident will be favourably considered by Fancourt's creditors. Mr Patel has been in discussion with his international auditors who also operate in SA to determine the best mode to introduce finance," Clogg said.

He added that based on his projections, the Fancourt project would be viable if restructured on the basis of current discussions.

Group Five is the main building contractor at Fancourt and was owed R18m of which about R15,8m was secured by a builders' lien.

Fancourt chairman Andre Pieterse said a final liquidation would adversely affect sales and hotel bookings, especially by overseas tourists. It would also lead to a deterioration in the golf course and amenities, resulting in a lower offer from a prospective buyer.

A request for a four-week postponement was turned down by the judge and the return date was extended to February 18. The Masterbond curators said there were several other interested parties.

TY

Robben Island to be preserved for tourism

288
ARG 4/3/93

Political Staff

THE prisons service is to hand over Robben Island to the Cape Provincial Administration to open it up for tourism and seafaring.

The target date for closing the prison — where ANC leader Nelson Mandela and other political prisoners were held for decades — is the end of 1996.

The cabinet made this decision yesterday, Correctional Services Minister Adriaan Vlok told parliament in reply to questions from ANC Sandton MP Dave Dalling.

Mr Vlok told him that 723 (common) prisoners are held on the island and the prison would have to remain in use for a while because of overcrowding in other prisons.

But 1996 had been set as the target date for closure.

Mr Vlok said the Department of Correctional Services was the main player on the island but the cabinet had decided yesterday that the CPA should take over this role.

It should take the initiative in drafting a management and development plan for the island.

A Robben Island Advisory Committee comprising public and private sector experts should be created to advise the CPA and should consult widely.

It should give special attention to establishing a museum to preserve and depict the "eventful" history of the island.

The plan should also include:

- Developing tourism by making the sites more accessible to the public without harming the natural and historical features.
- Greater use of the island's harbour by seafarers.
- Greater protection of the island's fauna and flora.
- Extending the cultural-historical interests of the island.
- Preserving a shipwreck in the island's waters.
- Greater community involvement in developing the island.
- Education programmes to teach youth the island's history.

Sea Point strikes back

MARCIA KLEIN

A CAPE Town restaurant has taken on the mighty Waterfront with a cheeky ad campaign aimed at luring customers back to Sea Point's Main Road. 288

The Duck the Fox campaign was the brainchild of Hugh O'Shea, owner of Sea Point restaurant Watney Girls. BTDM

His restaurant in Main Road is one of those affected by the successful Waterfront development.

The ads have resulted in a few complaints from the public. His ad this weekend featured an anchor, synonymous with the Waterfront, and the line "Don't be a W-anchor, come to Watney's and Duck the Fox."

O'Shea does all the advertising himself. In addition to print ads, he also sells "rude T-shirts" with an illustration of a duck and a fox in a compromising position. 23/2/93.

Although the campaign is used exclusively for Watney's, it has become a symbol of promoting both Sea Point and the southern suburbs as alternative venues to the Waterfront.

Call for action to save views from scenic city drives

288

ARG 3/3/93



CLIVE SAWYER
Municipal Reporter

NEW measures to preserve the views from Cape Town's scenic drives — including cutting down trees and shrubs — have been proposed by the city planner, Mr Neville Riley.

He says the city council should hold on to land essential to preserving views on scenic drives and no rezonings, subdivisions or applications for height increases or side-space reductions should be granted to private property owners if they affect the view from a scenic drive.

The council has classified eight roads as scenic drives:

- Victoria Road from Sea Point though Clifton and Camps Bay to Bakoven;
- Camps Bay Drive from Fulham Road to Kloof Nek;
- Kloof Road through the Glen;
- Kloof Road, Bantry Bay, from the southern boundary of Mount Florida Estate to Camps Bay;
- High Level Road from the traffic circle at the top of Strand Street as far as the old vault on Wessels Estate;
- Ocean View Drive between Ben Nevis and Glengariff roads and between Rhine and Firdale roads;
- De Waal Drive; and
- Boyes Drive.

Mr Riley said the council should retain ownership of land essential to preserving views, but if land were sold where development would not affect the view seriously, strict development conditions should be put on title deeds.

There should be environmental impact assessments of any proposed developments on council land which could affect scenic drives, he said.

An "intrusive vegetation" management plan, with special funds, would be needed for removing trees and shrubs which got in the way of views.

Section 93 of the zoning scheme regulations, meant to protect scenic drives, had weaknesses which had been exploited, Mr Riley said.

Problems included development on plots close to — but not next to — scenic drives and developments at or just below road level which blocked downward views.

"A prime example of this occurred in University Estate, off De Waal Drive, where a three-storey house was built on a plot where a strip of public open space separated it from the scenic drive, and the zoning scheme could not be used to block the development," he said.

Regulations did not prevent the use of roof decks for parking, which blocked horizontal views.

Incorrect interpretations of section 93 had led to buildings which were too high next to scenic drives, while some fences blocked views.

Some fences, while "open", consisted of vertical railings close together which when seen from a moving car appeared to be a solid structure, Mr Riley said.

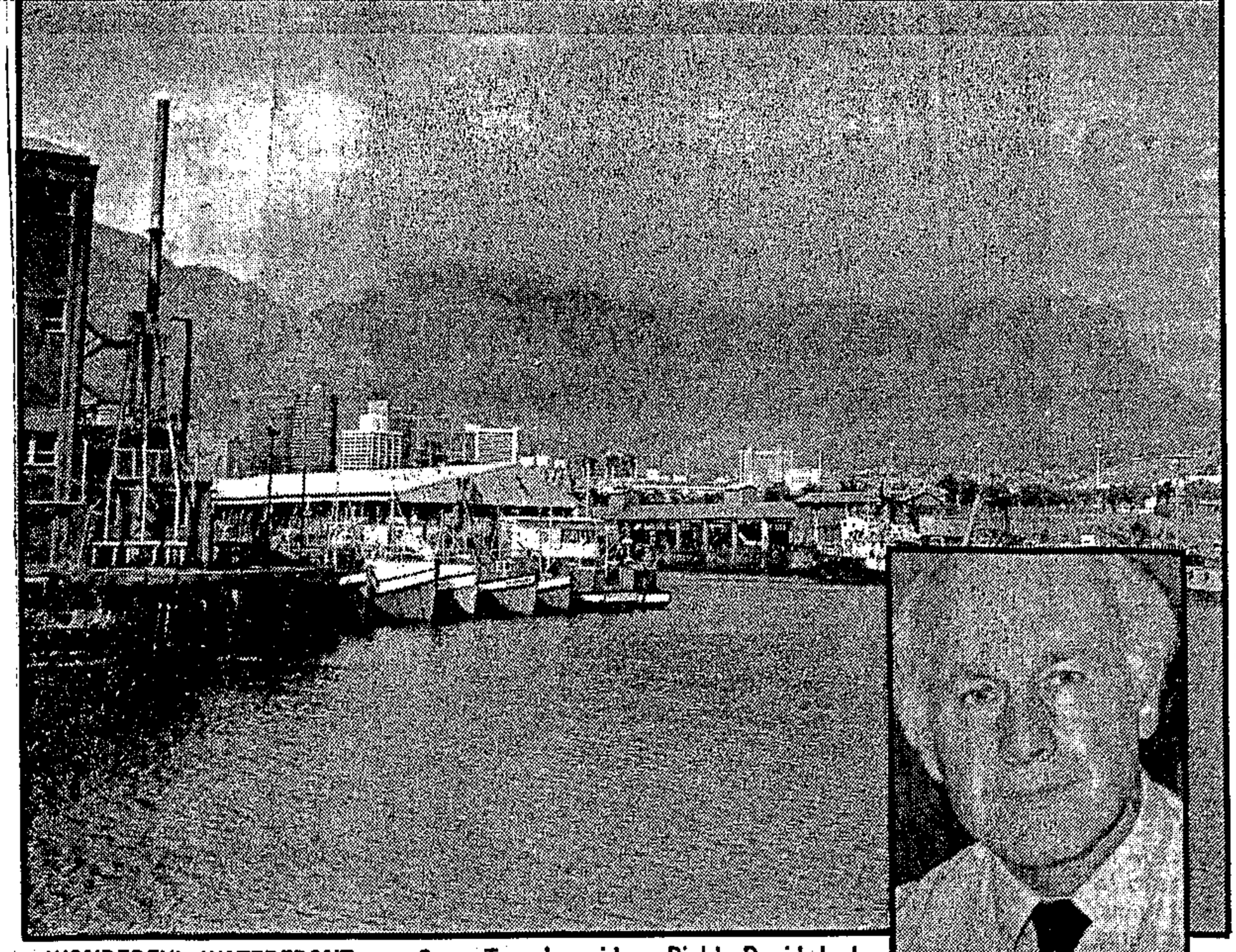
Regulations would have to be changed to ensure that fencing, railings or gates did not hamper views.

Captour and Wesgo had estimated visitor spending in the Peninsula in 1990 at between R739 million and R775 million.

"About 85 percent of tourists to Cape Town use cars or chartered buses — that year, this amounted to 370 000 foreign and 600 000 domestic tourists using the roads."

Many Cape Town people used the roads for commuting or pleasure.

"While it can be argued these routes would be used even if they had no scenic value, they are used by many people who still derive pleasure and a feeling of *joie de vivre* from the scenic value," Mr Riley said.



WONDERFUL WATERFRONT . . . Cape Town's pride Right: David Jack

All is not quiet on this Waterfront

S/Times (Buss) 3/1/93

South African business has had its share of failures in recent years. JEREMY WOODS reports on a runaway success: Cape Town's Waterfront

ONE night last week Mervyn Kushner's Greatest Little T-Shop In The Whole Wide World managed to close its doors in Cape Town's spectacular new Waterfront development at 3.30am, having traded hard all day and most of the night.

"The customers had been coming at us in waves all through the day and most of the night. The staff were exhausted and we were running out of stock again," said a tired but elated Mr Kushner.

"We tidied up the shop, and by mistake one of the staff left the doors open when he went home. In they came again, buying T-shirts, shorts, shirts — you name it."

Mr Kushner says his shop has a stated policy of never closing as long as customers still want to buy.

"We finally got the doors closed at 5.45am — just in time to restock before we opened again at nine," he said.

Mr Kushner, father of six, says his waterfront shop has "exceeded my wildest expectations and, believe you me, I can dream".

"I've been in this business 30 years, but I've never seen retail demand like it — it's phenomenal."

Mid-afternoon on Thursday and there's not a seat to be had inside or out at the chic San Marco ice-cream and coffee house.

The tired young manager was fighting to get the stream of orders out to his clients.

How's business?

"Please, man, I haven't got time to stop and talk now. Try me one evening about five. Maybe things will have calmed down."

"It's the same all over the Waterfront," says David Jack, managing director of the Victoria & Alfred Waterfront Company. "People are doing fantastic business."

About two million people will pass through the Waterfront this month alone, all of them clocked and analysed on the Waterfront's electronic metering system.

There can be little doubt that Cape Town's Waterfront is an amazing success.

MOST nights the action around the harbour is moving into top gear about midnight. Live music is bopping across the water from the pub at Bertie's Landing, while disco music beats out from the Sports Cafe, where teenagers queue up for half an hour to get in.

Families, with babies asleep in backpacks, wander round with the crowds of tourists from "up country" (no one mentions the word Transvaal in Cape Town at the moment), through the brightly lit malls and piazzas, window-shopping or looking for somewhere to eat.

Shops are selling, tills are ringing and most of the restaurants are full. On New Year's Eve, some made cover charges of R35 a head.

Sitting amid all this spending having a late-night drink, it is easy to forget that South Africa is at the bottom of its longest recession this century.

Surprisingly, solid support for the project came from a corner of the economy not renowned for its swift, incisive, entrepreneurial flair.

The V & A Waterfront Company is a wholly-owned subsidiary of Transnet, which is owned by the state.

"One of the reasons why this development has worked so well," says Mr Jack, "is the flexibility of the Transnet management and its positive response to what could be considered outlandish requests."

Last week there was a jazz-and-blues concert for 4 000 people in a working drydock. By next morning, when workers appeared for work, there was no sign of the concert.

"That's the sort of co-operation we get," says Mr Jack.

And it was that way right from the start.

"Transnet thought it would have to put in seed capital of R25-million over several years," says Mr Jack. "We said: 'No, it's R60-million over 18 months.' We did our homework, we showed it was a viable concern and we got our money."

TRANSNET has so far put R200-million into the first and second phase of the development, and this has been matched by a further R200-million from banks and other private-sector sources.

"Most of these funds should be repaid within three years," says Mr Jack. "It's looking a very good investment."

If Transnet and Portnet can turn disused, oily docks into some of the hottest space in the country, what other assets and opportunities are sitting idle, waiting for the kiss of life?

The Waterfront is a splendid success story. Now if only this kind of new thinking can be applied to the country as a whole.

Rabie to begin two Cape developments

JOHN DLUDLU

RABIE Property Developers has embarked on two residential developments in the Cape to cater for the demand for reasonably priced property in the area.

A residential development would be built at the Strand giving the area a further boost as a coastal resort, said chairman John Rabie.

The R10m project, to be known as Greenways Country Estate, would be built on the site of the Strand golf course on the beachfront and would be completed by September.

Rabie said the golf club would be moving to a new site, bordering Broadway and the Lourens River. The development would take place in phases and would be synchronised with the building of the new course.

"In the first phase, 88 single residential sites will be sold. The total development will comprise 400 sites, of which 200 will be for residential purposes."

Thirty of the 88 sites would be on the beachfront and each site would cost R95 000, he said.

In the second phase recreational facilities, a clubhouse, tennis courts and a swimming pool would be built. These would be run by a homeowners' association.

"The development will combine features of a country club with homes boasting sea and mountain views," Rabie said. Emphasis would be placed on security, with controlled access to the fully walled development.

LINDA ENSOR reports that Rabie has also embarked on the development of a R30m sectional title apartment block, Sea Spray, in Table View, Cape Town.

The development will consist of 105 units on five storeys, priced from R145 000. This follows the success of two other developments in the area, Dolphin Beach and Ocean Village.

ST Times (Bliss) 3/1/93

Late rush saved local tourism

By TERRY BETTY (288)

LAST-minute bookings for the Christmas holidays saved the local tourism industry this December.

Holiday Travel agent Tracey Twiggs says people also left their holiday plans to the last minute instead of booking in advance. "We are normally quiet just before Christmas because everybody has already booked, but this year it has been chaotic."

Miss Twiggs says peak season, which normally starts in the first week of December after the break-up of the Transvaal schools, got going only two days before Christmas this year.

Popular air-travel destinations were George and Cape Town. SAA spokesman Anelda Duvenage says extra flights and larger planes were diverted to these routes over the peak season — SAA introduced 52 extra domestic flights from the first week of December to after the New Year.

Mrs Duvenage says the flights were about 74% full. "Economy class, which families use for leisure travel, was full; it was the business class that showed some vacancies."

Miss Twiggs says the Knysna and Plettenberg Bay area attracted plenty of travellers. She says the guesthouses that have sprouted near Knysna have been the trendy place to go — it has been reported that 1 300 cars drive through the main street of Knysna every hour.

Realty 1 letting agent Rose Hampton says far more houses in Plettenberg Bay were booked this year than last year, despite the prices being slightly higher.

She says houses are normally booked for four weeks, but this has been shortened to three weeks — the shortest booking allowable.

A Travel Connections agent says Cape Town was the most popular destination; she says the Waterfront has been a big draw card for the tourists.

While hotels in Cape Town were fully booked, a popular form of accommodation is self-catering holiday flats.

On the international scene, London fell out of favour, with the Far East and the islands, particularly Mauritius, attracting SA travellers.

More tourists surge to Cape

CT 5/1/93 (288)

Staff Reporters

THE holiday season is not over — tourists are expected to surge to Cape Town during January to enjoy a late season.

"There has been a late slow build-up to this year's season, with tourist operators forecasting a large presence early in January," said Ms Lauren de Wet, a spokeswoman for Captour.

More international and domestic tourists were expectedthroughout the month but the recession had affected the length of time people stay, she said.

Figures released yesterday show there was a 35% increase in inquiries at Captour information offices during December compared to the same time last year.

Tourists have become more budget-conscious and more are taking cheaper tours and staying in low-cost guesthouses.

There have been few complaints this year, beside the problem some tourists experienced with low-grade accommodation.

No moans from most visitors

Satour's grading system for non-hotel accommodation is expected to be enforced by April.

● Tourists questioned about Cape Town yesterday were enthusiastic about its beaches and scenery — but not all found the city a source of undiluted pleasure. One visitor noted the poverty, and another complained about unsynchronised traffic lights.

Miss Jose Walta, a teacher from Utrecht, says Greenmarket Square is a fashion hot spot: "There are so many T-shirts and trinkets that are so different from the one's back home."

Astrologist Mrs Mishiliana Vazfuez who followed the heavenly bodies all the way from Buenos Aires to Cape Town, said: "You have awesome views and a great transport system."

Durban visitors were delighted with the clean beaches. "In the two weeks that I'll be here I will not get to see all those beautiful beaches — I won't have enough time," said Mr Kasawan Naidoo, a salesman from Tongaat.

Hardy visitors from Hong Kong were not upset by the heat. "I like the weather, the cleanliness, the lack of traffic and of course the prices," said Mr Peter Scott, an engineer from Hong Kong.

"But the service at restaurants was disappointing — it was slow and lacking in enthusiasm."

And not all Transvaal visitors were blissfully happy either. Mrs Tessa Halgryn from Westdene said: "Everything is crowded, the robots aren't synchronised and the water is freezing."

Mr Johan Lindvall from Lulea, Sweden, who calls himself a professional tourist, says the Waterfront rates tops. "But, unfortunately this beautiful city is marred by the poverty-stricken townships which hug its centre."

Half-empty hotels struggle to survive

BDAY 19/3/93

(288)

MARCIA KLEIN

THE decade-long decline in hotel occupancies was worrying, and hotels were finding it difficult to survive at the current average occupany level of below 50%, tourism and hotel industry spokesmen said.

Figures showed occupancies at graded hotels were over 65% on average in 1980. In the past few years they had barely risen above 50%.

Southern Sun MD Ron Stringfellow said the largest decline had been in one- and two-star hotels. This was partly due to old liquor licensing regulations, which made it necessary to operate a hotel in order to obtain a licence.

The number of three-, four- and five-star hotels had grown off a small base. Percentage occupancy had grown slightly, but the number of unsold rooms had increased at a higher rate.

Stringfellow said too many hotels had been built in the past decade, and the anticipated growth in tourism had not materialised.

Local tourism, which was 80% of the market, had declined and there had not been large growth in international tourists.

Protea Hotels MD Arthur Gillis said high occupancy figures in the early '80s reflected supply and demand. The declining trend since then reflected, to some extent, the many additional hotels and rooms built over the past decade.

Generally, hotel groups had moved forward with expansion as they expected an increase in tourism, Gillis said, but this increase had not been as good as expected.

Currently there were too many rooms for the industry to be viable. In terms of the Hubbard formula, hotel groups had to charge 0,1% of the building cost of a room at an occupancy of 60% to remain viable.

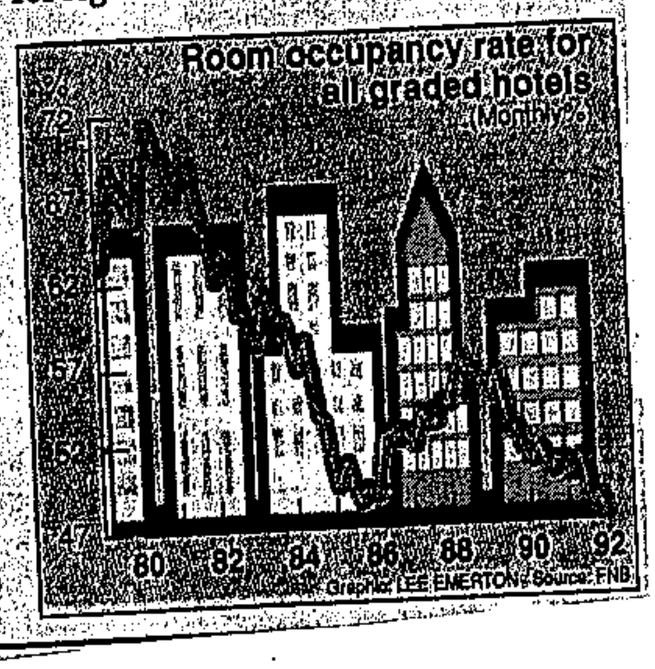
With occupancies below 50%, hotels needed to charge more. Yet room rates had declined in recent years, indicating that the vast majority of hotels were unprofitable.

Over the past two years, occupancies were affected by the Gulf war and then by the worldwide recession.

Satour director Ernie Heath said there had been a change in the nature of the hotel industry, with an increase in demand for limited service facilities, self-catering, game lodges and time share.

Locally, people were travelling shorter distances and staying for shorter periods.

Fedhasa chairman Theo Behrens said the last good summer season had been in 1988, when there was buoyant local tourism and a healthy growth in foreign tourists.



Waterfront to be doubled in size

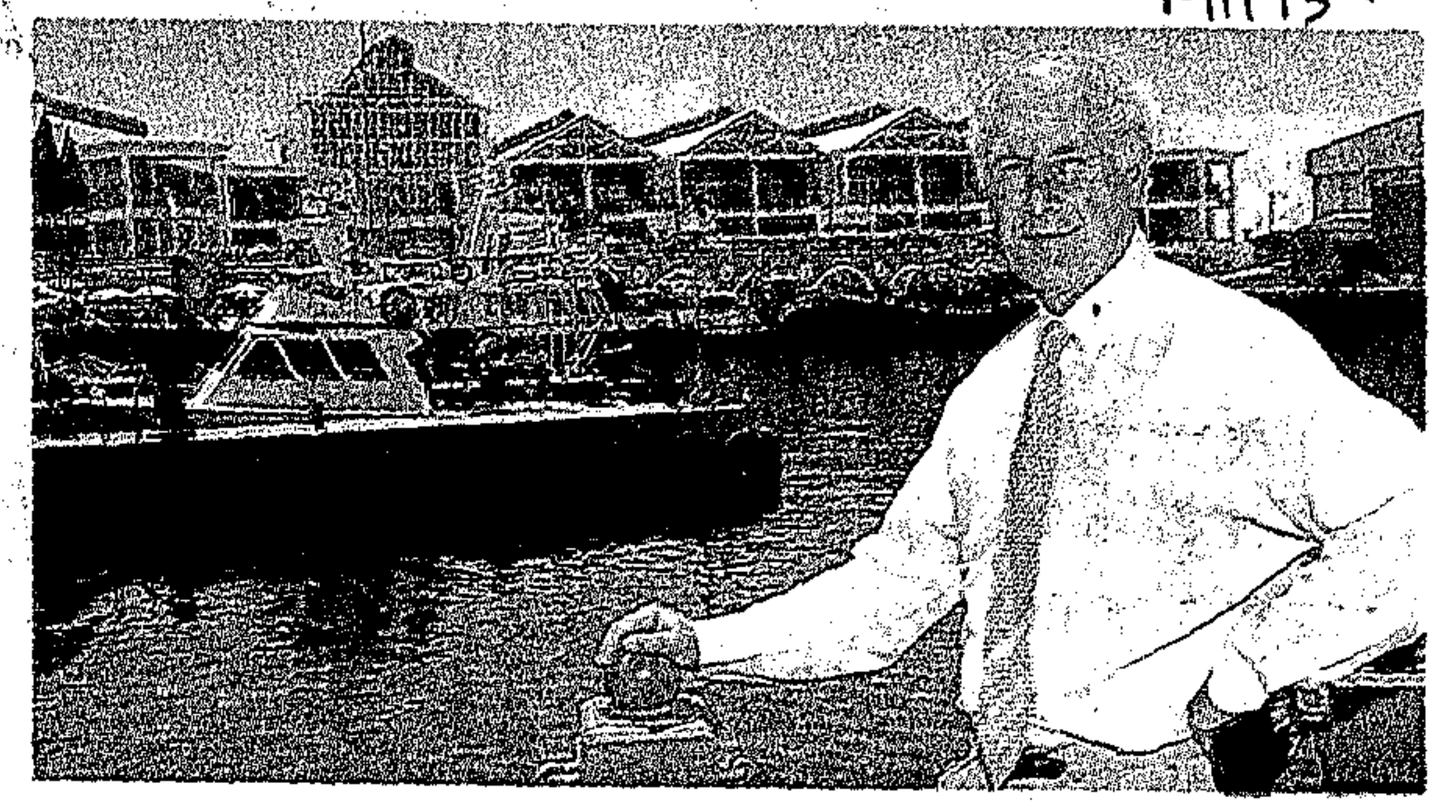
R200m plan for new marina, hotels and quay

ST Times (Cape metro) 288
10/11/93

By JEREMY WOODS

PLANS have been finalised to double the size of Cape Town's Victoria and Alfred Waterfront development and build a stunning new harbour surrounded by 800 waterfront properties — many of which are to have boat moorings in front of their patios.

The harbour is to have marinas and moorings for about 200 hundred yachts and small craft and will be just five minutes' walk from the shops and restaurants.



CONFIDENT . . . V & A boss David Jack is looking to double the size of the Waterfront development **Picture: TERRY SHEAN**

A flagship five-star hotel, an aquarium of marine species from Cape waters including, it is hoped, the first great white shark in captivity, and a new waterfront extension — Quay 6 — are just some of the projects to be completed in the next three years.

"We have just completed all our plans for this exciting new part of the Waterfront and will present them to the board of the Waterfront Company next week for approval," said Mr David Jack, managing director of the V & A Waterfront Company.

"Planning is well-advanced and we are confident of getting the funding we need to build this phase of the development."

About R200 million is needed for this programme, which will more than double the size of the Waterfront development.

The project will be market-driven and the pace of development determined by the level of economic activity.

Mr Jack said the decision to go ahead now had been made on the basis of December's financial and attendance figures for the Waterfront.

"It is time to build on our established success and bring the exciting new element of Waterfront living, through our plans for residential development, to the people of Cape Town."

The development momentum is to be continued throughout this year with the construction of new roads, another 1 000 parking bays and a 120-room hotel for businessmen.

A major sea-shore protection wall is to be built as part of the infrastructure for the new residential development.

Despite the depressed economy, about 18 000 square metres of office space are to be built. Most office space is already letting well to members of the financial and legal professions.

A new service station, with workshops and offices, on New Boulevard, Dock Road, is to be open 24 hours.

Flooding of the Old Quarry, which is to be converted into the new harbour, will herald the start of the residential development.

"Perhaps an important aspect we should not overlook is that these plans will create 1 500 new jobs each year for Capetonians in construction alone — let alone all the other economic benefits that will be brought to our city," said Mr Jack.

doctor guilty

Tourists carp on city dirt

CT 20/2/93

TOURISTS had "inundated" Captour's office with complaints about Cape Town being "dirty" and "unkempt", according to chief executive officer Mr Gordon Oliver.

Mr Oliver urged city authorities to launch an ongoing blitz on littering in the city centre until the problem is overcome.

There had been numerous telephone calls and "literally dozens of written complaints", he said.

Never before had the situation been so serious, Mr Oliver added. Cape Town had once been regarded as the cleanest city in South Africa, but this reputation had been "entirely wiped out".

Mr Oliver noted that a meeting involving himself, Mr Kreiner and city engineer Mr Arthur Clayton had already taken place, and he said it was likely that a broader meeting involving the Central City Partnership and the Chamber of Commerce would be called.

"I do not intend to let this matter rest until satisfaction has been reached," he said.

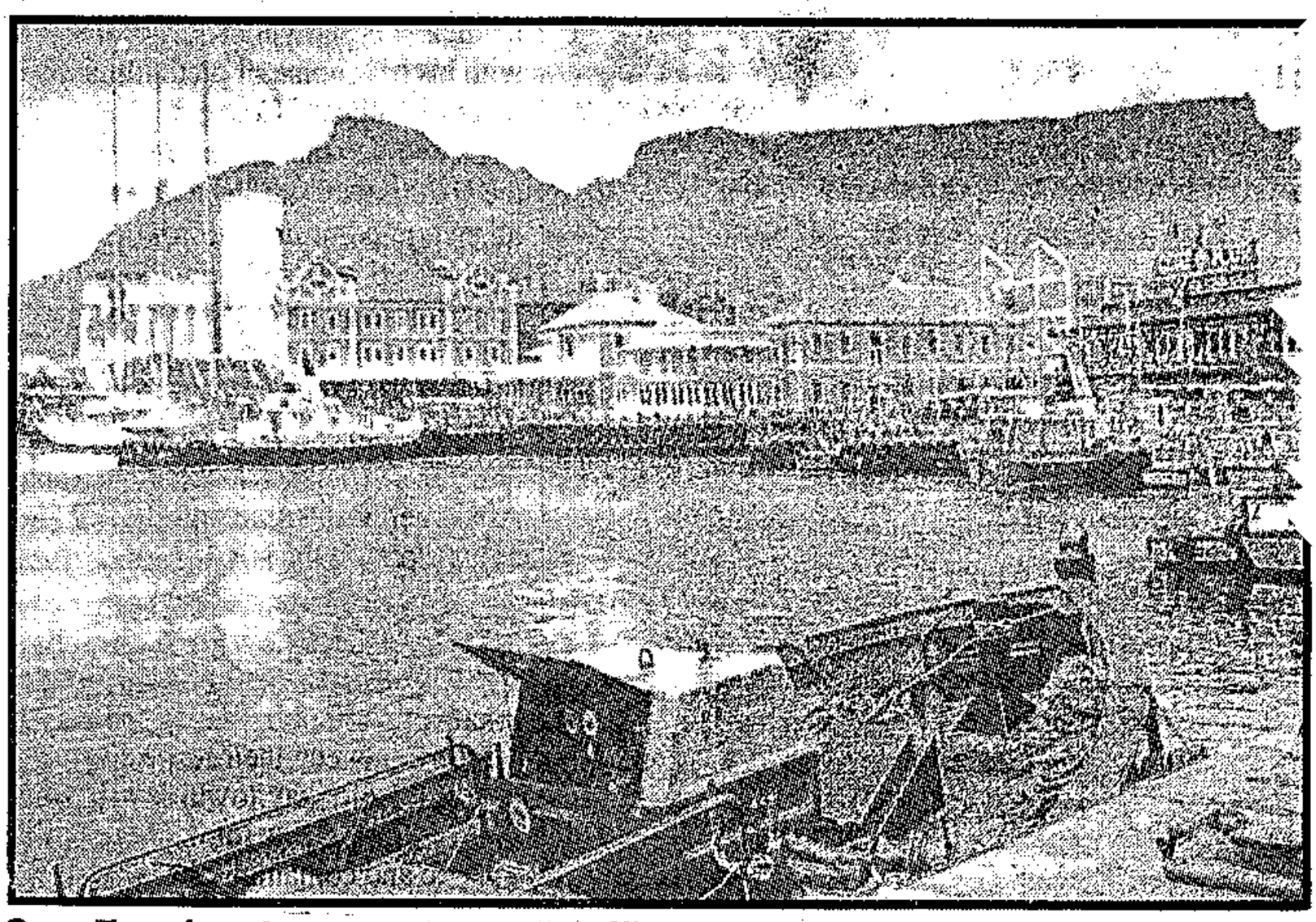
Battle of the beachfronts

W/Mail 8/1-14/1/93

288

This year's prize for persuading the most Vaalies to part with their holiday money goes to Cape Town. But Durban's already fighting back

By ARTHUR GOLDSTUCK



Cape Town's not-so-secret weapon ... The waterfront Photo: ARTHUR GOLDSTUCK

THE spoils are huge, the battle strategies awe-inspiring — but no one will admit there's a war.

It's not Angola or central America — it's South Africa, where the country's two premier tourist destinations are locked in a silent struggle for supremacy.

This past December saw Cape Town once again win the battle for the hearts and minds of the South African holiday-maker, retaining its newly gained status as the country's number one December tourist destination. But it may well have lost the war for the nation's wallets to Durban.

And that was despite Cape Town dominance in another battle: the struggle for the correct media image.

The South African holiday experience was in fact given two entirely different incarnations this past December. One was the media version, and one the holiday actually experienced by the people who went there.

To swallow the SABC-TV version of events, Durban was nothing but overcrowded, racially tense beaches this December, while Cape Town was a haven for topless bathers and beachfront oglers.

Such images carry a subtle subtext for the racially minded: Durban as a holiday destination for blacks, Cape Town for whites. Durban as a low-rent holiday, Cape Town for quality and big-spending.

The reality, according to Ted Hirst, director of tourism of Durban Unlimited (formerly the Durban Publicity Association), was that December 1992 was one of the best shots in the arm the city had yet received in terms of both tourism and racial harmony.

"On New Year's Day there were 55 000 people on the beachfront — mostly blacks, but plenty of whites and Indians," says Hirst. "I wish the media could have been there to see for themselves: it was just great to be there with so many people just relaxing and enjoying themselves.

"In previous years Durban suffered from adverse publicity about beach overcrowding. This year we blasted our way through that. We introduced action plans to make the whole city more user-friendly for all South Africans: more bins, more loos, a child retrieval system, the Beachwise campaign to educate bathers. And it damn well worked beautifully. Our high season was very high, well above the previous year in terms of tourists and income. We showed that we are going to lead the rest of the country into the future of tourism."

Part of Durban's strategy includes a R200-million convention centre, and a long-term upgrading and developing of its harbour and waterfront facilities, including turning the Point Road eyesore into a tourist drawcard.

The comparison with Cape Town is obvious: its Victoria and Albert Waterfront development is its biggest tourism success story since the Table Mountain cableway; and the Mother City announced its own plans for a state of the art convention centre not long after Durban's announcement.

Both Durban and Cape Town tourist authorities insist this is pure coincidence.

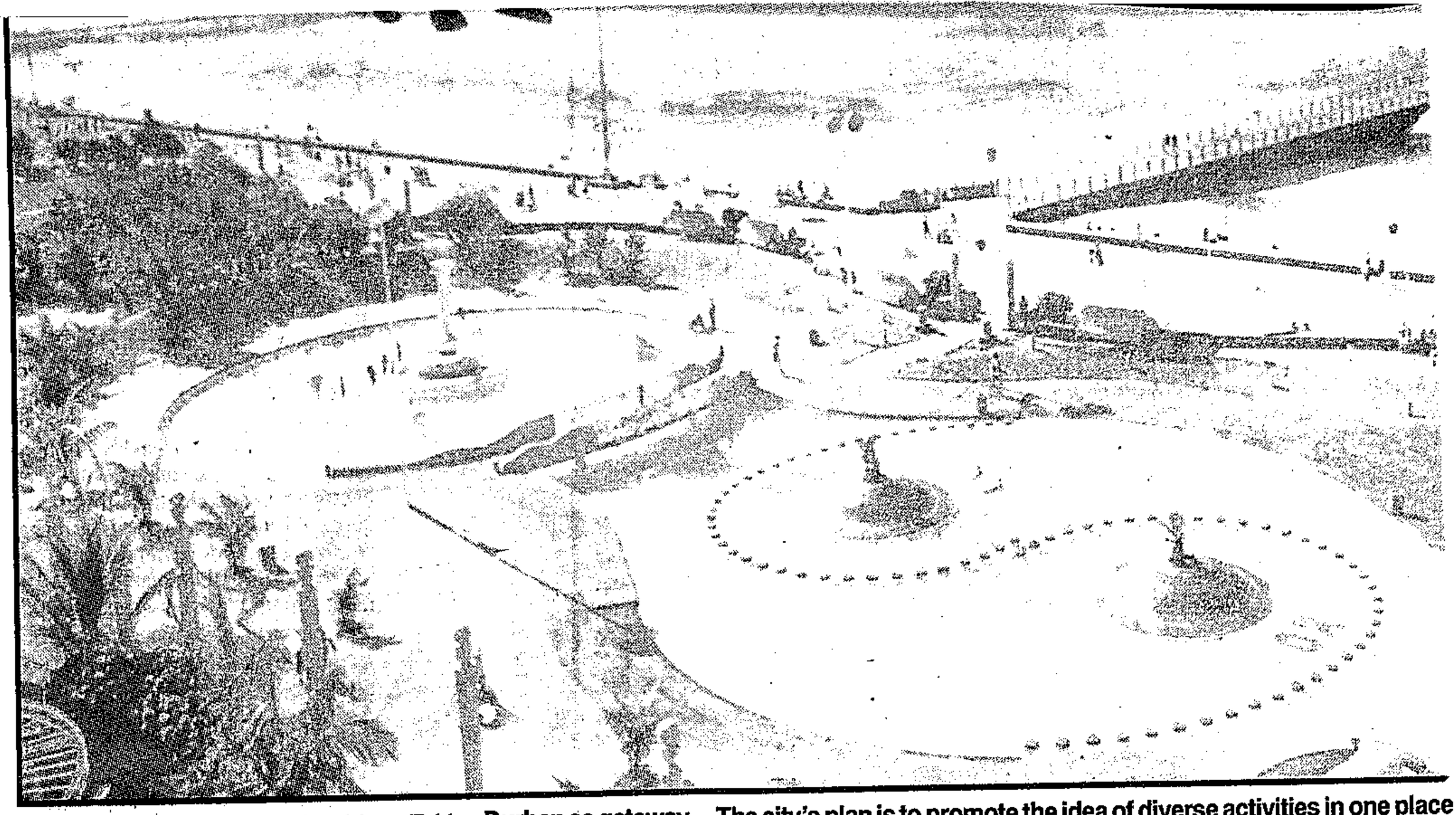
Hirst suggests that Durban in fact attracts a very different type of tourist to those that go to Cape Town.

"Cape Town, the eastern Transvaal and the Drakensberg are all competition, but the more people involved in the promotion of tourism throughout South Africa, the more good choice there will be and the more people will appreciate what each region has to offer."

Nevertheless, Durban is actively at work positioning itself as "the gateway to Africa" — coincidentally again the precise slogan being punted for Cape Town in tourism circles.

"The idea is to promote Durban as the ideal gateway for visitors to see a world in one province," says Hirst. "From here, the tourist is within striking distance of the finest wetlands in the world at St Lucia, tremendous game reserves less than three hours away, the Drakensberg, the Midlands and the historic battlefields of the Boer war and the Zulu wars."

Cape Town, once more coincidentally, is also looking at five core areas of exploitation in its drive to become the gateway to Africa: the



Durban as gateway ... The city's plan is to promote the idea of diverse activities in one place
Photo: KEVIN CARTER

beaches, the winelands, marine drives, Table Mountain and the Waterfront development.

These are, of course, all well-known attractions, that have been served up non-stop by the media during the holiday season. Less visible is Cape Town's notorious reputation for poor service: Transvaal visitors are traditionally treated as lepers, prices shoot up in anticipation of a captive market, and anti-tourist snootiness replaces service with a smile. The attitude problem is hardly intended to inspire people to shake off the recession blues and open their wallets.

"It hasn't been a bumper season by any means," acknowledges Cape Tourism Authority (Captour) public relations manager Lauren de Wet. "We had a very definite late start to the season, which only peaked at the end of December. We're looking at a later, slower season in which people are going for short holidays and looking for quality for their money. Low budget guest houses, budget tours and budget car rental firms did very well.

"The airport was running at an incredible rate and the Trans Karoo train from the Transvaal ran at 90 percent capacity, while the TransNatal to Durban was only 50 percent full. It looked so good, but people weren't spending money."

Captour plans several major promotional drives to improve business for the coming year, with service topping the list of priorities. It wants to emphasise quality of holidays, and make Capetonians more aware of the importance of the tourist trade. This goes a lot further than the bizarre "Hug a Vaalie" bumper stickers displayed on some Cape Town cars of late.

"We want to change the heart and attitude of Cape Town people to how they receive visitors," says De Wet. "It's not just a matter of being friendly to Vaalies; it's a commitment to service and a realisation that every eighth visitor to Cape Town is one extra job. If people understood that, their attitude would change."

Another priority is Cape Town's apparent inability to crack the black tourism market.

"Tourism in general has not been accessible to black people," says De Wet. "We need to set up tourist advice centres in black areas, where they are physically accessible, as opposed to the city centre which is not. We are planning an affirmative action programme to staff ourselves appropriately, and we are setting up a task force to look into ways of accommodating and tapping into the needs of black tourists."

An indirectly related programme is a tour strategy focused on the struggle against apartheid, drawing in monuments created to commemorate that struggle, and to "acknowledge the existence of places like Crossroads, and black history before Van Riebeeck's arrival".

Will such strategies draw the potentially lucrative black trade from Durban?

"For Cape Town to assume it is a gateway to the continent is a hopeless whitey dream. They first have to, by some genius, bypass Johannesburg," says Ivan Dodd, past chairman of the Durban Publicity Association and the man who first urged the city to open its beaches to all races in the early 1980s. Central government ignored pleas to depoliticise the issue, and blocked the move until FW de Klerk took the reins of power in 1989. The result was that pent-up expectation led to a sudden flood of people on to the beaches and widespread racial tension, doing tremendous damage to the city's image.

This past December was the fourth "open season" on the beaches, and the city finally passed the test. Even so, the two or three sporadic incidents that did occur were magnified into a disastrous December by an issue-hungry media.

"The white Transvaal perception is that Durban is sliding into oblivion because of the huge advent of black tourism to the city. But there is a different process at work," Dodd suggests.

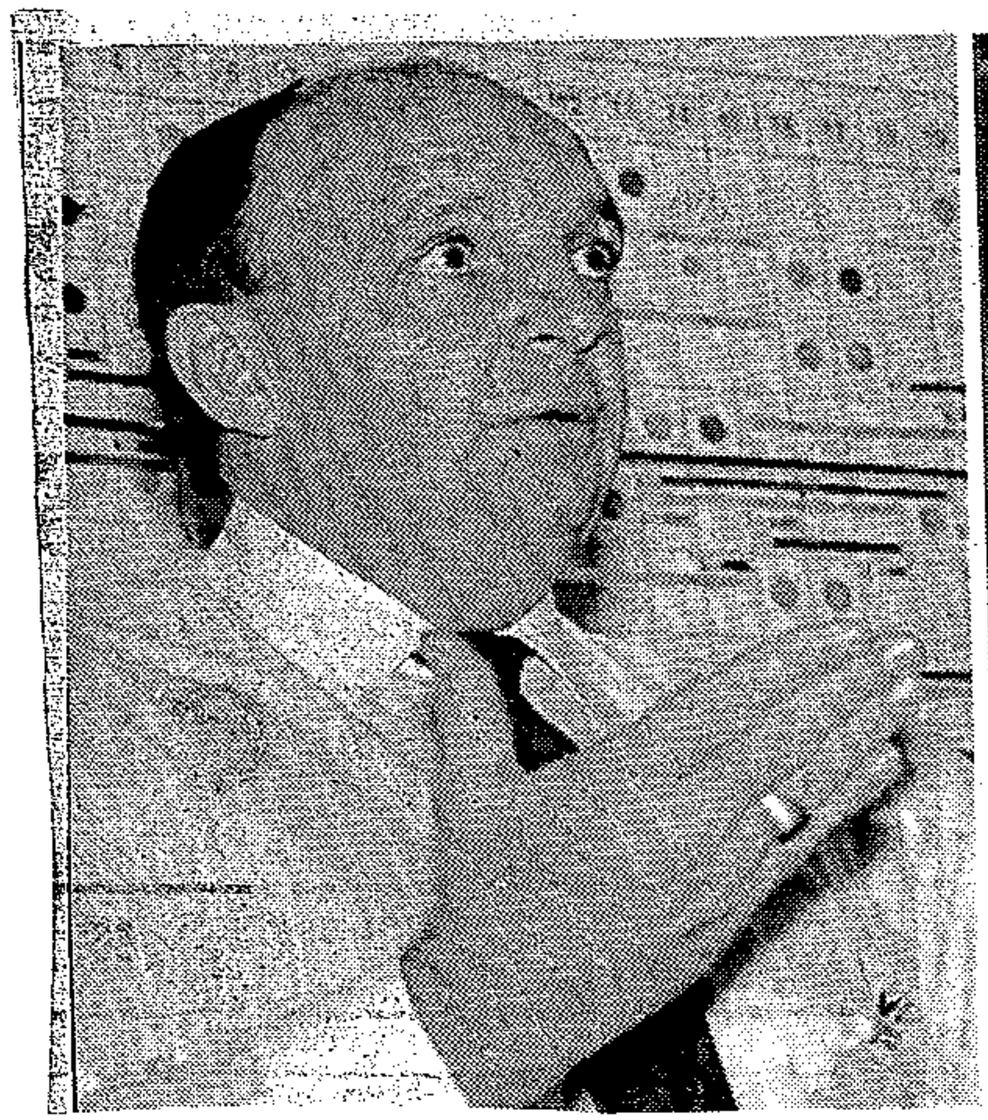
"Traditionally, Durban made money out of the lower-middle income group in the white market. The real transition is that it is now recognised as making its money largely from the lower-middle income group in the black market.

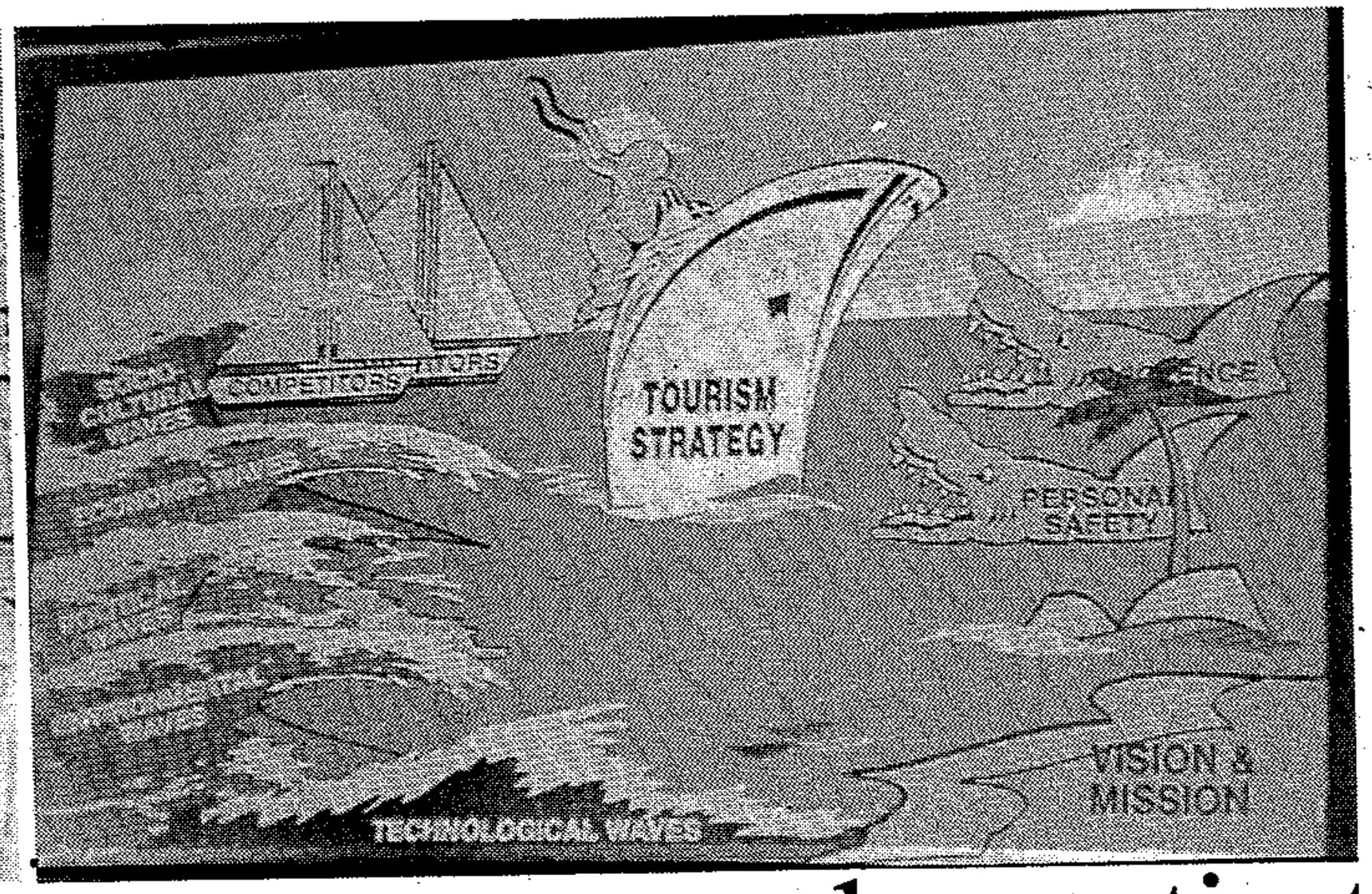
"The colour has certainly changed on the beaches, but they were a pleasant place to be this Christmas. For people who like a tropical atmosphere, and are ready for the reality of Africa, this is the place to be. As a mass market destination, Durban stands alone.

"The future augurs well for Durban. It has the busiest harbour in Africa, and it has further potential because the harbour has the capacity to be developed further, and because of the convenience as an access point to the Transvaal and Zimbabwe. If trade is the beginning of tourism, then Durban is well-positioned to become a gateway into southern Africa. At present, though, I think Johannesburg still holds that position."

Dodd also does not see Cape Town as real competition for the Transvaal market, since it is a "long-haul destination", while Durban is a few hours' drive from the Reef.

Captour's Lauren de Wet agrees: "Durban is a five-hour drive from Johannesburg. We can never get by that. But when people discover the Cape, they realise what they've been missing."





Satour chief director for tourism promotion Ernie Heath yesterday outlining the organisation's development strategy for the promotion of domestic tourism for the next three years. He said that the SA population as a whole could gain from an extended tourism industry in the country. It was important for people to understand the potential benefits offered by tourism so that SA would develop into a tourist-friendly, service orientated country with a character of hospitality. The promotion includes various awareness campaigns as well as a youth tourism club.
Picture: ROBERT BOTHA

Satour to promote domestic tourism

B/DAY 19/2/93. (288)

STEPHANE BOTHMA

SATOUR will spend millions of rands over the next three years to promote domestic tourism with an emphasis on the creation of a tourism culture among South Africans.

Announcing a development strategy in Johannesburg yesterday, Satour chief director for tourism promotion Ernie Heath said it was extremely important that the population understood the potential benefits offered by tourism, both in the form of economic and employment opportunities.

"Only if this is achieved will SA develop into a tourist-friendly, service-orientated country with a character of hospitality," Heath said.

With government's White Paper on Tourism, published last year, as background, Satour had compiled the three-year plan based on extensive research, he said.

He said entrepreneurship within the tourism industry would enjoy a high priority.

Domestic tourism still formed the backbone of the SA tourism industry despite the economic climate. About 60% of the country's income from tourism was generated by the domestic tourist, he said.

Marketing would also form an integral part of the three-year plan, with the concept of community-driven tourism fast establishing itself in various regions in the country.

Heath said a percentage of Satour's income from hotel levies would be returned to regional bodies for use in local tourism promotion once the new voluntary accommodation grading system was under way.

"It is, however, Satour's responsibility to advise against over-development. The positioning of certain regions as eco-destinations therefore enjoys a high priority," he said.

The White Paper on Tourism determined, among others things, that Satour be responsible for the management and co-ordination of information to the tourism industry.

In this regard, Heath said, Satour had undertaken a needs analysis.

Referring to foreign tourism to SA, Heath said the expected 18% growth for last year did not materialise. However, despite violence and the high crime rate, 12% more foreigners visited the country.

Sapa reports, meanwhile, that the first formal moves by the Indian government to promote tourism between India and SA have begun.

A delegation from India's Department of Tourism is on a visit to SA to promote tourism between the two countries.

Tourism director P Sivakami said the political climate in SA had facilitated the move. Direct flights from Durban to New Delhi should be finalised in about a month, she added.

Cape Town safe — Oliver

WILLEM STEENKAMP
Weekend Argus Reporter

ALTHOUGH the high-profile violence over the past few weeks has caused the number of tourists to Cape Town to dwindle, the Mother City is still a safe destination and should be marketed as such.

This is the message from Captour chief executive Mr Gordon Oliver, who expressed concern that negative publicity about violence was scaring away visitors.

"What must be remembered is that, since the march in the city centre, there have been only isolated instances of violence in specific areas. By and large, the Peninsula and outlying areas are safe.

"We have contacted South African embassies, consulates and Satour offices in overseas countries to ask them to spread the message that Cape Town is still a safe tourist destination."

However, Mr Oliver conceded that certain areas were no-go for tourists.

"For instance, sections of the N2 are obviously not safe to travel on. But there are many alternative routes out of the city to outlying destinations.

"Tourists are welcome to phone Captour at ☎ 418-5202 so we can help by telling them which areas are safe. It is important also that the people of Cape Town carry a positive message to tourists. The situation is largely back to normal," said Mr Oliver.

Anybody wanting to find out about safe routes or any proposed mass action can call the SAP internal stability unit on ☎461 2162 at weekends or ☎462 2860.

The Cape Town City Council provides a 24-hour information service on safe traffic routes: ☎400 3333/4/5; ☎400 2435; ☎400 2535 or ☎400 2635.

Sun International 'undeterred by rivals'

288
24/4/93

Business Editor

SUN International will continue to expand even if rival casinoes are allowed following the recommendations of the Howard Commission, Buddy Hawton, chairman elect of Safmarine and Rennies Holdings (Safren) said yesterday.

Pointing out that gambling operations attract South Africans rather than foreign tourists, Hawton said there were possibilities of "tourist-linked investment" in Cape Town and Johannesburg which would have no gaming facilities.

Feasibility studies had been carried out but no decision taken yet.

Hawton said Sun International's main operations in Southern Africa at Sun City, the Carousel and the Wild Coast Sun provided family entertainment, not gambling alone.

The group's recent investments had been made in the realisation that it could be faced with competition.

A national lottery would "not necessarily cut across existing levels of patronage of our facilities — certainly not in any meaningful way."

Unregulated casinoes hit Sun International's results last year.

But, Hawton said, the situation where competition came from licensed establishments would not be the same. However, "there will undoubtedly be an impact and we are essentially geared to minimise that impact as best we can."

He did not expect a lot of new developments to start immediately. Even if the present government accepted the recommendations of the Howard Commission it was not certain that their successors would do so.

"Obviously, we are unable to give a view on whether the proposals, if implemented in the short term, are what will remain intact in a future political dispensation."

He had been interested to learn that the granting of gaming licences in SA could be linked to eco-tourism "and relate to operations located in areas which, to a certain extent, will obviate or minimise competition with existing tourist-based developments which provide gaming."



Buddy Hawton

Fortes King secures bumper contract

288

CT 26/4/93

Business Editor

THE Fortes King Hospitality Group — which manages Breakwater Lodge, the hotel operation attached to the University of Cape Town Graduate School of Business on the Waterfront — has secured one of the biggest accommodation contracts in SA for this winter.

A deal worth more than 18 000 bednights has been made with the German company Gute Bucher fur Alle (Good Books for All), which operates the ship MV Doulos as a Christian service project and floating book exhibition.

The 6 670 tonne ship is due in Cape Town next month for an electrical re-fit expected to take six months. During this time most of the crew will stay at Breakwater Lodge, and the book exhibition will be transferred there.

The ship is manned by 300 volunteers, from 30 nations, and carries 450 tons of books on a wide range of subjects in a number of languages. They are not all on religious subjects, and are for sale.

Many of the crew will work on the Doulos to complete the refit with the help of volunteers from SA and abroad.

The ship has already visited 185 ports and hosted 6m visitors.

Kevin King of the Fortes King Hospitality Group said Breakwater Lodge had 600 beds.

"We shall have between 200 and 140 members of the Doulos crew staying here at a time — the number will fluctuate — so there will be plenty of room to accommodate other visitors.

"We are giving a nice hall, free of charge, to accommodate the book exhibition which will continue to be open to the public while it is here. It will probably open here about two weeks after the ship docks."

Ideal launching pad to region's scenic beauty

B/DAY 27/4/93 (484) (288)

PRETORIA is getting ready to grab its fair share of international and domestic tourism and believe it could position itself as the number one eco-tourism area in the country.

To achieve this, the council wants to establish a tourist culture whereby residents are made aware of the value of tourism to the entire country.

In addition, a new, integrated approach to tourism is planned, namely the incorporation of all sectors of indutry to be presented as an appetising mixed-grill on the tourist menu.

The first step towards achieving this goal was the formation this month of a tourism committee for the greater Pretoria — stretching from Brits in the west, to Bronkhorstspruit in the east, Midrand in the south and Warmbaths in the north. Representative of a wide variety of industries and services are represented on the committee.

Aimed solely at marketing the region as an all-inclusive tourist destination or a place worthwhile visiting en-route to any other southern Africa destination — with empahsis on eco-tourism — the committee will table suggestions before the end of May.

Pretoria marketing director Peet du Preez, who also chairs the committee, says the city is ideally placed as a launching pad to SA's scenic beauty.

It provides easy access by road and air to the Kruger National Park, Mabula Lodge, Mabalingwe, Mala Mala and Londolozi game reserves, private ranches in the eastern Lowveld and the Bushveld.

Also, Pretoria is linked to tourist attractions of the great African continent including the Victoria Falls and Lake Kariba in Zimbabwe, the Okovango Delta in Botswana, the Etosha Pan in Namibia, Malawi and the game reserves of Zambia and Kenya.

To introduce greater Pretoria in all its facets, a special guidebook is being compiled which captures the spirit of the city and recalls its history across cultural and geographical borders.

The city is safe and has a good reputation for value for money, particularly its hotels which, during the past few years, have enjoyed the higest occupancy rate of any city in SA.

Pretoria also claims to be a "complete conference city", with more than 20 top-class conference facilities in and around the city.

Moderate

To experience the people of Pretoria in all spheres, Alternative Tours takes visitors to surrounding black residential areas where they stay with a host family for a few days.

A great selling point is the area's moderate and pleasant climate, with sunny winters and long warm summer days.

Pretoria's already existing visitors accommodation will soonbe supplemented by a variety of new hotels, one of the biggest being a 500-room hotel to be developed as part of the recently completed Sammy Marks Square in the centre of Pretoria.

Situated amidst fertile valleys and ridges, Pretoria itself already offers a variety of ecological attractions in an around the city such as game farms, scenic water and mountain spots, nature conservation areas and hiking trails. For the specialist and interested layman there are unsurpassed geological, palaentological and archaelogical treasures to be traced.

Further developments will enhance the existing attractions and make it more accessible to visitors, Du Preez says.

Being a green city of parks and gardens, Pretoria hosts an astonishing number of exotic and indigenous flowering trees and shrubs and has become synonomous with the jacaranda.

To the north-west, the city is skirted by the ruggedly beautiful Magaliesberg range, offering rural landscape, numerous resorts, country restaurants and hotels.

Culturally, the city is a perfect blend of the old and the new, the indigenous and the cosmopolitan.

High import duty taking us for a ride, say coach operators

(288) ARG 28/4/93

JOSEPH ARANES, Staff Reporter

EXORBITANT import duty on luxury coaches is killing the road touring industry and driving away thousands of foreign visitors, say operators.

"The authorities allow special concessions for building and running hotels, but not nearly enough is said and done about the needs of coach tour operators," said Inter-Cape marketing director Mr John Robert.

Tourists should be encouraged to travel and see the country and if they travelled on the ground, more areas would benefit from their spending power, he said.

Tourists liked to be "exploited" properly as this made them realise their presence was valued.

"Exploitation in this sense of the word means giving value for money and enriching the tourists with our culture and history.

"However being a coach tour operator in South Africa, offering the luxury service demanded by foreign tourists, has become a nightmare.

"One only has to visit overseas countries to see what is really meant by luxury coach travel."

Although tour operators tried their best to provide a decent service, the standard and age of the average coach was such that agents abroad were hesitant to do business with South African operators.

The problem was aggravated by the government putting a 65 percent import duty on luxury coaches.

Springbok Atlas Safaris chief executive, Mr Riccardo Dell'Erba, said hidden costs made the duty closer to 80 percent.

"Who are they trying to protect? We have a bus building industry — they build buses, not luxury coaches.

"It is time to call a bus a bus and scrap the import tariff on goods we cannot produce locally.

Hylton Ross operations manager Mr Claus Tworeck said it would be cheaper to import a quality coach from Europe than buy a locally built one if the government scrapped import duty.

"We continuously receive complaints from overseas tourists about the state and quality of our coaches.

"Everybody is trying to get tourists to spend their money, but that will happen only if we provide them with a quality service — one they are exposed to in their own country.

"Our local coach builders, 90 percent of them anyway, produce a product which cannot match international requirements and is very expensive," said Mr Tworeck.

The problem was that local builders built the coach on top of a chassis and engine while overseas builders built it as one complete unit.

"It is also very difficult and expensive for the local industry to import the quality fittings and finishing materials required on a quality coach — so they settle for what they can find locally, but they are getting there," said Mr Tworeck.

Mr Willie van Zyl, national sales manager of Busaf, South Africa's largest coach building company, said anybody involved in manufacturing had problems, but coach builders bent over backwards to keep tourists and operators happy.

"The real problem is, because of their high operating costs, operators do not service their vehicles and on-board equipment regularly.

"All the components we use are imported from Europe and they do not have the same problems there . . . because they look after their coaches.

"The other problem is a lack of competition in the industry. Only eight individuals have permits to operate long hauls and are protected by the Road Transportation Board.

"We need to deregulate the industry — the government has been protecting them for too long," said Mr Van Zyl.

A star rating system, similar to the one used by the hotel industry, is being discussed by the builders and operators as the first step towards correcting the problem.

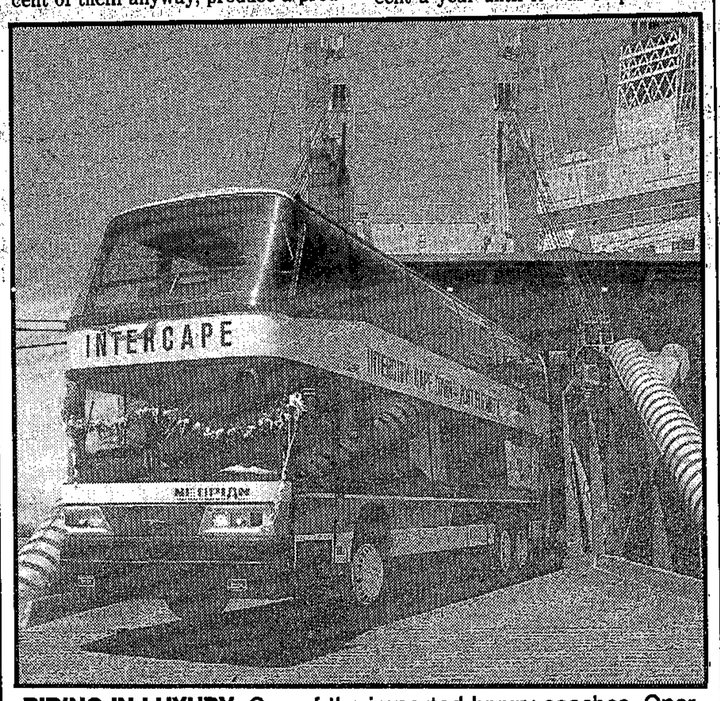
Builders also feel scrapping of import duty on coach components will allow them to assemble quality vehicles.

Mr Van Zyl said his company had the technology and experience to compete with the international market and had formed a partnership with a foreign company to assemble their coaches here.

A spokesman for the Department of Trade and Industry said the government had a responsibility to protect local industries.

"We must be very careful and consider all the factors. If you import goods, you make it impossible for the local industry to survive and so you create unemployment."

The spokesman said the import duty would be dropped by five percent a year until it was 50 percent.



RIDING IN LUXURY: One of the imported luxury coaches. Operators are being hit by exorbitant import duty.

Washington considers tapping pension funds for investment in SA

KELVIN BROWN

THE US government was examining the use of US pension and endowment funds to invest in bonds for housing, electrification and small business development in SA, US ambassador to SA Princeton Lyman said yesterday.

"We are examining, with both SA and American experts, the possibility of new financial instruments that will tap into yet another source of private investment capital, the pension and endowment funds in the US. Many of these funds were in the forefront of the sanctions and disinvestment movement," he said.

Speaking at the Seeff/Radio 702 Business breakfast, he also disclosed that his government was hoping to announce a new US investment in SA next month.

He said new sources of private investment from abroad and finance from multilateral institutions such as the World Bank and the African Development Bank could see about $2bn to $3bn in foreign assistance and investment coming into SA annually — if the local business community showed more of a commitment to SA.

"The private sector, which prides itself on analysing and taking risks, must now take some greater risks on behalf of growth and development," Lyman said.

He warned that foreign capital would not materialise if SA investment did not match, if not exceed, foreign investment.

The business community could not put the whole burden on the politicians. "The politicians of this country, such as those in the ANC, have already gone a long way to assure the business community about future economic policy."

The private sector in SA needed to demonstrate that the faith parties had in the private sector was not misplaced. "We look to the politicians to take risks in a political settlement, but we are asked to understand the businessmen and women's unwillingness to do so."

Everyone in SA was being asked to take risks, Lyman said.

"The liberation movements are being asked to risk their credibility with their constituents by agreeing to coalition government and dependence on the private sector from which they have been traditionally excluded."

The vast majority were being asked to risk their dreams of better education, housing, jobs and basic health services on a long-term programme of growth rather than radical redistribution.

However, Lyman also criticised the ANC for not calling for an end to sanctions. "If sanctions were only removed when there was a newly elected government, it would take two years before this assistance could be utilised."

There was a lead time of 18 months to two years between the beginning of project development and implementation.

HOUSE OF DELEGATES

QUESTIONS

†Indicates translated version.

For oral reply:

General Affairs:

Fraudulent claims by film makers

*1. Mr M RAJAB asked the Minister of Law and Order:

(1) Whether the South African Police have received a complaint from the Department of Home Affairs relating to alleged fraudulent claims made by film makers; if so, (a) when and (b) what was the nature of the complaint;

(2) whether the Police are investigating this complaint; if not, why not; if so, what are the relevant details;

(3) whether he will make a statement on the matter? D175E

The DEPUTY MINISTER OF LAW AND ORDER:

(1) Yes.

(a) 15 February 1990.

(b) Fraud.

(2) Yes, the complaint arose as a result of the alleged submission of false box office returns which resulted in subsidy payments to various film producers.

(3) No.

Mr A RAJBANSI: Mr Chairman, arising out of the hon the Deputy Minister's reply, is he, firstly, able to confirm that valuable documents relating to this fraud appear to be missing from a State department and, secondly, whether the Auditor-General submitted a report concerning an individual in the SA Communication Service who apparently was promoted to a position in the House of Delegates?

The DEPUTY MINISTER: Mr Chairman, this matter is being investigated by the Office for Serious Economic Offences in conjunction with the Economic Crimes Unit of the SA Police, and is subject to secrecy in terms of section 7 of the relevant Act. All I am prepared to say at this stage is that the investigation has reached an advanced stage and that we hope to see the results thereof soon.

Liquor stores: Sunday trading

*2. Mr A RAJBANSI asked the Minister of Trade and Industry:

Whether he intends allowing liquor stores to open for business on Sundays; if not, why not; if so, what are the relevant details? D180E

The DEPUTY MINISTER OF TRADE AND INDUSTRY:

The Liquor Amendment Bill, 1993 [B27–93 (GA)] has been considered by the Joint Committee on Trade and Industry. In respect of liquor stores, the Bill provides for the sale of liquor on the following days and during the following hours:

Mondays to Fridays	08:00 to 20:00
Saturdays	08:00 to 17:00
Public holidays	08:00 to 20:00 (excluding Good Friday, Ascension Day, Day of the Vow and Christmas Day).

No representation by the holders of liquor store licences for the sale of liquor on Sundays have been received.

Mr A RAJBANSI: Mr Chairman, arising out of the hon the Deputy Minister's reply, in view of the fact that in certain large towns all shops except liquor stores are open and that we are experiencing a shebeen menace, which thrives on Sundays, would the hon the Deputy Minister be prepared to consider reasonable representations from liquor outlets in respect of opening on Sundays, which have now become normal shopping days?

The DEPUTY MINISTER: Mr Chairman, the joint committee has requested that my Department review the Liquor Act *in toto* and present new legislation next year. This is certainly a matter which will be under consideration.

Mr A RAJBANSI: Since the hon the Deputy Minister is a reasonable man, we will leave it in his hands, provided he gives us more grapes.

Own Affairs:

Retirement of two principals

*1. Mr K PANDAY asked the Minister of Education and Culture:

(1) Whether two principals, whose names have been furnished to the Minister's Department for the purpose of her reply, retired recently; if so, when in each case;

(2) whether any persons were appointed in their stead to succeed them as principals at their respective schools; if not, why not; if so, with effect from what date did each assume office;

(3) whether these retired principals stayed on at their schools after their date of retirement; if so, (a) for how long, (b) on whose authority and (c) why? D157E

The MINISTER OF EDUCATION AND CULTURE:

(1) Yes.

The principals concerned retired with effect from 1 February 1993.

(2) Yes.

The principals appointed at the respective schools assumed office on 11 January 1993.

(3) No.

(a), (b) and (c) fall away.

Mr A RAJBANSI: Mr Chairman, arising out of the hon the Minister's reply, is it not correct, firstly, that one of the reasons for early retirement is to reduce the number of educators in our establishment and, secondly, that applications for early retirement on the grounds of ill health have been made by people who feel they are burnt out? Will the hon the Minister confirm that these are the two main reasons for early retirement, besides the Department's retiring people on the grounds of efficiency, misconduct, etc?

The MINISTER: Mr Chairman, those are two separate questions which do not arise out of my reply.

Housing Development Board: involvement in agreement

*2. Mr A RAJBANSI asked the Minister of Housing:

(1) Whether the Housing Development Board was involved in the signing of a purchase and sale agreement relating to the sale of a building containing a shop and flat occupied by a certain tenant, whose name has been furnished to the Minister's Department for the purpose of his reply, while the said tenant was contesting a quit notice; if not, what is the position in this regard; if so, (a) to whom was the building sold, (b) (i) on whose advice and (ii) in terms of what statutory and/or other provisions did the Board act in this regard and (c) what is the name of the tenant in question;

(2) whether he will make a statement on the matter? D159E

The MINISTER OF HOUSING:

(1) No.—The Housing Development Board entered into a sales agreement with Mr Bhana on 28 January 1992. The quit notice was only launched by Mr Ramburan on 29 April 1992.

(a) Falls away.

(b) (i) Falls away.

(ii) Falls away.

(c) Mr R Ramburan.

(2) No.

Mr A RAJBANSI: Mr Chairman, arising out of . . .

The CHAIRMAN OF THE HOUSE: Order! I wish to point out to the hon member that he may not ask further questions. However, the hon member may ask questions arising out of the reply. I wish to put that in perspective for the hon member.

Mr A RAJBANSI: Mr Chairman, arising out of the hon the Minister's reply, is it not correct that while this particular tenant was fighting a notice to quit, a submission was rushed to the Housing Development Board in which he requested permission to sell his shop to his neighbour?

Mr Afrikaner's brother-in-law,

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Peninsula hotels up income

CT 28/4/93 (288)

Staff Reporter

HOTEL income in the Peninsula rose last month, but fell overall in the country by 1,3% compared with February 1992, a survey by the Central Statistical Service (CSS) has found.

Hotel room and bed occupancy figures declined by 5,8% and 5,2% overall.

According to the CSS report the results of the sample survey were raised to represent the total of all registered hotels — per star grading and tourism region — and hotels operating mainly on a timeshare basis were excluded.

The CSS said this was the first year-on-year decrease in hotel income since the implementation of the sample survey in April 1987.

The Cape Peninsula recorded a 2,3% increase in hotel income.

Other regions to show an increase were the Eastern Transvaal (7,3%), Durban and Umhlanga (3,2%).

NEWS Goverment steps down after talks ● Knocking sense into Government's head

May 26 is D-day for schools occupation

Sowetan 29/4/93.

■ 'On that day white education will be brought to a halt':

WHITE schools, including colleges of education and universities, will be targeted for mass occupation on May 26 to force the Government to address the crisis in black education, the southern Transvaal region of the National Education Co-ordinating Committee warned yesterday.

NECC regional secretary Amon Msane said all white institutions which still upheld the status quo would be disrupted in a campaign tot "knock sense into the Government's head".

"On that day white education will be brought to a halt," Msane warned.

He added, however, that white schools that were committed to the struggle for integration in education would not be affected.

Msane said a short list of schools to be targeted was still being drawn up and the names of those institutions would only be disclosed when the campaign was launched.

The NECC is demanding an end to the unilateral restructuring of education, the establishment of a national negotiating forum on education and the scrapping of matric examination fees.

Msane said previous meetings with the Minister of National Education, Mr Piet Marais, and the Minister of Education and Training, Mr Sam de Beer, had failed to produce the required results.

"The Government has been negative to all our attempts to negotiate these issues. All our meetings have ended in a deadlock and so we have to unlock the jams through mass action," Msane said.

He said various zones and branches of the NECC would co-ordinate marches to targeted white schools.

Sorghum beer will still flow freely

Sowetan 29/4/93.

288

By Joshua Raboroko

■ LICENSING PERMITS Proposals to put the industry under the Liquor Act dropped:

THE GOVERNMENT has dropped proposals to bring the sorghum beer industry under the Liquor Act after an urgent meeting with the black-owned National Sorghum Breweries in Cape Town this week.

The decision was taken after "cordial and friendly deliberations on technical, cultural, legal and principal issues", the Deputy Minister of Trade and Industry, Mr David Graaff, announced yesterday.

In a statement the Minister said certain amendments to the Liquor Amendment Bill concerning the sorghum beer industry had been proposed by the parliamentary joint committee on trade and industry.

After consultation with NSB's chief executive, Mr Mohale Mahanyele, it was "agreed that the Minister would request Parliament to withdraw the amendments in the Liquor Amendment Bill pertaining to the sorghum beer industry".

NSB executive director Mr Israel Skosana yesterday said they were delighted with the decision. Black business had expressed its anger and frustration, he said.

The company together with black business — especially the informal sector — had threatened to defy proposals that sorghum beer be placed under the Liquor Act.

Sources said the move would have taken black business to the "prohibition days" of the 1950s when blacks were not allowed to buy or drink "white" liquor except by express permission.

The proposal also meant that 500 000 informal sellers would have to face unfamiliar legal processes and high capital outlays to obtain licences.

:RTY

Waterfront agreement

BDM 21/4/93.

Own Correspondent

CAPE TOWN — An agreement between the Cape Town City Council and Devland should enable development of the ICS/Power Station site on the Foreshore to go ahead after years of negotiations.

The two parties, both land owners in the vicinity, failed to agree for months on a scheme to share out the bulk development rights between the council site and the Devland site, to ensure whatever was built there was lower than skyscraper height.

In terms of the agreement, there will be a land swap between the council and Devland.

Land parcels belonging to both parties will then be rezoned as "subdivisional areas", if no one objects successfully. This will be an interim rezoning.

There is no blueprint of what is to be built, but planners would like to see included a hotel; a water-bus harbour; a light rail system; a convention centre with apartments; and a retail and entertainment office.

Business Day recently reported that German billionaire industrialist Dieter Bock was to finance the R200m development.

R10m beach flats going up

(288) PETER GALLI (824)

CAPE Town's west coast is to get a R10m flat-block development on Bloubergrant beach. BTOday 21/4/93.

The development, which will be known as Spectrum, will consist of 27 flats. Their three luxury penthouses and another unit have already been sold by Pam Golding Properties.

The development will include six two-bedroomed units and 18 three-bedroomed flats for between R395 000 and R515 000. All will have sea vistas and a view of Table Mountain.

Pam Golding agent Stephanie Wynne Cole says local investors — including a number of MPs — have shown interest in the development.

Lock-up underground garages will be available and access will be controlled by video camera.

Protea fishing for more Indian Ocean island acquisitions

By ARI JACOBSON CT 20/4/93

PROTEA Hotels is set to expand its sphere of influence in the Indian Ocean, with the four hotels it already owns on Mauritius the starting point for further acquisitions, according to Protea's regional GM Andre Steyn.

Steyn says that Protea's strategy in the region includes purchases on the islands of Reunion, Madagascar, the Comores and Seychelles.

Steyn, interviewed at his headquarters at Protea's Moonlight Bay Hotel in the south east of Mauritius, says that he is looking to capture an additional two hotels on this island in the short term and by 1994 hopes to have nine Protea-managed hotels in Mauritius. (288)

For Steyn, Protea's involvement in Mauritius is a sensible progression "considering its excellent economic record over the last decade".

A country that in the early 1980's suffered from much the same problems now plaguing SA — political instability, unemployment and the lack of foreign investment — Mauritius now boasts the sort of stability that has brought in overseas investment at a steady pace.

Mauritius's gameplan for success started with political stability, which encouraged foreign investment at a time when sophisticated machinery was required to bolster its textile and sugar cane industries and a cash boost needed to rejuvenate a flagging tourism sector.

Capital injections in all these predominantly labour intensive industries had the necessary spin-offs in terms of employment and the country can now claim to provide jobs for virtually all its inhabitants. In addition foreign interest has grown in line with solid investment returns.

Birth control programmes have lowered the population growth of the 1,2-million islanders to about 1% a year — an impressive figure against an economic growth rate touching on double figures.

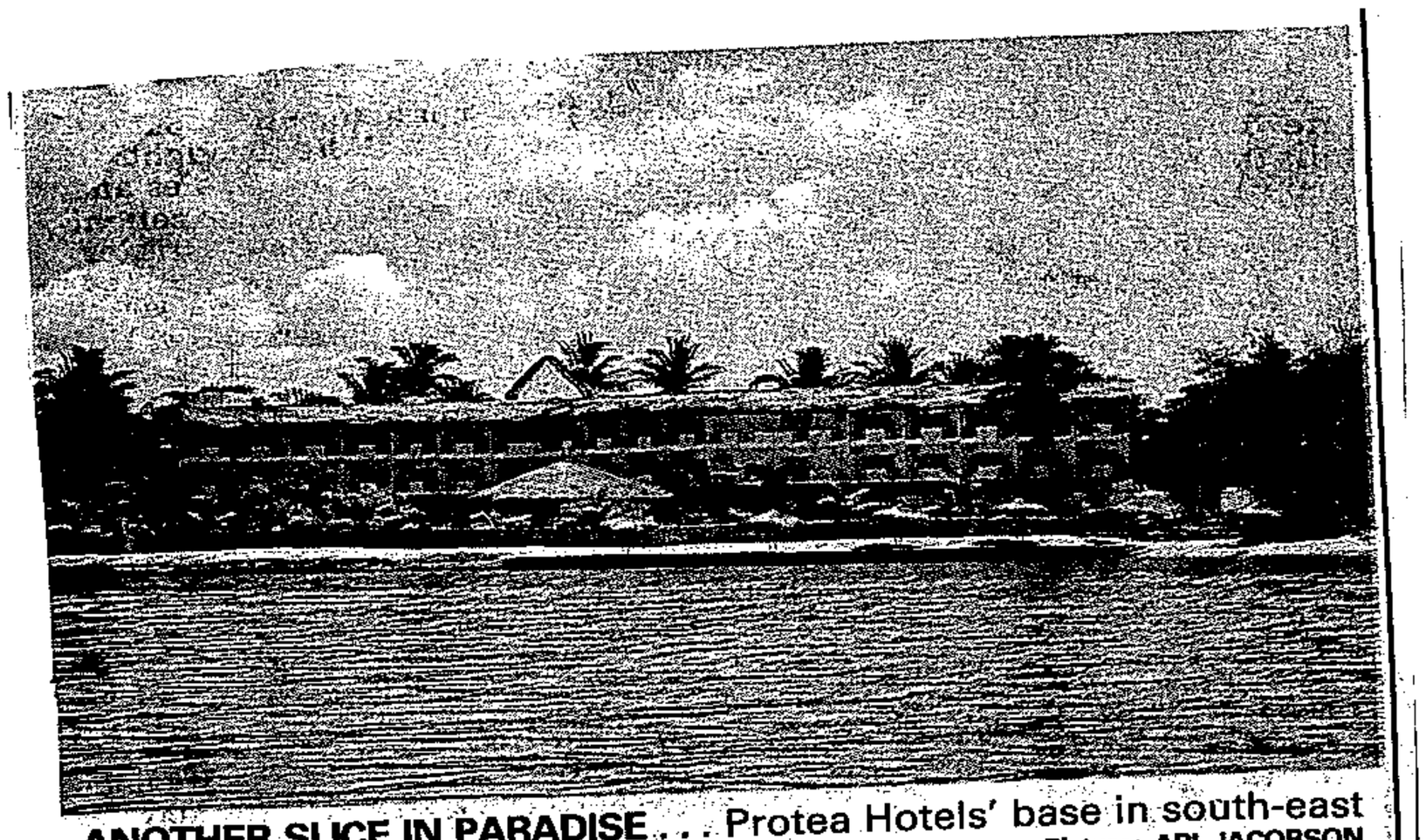
Steyn points out that select positioning has been the key to Protea's involvement on the island and so Moonlight Bay Hotel, near to the dream getaway of Ile aux Cerfs, became an immediate choice two years ago.

The potential with which Protea viewed the region saw the appointment of Steyn soon thereafter as the regional GM.

Next to join Protea's ranks was Villas Pointe aux Biches Hotel close to the upmarket entertainment area Grand Baie in northern Mauritius.

Down on the west coast, in an area considered as blue marlin country, came two further additions in Centre de Peche resort (the centre of fishing) and La Pearle Beach Hotel.

● Air Mauritius has doubled its service to SA "because of steady demand," the airline's Natal representative, Sundru Pillay, said yesterday. It now offers two flights a week between Durban and Mauritius, on Tuesdays and Fridays.



ANOTHER SLICE IN PARADISE . . . Protea Hotels' base in south-east Mauritius — the Moonlight Bay Hotel. Picture: ARI JACOBSON

Figures show hotel industry's distress

GERALD REILLY

PRETORIA — The distress in the hotel industry is clearly shown by figures released at the weekend by the Central Statistical Service (CSS).

The statistics for February showed room occupancies had continued to decline. Budget or one-star establishments were the hardest hit.

The CSS said February also showed the first year-on-year drop in hotels' income since 1987.

The average room rate for February was down by 5,8% and bed occupancy by 5,2% compared with February last year. One-star hotels' room occupancy was down by 20,9%.

Four-star hotels had the highest occupancy rate at 70,4%. One-star establishments had an occupancy of only 30,5%.

Eleven of the 21 tourist regions recorded decreases in room occupancies and 12 decreases in bed occupancies.

The largest decreases in room and bed occupancy rates were on the Witwatersrand and in the Vaal Triangle — 35% and 30% respectively.

Sun group downgrades hotels

Own Correspondent

JOHANNESBURG. — 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.

(88) OCT 9/4/93

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

Cape Town hotels to be affected are the St George and De Waal Sun and the Inn on the Square.

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

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.

Mr 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, he said.

Jobs to be lost in hotel downgrading

B/DAY 19/4/93

PETER GALLI (288)

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.

(289)

"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

B/DAY 19/4/93

(286)

☐ From Page 1

(289)

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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

Tourists fly home after T'kei attacks

Own Correspondent CT 19/4/93

DURBAN. — At least nine Natal holidaymakers have been airlifted from Transkei resorts in aircraft chartered by relatives, after attacks on whites on the homeland's roads last week.

A Margate airport official said there had been increased traffic from the homeland since the attacks.

He said six people were flown across the border from coastal resorts on Saturday and a further three yesterday.

A spokesman for the South African embassy in Transkei, Mr Chris Thirion, said he was aware of the flights for holidaymakers but they were "most likely private arrangements".

"Nothing has been arranged through government channels that I'm aware of," he said.

the natio

Tourists airlifted

AT LEAST two aircraft were sent from Natal to Transkei at the weekend to fetch holidaymakers from beach resorts following a spate of attacks on tourists.

Several holidaymakers have been shot, molested and robbed in the homeland recently. In one case, a private aircraft was sent to bring a whole family home, while a second aircraft was sent to fetch holidaymakers from a top resort.

Grand Roche flourishes in recession

S/Times [Cape metro]
By JEREMY WOODS
18/4/93

AT a time when many Western Cape hotels are struggling to survive at the bottom of the recession, the exclusive R18-million Grande Roche Hotel in Paarl has swung into profitability just 14 months after it opened for business.

With many tourists to the Cape now safely home, occupancy figures for the current month at Grande Roche are running at a surprising 75 percent.

Not only has this luxurious hotel, set above the town of Paarl with magical views of the surrounding mountains and winelands, been an early financial success — the hotel's Bosman's restaurant was voted top de luxe restaurant in South Africa in the Nedbank American Express and Style Magazine annual restaurant awards.

And in true Grande Roche style, Bosman's restaurant, in its first full year of operation, scored the highest marks ever awarded in the history of the competition for "a combination of food and sauces that make Grande Roche an exceptional place in Southern Africa".

But who in their right mind would spend R18-million on buying and refurbishing a dilapidated grape farm, 40 minutes drive from Cape Town, when most of the country's top hotels are pleading poverty and struggling to survive?

"The inspiration and vision behind the creation of Grande Roche came from its owner, Hans Allgaier, a German industrialist," says Grande Roche general manager, Horst Frehse, who came to Grande Roche two years ago as the old Cape Dutch buildings of the wine estate were being converted.

The seed of Grande Roche, explains Mr Frehse, was planted when a friend of Mr Allgaier in the South of France suggested he buy a wine farm with a view to selling South African wines in France and the rest of Europe.

Mr Allgaier, a frequent visitor to South Africa, made inquiries that led him to the door of Wesgro, the Western Cape growth organisation, and its chief executive, Dr David Bridgman.

"Grande Roche is an excellant example of how foreign investors can come to the Cape, get good independent advice and introductions in the particular area of interest, and make investments that reap rewards," said Dr Bridgman.

In the case of Grande Roche, he says, not only did Mr Allgaier find what he was looking for but local residents benefited by having an historic wine estate refurbished for their use.

"We put Mr Allgaier in touch with the property department of Boland Bank who specialise in the sort of property he was looking for, and after looking at about 10 properties he came back to buy De Nieuwe Plantatie, now Grande Roche, the property he looked at first."

Having found his dream, Mr Allgaier then had to find someone to run it. And that someone was Horst Frehse.

"As luck would have it, I had just won the title of hotel general manager of the year which received a lot of publicity.

"Soon afterwards, I received a call from Mr Allgaier asking me to fly down to the Cape and look at a new project he was developing," said Mr Frehse.

"We met, he showed me his plans for this wonderful estate, and we shook hands on a deal under the oak trees," remembers Mr Frehse.

That was two years ago.

Now the splendid old manor house and other buildings of De Nieuwe Plantatie have been lovingly and lavishly restored to create the splendour of Grande Roche. (288)

The hotel, surrounded by its own vineyards, now boasts 29 suites which are the last word in luxury, while the stunning Cape Dutch manor house contains Bosman's restaurant, a long elegant lounge and fireplace and the hotel's modern kitchens.

For small intimate weddings, Grande Roche has its own chapel and private dining room while the hotel's cellar contains over 350 different varieties of wine, worth some R250 000 — some of it bought at the recent Nederburg Auction — maturing in its cellars.

A particular attraction for local business is the new conference and banqueting complex which has proved popular for strategy meetings for top management, while an amphitheatre for 350 people has been used to launch a number of new car models in the Western Cape.

Although style and luxury abound at Grande Roche, the hotel tries to encourage an informal atmosphere.

"We like people to be relaxed here and enjoy the rather special surroundings," says Mr Frehse.

"I suppose you could say we are jacket and tie — without the jacket and tie."



PRIZE MANAGER . . . Horst Frehse, GM of Grande Roche, proudly presents his hotel's accolades for its good food and wine Picture: TERRY SHEAN

NEW WEALTH: *Game reserves promise to create employment on land that broke farmers' hearts and pockets, luring a new species of tourist — the ecotourist*

Havens bloom in veld

Star 17/4/93

'H the latest game :rve proclamations, ·ly a fifth of the ·svaal is now under e form of wildife agement. Some eve the province is ya's biggest rival in race to become ica's most exciting tination, writes 'IES CLARKE.

FOUR very different game reserves, covering more than 80 000 ha and promising new wealth and jobs in rural s, have been proclaimed.

·ey will boost South Afribid to become the world's ecotourist attraction.

astern Transvaal towns ı as Hazyview and Hoedit are experiencing new lth as ecotourism stabilises Transvaal's wild places in a y conservationists had not amt possible.

'he proclamation of more ional parks and game reves is helping some areas oduce wealth for the first e. Marginal farmland which ke the hearts and pockets of mers now has a chance of coming profitable — as wildreserves.

The trend is turning the ansvaal into Kenya's biggest val in the quest for ecorists, a species quite differ from traditional sightseeing rists. The latter are more inested in urban cultures and seeing the countryside from comfort of a five-star bus. otourists want to experience outdoors in a more physical y.

They like action holidays inlving walking and camping wilderness areas — preferain big game country. They for whitewater rafting, canng the Orange or Zambezi, rseback trails, elephant-back aris, hunting, fishing, snorkng, skindiving, birdwatching l nature photography.

A German source says most the 80 000 German tourists o visit South Africa annually k outdoor experiences.

Worldwide, the search for ex- beaches is losing its allure. e damaged ozone layer and rnings of skin cancer have many in the northern hemiere off sunbathing.

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SOUTH Africans might be the most ardent ecorists in the world. Wilder- trails, coastal trails and ils in Kruger Park are ked out a year ahead. You ly and your name goes into t. It's the same for trails in al. It is the nearest South ca gets to a state lottery.

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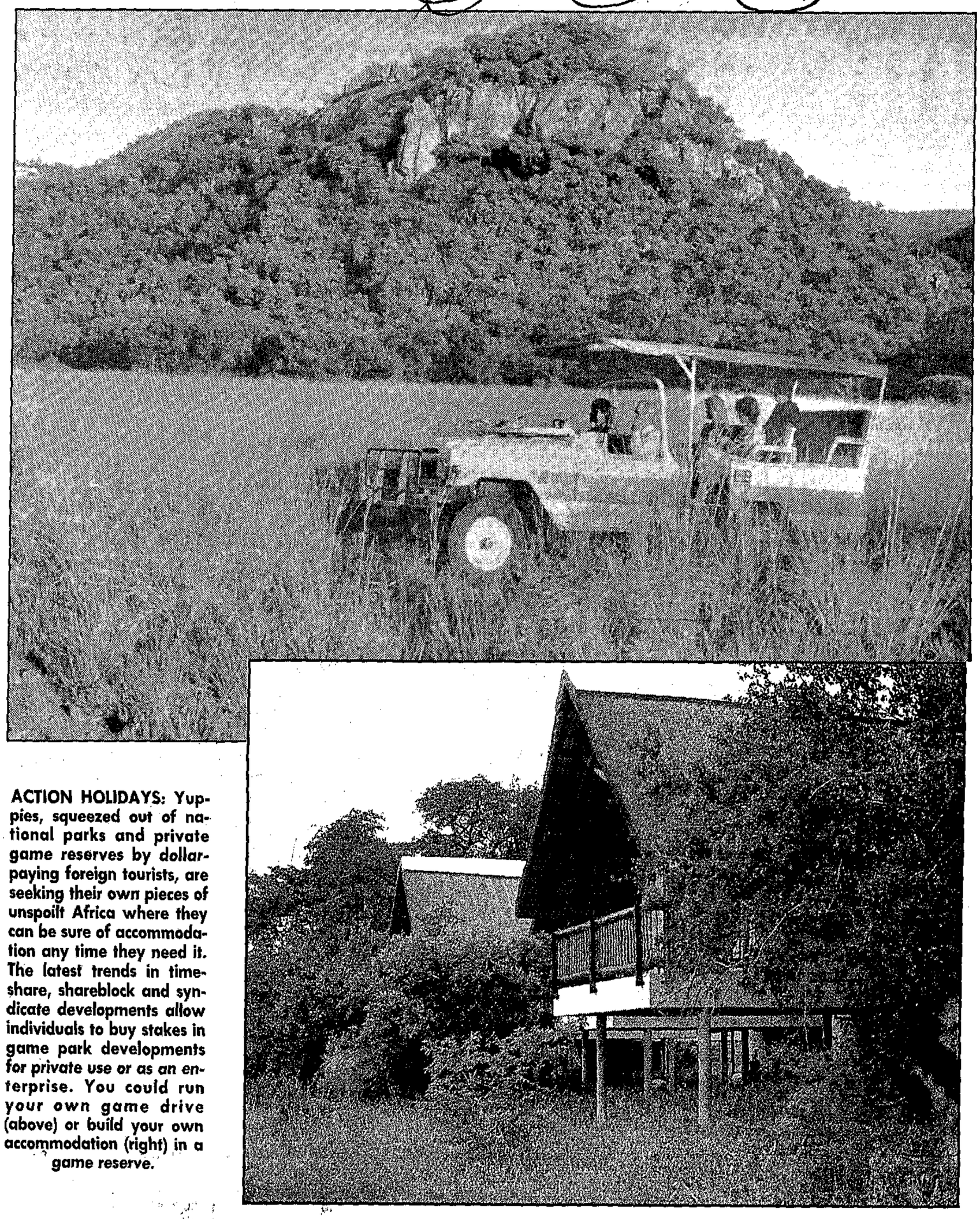

ACTION HOLIDAYS: Yuppies, squeezed out of national parks and private game reserves by dollar-paying foreign tourists, are seeking their own pieces of unspoilt Africa where they can be sure of accommodation any time they need it. The latest trends in timeshare, shareblock and syndicate developments allow individuals to buy stakes in game park developments for private use or as an enterprise. You could run your own game drive (above) or build your own accommodation (right) in a game reserve.

has led to a trend among yuppies to seek their own piece of unspoilt Africa where they can be sure of accommodation any time they need it.

Yuppies are now more likely to aspire to a smaller home in the suburbs and go for timeshare or a shareblock in the great outdoors. The trend has sparked several kinds of game reserve development:

1. New kinds of national parks, open to all at prices affordable to the working person, especially if he likes a camping holiday. Last month the National Parks Board announced details of its newest national park — the 45 000 ha Kransberg National Park in the heart of the Waterberg, in the near northern Transvaal. Board secretary Herman Botha said the reserve could be quadrupled in size by setting up "contractual national parks" on abutting private

tion is inexpensive. Recently the Transvaal Provincial Administration described a new role: its scientists and administrators were facilitating the ecological merger of private reserves with adjacent public reserves.

4. Private reserves offering timeshare.

5. Private reserves offering shareblock schemes. The newest, Makalali, is about to be launched in the eastern Transvaal bushveld 40 km from the Strijdom tunnel. It is offering easy ways for people to build their own family lodges in "big five country".

6. Private reserves offering freehold portions. These freehold properties are within associations of neighbouring landowners who are dedicated to the same wildlife goals. Welgevonden — a huge region in the Waterberg abutting Kransberg National Park — is one

The new R20 million Kruger Park Lodge there epitomises the trendy timeshare complex. On the banks of the Lower Sabie, 20 minutes from Kruger Gate, it was recently taken over by Stocks & Stocks, which developed Bakubung and Kwa-Maritane — two highly successful timeshare luxury lodges on the perimeter of the Pilanesberg National Park.

Peter Foaden of Stocks & Stocks says R12,5 million has been committed to relaunch Kruger Park Lodge as a new kind of ecotourist development.

Its village of thatched cottages, strung out along the deeply forested banks of the Lower Sabie, boasts an 18-hole golf course. A luxury four-bedroomed lodge costs R750 000, but some are much cheaper, and one can book a week per year on a long lease for just more than R13 000.

It is already having to consider culling surplus buck. This underlines an interesting spin-off from these reserves — meat. That not used in the members' restaurant or clubhouse will go to locals, who are also benefiting through jobs and contracts for thatching grass, wood, fuel and other commodities.

Ecotourism is the fastest-growing sector in the lowveld. The beauty of it is that the reserves are utilising land where there has never been much work; marginal land where farming has failed.

Makalali, a 6 000 ha reserve near Mica, is designating 150 unfenced sites where private accommodation may be built according to prescribed design.

Developer John Penny of Sandton believes Makalali has the most spectacular viewsites in the lowveld — great Pierneef-like landscapes of bush-

same, but owners can build in affordable stages.

The reserve, which can expand to 20 000 ha by pulling down the fences around it, is to reintroduce the big five. Provincial experts advise that Makalali's 6 000 ha, with its big tree ecology, can accommodate 16 elephants. Settled land separates the complex from the Kruger Park/Timbavati/Klaserie/Sabi-Sand block, but a link-up might well be possible in the long term.

South Africa's newest major public reserve — the 46 000 ha Kransberg National Park — plans to reintroduce the big five, as does the adjacent 25 000 ha private Welgevonden, 2½ hours from Johannesburg.

Welgevonden can accommodate up to 60 elephants and Kransberg more than 100. Culling could be done by fee-paying hunters inside the private area (national parks do not allow hunting). The well-wooded hills and valleys, mostly sourveld, are hostile to cattle and largely uninhabited by humans.

When the 22 km fence separating Welgevonden from the national park comes down, it will create a contiguous zone larger than Mauritius.

Welgevonden developer Pienkes du Plessis is offering, freehold, 51 unfenced sites of 500 ha each on which each owner can build a 10-bed lodge either for personal use or to run for paying guests.

EACH owner may have a single 10-passenger vehicle and can hunt according to the game policy established by the regional wildlife authority.

The cost of each site is R1 050 000 — and that doesn't include building.

Du Plessis says owners will have the opportunity to own a big five game farm, freehold, without the responsibilities of running it.

Sales director Trevor Jordan says Welgevonden is planning the biggest private wild animal translocation exercise in history. A complete herd of elephant is to be drug-darted and moved to the area, where it will be kept in a semi-tranquillised state until it is habituated to the Waterberg. The area already has animals worth about R3,5 million, with another R5 million worth to come.

The project, underwritten by Rand Merchant Bank, will be launched as soon as the first 16 buyers are signed up. So far eight have signed.

Levies? Jordan, who developed Ntsiri and other successful shareblock reserves, says: "We intend to ameliorate running costs by running a five-star lodge aimed at foreign tourists and allowing hunting. We anticipate that 95 percent of members will not want to exercise their right to hunt. But we will still be forced to cull."

Lampies Lambrecht, deputy head of the Transvaal Nature Conservation Division, says that, not counting Kruger Park's 1,9 million hectares, the Transvaal has 3,1 million hect-

tourists, a species quite different from traditional sightseeing tourists. The latter are more interested in urban cultures and in seeing the countryside from the comfort of a five-star bus. Ecotourists want to experience the outdoors in a more physical way.

They like action holidays involving walking and camping in wilderness areas — preferably in big game country. They go for whitewater rafting, canoeing the Orange or Zambezi, horseback trails, elephant-back safaris, hunting, fishing, snorkelling, skindiving, birdwatching and nature photography.

A German source says most of the 80 000 German tourists who visit South Africa annually seek outdoor experiences.

Worldwide, the search for exotic beaches is losing its allure. The damaged ozone layer and warnings of skin cancer have put many in the northern hemisphere off sunbathing.

South Africans are spending nearly as much as foreign ecotourists — almost R2 billion a year — exploring their own country.

pies, squeezed out of national parks and private game reserves by dollar-paying foreign tourists, are seeking their own pieces of unspoilt Africa where they can be sure of accommodation any time they need it. The latest trends in timeshare, shareblock and syndicate developments allow individuals to buy stakes in game park developments for private use or as an enterprise. You could run your own game drive (above) or build your own accommodation (right) in a game reserve.



SOUTH Africans might just be the most ardent ecotourists in the world. Wilderness trails, coastal trails and trails in Kruger Park are booked out a year ahead. You apply and your name goes into a hat. It's the same for trails in Natal. It is the nearest South Africa gets to a state lottery.

And because of the violence and foreign tourists' resultant nervousness, South Africans are getting a chance to buy their own private family lodges in the bush at — in some cases — bargain prices.

As national parks reach saturation point in terms of the amount of accommodation they can offer and private game reserves pitch their tariffs at tourists paying in dollars, Deutschmarks and sterling, middle to upper-income South Africans feel squeezed out. This has led to a trend among yuppies to seek their own piece of unspoilt Africa where they can be sure of accommodation any time they need it.

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2. Timeshare in national parks and reserves. Firms or private individuals can build small private camps or own cottages in Kruger Park for as little as R45 000 — but the accommodation must be available to the public for 10 months of the year.

3. Resort-type Province-run game reserves. Accommodation is inexpensive. Recently the Transvaal Provincial Administration described a new role: its scientists and administrators were facilitating the ecological merger of private reserves with adjacent public reserves.

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The trend is bringing a more even spread of development. In the Transvaal bushveld it is creating new jobs, and in some areas, a boom.

Take Hazyview. Roads, which a year ago were lowveld tracks bordered by acacias, are now surfaced.

The new R20 million Kruger Park Lodge there epitomises the trendy timeshare complex. On the banks of the Lower Sabie, 20 minutes from Kruger Gate, it was recently taken over by Stocks & Stocks, which developed Bakubung and Kwa-Maritane — two highly successful timeshare luxury lodges on the perimeter of the Pilanesberg National Park.

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THE lodge uses its proximity to Kruger Park as one of its attractions. It caters for families who like birdwatching and walking (even whitewater rafting), and although it embraces almost 200 ha it does not intend bringing in dangerous game.

It is already having to consider culling surplus buck. This underlines an interesting spin-off from these reserves — meat. That not used in the members' restaurant or clubhouse will go to locals, who are also benefiting through jobs and contracts for thatching grass, wood, fuel and other commodities.

Ecotourism is the fastest-growing sector in the lowveld. The beauty of it is that the reserves are utilising land where there has never been much work; marginal land where farming has failed.

Makalali, a 6 000 ha reserve near Mica, is designating 150 unfenced sites where private accommodation may be built according to prescribed design.

Developer John Penny of Sandton believes Makalali has the most spectacular viewsites in the lowveld — great Pierneef-like landscapes of bush-clad plains backed by a mountain vista. Giant specimens of maroela, tambotie, leadwood, sycamore fig, jackalsbessie, red ivory, bushwillow and knobthorn characterise the area.

The cost of a site — each out of sound and sight of its neighbours — is about R125 000. Building a four-bedroomed lodge would cost about the

EACH owner may have a single 10-passenger vehicle and can hunt according to the game policy established by the regional wildlife authority.

The cost of each site is R1 050 000 — and that doesn't include building.

Du Plessis says owners will have the opportunity to own a big five game farm, freehold, without the responsibilities of running it.

Sales director Trevor Jordan says Welgevonden is planning the biggest private wild animal translocation exercise in history. A complete herd of elephant is to be drug-darted and moved to the area, where it will be kept in a semi-tranquillised state until it is habituated to the Waterberg. The area already has animals worth about R3,5 million, with another R5 million worth to come.

The project, underwritten by Rand Merchant Bank, will be launched as soon as the first 16 buyers are signed up. So far eight have signed.

Levies? Jordan, who developed Ntsiri and other successful shareblock reserves, says: "We intend to ameliorate running costs by running a five-star lodge aimed at foreign tourists and allowing hunting. We anticipate that 95 percent of members will not want to exercise their right to hunt. But we will still be forced to cull."

Lampies Lambrecht, deputy head of the Transvaal Nature Conservation Division, says that, not counting Kruger Park's 1,9 million hectares, the Transvaal has 3,1 million hectares under some form of wildlife management.

With Kruger Park, 18 percent of the province is set aside for conservation — almost double the international recommendation that each region of the world set aside 10 percent of its land to guarantee the survival of 50 percent of its indigenous species of flora and fauna.

Mourners' rampage knocks confidence

B/DAY 16/4/93

GERALD REILLY

PRETORIA — Business and consumer confidence had taken a near mortal blow since the assassination last Saturday of SACP leader Chris Hani, economists said yesterday.

Econometrix economist Tony Twine said confidence had been edging up since the beginning of the year. However, it had taken a dive since last weekend and it would plunge further if any of this weekend's activities got out of hand.

"We are only halfway though the minefield. We need a clear demonstration that the authorities are in control and that rage and anger have cooled," Twine said.

Stellenbosch University Bureau for Economic Research chief Ockie Stuart agreed that business and consumer confidence had fallen sharply and would deteriorate further if the weekend's activities led to further disturbances.

Until a new government was in place and South Africans had a clear picture of the future, confidence would remain low.

WILSON ZWANE reports businessmen are urging municipalities to tighten regulations for marches in CBD areas to help prevent injury and damage to property.

The Durban Regional Chamber of Business said in a statement the rampages in Durban on Wednesday by ANC supporters were inexcusable.

It said it was seeking a meeting with the city council and other interested parties "to ensure that there is no repeat of Wednesday's debacle".

Sapa reports the southern Natal ANC alliance said disciplinary steps would be taken against the unruly elements once they had been identified.

"We sincerely send our sympathies to those businesspersons whose properties were looted and vandalised," it said.

The Maritzburg Chamber of Commerce and Industries said it supported President F W de Klerk's steps to control further marches, including the declaration of more unrest areas and the tightening of clearance procedures for the marches.

The organisation said it would urge the city's town clerk not to permit marches in the CBD unless organisers gave him guarantees that their actions would not result in injuries and damage to properties.

The Cape Town Chamber of Commerce and Industries said although it was not opposed to protest marches, the situation had to be reviewed carefully to avoid a reccurence of Wednesday's incidents.

A total of 149 shop windows were smashed and 84 business premises were damaged during the march with damage estimated at R380 200, reports Sapa.

Thirty-eight vehicles were damaged and repairs would cost about R140 300, while 22 people suffered birdshot wounds. One man, who has not yet been identified, was killed.

Inkatha Transvaal organiser Themba Khoza said it was an African custom to mourn a loved one "but that does not give people licence to loot".

Khoza said he respected the ANC's call on its supporters to mourn Hani's death, but he questioned the wisdom of burying Hani on Monday. "That will effectively mean another stayaway," he said, adding that the economy could ill-afford disruptions of this nature.

Sacob spokesman Gerrie Bezuidenhout said it was still too early to quantify the losses business incurred as a result of the marches and the stayaway on Wednesday.

Losses could only be assessed next week since there were "pretty good chances" there would be a stayaway on Monday.

Unrest deals blow to tourism

B/DAY 16/4/93 258

GERALD REILLY

PRETORIA — Wednesday's nationwide riots and the impression created abroad of chronic unrest in major cities was a severe blow to the tourist industry, costing it tens of millions of rands, tourism authorities said yesterday.

Rennies Travel MD Lillian Boyle said most contacts abroad had reacted with shock to the widespread violence.

A major concern was whether Wednesday's disturbance was the forerunner of a series of nationwide unrest incidents.

An Australian group had already cancelled a package tour and it was inevitable others would follow.

Our Cape Town correspondent reports Fedhasa national labour and training committee chairman Angus Dodds said a lot would depend on the impressions gained by overseas travel agents at the annual Indaba tourism exhibition on May 12.

This week's violence had occurred in major CBDs which was certain to hit tourism even harder than the Boipatong and Bisho massacres, Boyle said.

Satour executive director Spencer Thomas said tourism prospects remained favourable provided the personal safety of visitors could be assured.

American Express group MD Gordon Young said travel was a business of perception and the perception abroad was SA was embroiled in a civil war.

Sapa reports Zimbabweans have been told not to travel to SA on Monday.

SA tourism expected to lose millions

CT 16/4/93 (288)

THE South African tourist industry will lose tens of millions of rands as a result of the riots during the Hani marches, tourism officials predict.

Today two German tourists who were attacked in Transkei will fly home.

Mr Werner Karl, 43, and his wife Ute, 40, were driving from East London to Durban when they were attacked near Mount Ayliff by a stone-throwing mob who set their car on fire. Mrs Karl was assaulted. The two lost their luggage, money and documents.

Rennies Travel managing director Ms Lillian Boyle said: "An Australian group has already cancelled a package tour and it is inevitable others will follow. Most contacts abroad have reacted with shock to the widespread violence."

Mr James Viviers, director of Fedhasa in the Western Cape, said TV coverage of the violence in Cape Town gave people all over the world the impression that South Africa was in flames.

And Fedhasa national labour and training committee chairman Mr Angus Dodds said in Cape Town that much would depend on the impressions gained by overseas travel agents at the annual Indaba tourism exhibition on May 12.

American Express group managing director Mr Gordon Young said the perception abroad was that South Africa was embroiled in a civil war.

Zimbabweans have been warned not to travel to South Africa on Monday — the day assassinated SACP secretary-general Mr Chris Hani will be buried. — Own Correspondent and Sapa

Waterfront for Knysna

KNYSNA is to get a development at its lagoon similar to Cape Town's Waterfront, according to news reports.

The new development will be situated on 8,5 hectares belonging to Transnet near the railway station.

Plans include a canal with moorings for flat-bottomed boats, a hotel and shopping complex, 47 single plots and six plots for cluster housing.

The development follows three years of discussions between the Knysna town council and interested parties.

Final approval is expected at a town council meeting on April 23. — Sapa

DURBAN RESTAURANTS (288)

On a spring roll FM 16/4/93

Though Durban's commercial property market remains unappetising for local investors, the People's Republic of China is interested in establishing a restaurant in the city. It may not be the largest transaction handled by brokers Williams Palmer Associates (WPA) — roughly R2m if it goes through — but the Chinese deal will surely rank among its more unusual.

It began with a tentative inquiry in November by someone who had seen one of the agent's boards. It was soon followed up by a delegation from China wanting to visit potential restaurant properties. After Durban they went to Johannesburg and Cape Town, before returning home to Dalian.

Then, just when WPA thought the inquiry had fizzled out, they returned and expressed interest in a single-storey building they had been shown at the beach end of West Street. WPA's Ivor Smith says the group, representing the Regent Hotel Group in Dalian, wants the premises for a Chinese restaurant. "They claim their menus will be different from Chinese establishments already operating in SA," he says.

Though the Regent group has yet to make an offer on the property, investigations are under way to see whether it would be able to make the purchase using financial rands. This is unlikely to be a major obstacle as the ruling against the use of finrands for buying local property specifically refers to agricultural and residential properties only.

The ruling followed a number of foreign purchases of Cape wine estates, where potential local buyers claimed they had been priced out of the market by foreigners with finrands (*Property* August 18 1989).

Other recent deals done by WPA were two five-year leases concluded with Future Bank and M-Net subsidiary ITC for 220 m^2 and 600 m^2 respectively in Sanlam's Embassy building. The bank's premises are on the ground floor.

It also recently auctioned a Durban North residential site with development rights for 75,5% more than the council's upset price. There were 24 bidders. ■

Investors in talks on Gold Reef hotel

PETER GALLI

INTERNATIONAL investors are believed to be negotiating to buy the Gold Reef City hotel, south of Johannesburg.

A source said negotiations were at an advanced stage, but had been kept under wraps as secrecy was essential to the successful conclusion of the deal.

The Seeff group is believed to be handling the deal through Seeff Mergers & Acquisitions — a joint venture between the Seeff group, Errol Finkelstein and Rory Stear. Seeff Organisational Holdings chairman Lawrence Seeff confirmed negotiations had been taking place. Stear — who is abroad on a trip believed to include negotiations for the sale of the hotel — would be able to comment further this week, he said.

Finkelstein said recently he was dealing with six foreign investors, including a representative of a Swiss consortium looking to invest R30m, a UK hotelier wanting to buy a hotel to manage himself and a German industrialist wanting to buy a hotel to be managed locally.

The complex is run by Gold Reef City Management, which leases the ground from the Chamber of Mines and holds the rights to all buildings for 60 years. As such, only the operations of the hotel could be sold, GM André Frauenstein said.

"However, the operation may not be sold unless written permission has been obtained from us first. While I have also heard the rumours about the sale, no such permission has been sought and no sale will take place until it is given," he said.

A source said the 42-bedroomed Victorian hotel reflected high occupancies, mainly by foreign tourists.

The owner of the hotel operation, Owen Firth, could not be reached for comment.

Europeans plan more flights to SA

(288) CT 13/4/93

Own Correspondent

JOHANNESBURG. — A number of European airlines are extending their services to South Africa and more airlines plan to fly to the country.

An increase of 9,3% in foreign visitors last year and a 25,4% rise in the number of South Africans travelling overseas have ensured high occupancy rates.

Last year 395 319 Europeans visited the country compared with 367 641 the previous year, according to the latest figures from the Central Statistical Service. Almost 254 000 South Africans travelled to Europe last year.

To meet the rising demand, Swissair this weekend introduced its fourth flight a week between Zurich and Johannesburg. A weekly flight to Cape Town starts on July 2.

Germany's Lufthansa Airlines started operating a third flight from Frankfurt to Cape Town on April 1.

The carrier will add another Frankfurt/Johannesburg flight in November, Lufthansa regional director for South Africa Mr Jochen Korbmann said. It was also considering a flight to Durban.

Austrian Airlines, operating two flights a week between Vienna and Johannesburg, would introduce a third flight later this year, its general manager for South Africa, Mr Thomas Zilk, said.

KLM Royal Dutch Airlines and British Airways also recently started flying to Cape Town. KLM plans an extra flight a week from next year.

Eventually it would operate a daily service to South Africa, KLM president Mr Pieter Bouw said.

Czechoslovak Airlines (CSA) and Russian airline Aeroflot plan to fly to South Africa this year. A memorandum of understanding was signed by the respective authorities.

TIMESHARE RESORTS

Rotten apples in Little Eden

288
FM 9/4/93.

Yet another timeshare scheme is in trouble. This time it's Little Eden in the Cullinan district near Witbank, where Figtree Developments and marketer JWM Marketing have "financially collapsed" and their "responsibilities have come to an abrupt end."

This is a description of the state of affairs at the resort in a letter from a member of the Little Eden Shareblock Company, Resorts Ownership, to fellow shareholders. The point system operator has assumed temporary control of the resort and since December has been servicing the monthly bond and resort operating costs.

Unbeknown to shareholders — as no meeting of shareholders has yet been called because a members' list was being drawn up — is that in return it has secured for itself, through an agreement with the developer, rights to develop 38 chalets on land belonging to the shareblock company. The value of these rights is estimated at R20 000 per shareblock, which totals R760 000. The developer still holds the rights for a hotel and service station on land set aside for communal facilities.

The letter by Resorts Ownership dated March 11 tells shareholders of the parlous state of affairs of the shareblock company and is accompanied by a questionnaire to assess how timeshare purchasers bought their units and what each paid. Resorts Ownership says it has ascertained that timeshare has been sold to 400 individuals in the resort on a shareblock basis. Twelve units have been completed so far.

Resorts Ownership granted a licence to the developer a year ago to sell timeshare on the points system in the remaining unsold weeks in the 12 units, including weeks in units to be built. The developer was to build a further 38 units. So far Resorts Ownership has determined that a large number of weeks has been sold, both timeshare and on the points system, and money has been received in respect of two unbuilt units.

However, Resorts Ownership maintains it has unsold stock in its points system to back up the points sold by the developer — though this is not necessarily the way it wanted to use up the points. It estimates that it has the largest individual shareholding, 30%-35%, in Little Eden.

Resorts Ownership says late last year it became apparent that the developer and marketing company were undergoing severe financial difficulties and unable to fulfil their obligations. The developer allegedly owed Resorts Ownership R302 635 and was under obligation to transfer share blocks to it worth R285 000.

The developer was also allegedly unable to meet the interest payments on the bonds over the timeshare resort totalling R16 447 a month. The capital outstanding on the several bonds registered over the property is R879 000. One of the bondholders is North Rand Acceptances.

Resorts Ownership director Mike Pnematicatos says: "On investigation we discovered that the developer had apparently made sales in units which did not exist and had received money for those sales. It had also made double and triple sales for certain timeshare weeks. The developer's records and those of the share block company were in total disarray, which necessitated urgent action by ourselves in order to protect our own interests as well as those of the timeshare owners."

Another shareholder says that no AGM has been called for three years, nor has any financial statement been issued in that period.

Figtree director Sam Goudvis has not returned the *FM's* calls to confirm or deny the allegations.

At risk, according to Resorts Ownership, is money owed but not yet paid to shareholders for weeks placed in the rental pool. But particularly vulnerable are timeshare owners who prepaid levies for 10 years through initial higher purchase prices. One shareblock owner says he paid R15 950 in 1990 for his week, of which R4 200 was for 10 years of levies.

Resorts Ownership's move to assume control of the scheme without first calling a meeting of shareholders has already been strongly objected to by one shareholder. Its answer is that "this temporary control was granted to us by the board of directors, which was constituted by the developer and includes himself and members of his family." It confirms, though, that this board was not elected at an AGM of the shareblock company.

"This was done because of the urgency of the situation and because we have only recently been able to reconstruct the membership base of the share block company," says Pnematicatos.

He intends calling a special general meeting of all shareholders shortly. This will probably be held in the Cape where it has been ascertained most purchasers live. The shareholders are likely to elect a new board at this meeting.

If shareholders are unable to satisfy their claims against Figtree Developments, whose remaining assets are debtors in terms of unpaid timeshare weeks and hotel and service station rights, then they will have to liquidate the scheme in order to realise its development potential. As Resorts Ownership sees it, this value resides in chalet development returns (worth R760 000) minus the cost of completing two missing units (R300 000) and the outstanding bond (R875 000). ■

DURBAN OFFICES

Missing the boat

Sanlam Properties' R105m, 32 000 m² Embassy Building in Durban is less than half full. Developers planning to erect similar hi-tech buildings in the city centre should take note.

Sanlam Properties regional manager Dallas Reed confirms that only 40% of the space in the building has been let.

The bulk of the tenants come from the banking, insurance and shipping sectors. Sanlam's regional insurance and pension offices also occupy space in the building. A sprinkling of attorneys, accountants and small businesses make up the balance.

Unfortunate timing is said to be responsible for the building's poor letting performance. Reed says the building, completed in October 1991, was brought on to the market just as the recession started.

However, it appears from recent inquiries that interest in the Embassy Building and other A-grade office space in Durban is on the increase. "Inquiries have increased in the last few months. About 2 000 m² have been let in the last five months," says Reed.

"We've recently had a few inquiries from international companies where previously we've had little or no interest from this quarter," he adds. "It would appear these companies, which already have representation on the Witwatersrand, are now expanding to the other major centres."

According to Reed, the building features the most up-to-date technology, including the fastest lifts in Durban and good quality finishes and interior design. "It's probably the best office block in Durban," he claims.

Reed says there is currently much debate over whether developers should be erecting such high-quality buildings in the current economic climate and in a changing SA.

"We believe there will always be a place for a limited number of hi-tech buildings, particularly because of overseas corporations, like national airlines, who are used to high standards."

However, he warns they shouldn't be repeated too frequently because there will not be enough tenants to occupy them. "There is still a need to cater for businesses that cannot afford to occupy such buildings."

Reed believes there are other developers ready to put up similar upmarket buildings in Durban. ■

Clique controls Waterfront, says Nat MP

288 AREG 3/4/93

Staff Reporter

A "WATERFRONT clique" was controlling participation in the development, Mr Patrick McKenzie, National Party MP for Bonteheuwel, said today.

Expanding on comments he made in the provincial budget in parliament yesterday, Mr McKenzie said he had several telephone calls from people complaining they had been unable to get involved in the Waterfront.

Some wanted to open shops while others tried to secure building contracts, he said.

Certain criteria were being used to determine who could let shops and who was awarded building contracts at the Waterfront.

"Everything is under a cloak, a blanket. This is not a very good signal," he said.

All building contracts should be put out to tender and publicised, he said.

It was a public venture built on public ground involving Transnet and Portnet which were private organisations largely funded by taxpayer money, he said. Therefore taxpayers had a right to information about the Waterfront.

Millions of people were being attracted there and millions of rands were being made there, he said.

The development was a success, but he asked who was really benefiting.

"The people behind the scenes — who are they and how rich did they get?

"I know certain people have become millionaires overnight on the backs of the citizens and people of this city," Mr McKenzie said.

Former members of the Cape Town City Council served on the Waterfront committee, with four Transnet officials.

Former mayor Mr Sol Kreiner, who represents the city council on the Waterfront board of directors, said councillors' business interests in the development were "100 percent above board".

Referring to the Victoria and Alfred Hotel, owned by former mayor Mr Leon Markovitz, Mr Kreiner said this allocation had been made on merit.

Various applications for ownership were made and an independent consultant in the hotel and beverage industry was hired to make the selection.

The board of directors had gone along with his recommendation, he said.

The award to Mr Markovitz had proved the correct decision as the hotel had one of the highest occupancy rates in the country, Mr Kreiner said.

The Waterfront development was in the interests of the city. It had created badly needed tourist infrastructure and broadened Cape Town's tax base, Mr Kreiner said.

By the time the Waterfront development was completed it would provide an estimated R8 million in rates. Estimates for the coming year were close to R2 million in rates, Mr Kreiner said.

of communism, exper- | another form of tyranny. It was this fate which SA had to avoid. | ed to be increased by all players. | summer, Heathrow could not guarantee similar landing slots for the English winter | fleet featuring aircraft of an

Road accidents expected to drain R7,8bn from economy

MOTOR vehicle collisions would cost the SA economy an estimated R7,8bn in 1992, a Directorate of Traffic Safety spokesman said yesterday.

"However, I must caution that the exact 1992 figures are not yet available, and the estimate was based on an inflated 1991 figure — which ran to R7,011bn," the spokesman added.

He said the estimated cost of collisions in 1992 averaged out to a loss of more than R28m every working day.

"This figure includes the repair and write-off bills for damaged vehicles, as well as the human costs, such as hospitalisation and loss of work."

Unlike similar surveys done in the US and UK, the directorate had not included "pain and suffering" costs in its estimates. "The human costs rise dramatically with the severity of the accident, taking up an increasing proportion of the total bill."

For example, every fatal collision cost an average R184 604 in 1991 (1990: R252 507), while the average cost of a minor accident ran to R9 754.The comparable costs for 1992 could be obtained by inflating the 1991 figures by about 11,5%.

ANDREW KRUMM

Meanwhile, according to the SA National Association of Automobile Manufacturers, the number of motor vehicles on SA roads totalled about 5,22-million in June 1991. Taken with the survey figures, which recorded 443 569 collisions in 1991, this meant about 8,5% of all vehicles were involved in accidents last year.

"This is significantly higher than the rest of the world, and appeared to remain so in 1992. Our fatality rate is 11,4 people per 100-million vehicle kilometres travelled. If you compare that to America, which had about 1,2 fatalities per 100-million vehicle kilometres, we still rank as a Third World country in terms of driver safety," the spokesman said.

The reason for the higher deaths was apparent in various "disobedience factors", such as speeding and the failure to wear seatbelts.

"We are trying to get it right. The directorate implemented a total traffic safety system on April 1 this year, which aims to decrease fatalities as well as collisions."

The new system would be phased in over the next five years, he said.

Tourist accommodation grading awaits Bill

THEO RAWANA

THE new voluntary grading and classification scheme for tourist accommodation would be implemented on July 1, Satour said yesterday.

The implementation of the scheme, which would replace mandatory registration and grading, had to be postponed from April 1 because it could not be effected before the Tourism Bill was tabled in Parliament, Satour standards director Greg McManus said.

"The Bill will now be tabled during the next parliamentary session later this month," he said.

He said the aim of the scheme was to promote acceptable standards of accommodation and to bring the industry in line with international trends.

Participants would enjoy benefits such as inclusion in a Satour guide, access to its data base and to tourism development funding.

New SA 'will need to earn foreign investment'

LLOYD COUTTS

A SOCIALIST post-apartheid SA would follow most of sub-Saharan Africa into total economic marginalisation, German liberal Count Otto Lambsdorff said in Johannesburg yesterday.

Lambsdorff is chairman of Germany's Free Democratic Party and president of Liberal International. He told an SA Institute of Race Relations (SAIRR) meeting that foreign investment would come to SA only if the country followed sound economic policies and guaranteed democratic stability, not as a moral reward for the end of apartheid.

Liberals believed individuals who could not participate fully in the economic system of a country had to be protected through a national pension, a national health service and national unemployment scheme.

"Where social and economic advantage do not rest on personal merits but on racial discrimination, they have to go. For this you will not need an all-mighty state, but an efficient national government.

"A government which does not wait for foreign money to pour into SA just because SA has overcome a racial dictatorship. I can tell you that foreign investment will not come to SA as a kind of moral reward for the end of apartheid.

"My East German fellow countrymen had to learn that there is no such a thing as a charitable investment. Foreign money will only come if SA follows sound economic policies and guarantees democratic stability."

Lambsdorff said he did not see a post-apartheid SA as a centralised state governed like Namibia or Zimbabwe. Federalism, he said, could make an important contribution to maintaining peace, stability and democracy in the country.

He said federalism was not an easy device to escape strife and the unpleasant side of a society which had been based on racial discrimination.

"Federalism must be seen by the people as a succesful road towards more participation in political life, healthy competition among political actors and policies and as the best way to preserve and even strengthen the fundamental richness of SA; the diversity of her peoples."

Plan for conservation

Political Correspondent

THE government is considering changing the Cape Provincial Administration's Nature Conservation branch into a company.

The MEC for nature and environmental protection and tourism, Mr Frik van Deventer, told Parliament yesterday the CPA would initially be sole share-holder in the company.

He said the proposal had already been discussed with the Minister of Public Enterprises, Dr Dawie de Villiers, "who did not find the idea unacceptable".

He directed an open invitation to all interested parties to make suggestions to him on the proposed scheme.

Mr Van Deventer said that a new approach had to be found to deal with the Cape's provincial nature reserves-,wilderness areas,coastal islands,fishing harbours and marine reserves.

Cape pulls the most tourists

288
CT 7/4/93

By BARRY STREEK
Political Staff

THE CAPE Peninsula was attracting more foreign tourists than any other place in South Africa, the Administrator of the Cape, Mr Kobus Meiring, said yesterday.

"This is apparently higher than the country's game reserves," he said during the debate in the Joint Committee on Provincial Affairs for the Cape.

The most recent figures from the Central Statistical Services showed the Cape Peninsula was attracting more foreign tourists than anywhere else.

Mr Meiring also said he intended to make a formal application to the Minister of Environment Affairs, Mr Japie van Wyk, to declare the Peninsula Protected Nature Environment a national park.

The Member of the Executive Council in charge of tourism, Mr Frik van Deventer, said a special component of the Provincial Administration had been established to make internal actions more tourism-orientated, to deliver a co-ordinated message to other tourism bodies, achieve representation in regional tourism and remain on top of developments in the tourism industry.

"The 88 provincial nature reserves, five wilderness areas, 33 coastal islands, 13 fishing harbours and five marine reserves under our control are a potential source which can be exploited for tourism.

"To achieve our first priority to its full potential, namely conservation, tourism in these areas must be controlled and regulated," Mr Van Deventer said.

City gears for influx at Easter

(288) CT 5/4/93

Hotels say they 'will be 90% full'

Staff Reporter

HOLIDAYMAKERS will be pouring into Cape Town over the Easter weekend and a survey has found most hotels will be about 90% full.

Hotel spokesmen said yesterday that Easter traditionally was a busy period and hotel guests had booked well in advance. Bookings were on a similar scale to those for last year's Easter holidays.

'Virtually full'

Advance bookings show most of the city's prestigious hotels are set to be near-capacity or over-booked during the Easter weekend.

The Victoria and Alfred Hotel was over-booked for the Easter weekend by 14 rooms and fully booked until April 23. The Mount Nelson was at 90% capacity, mainly catering for foreign tourists.

The St George's Hotel in the city was also fully booked for the Easter weekend.

Claremont's Vineyard Hotel will be "virtually full" with 87% of their rooms already booked for the weekend.

The Newlands Holiday Inn Garden Court was also fully booked for next week, but the Cape Sun was only at 50% capacity in advance bookings.

A spokesman for the De Waal Hotel in Gardens said most of its guests were from the Transvaal and because of the recession the trend was for cheaper rooms.

'Fewer frills'

"People are going for fewer frills and more value for money," he said.

Hotel officials said the most popular attractions for holidaymakers were tours of the wine routes, visiting the Waterfront, a trip up Table Mountain, touring to Cape Point and visiting the Cape's fine beaches.

Although depleted, the trees are still a feature of Hout Bay, but the picturesque fishing village has numerous other holiday attractions. PENNY SWIFT reports

Contrasts abound

ALTHOUGH there are only remnants of the forests which gave Hout Bay its name, there is nothing like the threat of the removal of trees to get residents up in arms.

When Victoria Road was widened several years ago, ratepayers were furious that trees were to be removed — especially the line of palm trees adjacent to Mount Rhodes and one special pine tree which had become a landmark over the years.

Oak trees

For more than a decade, there has been a continuing dispute between the authorities and residents about the possible removal of oak trees lining Main Road. Some say they are diseased and dangerous, while those who have grown to love the winding approach to the valley are willing to put up with the odd inconvenience after storms of branches in the road.

Origins

And then, of course, there is the debate about the advisability of removing pine trees — which are alien — from the hillside which now accommodates a growing informal settlement, Imizamo Yethu. The argument is that these will, at least, shield the area from general view.

While Hout Bay has origins which can be traced to the late Stone Age, its recorded history dates to 1607 when an English sailor, John Chance (after whom the place was originally named Chapman's Chance), noted its position. Less than 10 years later, another English sailor took wood from the forest to mend his boat, and then, in 1652, Jan van Riebeeck named it Hout Bay, after describing its forests as the finest in the world.

In those days, according to the Hout Bay Museum, the forests extended along the south facing slopes of the mountains and in shaded ravines, covering an area as close as 50 paces from the sea. In 1668, the first permit to cut and saw wood in the Hout Bay forest was granted, and little less than a decade later, the government's head woodcutter was based there.

It was Governor Simon van der Stel, who perhaps fortunately failed to set up a saw mill in Hout Bay because the forest was already dwindling in the late 17th century, who began planting alien trees in the area.

The woodcutters have all left and there is no threat of milling; and those who walk in the area can still enjoy the beauty of the forests that remain on the slopes of Grootkop (adjacent to Orange Kloof), in Myburgh's Ravine and in Myburgh's Corner. There are also small original forest trees in the ravines on the Constantiaberg and a grove of Yellowwoods on the Karbonkelberg; and most of the residents will continue to fight to ensure that these are not destroyed.

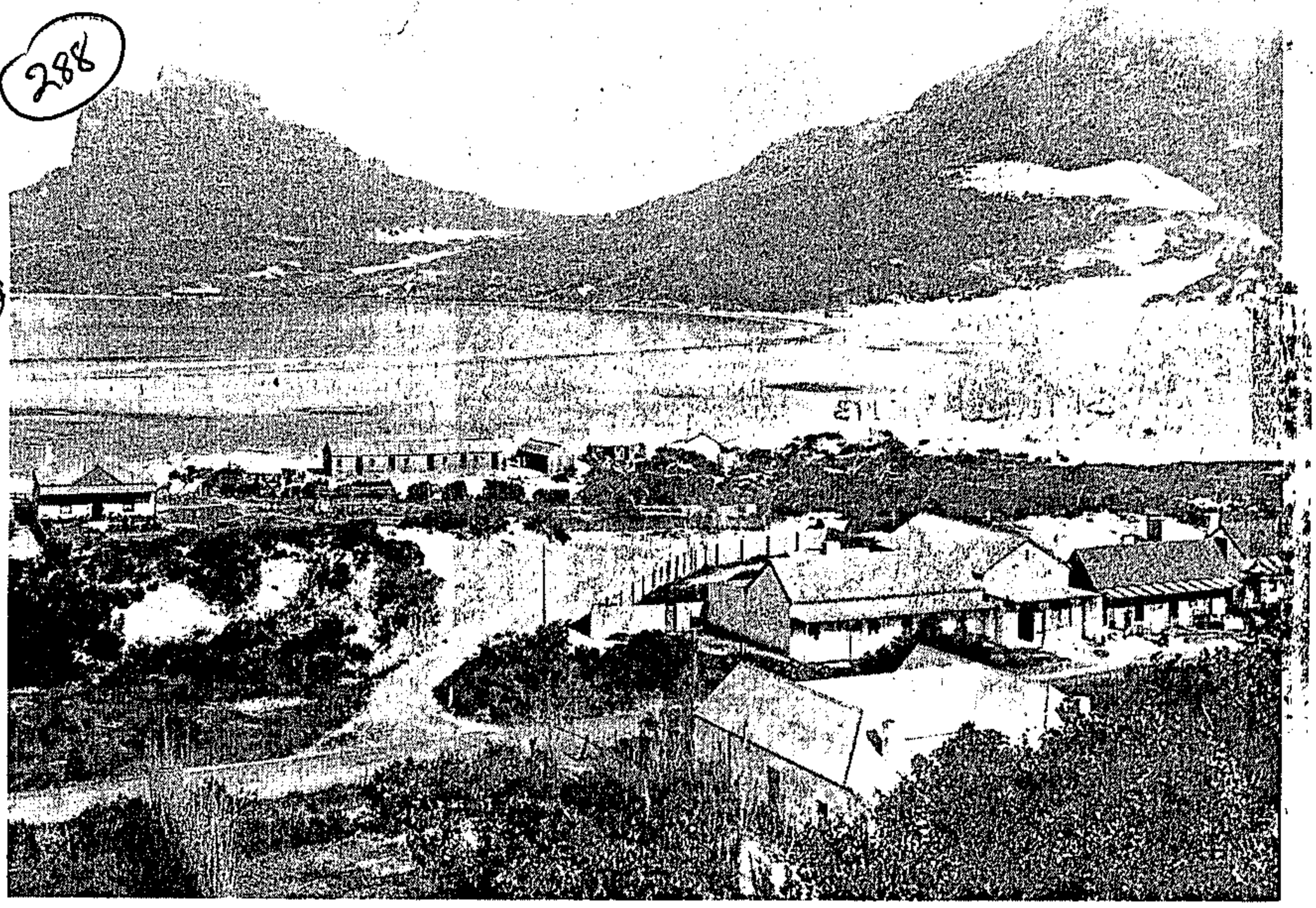
When a group of Hout Bay separatists declared a republic seven years ago, the cynics said it wouldn't last. But it has — in its own way.

The president still does his civic duties (from time to time) and tourists flock to shops selling passports. Furthermore, stories abound about people using these to cross into once forbidden lands. During the season, the powers that be, in that part of the world, traditionally close the borders without warning, "fining" both tourists and locals without passports R10 for one of the remarkably authentic looking documents — the proceeds going to charity.

Originated as a means to raise money for the local service clubs, this unique passport policy has earned significant funds for a variety of charities over the years. And it's been cause for a lot of fun, which underlies the policy of the people of Hout Bay in general.

There are regular craft markets and fairs

□ To page 9



LOOKING BACK . . . Hout Bay nearly a century ago. Today this main road is lined with supermarkets and shops. Picture: HOUT BAY MUSEUM

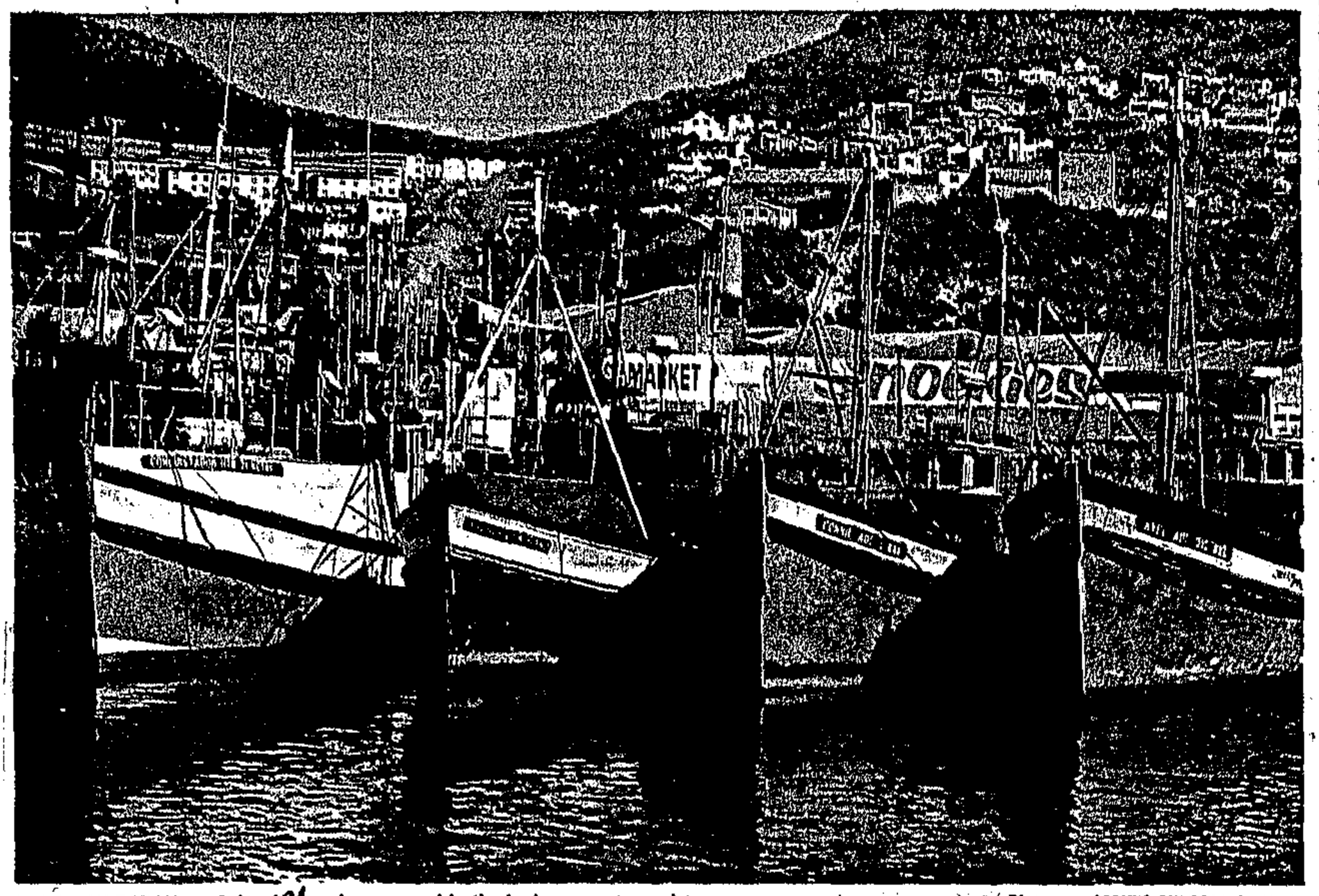


PRESIDENTIAL ROLE . . . Hout Bay president Len Pothier fulfils civic duties at many of Hout Bay's functions — particularly those organised to raise funds for charity



BIRD LIFE . . . Walter Mangold with two colourful Mackaws against a backdrop of flamingoes in the World of Birds, the largest bird sanctuary in Africa

in historic Hout Bay



HOUT BAY TODAY . . . Colourful trawlers moored in the harbour create a picturesque scene Pictures: JANEK SZYMANOWSKI

From page 8

in Hout Bay, and of course numerous resident shops which offer everything from fashion clothing to gifts, stationery, books, toys and jewellery. You'll find everyday items, be it groceries or motor spares, and there are hairdressers aplenty, several banks, chemists, service stations and even a colour photocopying service. And if you want to visit a farm stall, you'll find that too.

If you want to buy in the area, there are also a legendary number of estate agents guaranteed to find exactly what you want.

Then there's the rock shop, with a delightful pebble-picking patch where you can gather your own polished semi-precious stones, and of course the internationally famous World of Birds which houses hundreds of different species from penguin to flamingo, and owl to eagle. In cleverly landscaped aviaries, they behave just as they would in the wild — and you are on the inside looking out.

Of course there is the opportunity of numerous walks (alone or with a museum guide), of horse riding, or of scenic sea trips.

People have been farming in Hout Bay for more than three centuries, and so it is not surprising that there are still operating farms, including one that encourages visitors to pick their own grapes. Smaller enterprises grow bonsai trees, herbs, vegetables and flowers.

There are several fish shops — and not all for hungry tourists. One, for instance, stocks a wide variety of Japanese koi, goldfish, tropical fish and marine species for ponds, tanks and bowls.

Still, as the local museum points out, fishing has been important since the khoi-khoi first gathered shellfish from the rocks and trapped fish in the Disa River estuary.

According to the museum, the first farmers were also fishermen, using small boats and trek nets from the beach. But it wasn't until the 1920s that fishing became a major industry.

Emporium

Development of the harbour began in 1937 when the first breakwater was built. Today two large companies operate from the harbour, which is also home to fish shops and a nautical emporium with shops and restaurants.

Nearby there is the well-equipped marina as well as the republic's own warship, the SAS Pretoria, an old minesweeper, now a floating, private museum.

There are two libararles — one in the village and another in the harbour area — and the delightful Hout Bay Museum which boasts a shipwreck display and veldkos garden which have captured the imagination of many.

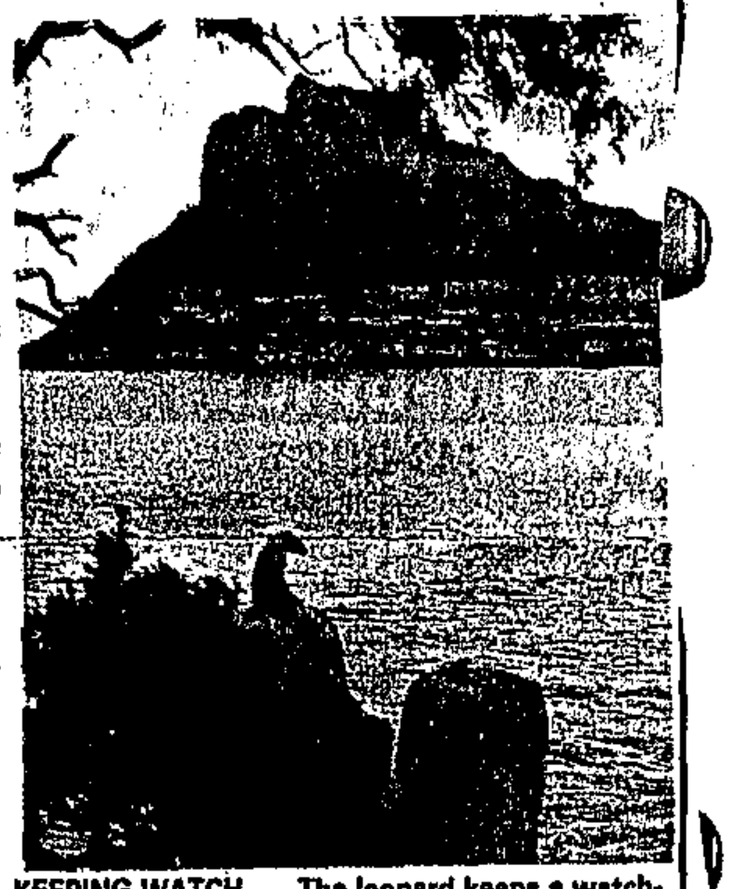
Historic

Those people wanting to stay in Hout Bay have a reasonably wide choice of establishments, ranging from the historic local hotel to lodges and self-catering accommodation, guest houses and rooms in private homes.

Restaurants are varied and include one situated outdoors (November to April only). Whether you want seafood, a good steak, a pub lunch or a champagne breakfast, you've got a good chance of getting it.



CATCH OF THE DAY . . . An old salt waits patiently while the catch of the day is offloaded



KEEPING WATCH . . . The leopard keeps a watchful eye over the Sentinel

More take-offs and touchdowns for city

While foreign airlines are increasingly flying to Cape Town, tour operators are making it easier for Capetonians to travel abroad.

DALE KNEEN, Weekend Argus Reporter

SIXTY-SIX years after Walter Mittelholzer landed in Table Bay at the end of the first flight from Europe to the tip of Africa, the airline he founded has announced it will be flying to Cape Town.

And in the same week tour operators World Leisure Holidays have unveiled a plan to transport Cape Town holidaymakers directly to Indian Ocean islands at package prices.

Swissair this week announced its fourth scheduled flight from Zurich to Johannesburg as well as two weekly extensions to Cape Town, further enhancing the city's bid to be the "gateway to Africa".

The Saturday and Monday flights, scheduled to start on June 3, will further boost the number of European tourists visiting the city. Swissair is the fifth airline to launch flights to Cape Town in the past six months.

"We have embarked on an intensive campaign in Europe to market Southern Africa as a destination and this is likely to boost the number of tourists visiting the city," said Swissair spokesperson Ms Jenni Torri.

"The new flight to Cape Town is also significant because of Walter Mittelholzer's flight to the city in 1927 in his aircraft called Switzerland. The historic link to Cape Town has been revived."

Mittelholzer was a founder of AD Astra Aero, which in 1931 merged with the Basel Airline Balair to form Swissair, for which he became an executive and chief pilot.

Captour marketing manager Marion Kelder said two other airlines — US Africa Airways and the Britain's Cape Airways — had made inquiries about flying to Cape Town.

The World Leisure Holidays offer is also a first as Cape Town citizens have never been able to take package trips from the city to the Comores and Mauritius.

Holidaymakers have always had to take separate flights to Johannesburg before heading for the Indian Ocean islands, said World Leisure Holidays managing director Mr Bruce Hutchison.

"Because they have to add a second flight onto their holidays, Capetonians have to pay more for their holidays abroad. Our package subsidises their flight to Johannesburg.

"Those flying to Mauritius fly out of Johannesburg immediately and those flying to Comores get a subsidised stay and free breakfast for a night in a Johannesburg hotel."

The cost of a seven-night package to Le Galawa Beach resort in the Comores costs R3 870 for an adult sharing and includes air fares, breakfasts and dinners and access to all watersport facilities.

Similar packages to La Pirogue and the luxurious Le Saint Géran in Mauritius cost R3 990 and R4 870 respectively — a saving of R910 for Cape Town travellers.

"This is the first time that package tours to Indian Ocean islands have been specifically designed for Cape Town travellers.

"The packages are avaiable between April 17 and September 14, which is perfect for getting away from wet weather," said Mr Hutchison.

Ms Kelder said she saw packages as being a vital marketing tool as they are particularly attractive to people embarking on their first long-distance holiday.

No room at hotel

(2) South 3/4-7/4/93

By Quentin Wilson

A PAROW hotel has barred blacks.

The Central Hotel, a one star establishment owned by Mr Willie Mulder, only accepts white patrons and, according to the management, that is the way it will stay.

Belhar resident Mr Kader Benjamin, 39, was shocked to be rejected when he responded to the hotel's advertisement in a newspaper last week.

"The advertisement did not mention that it was a whites-only hotel. It invited people to hold functions and I telephoned to say I was interested in entertaining a party of 10.

"The manageress bluntly told me that this was not possible because I am coloured. She did not even apologise, she just said I was not welcome because of my race."

JUMPING THE GUN OR POINTING IT?

FM 2/4/93

A proposal to build a R45m small-boat marina at Vetch's Pier near Durban harbour mouth may help kick-start the multimillion-rand Point Redevelopment Project. Reaction to the scheme has been mostly negative in semi-official quarters but the proposal has sparked renewed interest in the Point project, which has been languishing because of development politics.

The next step is for the redevelopment committee to appoint an agency to spearhead the project. Durban management committee chairman Peter Mansfield says the Point committee is close to a decision on the nature of the agency. It is possible that a private company, with main shareholder Propnet, the community and council, could oversee the scheme.

The small-boat harbour, conceived by consulting engineers and projects manager B S Bergman & Partners, would provide berths for about 500 vessels. Spin-offs could include extra beach facilities for Durban, a reduction in harbour congestion and a large area of reclaimed land. Later a National Sea Rescue Institute base, clubhouse, restaurants, hotels, shops and additional tourist amenities could be developed.

A Ewen Duncan consulting engineer spokesman says: "About 100 concepts were put forward to the committee but ours has a distinct advantage. Rather than using up the 50 ha of available land we're going to reclaim land from the Vetch's beach area to add a further 7 ha to the development. This could be sold at prime prices which means the project will pay for itself."

One feature of the marina would be a new pier. Existing piers would be upgraded and extended. Dredging would create a beach on the northern side of North Pier, while another beach would be developed north of Vetch's Pier.

Mansfield believes more proposals will come once the development agency is operational and that the marina proposal is premature. Don Macleod, the project planning co-ordinator for the Point committee, says the proposed marina is "beset with practical difficulties."

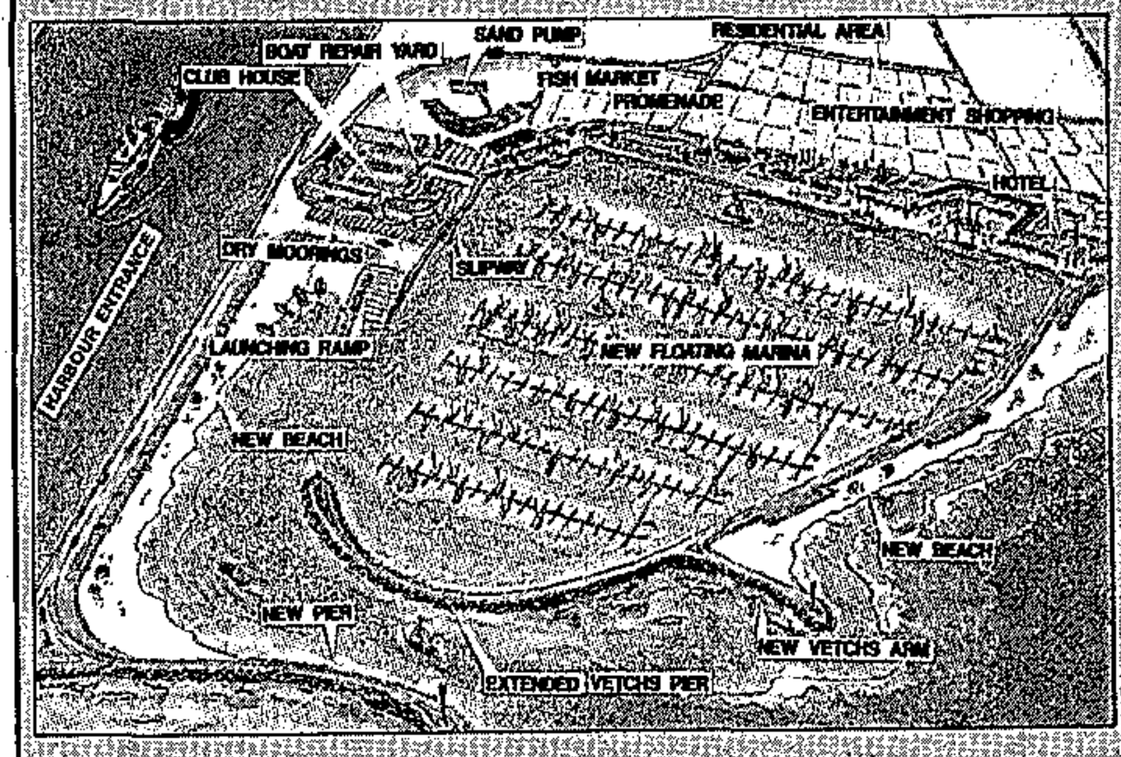
He adds that yachtsmen are concerned about the strong north-easters and closeness of yachts and launching ski-boats. Concern has also been expressed by some councillors over the possible threat to marine life.

Duncan says designers have addressed these problems and that if they were given the go-ahead extensive feasibility studies would be conducted. "Construction of the marina will include the use of modern techniques.

"The piers will be protected from heavy seas by Dolas armouring concrete breakwaters."

Duncan says: "On the environmental issues, we think the marina will improve the situation. It will provide a haven for crustacea and small fish."

He adds: "There will be no big ships or industries discharging into the small-boat harbour so it will be relatively pollution-free."



US franchises targeting SA blacks

CAPE TOWN — A "second wave" of US franchises coming into SA was being aimed at black businessmen, Price Waterhouse world managing partner Howard Hughes said yesterday.

"While American franchises such as Pizza Hut and Kentucky Fried Chicken have been in SA for many years, this second wave of franchises seems tailor-made for black businesses, particularly in light of the fact that it is supported by USAid, the world's largest bilateral aid agency."

Hughes said many aid organisations were waiting in the wings for a multiracial government to be installed. The EC was also poised to provide large amounts of state aid and private sector investment.

LINDA ENSOR

"Some $89m in EC aid is expected to be available this year for the 'positive measures programme' for resettlement of refugees and rehabilitation of health and education programmes."

But Hughes warned that foreign business leaders were "unfavourably impressed" by what they perceived as a reluctance on the part of South Africans to invest heavily in their own country.

"Perhaps this is the time for local business people to send a strong signal of confidence to their counterparts in other countries by becoming more visible as investors in an evolving SA."

Hell! And on an empty stomach too

SOUTH 13/3-17/3/93

The Ark City of Refuge in Westlake is home to more than 600 destitute people. But what does this refuge for the homeless consist of? Is it heaven, or is it hell? Staff reporter **Justin Pearce** went along to see for himself:



WE STARTED the day with a lecture on hell. It was 7am at the Ark City of Refuge in Westlake, and we were listening to Pastor Alan talk about where we go when we die.

Apparently the hereafter is circular, and divided into quarters. There's Hades, where the wicked go after death. There's Paradise, for the righteous. There's an area for fallen angels. The fourth quarter is a vacant lot. The sections are divided by chasms so the damned can see what's happening in Paradise. Pastor Alan had biblical evidence.

The Ark houses over 600 destitute people on the premises of a former tuberculosis hospital. It's a pleasant site, with trees and a backdrop of the Constantiaberg. The buildings are dingy and smell foul, but the inmates work daily on them.

I stayed overnight at the Ark, posing as a school dropout. But there was no need to act dumb. Inmates included teachers and accountants, thrown onto the streets through state cutbacks and the recession.

I was offered a bath and, my body clean, they started work on my mind. Alan took me to his office.

"The first thing you must know," he said kindly, "is when you walk out of this place, are you going to go to heaven or to hell?"

Getting into the Ark is easy, the welcome is warm and sincere. Getting out is more difficult — and returning even worse.

I was asked if I intended finding work. When I said yes, I was told I would be provisionally admitted for ten days. It seemed that if I was content to stay and help fix the centre, I could stay indefinitely.

When I went "job hunting" the following morning, a group of trusted inmates stopped me at the door and said I needed an exit permit from the pastor, or I would not be allowed back in for the night. The glow of Christian charity was gone.

The pastor was nowhere to be found. I climbed over the back wall.

The sense of imprisonment is the most frightening part of life at the Ark. My experience confirmed stories told by inmates of people being turned back onto the streets after arriving "home" half an hour late.

But conform, and you'll be fine. "If you do as they say they won't harm you," said Jackie, a middle-aged resident. "If you don't go to church, they'll chuck you out."

There are two kinds of people at the Ark. Those who experience the joy of an intimate relationship with the Lord, who are appointed as dormitory monitors and gate officials and may rise to pastor.

And those who have nowhere to go, who struggle to keep their self-esteem in the face of what some see as religious indoctrination and the denial of human dignity.

Spiritual enlightenment begins with the 50-day bible study course, attended by newcomers. A dozen-odd people gather to write down what the pastor reads out.

"New heading: The purpose of God. The eternal purpose of God is to make all men see what the fellowship of the mystery is, comma, which from the beginning of the world, comma, hath (that's H—A—T—H) been hid in God and is made manifest by the scripture. . ." One man falls asleep.

After dictation, it's question time. When asked about Eve deceiving Adam, Alan said: "Women must submit to their husbands. You know what I say, WIFE stands for washing, ironing, cooking, etcetera."

Buying into the Ark's brand of religion is the only way to get anywhere. "Seek ye first the kingdom of God, and all these (material) things shall be added unto you" is a favourite Biblical quote.

I asked Jackie who owned the cars in the grounds. The staff, he said.

"Where do the cars come from?"

"If you pray hard enough, the Lord will give anything you ask."

When the dinner bell rings, you line up outside the dining room. A tall, bearded man, John the Baptist in jeans, is trying to get a prayer started. There's a noise at the back.

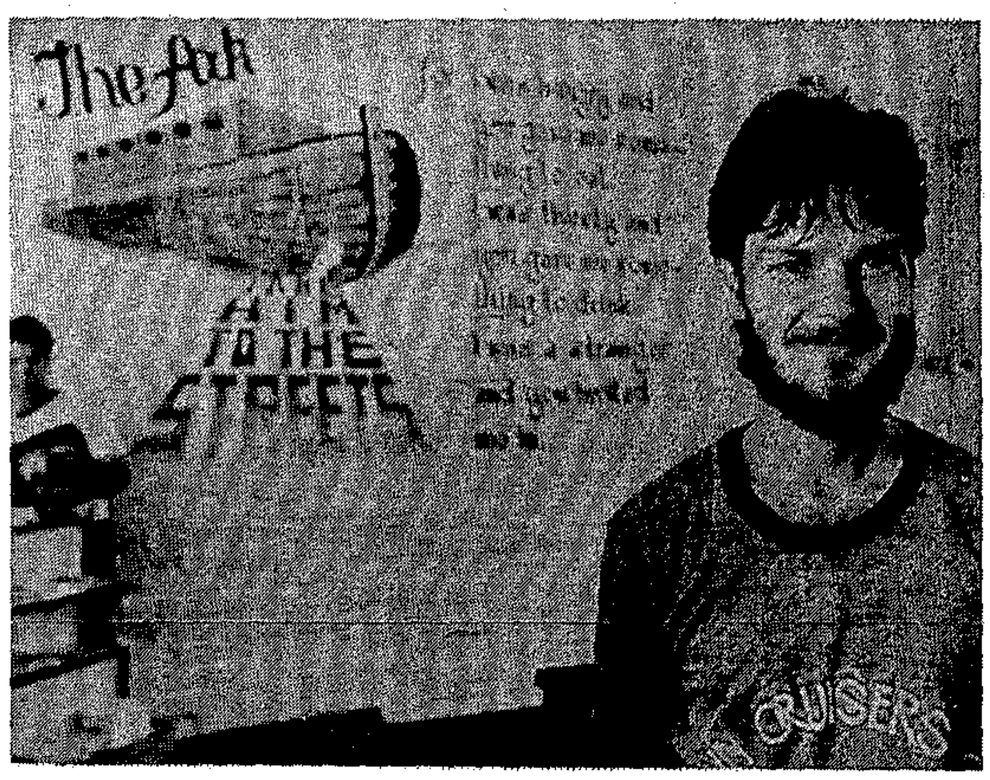
"Be quiet!" rages John. "Can't you see I'm trying to pray?

"Let us pray for those less fortunate than ourselves — who don't have a possie to stay in."

Supper was a stew of vegetables and fish or chicken, it was difficult to tell. Most gripes were about food: It tasted bad, and wasn't enough.

After supper, people lie on their beds, or as a special treat attend a lecture on drug and alcohol abuse.

After lights out at 10pm, 26 people cough themselves to sleep in each dormitory. At 6am the lights are switched on and it's time for the lecture on hell.



JESUS LOVES YOU: Denis Scholtz is in charge of Christian education at the Ark Photo: Yunus Mohamed

Stability at the Ark

SouTH 13/3-17/3/93.

By Quentin Wilson

TO THOSE not put off by perpetual preaching, the Ark's City of Refuge has given a sense of stability.

Reborn Christian Mr Russell van Rensburg introduces himself as someone who pieced together a shattered life after contacting the Ark three years ago.

"Man, you would not have recognised me then," said van Rensburg. "I was on drugs and an alcoholic. My kids were in foster care, my marriage was on the rocks and when I spoke, every second word was a swear word. I was really down and out."

After being taken in by the Ark in Durban three years ago, Van Rensburg said his life turned right round.

"At first I was rebellious. I rejected everything they told me about Christ.

"But they didn't give up, they struggled with me for that first three months and eventually I came round to their way of thinking."

Since then Van Rensburg has reclaimed custody of his kids, built up his brick residence into a cosy home and is now part of the Cape Town Ark staff serving as a pastor.

There is a price for happiness at the Ark, and the currency is prayer.

The many who find this reliance on religious convictions unacceptable don't last long.

Many run away from the clutches of compulsory worship. Others stay for the food but reject the daily lessons and the two week-end church services.

Although the missionary staff do their utmost to convert everybody to the faith, there comes a time when people are asked to leave because of disobedience.

Mr Denis Scholtz, co-ordinator of the Ark's religious programme, puts it differently: "There are those who stubbornly refuse to accept Christ into their lives. We don't like to turn anybody away, we will struggle with them until they do.

"But sometimes, when it has been months and no progress has been made, an agreement is made that it is perhaps better for them to leave."

For those coming off the street, the Ark offers regular meals and lodgings and recreational facilities including a fully-equipped gymnasium, pool and volley-ball court.

Children of residents attend a creche or primary school.

Residents are encouraged to make the City of Refuge pleasant. Vegetable gardens are planted, rooms made attractive and if there is anything they want, they are encouraged to build it themselves.

Changing direction for SAP creativity

THIS country is full of surprises. For instance, did you know the South African Police has a Creativity Section.

Recently, the Weekly Mail reported that Johannesburg policemen had attended a creativity seminar which was part of a programme to improve creative thinking in the force.

Explaining the initiative, a police spokesman said most people educated in South Africa had developed their left brains or linear thinking.

"What we are trying to do," he said, "is to develop the right brain, the creative side, to help people solve problems and cope with change."

While this is a heartening snippet of information, I could not help worrying about policemen I have known whose left hemispheres were



Sylvia Vollenhoven

Rensburg who came to tell me that my dog barked and that he was going to charge me with crimen injuria.

I tried to explain to him that dogs had a habit of barking. The crimen injuria threat left me puzzled but he said I insulted my neighbour.

I then recalled a rather pale woman who had come to complain about my dog. She looked as if she came from a long line of valium junkies but had suddenly found the Lord.

I told Constable Janse I merely advised her to get back on the tranquilisers and that I could not see how this could constitute a criminal insult.

"It is crimen injuria because you are not a doctor," said the constable, glowing with pride at the creativity of his answer.

When I asked him how he knew I was not a doctor, he stumbled and stuttered.

being the station commander who would have to explain to Constable Janse van R that he needed a spell in the Creativity Section.

"You see Johannes, the new South Africa needs healthy right brains and we now have courses for these things."

from Pretoria many times without grasping too much because the droplets bestowed upon him by a dwindling gene pool were no good for providing illumination on such matters.

"No, Johannes, apparently we have a right brain and a left brain. Most policemen are quite lekker with their left brains because it has to do with making suspects talk and such things. But the right brain is the one you use when you go to the Nico Malan."

Johannes, who by now was lost in the gloomy labyrinths of dimly lit cells on low battery power, said: "Well, I never."

Deep down the station commander knows that if he has but a faint inkling, then the confusion of his underling reached mammoth proportions. But he accepts Van Rensburg's nods with an exaggerated display of pride and they discuss what it is that Johannes might

Johannes's confidence grows because he is a regular theatregoer, he says. Anne-Marie and Hannes junior have been in the school nativity play every year and his wife once won two tickets to Swan Lake at the Nico because she got through to a Radio Good Hope Stereo phone-in programme and could tell Dmitri Jegels where Carike Keuzenkamp came from.

That left only the opera but the station commander told him not to worry about this. You could buy a programme with the whole story in it and for the rest it was sung almost always in Italian and you did not have to listen. He suspected most people slept.

But suddenly Janse van Rensburg interrupted the commander who was beginning to develop a real feel for this creativity thing.

"But how would this help us all persuade suspects that they are

Liquor laws draw flak

SOUTH 13/3-17/3/93. (288)

By Justin Pearce

CHANGES in the liquor laws are taking place only after consultation with "a wide variety of interested parties", says the Department of Trade, Industry and Tourism.

The result is at best a compromise that leaves nobody satisfied. While business interests have welcomed the longer trading hours, church groups and anti-alcoholism campaigners have expressed strong reservations.

Mr Peter Schultz, deputy director of the South African National Council on Alcoholism and Drug Dependency (Sanca), warned there was no guarantee that the new legislation would not encourage alcoholism.

"Until the legislators can prove to us that longer selling hours do not lead to an increase in consumption and subsequent increase in alcohol and related problems, we cannot condone this step."

Schultz pointed out that a million South Africans were already dependent on alcohol, and that this number was growing. In 1988 R1,2 billion was lost to the economy as a result of illness, crime, car accidents and other consequences of excessive drinking.

At the same time, the state was cutting back on welfare spending, and organisations working against addiction were badly hit, Schultz said.

"It is ironic that the state only contributes 0,4 percent to Sanca of the money it derives from excise duties and taxes on liquor sales."

Reverend André Strydom of the Dutch Reformed Church said his church had no inherent objections to the sale of alcohol, but did not want to see an increase beyond the "normal hours" for liquor sales.

"People who have an alcohol problem will now be encouraged to spend more."

The DRC was also concerned with the effect the longer trading hours could have on family life, Strydom said.

"We are worried about the people who will have to work longer hours. Many of the people working in bottle stores are women, and this means that children will be left without parental guidance."

Wine farms selling wine on Sunday are a more serious matter.

"Any sales on a Sunday are a problem," Strydom said. "We regard Sunday as a day of rest."

Bishop James Gribble of the Methodist Church said the church had not been given an adequate opportunity to voice its objections to the new bill.

He said the church was particularly concerned with a little-publicised aspect of the new bill which would deny members of the public the opportunity to protest against the opening of a liquor store in a neighbourhood.

The new laws

By Justin Pearce (288)

THE NEW Liquor Amendment Bill, set to go through Parliament shortly, permits bottle stores to stay open until 8pm on weekdays and non-religious public holidays. On Saturdays they may be open until 5pm. SOUTH

The same rules will apply to supermarkets selling wine. 13/3-17/3/93

The only place where it will be possible to buy a bottle of wine on a Sunday will be a wine farm.

Another change in the law will permit restaurant customers to have a drink without having to order a meal.

Cape Town Chamber of Commerce spokesperson Mr Albert Schuitmaker said the new legislation was "a step in the right direction".

"We are thrilled to see the lifting of restrictions on restaurants serving drinks without food."

While supermarkets will be allowed to keep wine departments open longer, it is unlikely a corner café will be granted a "grocer's liquor licence".

Schuitmaker hoped this might change. If future legislation permitted supermarkets to stay open around the clock, there was no reason why smaller retailers should not sell liquor as well, he said. It was also illogical that supermarkets could get licences for wine but not for beer, he said.

But people who stand to profit from the laws seemed sceptical.

Said a liquor store owner: "We're always hearing rumours like this, and until legislation is in place I'm saying no comment."

Others in the city and Woodstock said

BERTRAMS V·O

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Writers may submit work in any of the following categories:
*A **Short Stories** – 3-6 stories, totalling 30-60 double spaced typed pages.*
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*C **Novels** – not less than 100 double spaced typed pages.*
*D **Poetry** – a collection of not less than 20 pages.*
*E **Drama** – a single drama of 30-60 pages.*
*F **Autobiography/Biography** – not more than 200 double spaced typed pages.*

HOW TO ENTER

All manuscripts must be accompanied by an official entry form, on which all relevant details of the Award (rules, forwarding address, etc.) are outlined. Entry forms are available from Skotaville Publishers, PO Box 32483, Braamfontein 2017. Ph (011) 339-1871.

Closing Date: 30 June 1993

early release system with a system of credits, which could advance the date

prisoners ... In principle, all prisoners will

writing letters and receiving visits.

Day and child welfare.

Focus on SA's ability to handle disasters

ADRIAN HADLAND

PRETORIA — SA's ability to cope with natural or man-made disasters, from nuclear accidents to floods, was the subject of a multiparty conference which began in Ellisras yesterday.

Speaking at the conference on civil protection, Local Government Department chief director Jaap de Beer said more than 3-million people had died worldwide because of natural disasters between 1968 and 1988.

With a dramatic increase in the frequency of disasters locally and internationally since the early '80s, it was essential SA was prepared to deal quickly and effectively with any scenario.

One of the serious shortcomings in SA's current civil protection programme was the bureaucratic red tape that had to be cut to activate the service. B/DAY 12/3/93

Recommendations from the conference would be passed on to the local government negotiating forum which is scheduled to meet later this month, De Beer said.

Tourism grading plan unveiled

288

LLOYD COUTTS

SATOUR yesterday unveiled plans to introduce a new volunteer grading and classification scheme for all tourist accommodation establishments by April 1. B/DAY 12/3/93

The scheme was introduced to the industry at a seminar in Johannesburg yesterday by Satour director of standards Greg McManus, who said it would come into operation once the consolidated Tourism Bill was passed by Parliament this session.

Details of the scheme — including a levy — were still under discussion, he said.

A Satour brochure said the scheme, which applied to serviced and self-catering accommodation and caravan parks, was designed to act as a catalyst for tourism development in SA and bring the industry in line with international trends and developments.

The scheme consisted of three categories: listed accommodation, graded establishments and classified establishments.

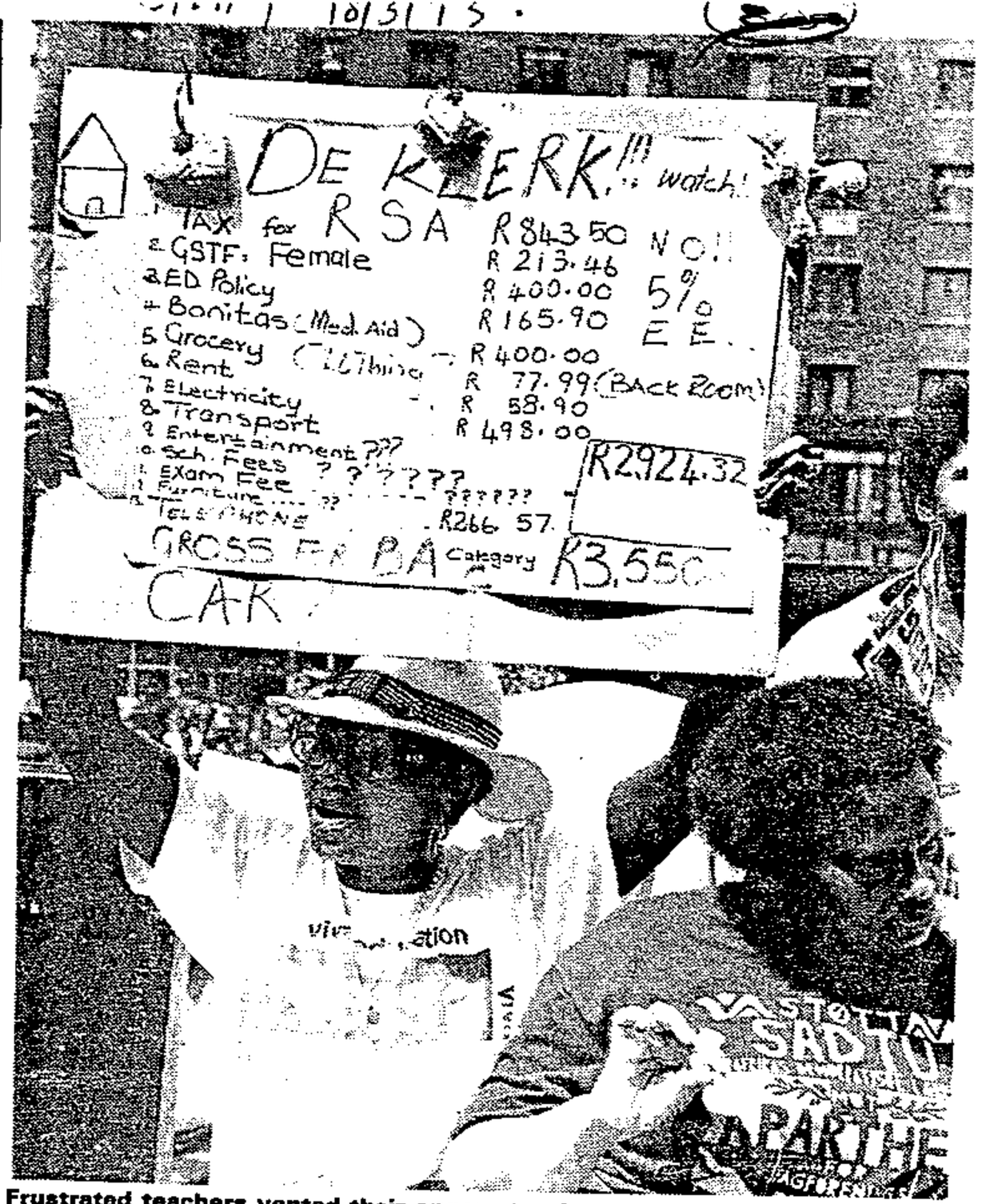
Holders of liquor licences registered with the SA Tourism Board as hotels would be accommodated in a category protecting their licences. They would no longer be required to provide meals, ancillary services and unnecessary bedrooms, but would have to maintain five bedrooms for guests and be assessed annually.

An annual fee to Satour would be required to cover the costs of monitoring their standards.

Graded establishments would have to collect a tourism development levy, which would be used to fund tourism marketing by Satour internationally and domestically and be based on a fixed amount per room per night.

Serviced accommodation establishments offering above standard services could apply for an optional classification.

Participants in the scheme would be included in the Satour accommodation guide, have access to a Satour development and research data base, enjoy preferential rates for Satour marketing and advertising and have access to tourism funds.



Frustrated teachers vented their anger at a demonstration in Johannesburg's Library Gardens yesterday, over government's refusal to increase their pay beyond 5%. They demanded a "living wage" for all teachers. Picture: BRIAN HENDLER

Business welcomes new dual company tax format

B/DAY 18/3/93.

Business Day Reporters

ORGANISED business yesterday gave the new dual company tax structure the thumbs-up.

Sacob welcomed the reduction of the corporate tax rate to 40% and said with tax on distributed profits it should encourage expansion and employment, as well as increase SA's attractiveness as an investment destination.

"The Budget is ... positive for the longer-term economic and employment growth prospects of SA," a Sacob statement said. "However, the failure of government to exercise adequate control over state spending in the past now places a harsh burden on consumers and individual taxpayers in the short term."

The Afrikaanse Handelsinstituut agreed that the corporate tax plan would boost business confidence locally and abroad. Describing it as "innovative", the Steel and Engineering Industries Federation said it could stimulate new capital investment, while National Productivity Institute executive director Jan Visser said it "can only have productivity benefits".

Leading stockbrokers felt the Budget would be neutral to slightly positive for the JSE.

JSE executive president Roy Andersen said: "We are pleased that there is no increase in individual taxes and that there is a fairer distribution of the tax burden. Although we are disappointed that Minister (Derek) Keys was unable to keep to government commitment to abolish marketable securities tax, we welcome proposals to give qualified exemption from stamp duty for the unbundling of pyramid structures."

Frankel, Pollak, Vinderine MD David Shapiro said the reduction in corporate tax rates was the biggest factor in the market moving higher in an initial favourable reaction to the Budget. Bond prices weakened on the back of the Budget, reversing earlier gains, but dealers said this was an initial reaction.

Keys said last night he had put the deficit at R40bn since this accurately reflected the entire government deficit. Addressing a tax seminar, he said he had "gone for the biggest deficit I could find".

Economists expressed mixed views on the Budget, but most agreed Keys had achieved a measure of credibility through it. Rand Merchant Bank economist Rudolf Gouws said Keys had reached a compromise between his goals of reducing the deficit without causing the recession to deepen.

Nedcor Bank chief economist Edward Osborn said SA was caught in the public debt trap, clearly reflected by the burgeoning interest payments. The rise in VAT "had to be done". FNB assistant treasurer Mike Law said the Budget was in line with what was expected, except for the decrease in company tax.

Absa economist Dominick Sutton warned that Keys might have been a "little optimistic" concerning both income and expenditure. The deficit might be more than the predicted 6,8% of GDP before the year ended.

Little room for hotel industry

MARCIA KLEIN and KELVIN BROWN

B/DAY 18/3/93

THE hotel industry would receive only modest relief from Finance Minister Derek Keys's budget proposals for tourism expenditure, industry sources said yesterday.

They were reacting to Keys's proposal that in addition to the R85,1m in the printed estimate, a further R25m would be made available for tourism.

The Minister said that for income tax purposes, the depreciation period for certain refurbishments of tourist accomodation would be reduced from 20 years to five.

Satour director Ernie Heath said that with the present low occupancy levels, the depreciation allowance was welcomed.

The additional R25m would be used mainly for Satour to promote SA overseas. This came at an opportune time to get the tourist industry on a meaningful growth path in line with the three-year plan which followed last year's White Paper on tourism.

Sources said that hotel groups had been hoping for other forms of relief, including allowances for hotel development and export incentives.

Government had indicated it would give serious consideration to incentives for a new tourism infrastructure, but this had not materialised, they said.

Gold mines now given tax options

B/DAY 18/3/93

JONO WATERS and MATTHEW CURTIS

GOLD mines could opt out of the proposed dual company tax system which is set to apply to mining and non-mining companies, Finance Minster Derek Keys said yesterday.

Keys said gold mines could choose between their current tax regime and the new 40% company rate and 15% dividend tax, to avoid any prospect that the sector would be put at a disadvantage.

Under the existing tax structure, gold mines pay taxes on profits, against which they are able to offset all their capital spending, and lease taxation, effectively a royalty paid to government for mining precious metals.

Keys made no mention of plans to lift "ring fencing", the mechanism which prevents one mining company offsetting the cost of development work at a separate sister mine against its own profits.

A Chamber of Mines spokesman said the organisation wanted to take a closer look at the Budget proposals before commenting.

Analysts said gold mines were unlikely to take up the option even if gold prices showed a sharp and sustainable rise.

E W Balderson analyst Nick Goodwin said the only mine likely to benefit from the new structure would be Driefontein, SA's most profitable gold producer. He said that in the six months ended December 1992, Dries paid R147m in tax. Under the new system with the dividend tax, the mine would have paid R133m.

Simpson McKie analyst Peter Bahnemann said that as mines paid out all their bottom line profit in dividends, accepting the new company tax system would bring their tax rate to 55%, a rate they had not paid since recording super-profits in the early and mid-80s.

Press the panic button and they'll be on the way

STAR 20/3/93.

LOUISE MARSLAND

EMBATTLED restaurant and cafe owners are beginning to hit back against the restaurant-terrs who have begun to plague the city. One of the first innovations — a centrally co-ordinated emergency communication system — is about to come on line.

The unique business radio-link system with Business Watch control centres will consist of a hidden radio transmitter with a panic button.

The instant the alarm is raised, the emergency call will come through to the 24-hour Business Watch control centre — the first one being situated in the Smal Street Mall police station in Johannesburg's city centre.

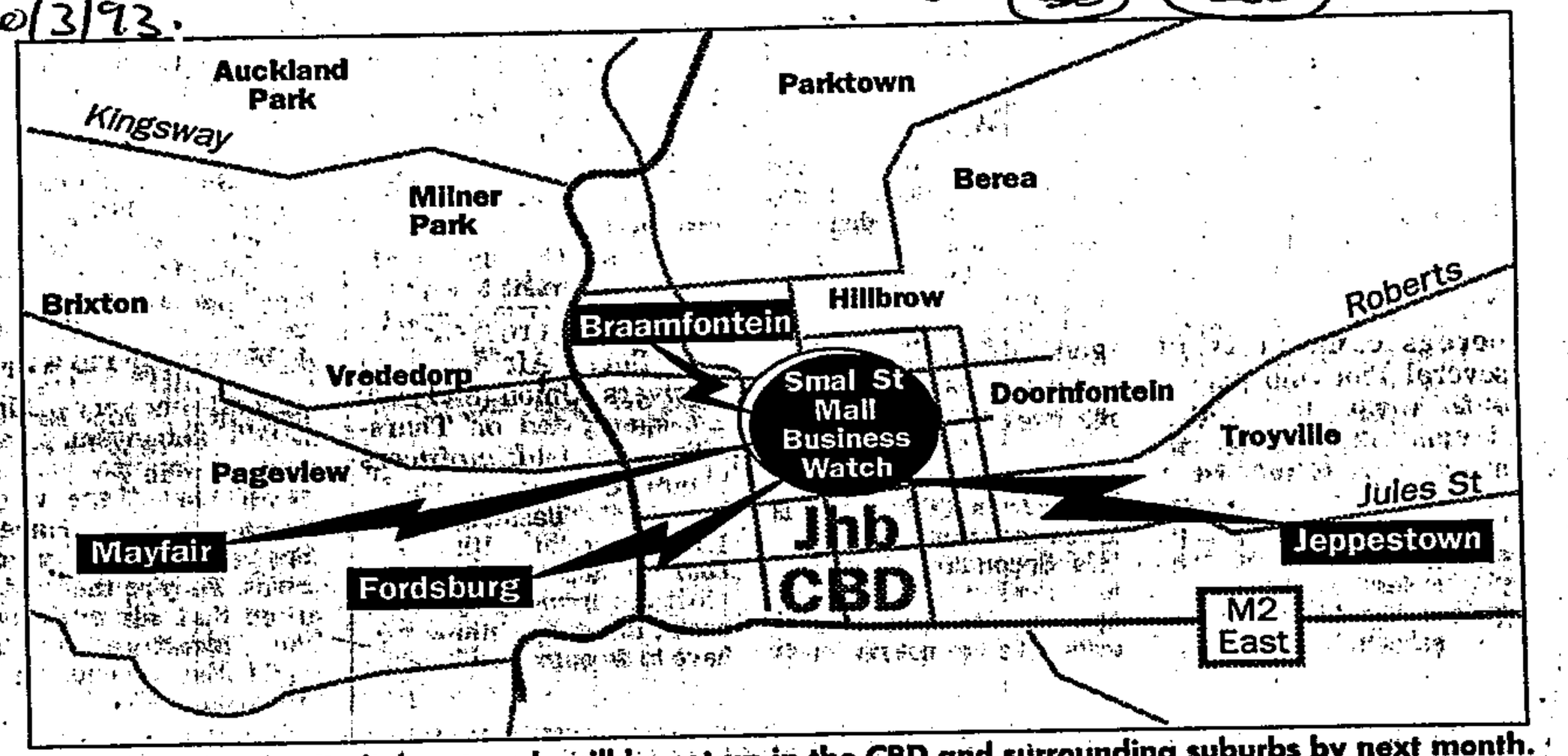
"It is our intention to have radio transmitters installed in businesses in all Business Watch areas — starting in Johannesburg," said National Business Watch co-ordinator Gerald Heine.

"When activated in an extreme emergency by panic buttons, the transmitter will send a coded panic signal to the Business Watch control centre. The control centre will have a computerised base station which will identify the coded panic signals."

The best thing about the system, he said, was that it would cost less than R1 000 to install.

Heine said all members of Business Watch would be able to get involved in the radio-linked emergency response scheme.

Apart from being in direct contact with its own Business Watch patrols, the command centre is in radio contact with the Flying Squad and other emergency services.



FAST AID: The radio-link network will be set up in the CBD and surrounding suburbs by next month.

Heine believes the scheme could be up and running before the end of April in the Johannesburg CBD and surrounding suburbs of Braamfontein, Mayfair, Fordsburg, Cleveland and Jeppestown.

After that, Rosebank businesses are likely to be linked up as Business Watch will be established there shortly.

"The magic of communication will enable all restaurants, cafes and retailers in an area to be linked to a central control point. Therefore, in the event of any emergency, the controller at the command centre will know whether to dispatch police, firemen or ambulances."

Heine emphasised that the new system was not a replacement for armed response and burglar alarm systems, but was specifically designed to aid police and businesses when a call was placed in an emergency situation.

Restaurateurs beef

Star-rating system on the menu

STBM 20/3/93

LOUISE MARSLAND

REEF restaurateurs are putting security on the menu along with gourmet food and good service since the surge in attacks on eating houses.

They plan to set security standards for restaurants on a star-rating system.

"People expect a good restaurant to provide good food — but good security will also have to become part of our service," Catering, Restaurant and Tearoom Association (Catra) director Frank Swarbreck said this week.

Armed robbers have hit seven restaurants and cafes in the past three weeks — killing two cafe owners and a restaurateur and raping a restaurant employee.

Swarbreck's proposed security rating system for restaurants would see an eatery with a burglar alarm given one star, and a restaurant with electronic surveillance three or five stars. Catra's 3 500 Witwatersrand members will be surveyed on the security rating and the installation of security systems. A list of all police stations in the region is being circulated to restaurants and cafes, and proprietors are being urged to contact their police station commanders and attend crime forum meetings.

A survey showed that robberies and other violence had in some cases caused a 60 percent drop in business, Swarbreck said.

"Some of our members feel so strongly that they are saying that if nothing is done, they will withhold regional services council levies and then VAT. We have had some very emotional responses."

Sophisticated, professional

"The robberies are very sophisticated and professional — some time has been spent studying the restaurant, gathering information, getting to know the system of handling money and when security is lax."

Swarbreck said about 10 percent of restaurant owners who were robbed did not report the crimes to the police for fear of bad publicity. "Business is being ruined ... but we can't cover this up.

"The atmosphere in a restaurant must be relaxed. There has to be a degree of subtlety about any form of security," Swarbreck said, emphasising that body and bag searches and spy cameras were out. "Restaurants will have to have access control where people coming in are surveyed by unobtrusive electronic surveillance to see if they are carrying weapons."

While Catra had been inundated with calls from security companies offering anything from panic buttons to private armies, Swarbreck believes the first emphasis should be on a well-trained police force.

The association had decided to petition President F W de Klerk because it believed the police had not been allocated enough funds.

Witwatersrand police liaison head Lieutenant-Colonel Dave Bruce said the occupants of houses took certain security precautions, and restaurant owners would now have to do the same.

"We can't put a policeman outside every restaurant or cafe. Restaurant and cafe owners must get involved in crime forums. Restaurant robbery is a community problem too."



SOFT TARGETS: Robberies and violence have in some cases caused a 60 percent drop in

's beef up security



ence have in some cases caused a 60 percent drop in business. Restaurant and cafe owners plan to fight back with stiff security.

Wine club 'exclusivity' leads to declining retail service

MORE than a decade has passed since the introduction of wine courses aimed at making the retail trade more professional in its approach. In spite of this, there is only one Cape Wine Master in full-time employment in the retail sector, and he occupies a head office position more involved with buying than with selling.

There is no sign of this changing: the Institute of Cape Wine Masters may actually be tightening admission criteria to maintain the "exclusivity" of the "club".

The problem of "keeping newcomers out" is not limited to the Cape wine trade. There are many professional associations who admit new members at the rate of demise of the old guard, rather than in line with the quality of candidates at the annual intake. The UK Institute of Masters of Wine operated on this basis until the mid-'80s. A change in this policy opened up the intake without lowering standards. The Institute of Cape Wine Masters should learn from the UK example.

The problem of declining service in the retail trade is less easily addressed. As with all things, we get the wine shops we deserve. The majority offer a limited range of goods. In the last few years their mark-ups have increased. Licensees punt products on the basis of deals from wholesalers, rather than intrinsic quality. This is at least appropriate to their rudimentary product knowledge. They are kept in business by the apathy, ignorance or naiveté of their customers.

Johannesburg's smartest wine shops generally stock less than 20% of what is available. Most are now promoting "exclusive" bottlings of house-wines, usually at prices which are more expensive than the same product sold under its regular cellar label. There is almost no one on the shop floors of Reef bottle stores who can talk with any authority about the taste, qualities or ageing potential of the wines in stock. Wine is a commodity, like baked beans or bacon: pack it right, merchandise it correctly, tell the customer what he wants to hear and get on with the next sale.

Retailers maintain that 80% of their wine turnover is achieved with 20% of the products in the shop. It is hardly worth risking unknown or undermarketed lines from small producers. There is a chicken-and-egg part of this scenario: buyers who want more esoteric wines purchase them directly from the farms. Retailers lose business and respond by increasing their mark-ups, and decreasing the range in stock to generate more net rands from the residual trade. BIDAM 19/3/93.

How does the serious wine buyer manage his shopping in these circumstances? If you know what you want, and it is a wine in general distribution, shop around on price. By and large, the grocery chains offer the best discounts, but with minimal service. If what you want is not readily available in the trade, contact the farms directly. (For phone and fax numbers consult the latest edition of John Platter's SA Wine Guide.) Pool your purchases with a few friends or colleagues. Railage is onlycost efficient for quantities of five cases or more per supplier. With retailers' mark-ups now hovering at around 30%, you can save a great deal by buying on a direct basis.

MICHAEL FRIDJHON

Boost to tourism

Political Staff

288

CAPE TOWN — Government is to launch a major initiative to boost the tourism industry. B/DAY 18/3/93.

Finance Minister Derek Keys has earmarked R110,1m for the programme, in addition to which the Industrial Development Corporation (IDC) is prepared to make up to R600m available for loans to stimulate the industry.

Another plus for tourism is that the depreciation period for certain refurbishment costs for hotels is to be reduced from 20 to five years.

Keys said despite the problems currently facing tourism there was "sufficient consensus" the sector had an important role in a long-term development strategy.

He stressed a "downscaling of violence and crime" would also need attention to make SA a safe destination.

Millions to be spent on boosting tourism

Star 18/3/93

288

Political Staff

The Government is launching a major multimillion-rand plan to stimulate tourism.

Generating more jobs and earning more foreign exchange are the chief goals.

A supplementary sum of R25 million is being included in the 1993/94 Budget, in addition to a sum of R85,1 million in the printed estimate of expenditure — a total of R110,1 million.

The Minister of Tourism-designate, in consultation with the departments of Finance and State Expenditure, will design a programme for the allocation of the funds.

The Industrial Development Corporation "is also prepared to make up to R600 million available for loans to stimulate the tourism industry".

In addition, the depreciation period for certain refurbishment costs of hotels is to be reduced from 20 to five years.

Consensus

"This measure, which has taken the economic lifetime of assets into account, will make an important contribution to increasing the supply of semi-luxury accommodation," according to the Department of Finance's Budget review.

The review notes that "there is sufficient consensus that this sector has an important role to play in long-term development strategy".

"Tourism has the potential to make a vital contribution as a net generator of foreign exchange and a job-creator.

"International experience also indicates that tourism promotes the establishment of small businesses."

The review adds, however: "In the nature of things, greater political stability and a downscaling of violence and crime will also need attention in order to make South Africa a safe destination."

Kerzner announces restructuring after resignation of Rosevear

Star 21/4/93

288

By Magnus Heystek
Finance Editor

Sun International yesterday announced a major restructuring of its top management.

This follows the resignation of current MD Ken Rosevear (43) "for personal reasons".

However, Rosevear will stay on until the end of June to facilitate the transfer of executive duties to his successor Peter Venison (51).

Venison is currently deputy MD in charge of operations.

Peter Bacon (46), at present responsible for the group's European and Indian Ocean operations, will assume the position vacated by Venison.

Sun International chairman Sol Kerzner said yesterday that he had with great regret accepted the decision by Rosevear to resign.

"Ken has indicated that he would like to pursue his personal interests and much as I would like to, I cannot stand in his way," Kerzner said.

Other management changes include the appointment of Martin Gatto, currently financial director of the group's UK and Indian ocean interests as MD of the division, while Kerzner's son Butch (28) will take on more executive responsibilities in the same area.

However, he retains his position as director in charge of development and acquisitions.

Commenting on current trading conditions, Kerzner said that like all other businesses local operations had been affected by the downturn, which had put considerable pressure on disposable incomes.

"The latest bout of unrest has led to some cancellations from overseas, but hopefully this trend will reverse itself once the political situation improves. In the medium term I am still very optimistic," he said.

Commenting on certain alleged structural defects at The Lost City, Kerzner described these rumours as "absolute rubbish".

Kerzner said the group had plans for further developments in the Indian Ocean, which he said was developing quite dynamically.

Canal may link city to Waterfront

288
Staff Reporter CT 22/4/93

A SALT water canal with water taxis linking the Foreshore from a developed ICS power station site to the Waterfront could follow in years to come with the signing of an historic agreement this week between the Cape Town City Council and developers Devland.

The first phase of the protracted Foreshore project is expected to begin behind the ICS power station with the development of an office and retail outlet on land owned by Devland.

Planners would like to see, among other options, a hotel straddling a canal, a water-bus harbour, entertainment areas, a light rail system linking Cape Town station with the Waterfront, a station and a convention centre with apartments.

Wide consultation

But the city council will have to find developers for the four hectares of land that it owns on the site. It is expected that the canal could cost up to R40 million and would have to be financed by developers, according to council official Mr Rory Birkby.

The city council will be consulting widely and reporting back to the town planning committee before the project goes further, said Mr Birkby.

The agreement with Devland has broken the "log-jam" over the development of the power station site on the Foreshore that began in the 1980s, said deputy city planner Mr Peter de Tolly.

The agreement facilitated a land-swop between Devland and the council. Land parcels belonging to both parties will be rezoned, he said.

SUN INTERNATIONAL

Checking out

FM 23/4/93 (286)

Ken Rosevear's *resignation this week as MD* of Sun International wasn't a snap decision. He says he felt some time ago that he needed a career change but agreed to stay on until *the Lost City project and the Wild Coast* expansion had been completed.

Rosevear (43) discounts the possibility of joining another hotel group in SA. "When you have been MD of the top hotel group in southern Africa, there's little left to excite

FM 23/4/93 (288)

you in this field."

He says he hasn't looked for another job yet because he felt it was wrong to do so before his resignation was announced and while he was still in charge of the group. He does not rule out a position abroad, though he did turn down an overseas post that the company offered in order to keep him in the fold.



Rosevear

Rosevear became MD in 1986, left the company in 1990 for a few months, but returned, still as MD. He doesn't want to talk about that incident but it is believed it was due to, among other reasons, a personality clash with Ian Heron, who was CE at the time.

Group chairman Sol Kerzner says Rosevear will stay with the company until June. "It's sad to lose a man of his calibre. We worked together for 20 years, since our Southern Sun days. But he gave us enough time to talk it through, ensure continuity, and plan the smooth restructuring of the group, keeping management in good shape."

Peter Venison (51), who also left the company and returned, and is now deputy MD responsible for operations, will succeed Rosevear. Peter Bacon, who is based in London and is responsible for the group's interests abroad, mainly in France, Morocco and the Indian Ocean islands, will return to SA and take over from Venison.

"These moves made it necessary to restructure the management of Sun International's overseas operation," Kerzner says. "Bacon's duties will be shared between Martin Gatto, who will take over the European operation, and I'll become more directly involved in the Indian Ocean operation, where we're expanding.

"We recently bought a 70%-completed hotel in Mauritius that will be our fourth, and we're looking at expanding into other Indian Ocean islands.

"My son, Butch, who joined the company last September, will assist me. He will retain his position as director for acquisitions and new projects."

In SA, Kersaf is Sun International's holding company, but overseas operations are a 50:50 venture between Royale Resorts, a Kersaf subsidiary through Sun International, and World Leisure Group, a company controlled by Kerzner. ■

Exhibitors undeterred by violence

Prospective foreign exhibitors at South Africa's annual Indaba tourism show have not been scared off by the recent violence, the South African Tourism Board (Satour) said yesterday.

Satour said the full complement of 900 delegates representing 54 countries was expected at the show at the Durban Exhibition Centre from May 10 to 14.

"This indicates that violence in South Africa is being viewed increasingly in its true perspective," Satour said in a statement, but added that foreigners would be attracted on a larger scale only once a greater measure of peace was established.

Indaba, which will have 470 stands and 330 exhibitors, will be opened by President F W de Klerk.

Eleven African countries are due to exhibit and 14 countries will be sending delegates for the first time. — Sapa.

GAMBLING INDUSTRY

Stacking the deck

FM 30/4/93

288

The government-appointed Howard Commission apparently set out last October to protect Sun International and the horse-racing industry. If implemented, its 145-page report on the future of gambling, released last week, will do just that.

Government is expected to react to the report in two weeks and to pass legislation during this session, which should end in late June, or in a supplementary session later in the year.

Critics are incensed with the sometimes arrogant tone of the report (giving casino licensing control to local authorities is considered "preposterous") as well as the myths (SA needs more outback hotel rooms) and misinformation (the Games Africa/Ithuba lottery is said to be making "excess profits" though it actually operates at a loss.)

But perhaps most galling to them is how the commission seems to have bent over backwards to protect the nine casinos in the homelands — where Sun International has a monopoly - - and 13 racetracks by recommending that only 10 casino licences be granted to tourist resorts at least one hour's drive from metropolitan areas. That's a big reduction from the 2 000 mini-casinos that the report estimates were operating throughout the country until three months ago, when legislation forced them to shut.



"How do they justify partially stamping it out?" asks economist Michael Schewitz, who helped compile the Free Market Foundation's representation to the commission. "If, as they say, it's dangerous and futile to ban gambling altogether, does this make it only a little bit dangerous and futile?"

The ANC's Carl Niehaus says he worries that the recommendations will lead to a new monopoly and that the one hour-drive notion "sounds very strange."

Others, however, see the commission's work as an important step toward implementing necessary regulations and controls. "I wouldn't say the report offered a protectionist mechanism," says Durban Turf Club GM David Furness. "It's a control mechanism."

Sun International MD Ken Rosevear, who recently announced his resignation, is low-key about the report. "Generally speaking, it was a responsible approach but there is some need for clarification."

As part of their research, the commissioners — Natal Judge James Howard, National Sorghum Breweries chairman Mohale Mahanyele and Unisa law professor Sas Strauss — visited Sun City and the Carousel, two Sun International casinos in Bophuthatswana.

Strauss would not comment on criticism of the report or allegations that it is biased. "What we have to say is in the report. Now it's up to government." He adds that the commission's trip to Sun City was paid for out of the commission's budget.

They also visited a small casino, a restaurant with gaming facilities and a "gambling den" in Durban. When these and the other mini-casinos were shut, in part due to a letter from Howard to President F W de Klerk recommending their closure but written three months before the report was completed, the horse tracks and Sun International applauded.

Furness says the nearly 10 mini-casinos within 4 km of the track had hurt business. He says he didn't actually click his heels but "we were pleased that they closed them."

The commission states openly that it tried to look after the horse-racing industry. "Though it is not normally the function of government to protect one industry against another . . . we consider it to be in the public interest that the horse-racing industry remains viable and that reasonable measures should, therefore, be taken to ensure its survival in the face of competition from alternative forms of gambling."

The commission believes that the Totalisator Agency Boards (Tabs), which handle off-track betting, should run its envisioned single, national lottery and that Tabs, along with licensed bookmakers, should handle all sports betting. And racetracks should also be able to apply for casino licences.

The Durban Turf Club, for one, plans to take advantage of the opportunity. And along with the other two turf clubs in Natal, it owns the 120 Tab outlets in the province. So if the on-line lottery is run nationally by Tabs, racing clubs will have a controlling interest in the lottery. "If we can participate in all three, we certainly will," Furness says.

The report does make major moves towards acknowledging reality — did anyone really think that answering a dumb question made a scratchcard game a contest of skill? — but critics charge that the commissioners also have recommended a big step backward towards centralisation of government power, over-regulation and the discredited policies of targeted economic development.

"Nation of gamblers"

The recommendations include:

☐ Licensing only 10 casinos. The report says this number will "satisfy reasonable demand" without turning SA into a "nation of gamblers" and also limit the infiltration of organised crime. Critics say compulsive gamblers can always find an outlet and that severely limiting the number of licences makes them a highly valuable commodity — exactly what attracts criminals;

☐ Locating the casinos an hour's drive from metropolitan areas. The report says that's to protect poor people from squandering what little money they have and to encourage development outside the cities. Critics say it's to limit the threat of competition and play Mother Grundy.

"I don't understand why the Lord Charles in Somerset West, 30 minutes from Cape Town, which is one of our hotels, could not be considered," says Protea Hotels MD Arthur Gillis. "If you drive for an hour you're in the middle of nowhere. It's total insanity"; and

☐ Encouraging international tourism by building new resorts. The report cites projections from the SA Tourism Board, which expects overseas tourism to nearly double, to almost 1m visitors by 1995. But tourism growth has been slow and hotel occupancy is a lowly 45% so there's no demand for new hotels, critics say.

Also, even fans of the report think it's ludicrous to lure foreign tourists to Johannesburg, for instance, with the promise of casino gambling and then tell them they have to drive to Ermelo or the Vaal Dam to have a flutter.

Critics also attack the commission's protectionist view that the number of new licensed resorts should be limited to allow "the investor a reasonable return."

So what's an aggrieved party to do? Forget about the commission and concentrate on lobbying MPs.

"Some of the recommendations are untrue and confusing," says director Eytan Rechter of Games Africa, which runs the Ithuba scratchcard game and wants to operate the on-line lottery.

"We plan to make our views known to the relevant people." ■

Rosevear quits Sun International

SUN International MD southern African operations Ken Rosevear has resigned and will leave the leisure group in June to pursue other interests.

He is leaving after steering the group through the most difficult period in its history. BL DAY 4/4/93

The group's gambling operations have been hit by recession and unregulated competition, while a fall-off in tourism has affected its hotels. It also suffered labour relations problems.

Rosevear, MD since 1985 and a close associate of chairman Sol Kerzner, said yesterday his split with the group was amicable but that he wanted to move on to "new challenges". He would relinquish his directorships in Sun International, Kersaf and Safren.

He had no plans yet, but said: "I'm confident that some good offers will be made."

KELVIN BROWN
and ANDY DUFFY (288)

Rosevear said he had raised the issue of his departure last summer. (2 pg)

He had decided to stay with the group until the Lost City and Wild Coast projects were up and running.

The company has reshuffled its management. Deputy MD Peter Venison takes Rosevear's chair, and foreign operation head Peter Bacon replaces Venison.

Rosevear said the company was well placed with its new management team.

Kerzner said yesterday: "This is a non-stop job, you get calls day and night. It does wear you down.

"The company has grown and prospered under Ken's direction, and his astute grasp of the business will be sorely missed."

● Picture: Page 3

Sun International looks west to US

CT 21/4/93 (288)

Rosevear resigns as MD

By AUDREY D'ANGELO
Business Editor

SUN International is looking at the US market, executive chairman Sol Kerzner said yesterday. And it plans to expand its operations in the Indian Ocean and in France.

The group announced yesterday that its MD in Southern Africa, Ken Rosevear, had resigned for personal reasons with effect from June.

Peter Venison, currently MD responsible for operations, will succeed him. Peter Bacon, currently responsible for European and Indian Ocean operations, will take over from Venison.

A statement announcing the changes said that "in the light of the importance Sun International places on international expansion, a restructuring of management responsibilities will be undertaken in regard to the group's offshore operations."

Kerzner said by telephone from Sun City: "With the completion of the Lost City project I, myself, will have more time to devote to expanding the group's activities abroad.

"I will be helped in this by Peter Bacon, who will be coming back to SA. This will help to strengthen our team here."

Kerzner said the group had been "spending some time looking at opportunities in the US market" but had no definite plans yet.

It had been growing progressively easier in the past two years for Sun International, as a SA-based company, to do business overseas.

Discussing the Lost City, Kerzner said the Palace theme hotel had achieved an occupancy rate of more than 80% since its opening last year. The proportion of foreign visitors was "high, and building up", although he could not give an exact percentage.

There had been an excellent response from the Gulf, the Far East was a growing market and Europe was a good market.

There had been cancellations following the assassination of Chris Hani, but he thought overseas visitors would return in the medium term provided SA achieved stability and an end to violence.

The number of rooms at Sun City had been increased from 850 to 1 200. "Occupancies have generally improved and are averaging more than 70%."

Tax dispute blocks plans for SA hotel development

ST Times (BUSS) 17/11/93

Q88 By CIARAN RYAN

A HOTEL group is locked in dispute with the government over tax concessions for new hotels.

The move appears to be an attempt to block Sun International and international hotel groups from developing new hotels in an industry where half the beds are unsold.

Sun International executive director Ken Rosevear says the group is keen to develop hotels in SA and has identified Sandton and Cape Town as potential sites, but plans are being held up by lack of clarity on the tax position of hotel developers.

Sun International receives a 120% tax allowance on buildings in Bophuthatswana, compared to just 5% in SA. For this reason most hotel development has been concentrated in the homeland.

"We will move quite fast when there is clarity on the tax position in SA, but we have had our plate quite full with the opening of the Lost City," says Mr Rosevear. "We would like to position ourselves in those markets where the international tourists are."

Executive director of the SA Tourism Board, Spencer Thomas, says a government White Paper on tax concessions in the tourism industry recommended raising the tax write-off on new buildings and refurbishments.

Some SA hotel groups, battered by a decade of declining foreign visitors and lower domestic tourism as a result of the recession, do not want concessions for new hotel developments, says Mr Thomas.

"They would like to see the tax concession on hotel refurbishments increased, but do not want the same for new hotels because of the surplus of beds in existing hotels."

A report by Kessel Feinstein Consulting, which helped draft the White Paper, says a "37E-type" tax allowance — which would give hotel developers a transferable tax certificate as construction gets under way instead of when the hotel is complete — should be made available for three years.

"Important deduction items will be building allowance, pre-production interest and pre-opening expenses," says the report, which recommends the building allowance should be increased from 5% to 15% for upgrades and refurbishments and 10% for new buildings and extensions.

Normalised

International hotel groups such as Sheraton and Hyatt have expressed interest in building or taking over management of hotels in SA, but lack of incentives has kept them sidelined.

The number of foreign visitors to SA crashed after the Boipatong and Bisho massacres. There is some doubt that Minister Org Marais's projected annual increase of 18% in foreign visitors will be met until the political situation is normalised.

Tourist arrivals increased by an average 12% over the last five years. If this rate of growth continues until 1996, Johannesburg will experience a shortage of hotel beds for five months of the year, the Cape for six months and the Eastern Cape for two months, says Kessel Feinstein. At 20% growth in foreign arrivals, hotels will be stretched to capacity within a few years.

The tax concessions are designed to encourage new hotel developments to alleviate the projected shortage of accommodation by 1996.

Tourism is worth R9,7-billion a year in SA, nearly 3% of gross domestic product. About one-third of this is from foreign tourism.

Guide shortage is stifling tourism, says Minister

ADRIAN HADLAND

PRETORIA — SA's tourism industry was suffering from a lack of skilled tour guides, Tourism Minister Org Marais said yesterday.

An investigation into the training of tour guides would be undertaken by Satour in the near future, Marais told the fifth international convention of the Tourist Guide Lecturers' Association.

Marais said consultants would be asked to tender for the training intiative which would include an effort to attract more university language graduates into the industry.

"Guiding plays an important role in the whole tourism industry, as a guide represents his country and, in many cases, is the only contact between the foreign visitor and the host country," he said.

SA was slowly establishing itself as one of the world's most attractive tourist destinations "and for this reason it is important that the services rendered by our guides are of the highest quality".

Government was willing to fund guide training, Marais said, but he called on business, the IDC and the Development Bank of Southern Africa to help upgrade the industry's infrastructure.

He also said a Bill would be introduced in Parliament this session concerning a new grading scheme for tourist accommodation establishments.

The National Grading and Classification Scheme would embrace the entire tourist accommodation sector including serviced and self-catering facilities as well as caravan parks and possibly restuarants.

Travel trade slams airport

ALG 19/1/93 (288)

Captour to lead plea to government

ROGER FRIEDMAN
Staff Reporter

IF Cape Town is to get its tourist boom, something has to be done to improve D F Malan Airport, especially facilities in the international arrival and departure halls, say travel industry spokesmen.

Passengers' complaints include the absence of airbridges from aircraft to terminal buildings, the time it takes to get through customs and the unfriendliness of officials.

But Captour is taking steps to improve the situation and will lead a delegation to parliament next month to discuss the shoddy state of the airport with the Minister of Transport.

Captour chief executive officer Gordon Oliver said he was concerned the minister did not realise the importance of tourism to the economy.

"The airport is the front door to the country — good or bad impressions begin here."

In 1991 D F Malan was named the worst major airport in South Africa and very little had been done to improve this status, Mr Oliver said.

It was very clear the airport was inadequate when two or more international flights were being handled, he said.

"It worries us that the only response our concerns get from the Department of Civil Aviation is that they plan to commercialise the airport."

Captour has prepared a list of 26 shortcomings at D F Malan, including the lack of air-conditioning, police looking "threatening, irritable or unfriendly", and the "diction of public address ladies".

Even when travellers emerged from the terminal their travails were not over.

The slope outside the doors seemed to have been designed to throw suitcases off trolleys — if you could find a trolley — and then to find a taxi...

Flitestar's Dave Vermaak, chairman of the Airline Operators Committee, said the DCA "might well be reluctant to address shortcomings" pending commercialisation — a criticism hotly denied by the DCA.

"One assumes the establishment of the new privatised body will be accompanied by improvements," Mr Vermaak said.

Mr Vermaak said there was little doubt air traffic would increase, and that Cape Town was a "gateway" airport.

"I think very definitely that while facilities can cope with the current volume of traffic, they will be strained by any increase, particularly when flights go off schedule," he said.

While 300 passengers disembarking from a jumbo jet could be processed fairly quickly, the arrival of two jumbos within minutes of each other had a severe impact on facilities, he said.

D F Malan was "certainly more crowded than international arrival halls elsewhere".

"The airport will simply have to be enlarged."

Mr Vermaak was particularly critical of the lack of tourist information and airbridges in wet weather, the dated arrival/departure boards and the "shocking condition" of the only access road to and from the airport.

And he termed the facilities "terribly austere".

Stuart Huckwell, chief director of the Department of Civil Aviation, said he "most certainly" felt facilities at D F Malan were adequate.

"Cape Town could handle four times the present number of international flights."

But, "the government simply does not have the money to upgrade airports to the level that certain bodies demand".

Airports and aviation were very much First World, while South Africa was wrestling with Third World problems, so the department planned to commercialise, rather than privatise, the airports.

Two companies would be formed, one dealing with traffic control, equipment and systems, and the other with airport buildings and related facilities.

The target date for the establishment of the companies was April 1.

Although shares in the companies would be owned by the government, Mr Huckwell did not rule out "some form of joint venture" in the future.

South African airports had always run at a loss and, being a government department, the DCA was prohibited from approaching finance houses or big business for financial input, Mr Huckwell said.

Commercialisation therefore offered two great challenges: "To put airports on a sound financial footing and to use the new freedom to make arrangements with the private sector."

As the commercialised airport company developed financially, facilities would be upgraded, Mr Huckwell said.

Sanctions lobby accused of desperate tactics

288
ARGUS B. 9B

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — Ambassador to the United States Mr Harry Schwarz has accused the pro-sanctions lobby of resorting to desperate last-minute attempts to extend sanctions while leaders in South Africa move towards lifting them.

In an angry outburst, Mr Schwarz told the International Association of Jewish Lawyers and Jurists that two states which did not have sanctions in place — New York and Oregon — were under pressure to introduce them for the first time.

The city of New York enforces sanctions independently of the state legislature.

"It is almost as if there is a desperation to be seen to be doing something before sanctions finally come to an end.

Somewhere, either there is a lack of communication or there is double talk," he said.

Mr Schwarz said there were other tasks which the pro-sanctions lobby could do to assist in the removal of the apartheid legacy.

"It would be ludicrous, however, if it were not so serious, to witness the last-minute scramble to create new sanctions and to restrict business which will make investment, loan facilities and trade with the new South Africa, so essential to meet expectations, more difficult," he said.

Besides the new state sanctions being pressed for in New York and Oregon, American business leaders have recently reported a spate of meetings with pro-sanctions groups in which demands have been made for US companies to meet a long list of conditions before investing in South Africa.

One American executive said today: "They are asking us to agree to policies which amount to tackling the task of social reconstruction.

"Frankly, that is not our business. We pay taxes so that governments can undertake those tasks."

Loophole found in gambling Act

TRACY SCHNEIDER

CASINO owners said yesterday they were preparing to reopen for business after discovering a Gambling Amendment Act loophole which allows gambling machines on a credit basis only.

The amendment, passed in November 1992, allows gambling machines to operate only if winners are credited with the opportunity to play another game and there is no exchange of anything of value.

Head of the Narcotics Bureau in Durban, Piet Meyer said the law implied casino's could be run only for "amusement purposes". However, Sleepy Hollow hotel owner Robert van der Merwe said there was nothing to stop other players or casinos from buying winners' credit stumps later.

Meyer had tested the legalities of the loophole last week and had to withdraw charges against Durban's Royal Flush casino. The attorney-general refused to prosecute as the police could not provide evidence of money changing hands.

"It was made clear that no case could be made against a casino operating on a credit system only. It is up to police to infiltrate casinos undercover to determine if any sort of reward, besides another game, is given to winners," said Meyer.

This would not be worth the hours required and police would only investigate such cases if they "stumbled across them".

Two casino's, one in Durban and one in Cape Town, had already begun operating and Van der Merwe said he would be opening for business next week, once his poker machines had been returned by police.

He believed many other casino's would reopen shortly. However, casino owner Hymie Sussman said he did not believe the loophole would be a real help.

"You cannot run a business on a credit basis and we will not do anything illegal. It is hard to get people to play on a subterfuge basis," he said.

Co-chairman of the SA Gambling Association Michael Werner could not be reached for comment last night.

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Co-chairman of the SA Gambling Association Michael Werner could not be reached for comment last night.

Opinion urged on tourism law

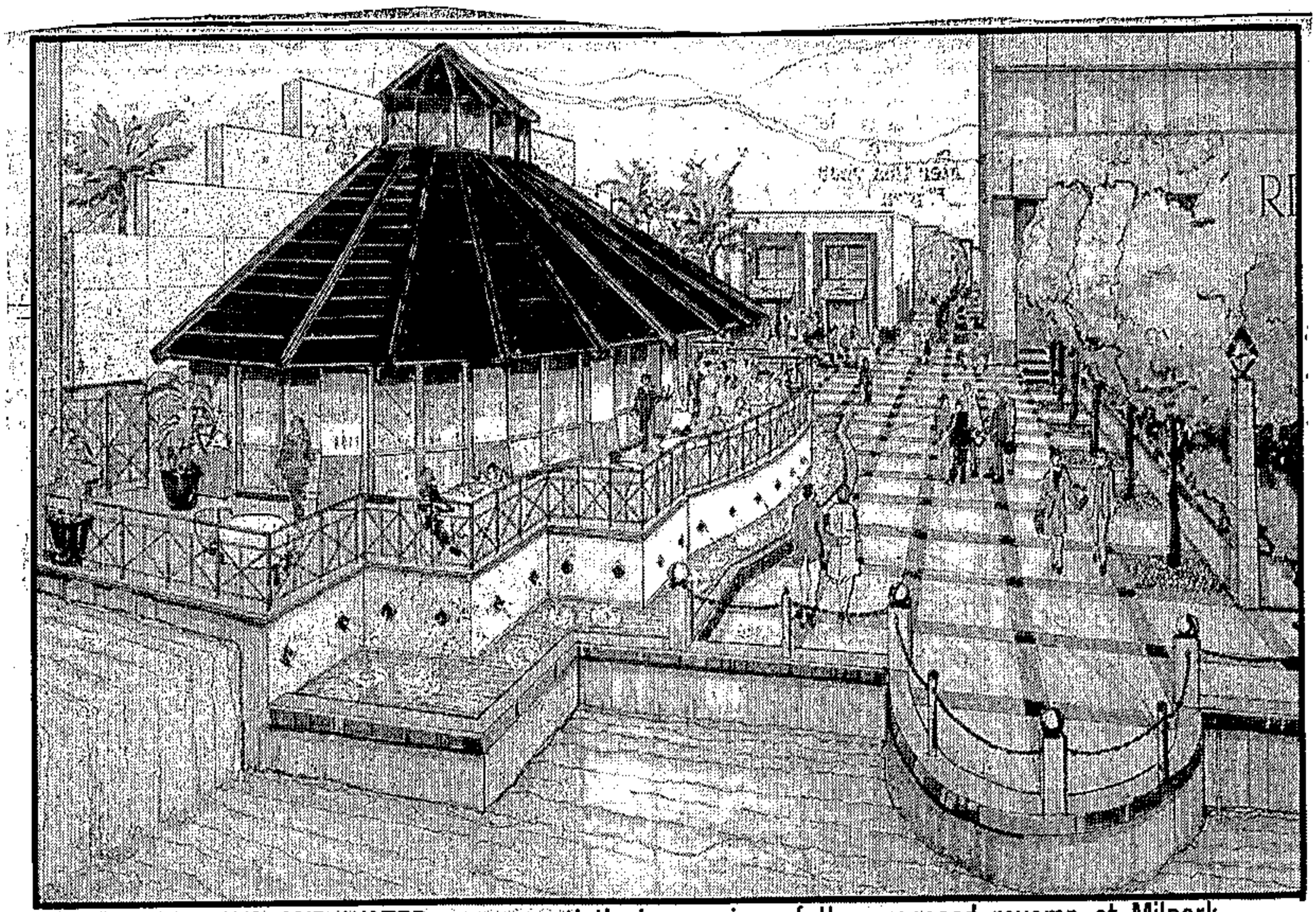
Political Staff

PUBLIC comment on the proposed new law on tourism will have to be submitted to a Joint Committee of Parliament within the next two weeks.

The representations should be made in writing and if possible 40 copies should be provided, a statement said yesterday. (288

The Tourism Bill, which has been tabled in Parliament, consolidates five tourism laws into a single piece of legislation in an attempt to streamline the legislation. 4 6 | 3 | 95

Representations must be submitted by March 19.



WALKWAYS AND WATER ... an artist's impression of the proposed revamp at Milpark

Plan to make it Milpark on sea

By TERRY BETTY

THE Vaalie response to Cape Town's Victoria & Alfred Waterfront development is set to come on stream this year — but without the docks.

JCI's property division plans to revamp the Milpark area, north-west of the Johannesburg CBD, into a R80-million "theme" development a la Bruma Lake and the Horton Plaza in Southern California.

JCI property division executive Russel Jackson says Milpark will now take on the mantle of being a walled city in the centre of which is a skypark with indoor and outdoor restaurants and recreational space.

Key to the development is the complete reconstruction of the Milpark shopping centre, until now a below potential performer covering 5 000m².

The revamped shopping centre will ultimately cover 15 000m² and the top floor will be converted into a park and linked to underground garages, offices and the Holiday Inn via treed walkways.

Mr Jackson says it is a worldwide phenomenon that people want more than just a "bald" shopping centre — they want a destination. This means a number of restaurants and a theme has to be introduced.

He says this is the reason for the success of The Wheel in Durban and Bruma Lake in Johannesburg, where the focus is on entertainment. These developments have a number of restaurants and street corner music as well as cinemas.

Milpark has been chosen because of its close proximity to well-to-do suburbs such as Westcliff, Forest Town and Parktown.

It has about 6 000 office workers in the area, and plans to target the students from nearby universities and colleges, as well as the SABC staff at Auckland Park and the nearby medical community.

Mr Jackson says a theme like this should draw people out of their offices at lunch time to sit in the sun and buy lunch from food vendors.

The planning is close to completion and construction is due to begin next month. The first tenants will move into the extended shopping centre in November.

The entire development is due to be completed by the end of 1994.

Services Act, 1959 (Act 8 of 1959) during departmental trials, members were seriously warned against such actions and were made aware of the implications thereof on their careers. Furthermore, such inadmissible conduct is duly considered in the competence evaluation of such members.

Cellular telephones: introduction/licensing

116. Mr G C ENGEL asked the Minister of Posts and Telecommunications:

(1) Whether any consideration has been given to the introduction and licensing of cellular telephones in South Africa; if not, why not; if so, (a) what systems are being considered and (b) (i) when and (ii) at what estimated capital cost will the system or systems decided upon be introduced;

(2) whether the market will be deregulated in this regard; if not, why not; if so, what are the relevant details;

(3) whether the Post Office or Telkom is considering joint ventures or partnerships with any private companies; if not, why not; if so, with which companies;

(4) whether he will make a statement on the matter? B283E

The MINISTER OF POSTS AND TELECOMMUNICATIONS:

1.1 At least two additional cellular licences will be granted to cellular operators in South Africa this year. Telkom has been operating a C450 analogue cellular service in South Africa for a number of years. Capacity on this network has virtually been depleted.

1.2 The Regulator has not indicated whether a uniform standard for cellular operations will be adopted by both operators. Telkom has indicated a strong preference for the digital GSM standard and indications are that the Telkom cellular consortuim will be allowed to apply the GSM standard. Other standards which the Regulator may accept are the analogue standards TACS, AMPS and NMT. In the interest of the promotion of trade and industry in Southern Africa it might be necessary to standardise.

1.3 If the GSM standard is used then all GSM telephones which have been licensed by any international accredited test house can be used without further testing in South Africa being necessary. In the case of analogue standards local testing of terminals might be necessary.

1.4 The capital cost of a network with a 250 thousand subscriber capacity and a 70% country coverage would be in the vicinity of R700 million.

1.5 It would take an estimated 1 year to install such a network from the time the Regulator allowed such an installation to begin.

The market will be deregulated on three fronts:

2.1 First of all there will be two cellular networks. Telkom has been allowed a 50% share in one network. The second network operator will be appointed by the Regulator after considering submissions to a tender in this regard.

2.2 In terms of the resale of air-time it is expected that there could well be other service providers appointed by both or either of the network operators.

2.3 In terms of the sale of cellular telephones there should be no barriers to entry. Any dealer or retailer may sell approved cellular telephones.

3. Telkom is considering joint ventures with other local and international partners. At this stage negotiations do not allow for the identification of these potential partners to be disclosed.

4. A press statement on the matter has already been made. Requests for tenders for the second licensee are expected before June 1993, as are the conditions of the two cellular licences.

Ecotourists: foreign exchange

139. Mr J CHIOLÉ asked the Minister for Administration and Tourism:† (56) (288)

(1) (a) How many ecotourists from abroad visited the Republic in 1991 and 1992, respectively, and (b) what percentage did such tourists represent of the total number of foreign tourists who visited the Republic in each of these years;

(2) (a) what amount in foreign exchange did the Republic earn as a result of ecotourists in 1992 and (b) what 10 destinations, in order of importance, were the priority of the above-mentioned ecotourists in that year? B344E

The MINISTER FOR ADMINISTRATION AND TOURISM:

(1) In the international context there are various definitions of ecotourism. While none of these have to date been formally recognised as a standard definition they generally embrace experiences related to climate, scenic beauty, wildlife and ethnic cultures. As a result, it can be said that 66% of all overseas visitors were motivated by ecotourism to travel to South Africa. During 1991, 521 000 overseas visitors arrived of which 344 000 were motivated by ecotourism. For 1992, the figure is estimated to be 386 000 overseas arrivals who were motivated to visit the Republic by ecotourism. (The official arrival's figure for overseas visitors during 1992 must still be announced.)

(2) According to a research study conducted during 1991, overseas visitors stated that they have spent an average of R4 900 per visit (excluding airfares) which indicates that the total income derived from ecotourism was approximately R1 686 m. An estimated income figure relating to ecotourism for 1992 comes to R2 421 m (excluding airfares).

The most important ecotourism destinations in the RSA have not been specified through research yet, but the 10 most frequently visited regions were Johannesburg; Cape Town; Durban/Umhlanga; Eastern Transvaal; Pretoria; Garden Route; PE/East London; Natal South Coast; Bophuthatswana; Bloemfontein and Kimberley. These regions are listed in order of importance, although regular variations might appear amongst the last 5 regions.

Star 8/3/93

Fancourt group to appeal

(288)

CAPE TOWN — The directors of Golf Estates have decided to appeal against the final liquidation orders of the Fancourt group of companies, says chairman Andre Pieterse.

Three Fancourt companies, including the luxury golf resort near George, were finally liquidated by Mr Justice H L Berman in the Supreme Court in Cape Town on Friday.

Mr Justice Berman said he saw no point keeping the Fancourt companies alive "to wait for any further apple-in-the-sky offers".

The companies were technically and commercially insolvent and had been so for a long time.

Mr Pieterse said the board of Golf Estates regretted the expected loss that debenture and part-bond-holders would suffer, as well as concurrent creditors after Friday's liquidation.

"Fancourt's financial difficulties resulted from the collapse of Masterbond, which was unable to provide the agreed financing in order to complete the project," Mr Pieterse said.

"The false perception that Fancourt was part of the Masterbond group of companies, the resulting stigma and the failure of the five-year moratorium agreed to by the curators of Masterbond, finally deprived the company of the ability to reach its objectives." — Sapa.

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'Hopelessly insolvent' Fancourt wound up

8/Dam 8/3/93

LINDA ENSOR

CAPE TOWN — The exclusive resort Fancourt was finally wound up in the Cape Town Supreme Court on Friday after a protracted legal battle which the judge said was completely unnecessary as the three companies involved were hopelessly insolvent.

But Golf Estates, the controlling shareholder of the Fancourt group, would appeal against the order, chairman André Pieterse said at the weekend.

The winding up followed the withdrawal of the R40m purchase offer made by Dubai-based Geap International because of certain legal difficulties regarding the ranking of Masterbond bonds. Masterbond investors have R116m tied up in the resort.

Masterbond curator Arnold Galombik said instead of taking over the resort with all its liabilities, which would have involved Geap in complex disputes over the distribution of proceeds, Geap would make an offer to the liquidators for the assets. The liquidators would consider all offers made and then distribute the proceeds according to the laws of insolvency.

In his judgment, Judge H B Berman said it was time to cut off the resort's artificial support system and placed Fancourt Holdings, Fancourt Properties and Fancourt Hotels under final liquidation.

Opposition to the liquidation by former Fancourt chairman Pieterse was unreasonable, the judge said, as the resort was irretrievably insolvent.

Pieterse was also criticised by Berman for his "scurrilous attacks" on the curators.

Berman would not allow the costs of the opposition to be included in the costs of the winding up.

Eco-tourists spent R2,4bn

ECO-TOURISM brought an estimated R2 421 million into South Africa last year, excluding airfares, the Minister of Tourism, Dr Org Marais, said yesterday. CT 9/3/93

It was estimated that 386 000 visitors were motivated to come to South Africa by eco-tourism, he said in reply to a question tabled in Parliament by Mr Joseph Chiole (CP, Pretoria West).

Dr Marais said there were various definitions of eco-tourism and none had yet been formally referenced, although they generally embraced experiences related to climate, scenic beauty, wildlife and ethnic cultures.

"It can be said that 66% of all overseas visitors were motivated by eco-tourism to travel to South Africa.

"For 1992, an estimated 386 000 overseas visitors were motivated by eco-tourism to visit the Republic.

"An estimated income figure relating to eco-tourism that year comes to R2 421 million, excluding airfares," he said. (588) (284)

The fourth most important region cited by tourists — after Johannesburg, Cape Town and Durban — was the Eastern Transvaal, where the Kruger National Park is, Dr Marais said.

Eco-tourists spend R2,5 bn in S Africa

ECO-TOURIST destinations had drawn an estimated 386 000 overseas visitors last year who spent an estimated R2 521 million in South Africa, Administration and Tourism Minister Dr Org Marais said in parliament.

In a written reply to a question by Mr Joseph Chiole (CP, Pretoria West), he said eco-tourism generally embraced climate, scenic beauty, wildlife and ethnic cultures.

It could therefore be said that 66 percent of all overseas visitors were prompted by eco-tourism to travel in South Africa.

Of the 521 000 foreign visitors in 1991, 344 000 were concerned with eco-tourism, spending about R168 million in this country.

Last year an estimated 386 000 overseas arrivals were eco-tourists, spending R2 421 million, excluding their air fares.

Johannesburg, Cape Town and the Durban/Umhlanga area were the top three eco-tourist destinations. — Sapa.

Spoornet staff union sells its hotel

SPOORNET's Artisan Staff Association (ASA) has sold its Faerie Glen Lake Hotel in Margate for R1,2m. The Faerie Glen bottle store and an adjacent 2 054m² site were sold for R1,1m.

"The association was the only trade union to own and operate a commercial hotel on behalf of its members, but in these troubled times there is a need to direct money into actions that help our members stay employed," said general secretary Ken Cuthbertson.

The property was bought by Afrocon Construction, which intends converting it into a retirement centre linked to the nearby Village of Happiness.

"Afrocon Construction are planning to build 150 flatlets on the 96 000m² property and will retain the main section of the hotel as the entertainment/social centre," said Richard Hollis, RMS Syfrets broker responsible for the sale.

More than 500 000 people, mostly union members and their families, had used the facility since it was bought by the ASA in 1963, he said. BDlatm 10/3/13.

Sandton top in filling up hotel rooms

TRACY SCHNEIDER

OCCUPANCY figures of well above 70% were behind the flurry of hotel building activity taking place in Sandton, hoteliers said yesterday. (28)

The low hotel occupancy figures quoted for the Johannesburg area included figures for Sandton, but were skewed and did not reflect the good occupancy rates experienced in Sandton, they said.

"Sandton has consistently shown the best occupancy figures of any region in SA," said City Lodge MD Hans Enderle, who recently opened a third City Lodge in the Sandton area.

He said the mushrooming of hotels in Sandton was indicative of the move away from Johannesburg's CBD. BTDay 10/3/93

"It is a worldwide phenomenon for visitors to be attracted to the greenbelt areas. This is highlighted in Johannesburg where the northern suburbs are safer and more attractive than the downtown areas," said Enderle.

"There is a strong market for business accommodation," said Holiday Inn Garden Court operations director Helder Pereira. That group was building a Garden Court to compete with the City Lodge market.

He said the risk of possible market saturation existed but that the group was "comfortable this market will do well".

In the five-star category, Southern Sun was expanding the Sandton Sun by creating the Sandton Towers, while the Sleepy Hollow hotel planned to upgrade to five-star status.

The Sandton City Council yesterday confirmed there were 10 hotels in the area and that permission had been granted for the construction of a large hotel near Sandton City on a site held by JCI. It is believed this will be occupied by a Hilton hotel.

NEWS IN BRIEF

BDPM 10/3/93 (78U)

Maharani downgraded

DURBAN will be left with only one five-star hotel — the Royal — when the luxury Maharani Sun is downgraded to a Holiday Inn Garden Court in September.

The change was announced at the International Travel Fair in Berlin, Germany, this week. Confirming it yesterday, Southern Sun group financial director Les Smith said the Maharani Sun was "one of 14 or 15 Southern Sun hotels" which would face the axe and become Garden Court hotels.

City Lodge bucks weak hotel trend

CT 11/3/93

RECENTLY listed City Lodge Hotels bucked the trend in the six months to January by lifting attributable profit by an impressive 23% to R4,3m.

Pre-tax profit was 17% higher at R7,2m compared with R6,1m in the first half of the last financial year.

Tax concessions for the building of three new hotels, including the City Lodge at the Victoria and Alfred Waterfront, meant that after-tax profit was 36% higher at R4,7m (R3,5m). The concessions reduced the effective tax rate to 34% from 43%.

Earnings at share level were 17,5c (14,6c) after listing expenses of R443 000. The interim dividend is 9c (7c).

These results were achieved on a 10% rise in turnover to 25m (R22,7m). The directors explain that "operating costs were well contained".

And, they say "the group enjoyed an average room occupancy rate of 78% for the period, compared with the hotel industry average of 50%."

They expect trading conditions to remain much the same in the current six months although the new hotels will add to earnings in the latter half of the year.

They say that, traditionally, group earnings are better in the second half. "The board is confident that the forecast of attributable earnings of R10,8m in the listing prospectus will be achieved for the financial year to July 31."

Occupancies help City Lodge meet forecasts

BDM 11/3/93 (288)

MARCIA KLEIN

RECENTLY listed hotel group City Lodge increased earnings by 20% to 17,5c (14,6c) a share in the six months to end-January, placing it on track to meet its prospectus forecasts.

The company, which was listed in November, enjoyed average room occupancies of 78%, which was much higher than the hotel industry average of less than 50%, founder and MD Hans Enderle said.

Turnover rose by "a modest" 10% to R25m from R22,7m. But operating costs were well contained, and operating profit grew 16% to R11m from R9,5m.

Pre-tax profit was 17% higher at R7,2m from R6,2m. But a lower tax charge, largely due to hotel allowances for three new hotels, resulted in a 36% increase in profit after tax to R4,8m from R3,5m.

After an extraordinary item of R443 000, relating to the cost of listing on the JSE, attributable earnings were 23% higher at R4,3m from R3,5m previously.

An interim dividend of 9c (7c) a share was declared, covered 1,9 (2,1) times.

In December the company opened a City Lodge on the Cape Town Waterfront and a Town Lodge at Jan Smuts Airport. The City Lodge Morningside was opened last week.

Enderle said the company had bought a site in Anglo American's Waterfall Park at Midrand, and had lodged an application for consent use to build on the site. A site in Nelspruit was likely to be proclaimed during March.

These were in line with the company's stated strategy of developing two new sites a year over the next five years.

The three new hotels would make "a meaningful contribution to earnings in the latter half of this year".

Earnings in the second half were traditionally better than those in the first.

The board was confident it would meet its prospectus forecasts of a 25,6% rise in attributable earnings to R10,8m (R8,6m) for the full year.

Star 11/3/93

City Lodge pays more

Finance Staff (288)

City Lodge Hotels has got off to a good start on the JSE by announcing a 23 percent rise in attributable earnings in its maiden interim results.

Attributable income in the six months to end-January increased to R4,3 million (R3,5 million), equal to a rise in earnings per share from 14,6c to 17,6c.

The interim dividend has been lifted from 7c to 9c.

The results are in line with the prospectus forecast made before the group's listing last November.

Turnover grew by 10 percent to R25 million (R22,7 million) and operating profits were up by 16 percent to R11 million (R9,5 million).

The company said the use of tax allowances for three new hotels being brought into service in the current finacial year contributed to improved results. The allowances reduced the effective tax rate from 43 to 34 percent in the six-month period.

"Our three hotels (Victoria and Alfred Waterfront City Lodge, Sandton Morningside City Lodge and Jan Smuts Airport Town Lodge) will make a significant contribution to the second half," says managing director Hans Enderle.

He is confident the prospectus forecast of R10,8 million in attributable earnings for the full year will be achieved.

'Matjiesfontein village' seen for Robben Island

CT 11/3/93

Municipal Reporter

A PUBLIC company with private-sector funding and management — like the Victoria & Alfred Waterfront Company — should lease Robben Island village and restore it to a "Matjiesfontein-type ambience".

This is the recommendation that the tourism committee of the Cape Peninsula Regional Development Association handed the government before the announcement last week that the island "will not be a playground of the rich" or a casino site.

The committee suggested that the lease granted to "Robben Island Tourism Management" should oblige the company to invest about R50 million in the provision of fresh water, more electricity lines, improved sewerage system and small-craft harbour.

Most of the 574ha island would be leased to the Cape Provincial Administration's Nature Conservation division "for development as an eco-tourism facility".

On the basis of 300 000 day visitors a year, of whom 130 000 also stay overnight in the existing accommodation in the village, the island could generate some R58m and sustain about 800 jobs on the island and mainland, according to the committee's report.

An ANC discussion document handed to the cabinet work group on Robben Island late last year proposed that the island could become a peaceful island retreat, a living museum or a tourism resort that includes heritage walking trails.

ANC spokesman Mr Carl Niehaus said yesterday that the ANC felt a lot of consultation still had to take place. His organisation was pleased the government had ruled out possibilities that did not appeal to the ANC.

Transnet injection for East London harbour

(288) (269) CT 22/3/93

—Property Editor

TRANSNET has agreed to provide R12m to finance the initial phase of the East London harbour re-development to be known as Lantern Bay.

Propnet CE Fuzz Loubser said the funding would be in a loan to Transhold Properties (Pty) Ltd, Transnet's property holding and investment company which will lease the land from Transnet for a 50-year period.

Transhold Properties will in turn appoint Time Property Developments as the developer and enter into a management agreement with Time Property Management Services for the first year of the completed development.

Similar to Cape Town's Victoria & Alfred Waterfront development, Lantern Bay will be located on a 17 000m² site within the working harbour.

Time Developments MD Colin Taylor said construction is due to start next month with the first phase of scheduled for completion by Christmas: "We are looking at an initial development of 3 600m² which will involve the renovation of existing buildings to provide substantial retail and commercial space."

The second phase would involve the erection of a new "Victorian-styled" double storey building which could accommodate an hotel and offices.

"Negotiations are also underway with a cinema group for five cinemas with a total of 550 seats."

Hotel industry's efforts 'negated'

GAVIN DU VENAGE (288)

MEASURES announced in the Budget might end up pricing SA out of the international tourism market, Mount Nelson Hotel GM and SA director of Orient-Express Hotels International Nick Seewer said at the weekend.

Hotel occupancies could be severely hit as a result of service costs increasing, and the VAT and fuel price hikes would adversely affect prices of goods in general.

The recession in Europe, coupled with SA's still less than favourable image, were already holding back the local tourist industry, Seewer said.

While the Budget allocation for tourism expenditure and loan relief was to be welcomed, operators had already upgraded services and accommodation in anticipation of steady growth in the industry.

"The new Budget could largely negate these efforts," he said.

B10/4/1 2/3/93

Black teachers 'have no option' but to go on strike

BDlyy 22/3/93.

KATHRYN STRACHAN

BLACK teachers have hit back at criticism that their chalkdowns are jeopardising the future prospects of their pupils, saying that with many of them earning as little as R500 a month they have little option but to strike to press their case.

SA Democratic Teachers' Union (Sadtu) spokesman Albert Chanee said teachers were preparing to strike in protest against the 5% salary increase by government.

About 70% of black teachers earned less than R1 000 a month, he said, and many earned as little as R450 a month.

Underqualified teachers in primary and rural schools were most open to exploitation, he said.

National Education Co-ordinating Committee (NECC) president James Maseko said teachers were committed to "restoring a culture of learning and teaching", but he added it was difficult to understand the depth of the teachers' frustrations.

Effective teaching was impossible with such a demoralised teaching corps.

He added pupils were afraid of becoming failure statistics and had decided drastic steps were needed to reverse the downward spiral in education.

The teachers' anger was only intensified by President F W de Klerk's statement that the issue of salary increases was not negotiable.

Schooling across the country could be thrown into chaos this week when the outcome of the Sadtu national strike ballot becomes known.

There will certainly be disruptions at schools on the national day of action planned by the Congress of SA Students for Thursday.

Teachers have pledged themselves to consult pupil organisations before they go ahead with a chalkdown.

Although Cosas is supportive of the move, a canvass of Soweto schools has indicated that pupils are against the strike.

Another dispute between government and Sadtu arose on Friday after the Department of Education and Training warned that, in terms of its agreement with the union, the principle of "no work, no pay" would be applied to teachers who had gone on strike last week.

Sadtu responded that during the recognition agreement it had declared a dispute on that principle because of the absence of a dispute resolving mechanism.

"The problem is further compounded by the non-adherence to collective bargaining rights with regard to the negotiation of salary increases for educators."

Games Africa continues to plan national lottery

BDlyy 22/3/93.

GAVIN DU VENAGE

GAMES Africa is going ahead with its preparations for a national lottery, despite having to cancel a launch planned for this month after the Howard commission of inquiry into gambling asked government to prevent the introduction of various lotteries.

The commission, yet to make its full report, advised that a single national lottery under state control would be preferable.

Ithuba joint chairmen Gibson Thula and Bill Yeowart said at the weekend the charity had already invested R5m in research, expertise and equipment for a lottery.

An estimated R90m would be needed to install a nationwide lottery network, they said. All of this money would come from shareholders if the company went ahead with its plans.

The way was now clear, they said, to set up electronic terminals countrywide to record lottery ticket numbers and enter them into a national network for a draw.

However, Games Africa would wait until the Howard commission released its findings. (288)

The company said a lottery run by the private sector under state control would raise substantial sums for charity. (289)

Racy Group Holdings Limited

(Registration number 87/00974/06)
("Racy" or "the company")

Adjournment of general meeting

The general meeting of shareholders of the company convened on Friday, 19 March 1993, to ratify and approve the reduction of share capital of Racy was adjourned until 10:00 on Friday, 26 March 1993, to be held at the registered office of the company, in order to provide the company reasonable time to respond to an application made to the Minister in terms of Section 257 of the Companies Act, 1973 (Act 61 of 1973) which was mentioned in the circular to shareholders dated 25 February 1993.

22 March 1993

Sponsoring brokers

SIMPSON McKIE Inc.
(Registration Number 84/01736/21)
(Member of The Johannesburg Stock Exchange)

Boner & Freemantle Inc.
(Registration number 88/00649/21)
(Member of The Johannesburg Stock Exchange)

Attorneys

FRRW
FLUXMAN RABINOWITZ – RAPHAELY WEINER

SMB
The Merchant Bankers
(Registration number 64/08586/06)

Inquiry into exiles' funds

LLOYD COUTTS

A COMMISSION of inquiry has been appointed to investigate allegations of misappropriation of funds and maladministration within the National Co-ordinating Committee for the Repatriation of SA Exiles (NCCR). (288)

The NCCR said on Friday it had appointed Prof Edwin Cameron of the Centre for Applied Legal Studies at Witwatersrand University and Advocate Kgomtso Moroka of the Johannesburg Bar to hear the allegations. BIDFM

"Rumours of misappropriation and maladministration have been heard for some time. The commission will seek to clear the air and discover the culprits, if any." 22/3/93

The commission would investigate the activities of the NCCR, its staff and committee members.

It would also look into the disbursement of funds contrary to the rules of the organisation, alleged discrepancies in the NCCR's accounts, and the possibility of fraud and other illegal activities.

Last year R300 000 was stolen from the NCCR. More than R200 000 was recovered by November last year, and two NCCR employees were arrested.

Warning to restaurants on new levies

288

CT 23/3/93

By MAGGIE ROWLEY
Deputy Business Editor

THE Hospitality Industries Training Board (HITB) would have no alternative but to proceed against restaurants who did not pay the new levy to the board to fund training, warned Arthur Gillis, vice chairman of the HITB.

Addressing the agm of the Fedhasa Western Cape Restaurant Guild yesterday, Gillis said the level of training in the industry was abysmal and the industry needed to do something urgently before the expected tourist boom.

"The government has made it clear that there will be no state money for tertiary education. Our industry, like others, will have to take responsibility for improving the training in our field or see our industry disappear."

In response to criticisms from some restaurateurs who questioned how beneficial training in the industry was for restaurants, Gillis said they should apply to the HITB to get in-service training for their staff accredited by the board.

Under these circumstances, they could claim back a proportion of what they had paid in levies.

"But full details of in-service training must be supplied."

Gillis said the industry could not afford for just a few main players to fund training for the benefit of the entire industry.

"We are going to have to clamp down on those who are not paying. We will not issue summonses at this stage but we will be talking to restaurateurs who have not paid the first three quarterly instalments.

"It is possible we will however have to take it further," he said.

Aldo Girolo, regional chapter chairman, told the meeting that the Guild felt particularly strongly that market forces should prevail and determine restaurant policy about smoking and not local authorities.

NEWS IN BRIEF

Two casinos liquidated

TWO Durban casinos were provisionally liquidated yesterday with debts of R786 500 and a claim by the owner that in the days prior to the ban on gambling, punters had gambled on credit and he had no hope of recovering that money.

Deneys Reitz Dyter, the sole member of Ocean Palace close corporation, owned a casino in Florida Road and at the Blue Waters Hotel on the Marine Parade. He said in an affidavit before the Supreme Court that in January this year the casinos' book debts had risen to R200 000.

'Place with heart' is in need of a helping hand

STAR 24/3/93

By Denis Becket

When Johannesburg's Central Methodist Church set up its lunch centre 15 years ago, it was a doubly unique endeavour.

For one, it fitted no category. It rolled the function of a rescue-service and the flavour of a restaurant into one, defying definition. You could find at one table an eminent Silk recharging from the pressures of prowess, and at the next someone who would never see a square meal were he not seeing it here.

Secondly it was illegal, not that it cared. It paid no mind to the Group Areas Act.

The criterion for admission was simple: pitch up. This place was for anyone — not nominally anyone but really anyone, regardless of complexion, regardless of pocket.

Those who could pay, paid. Those who could pay half, paid half. Those who could pay nothing, still ate.

Once, way back, after seeing an affluent-looking character take a free meal, I asked the lady at the till about abuse.

She said, and I hear her now: "You don't know what trouble he's in and neither do I. Sooner be abused by the few who abuse us than add to the desperation of the

● To Page 3

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'Place with heart' in need

STAR 24/3/93

● From Page 1

"many who are desperate."

That summed up Central Meth's restaurant. An anomaly. A place living the principles that the rest of us revere in the abstract, applaud in the movies and ignore in the concrete.

As a nation we search for signs of hope, and frequently grasp at straws. Here, there is rock. Normal people, normal decency. Too placid for headlines, the city at its unnoticed best.

Yesterday a friend took me to lunch. We walked past Central Meth, which, in the way of the world, had not been in mind.

Reminded, I said: "How about somewhere different?"

After three minutes at Central Meth he was on a cloud, going on about the place's soul and vibe and peace and how he never realised Jo'burg had such heart.

Customers were friendly and staff were benign and strangers greeted strangers. It was a world removed from the snoot establishments my friend is used to, and he was bowled over. Then he noticed a leaflet under the tomato sauce.

Upside down

It said: "It is with great sadness that due to the present economic climate we have to announce the closure of the People Centre Restaurant on March 27 1993."

We checked out. We learnt that the restaurant serves 4 000 meals a month, and loses R2 000. My friend said: "This is upside down. That's less than I put on my expense account, at places I don't even like."

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Upside down seemed a sound summary. Hundreds of millions of rands a year go to the grand endeavours to make South Africa work, some of which are greatly grander in their hype than their effect. Here was something that does work, dying for the want of tuppence; dying for the error of simply doing a simple job instead of playing the PR game or clawing in to the fund-raising circuit.

I hoped there might be a reprieve. If there is, it could usefully be accompanied by a rocket under the management, on such matters as marketing and appropriate pricing for wealthier customers. But for now, with the axe in downswing, reprieve requires an institutional pocket and an urgent one.

Violence hampers the tourism trade

PETER GALLI

(288)

THE high level of violence and the continuing economic recession have had a severe effect on the tourism industry, Tourism Minister Org Marais said yesterday.

"While the increase in the number of tourists rose a year-on-year 12% from 4,6% in 1991, were it not for the high level of violence a 20% rise could have been reached," he said. BT DBY 24/3/93

Speaking in Johannesburg at the SA launch of Relais et Chateaux — an international association of independent hotel and restaurant owners — he said that before any real sustained growth could be achieved, violence had to be contained and local service levels improved.

"I believe that tourism can become our greatest producer of foreign exchange by the turn of the century. A growth rate of 20% a year for the next five years is quite possible, but depends on political developments and much less violence.

"You can give tourism all the money and tax advantages in the world, but it will only survive and be successful where consumers are offered a quality service."

Four local properties — Cybele Forest Lodge, The Cellars-Hohenhort, The Plettenberg and Londolozi Game Reserve — had been awarded membership of the Relais et Chateaux association, showing that local players could achieve international standards, he said.

The tourism market had about R140m at its disposal this year, which placed it in a sound position to market itself both abroad and locally.

Government was determined to deregulate the industry and act as a catalyst for improved standards. The new consolidated Tourism Act, which replaced the present five Acts governing the industry, would be tabled in Parliament today, Marais said.

City hotels are too pricey for locals

(288) CT 25/3/93

By PETER DENNEHY

TOP-CLASS city hotels are pricing themselves out of the domestic market and may be scaring international tourists away, although five-star hotels here are cheaper than some top establishments overseas, tourist industry spokesmen say.

At the Paris Hilton single accommodation costs the equivalent of about R930 a night. A room for one at the Sheraton Park Towers in London costs between £180 and £260, which translates into R810 and R1 170.

The New York Sheraton asks for up to $260 (about R780).

Top local hotels generally charge less than that. The five-star Bay Hotel in Camps Bay charges R720 a night for a single room with sea and mountain views (R620 for sea view only, R500 for mountain view only).

The Mount Nelson charges R495 a night for a single room at this time of year, the Cape Sun R465 and the four-star Victoria and Alfred from R260 to R300.

Mr Joss Kahn, chairman of Fedhasa's Western Cape Hotel Operations Committee, said there were hotels to suit everyone's pocket.

Another expert, who declined to be named, said: "You get what you pay for, both here and there."

South African hotels were not as cheap as they used to be. Tourists who came here expecting top-class hotels to be very cheap were sometimes disappointed.

Another commentator said services at top-of-the-range hotels overseas were better than those here.

Top-class hotels in South Africa were pricing themselves out of the local market, a travel agent said.

Kenya first step in Protea expansion plan

CT 26/3/93 (28)

BY AUDREY D'ANGELO

THE Cape Town-based Protea Hospitality Corporation has moved into Kenya, as the first step in establishing a network of hotels in East Africa.

Protea chairman Otto Stehlik said yesterday that it had won the management contract for Nairobi's newest luxury hotel, belonging to the Trade Bank of Kenya, in competition with all the major international hotel groups in SA.

The 230 bedroom hotel, originally intended to be an apartment block, is being furnished and decorated by Protea subsidiary Plan One and is due to open in mid-June.

Stehlik said this had already resulted in the export of R11m worth of furniture, carpeting, fixtures and equipment made in SA, with more to follow.

"We found the quality of the goods made in this country was equal to that from Germany, Italy and the UK and prices were lower.

"As a result of the standard of work being carried out at the Nairobi Protea, Plan One has been asked to refurbish five other hotels in Kenya. It has already started work on some of these projects."

The new hotel, which will have an Olympic-sized swimming pool, a restaurant and two bars, is attached to an upmarket shopping centre.

Stehlik said it was being built as an apartment block when it was taken over by the Trade Bank of Kenya. A feasibility study showed that it would be more profitable as a hotel. "The construction was 75% complete when we took it over."

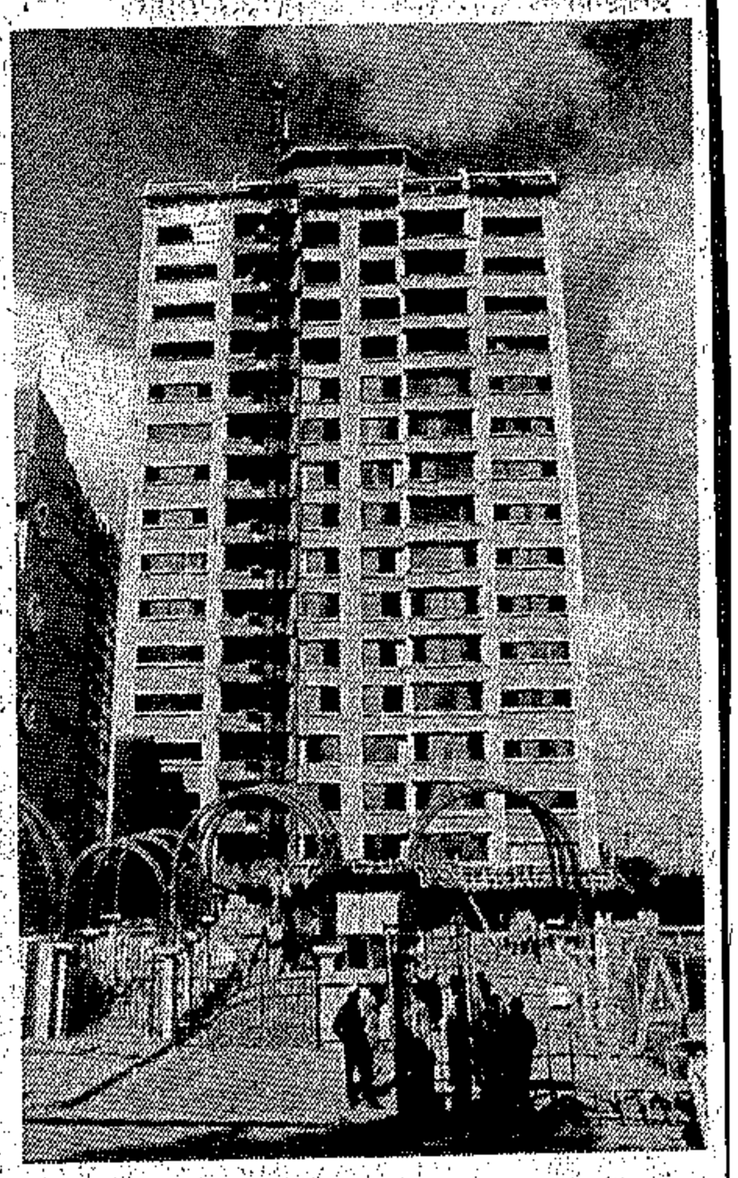
Tourism was booming in Kenya. "The hotel industry is doing very well, especially in Nairobi.

"Last year there were 700 000 tourists in Kenya — which was down on the previous year, but far more than the 200 000 genuine tourists we had in SA."

Stehlik said he believed the best way to market holidays in SA to overseas visitors was to offer a package linking this country with the major tourist attractions throughout Southern Africa and East Africa.

Protea was negotiating to take over the management of two hotels in Zimbabwe. "And we have had extensive meetings with the Tanzanian government.

"Tanzania is a fascinating country with major tourist attractions, friendly people and a work ethic that is missing in SA."



STEPPING OUT . . . The R30m Nairobi Protea Hotel will open for business in June this year.

Wine estate deal struck

(288)
CT 26/3/93

Political Staff

A COMPROMISE agreement over the future of the historic Groot Constantia estate has been reached and a proposal to place it under the control of a non-profit company was supported yesterday by all parties, including the ANC.

The proposal to remove the estate from the control of the state and place it into the hands of a trust was initially strongly criticised by the South African National Civics Organisation (Sanco) and the ANC.

The compromise agreement was reached after the ANC MP for Simon's Town, Mr Jannie Momberg, and the vice-chairman of Sanco, Mr John Neels, held discussions with the chairman of the estate's control board, Dr Dawid de Villiers.

The Minister of Agriculture, Dr Kraai van Niekerk, also accepted amendments to the draft bill to accommodate criticisms and ensure the public would always have access to the estate.

Relief

Dr Van Niekerk said control of the estate was being transferred into the hands of the wine industry and those with its interests at heart.

The formation of the non-profit controlling body would relieve the state and the taxpayer of financial responsibility for the estate, he said.

The bill was also supported by the Deputy Minister of Agriculture, Mr Tobie Meyer, the MP for Wellington and chairman of Simonsvlei Co-operative, Mr Giel Malherbe, and the CP's agricultural spokesman, Dr Piet Gous.

● The founder of Groot Constantia, Simon van der Stel, would not have been allowed live in on it if he had been alive between 1948 and 1991, Mr Momberg pointed out.

Van der Stel, a governor of the Cape, was a half-breed as his grandmother was oriental, he said.

Assurance on Groot Constantia transfer

THE historic Groot Constantia estate is being transferred to the wine industry and to those who have its best interests at heart, says Minister of Agriculture Dr Kraai van Niekerk.

(288) ORG 26/3/93

Introducing the Groot Constantia Trust Bill in parliament yesterday, he said the measure authorised the formation of a non-profit trust which would take over the estate, thereby relieving the state and the taxpayer of a financial responsibility that had cropped up repeatedly since the Cape government bought the estate.

He undertook to ensure that one of the 13 members of the proposed trust would be an appointee of the National Monuments Council and that a clause would be inserted in the trust's articles of association guaranteeing access to the people of South Africa. — Sapa.

Game park investment

LLOYD COUTTS

A R35m ecotourism project designed to reintroduce the "big five" to a private game reserve in the northern Transvaal was launched yesterday.

The scheme, a joint development by the Du Plessis Trust, Rand Merchant Bank and Jordan Properties, involves the sale of 51 farms of 500ha each under freehold title in the Vaalwater district, about 265km north of Johannesburg.

Jordan Properties MD Trevor Jordan said yesterday the farms would be owned individually, but investors in the 25 000ha Welgevonden private nature reserve would have automatic traverse rights across the entire reserve.

Investors would be permitted to build 10-bed accommodation units and would be allowed one 10-seater vehicle.

Sixteen units would be sold initially to individuals, corporations or syndicates at R1,05m each.

Most of the money raised by the sale of the units would be invested in game stock, including lion, elephant, buffalo, rhino and leopard, and Welgevonden's current R3m stock would be increased to R8m.

Landowners would be permitted exclusive use of a hunting camp.

Protea clinches Nairobi hotel contract

CAPE TOWN — Protea Hotels has been awarded the management contract for a top hotel in Nairobi, Kenya, being chosen ahead of major, well-known international hotel groups for the deal.

Protea Hotels executive chairman Otto Stehlik said yesterday the contract to manage the R30m Nairobi Protea Hotel was a further step in the group's plan to penetrate Africa. Protea had a resort in Swaziland, two hotels in Mozambique, four in Mauritius and had recently taken over two hotels in Zimbabwe.

LINDA ENSOR

"We believe the future of tourism to Africa will revolve around an axis spanning from Kenya via Tanzania and Zimbabwe into SA," he said.

Stehlik regarded the Nairobi project as a stepping stone for other contracts, adding that Protea was negotiating with hotels in Mombasa and camps in Kenyan national parks and would be meeting the Tanzanian government soon.

Stehlik believed SA's foreign tourism could grow significantly by the diversion of tourists from Kenya to SA. An estimated 800 000 foreign tourists visited Kenya annually compared with SA's 250 000.

The Nairobi Protea Hotel, which would open in mid-June, was a first class international hotel built to SA five star standards, Stehlik said. The hotel was owned by the Trade Bank of Kenya and was part of a shopping centre which included a high-rise apartment block already under Protea management.

Scared of eating out? Haute cuisine is just a phone call away...

W/Mail 26/3 - 1/4/93.

Recent attacks on restaurants have made diners more security conscious. They're still eating restaurant food — but in their own homes.

ARTHUR GOLDSTUCK

investigates meal delivery services

AT 8.17pm on Wednesday, one of six hotlines rings in an office in central Randburg. The caller has an urgent need, and Gordon Macmillan prompts her with detailed questions. He punches the answers into a computer, and it spits out a print-out. While Macmillan makes another quick call, the printout is grabbed by David Ernstzen, a 23-year-old Wits University physical education student.

Ernstzen picks up a thermal carrier bag and dashes out to his car. After one stop on the way, he pulls up outside a dark house in a quiet, leafy suburb of Randburg. He rings a bell at the gate, and after a minute a man looms out of the darkness. He refuses to open the gate, and Ernstzen hands the thermal bag over the wall. The man removes the contents and hands the bag back, along with a prearranged amount of cash.

At exactly 8.55pm, Ernstzen steps back into the office — of Eats-In, Johannesburg's first dial-a-meal courier service. He had just delivered a fillet steak, a "Jawbreaker" hamburger and two portions of spare ribs. Ernstzen is part of a new breed of service provider, which first merely took advantage of a gap in the market but is suddenly an essential route for many suburbanites anxious to avoid the violence plaguing their favourite restaurants.

Eats-In, launched in September last year, has three Witwatersrand branches — in Randburg, Sandton and Nor[illegible]wood — which together give "diners-in" a choice of more than two dozen restaurants.

In Cape Town, where an outfit called Mr Delivery pioneered the concept in May last year, the main branch in Sea Point brings 16 restaurants to the doors of anyone living on the Atlantic seaboard between Mouille Point and Camps Bay, while a Table View franchise has nine restaurants on offer for the Milnerton and Bloubergstrand area.

Like many innovative concepts, Mr Delivery was born out of desperation. Laurence Levin had been out of work for five months when he heard about the concept of cuisine delivery in California.

Tremendous scepticism and thousands of customers later, the concept was brought to Johannesburg by Peter Horwitz, owner of several restaurant franchises.

It was an idea whose time had come, with moments to spare.

"People don't want to leave their houses any more," says David Flaks, who now owns the Eats-In operation. "Security is a major issue. One person told us last week, straight after a woman was raped in a restaurant near here, that Eats-In was the way she wanted to eat out from now on. It's not just the attacks on restaurants as such — there is tremendous fear of being hijacked on the way to or back from a restaurant."



Meals on wheels ... David Ernstzen picks up a delivery for a Randburg client Photo: ARTHUR GOLDSTUCK

In Sandton especially, the high-wall syndrome has turned Eats-In into one of those emergency numbers people keep at the phone. And even then, suspicion reigns.

"We've had a lot of people who will not open gates for our drivers, even though they all wear T-shirts carrying our logo, and the delivery is expected at a precise time," says Flaks. "But I don't blame them. If you look at the latest statistics, Sandton now has the highest rate of muggings and burglaries in the country."

Because the couriers use their own cars, they do not make identifiable targets of themselves — an essential component of Eats-In's security consciousness. They also take full account of customers' security precautions: some ask the courier to hoot twice before ringing the bell, for instance.

Other requests are more devious, says Flaks. "We had a case where a woman had a dinner party on. She was crying on the phone: she'd just burnt her food, and the guests were there. Could she order 10 curries, delivered in bulk? But please, don't deliver through the front door, there's a side entrance, and her husband must never know."

The service is also a job-spinner. The three branches of Eats-In have about 70 couriers on their books. Mr Delivery has a staff of 40 couriers for its main branch in Cape Town.

"Six people are on duty every night, with four on standby in case we get really busy," says Levine. "And the only reason they're willing to stay at home on standby is that they're making a lot of money."

The cost of a meal is the same as one would pay in a restaurant, but a nominal delivery fee is added on, which goes to the driver along with any tip a customer may want to give. The company makes its profit from commissions paid by the restaurants.

The big test for Mr Delivery came in December, when Levine's detractors told him restaurants would be too busy catering for holiday crowds to bother about his delivery service.

"In fact, turnover doubled," he says. "I've now got about 3 000 regular customers. Some order three or four times a week, and we know each other by name. It's become very personal."

Both Mr Delivery and Eats-In are preparing for a boom this winter, when cold weather will drive even more people back into their homes at night. And both are constantly looking for new ways to expand their services. Eats-In is about to launch a large-scale catering-by-courier service, providing staff lunches or executive meals in partnership with a large catering concern.

At the other end of the scale, Mr Delivery has launched a "snakaway" service, which offers Aylesbury ice-cream, canned cooldrinks and cigarettes with your meal — and the driver will even pick up your newspaper along the way.

Groot Constantia trust law changed

Aug 7/3/93 258

Weekend Argus Political Staff

TWO key amendments have been made in the legislation turning Groot Constantia from a State-owned farm into an estate run by a private non-profit trust. This follows suggestions from the African National Congress.

The first amendment entrenches the right of "the people of South Africa" to have access to the estate as visitors. In its original form, the access clause covered "tourists" only.

The second amendment provides for a future government to retain some say over the running of the estate. The ANC originally sought direct government representation on the trust, but accepted a compromise which provides for a South African Monuments Council representative to serve on the trust.

ANC member and independent MP for Simon's Town, Mr Jannie Momberg, and South African National Civics Organisation (Sanco) Western Cape executive member Mr John Neels made these proposals to parliament's all-party committee on agriculture. Mr Momberg and Mr Neels also had discussions with the chairman of the Groot Constantia Control Board, Dr Dawid de Villiers.

Roadhouse revolution revives meals on wheels

288
ST Times Cape Metro
28/3/93

By LEW ELIAS

AMERICAN al fresco dining has come to Cape Town in a big way with waitresses whizzing around on rollerblades and taking orders from car-bound customers.

The Doll House which opened this week aims to revive, with a few modern touches, the popularity of roadhouse dining for a new generation of South Africans.

The roadhouse, like another form of in-car entertainment, the drive-in cinema, has declined in popularity almost to the point of extinction.

The opening of the Doll House in Green Point was the result of hard work by partners Archi Chrisostomou and Gerrit de Vries.

Both believe there is a need for good food to be served in informal outdoor surroundings and hit on the recent revival of interest in things American among the South African youth.

"The roadhouse phenomenon has passed this generation by. It used to be an institution and a popular meeting place for all sorts of people in the late '60s and in the '70s," said Archi.

He decided to update the traditional South African roadhouse by introducing waitresses on rollerblades — partly for the novelty value and because of efficiency.



MEALS ON WHEELS . . . Rollerbladed waitress Nicky van Eck serves friend Michelle Mace **Picture: AMBROSE PETERS**

Roadhouse dining has many advantages — such as one's not having to dress up to eat out.

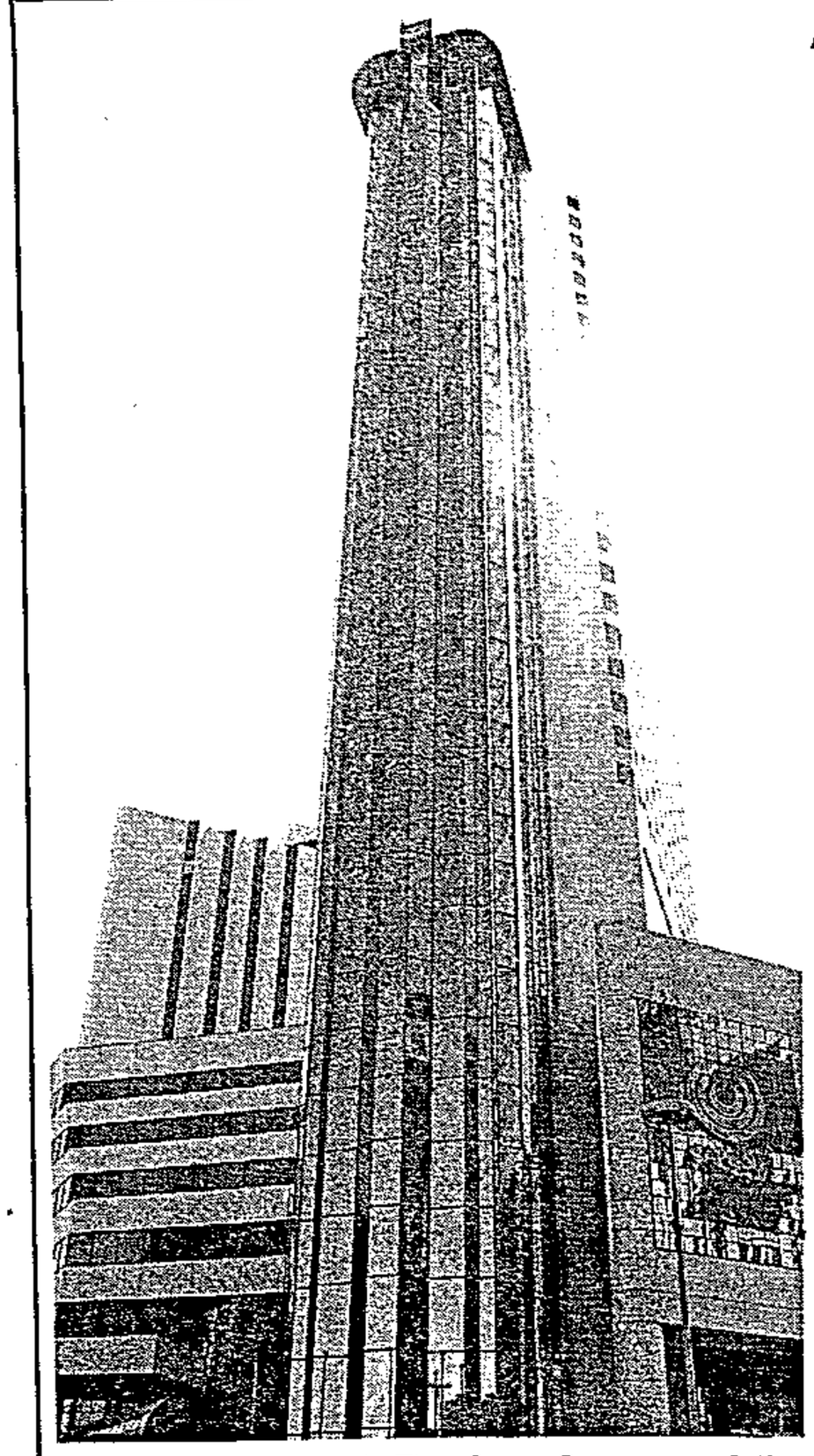
"Even if one goes to the most informal of restaurants people would not think of bringing children out in their pyjamas or of walking into a place with curlers in their hair, but this can be — and is — done at roadhouses," Archi said.

Another advantage is that diners create their ambience for dining by choosing to listen to music or sit in silence in the comfort of familiar surroundings — their car.

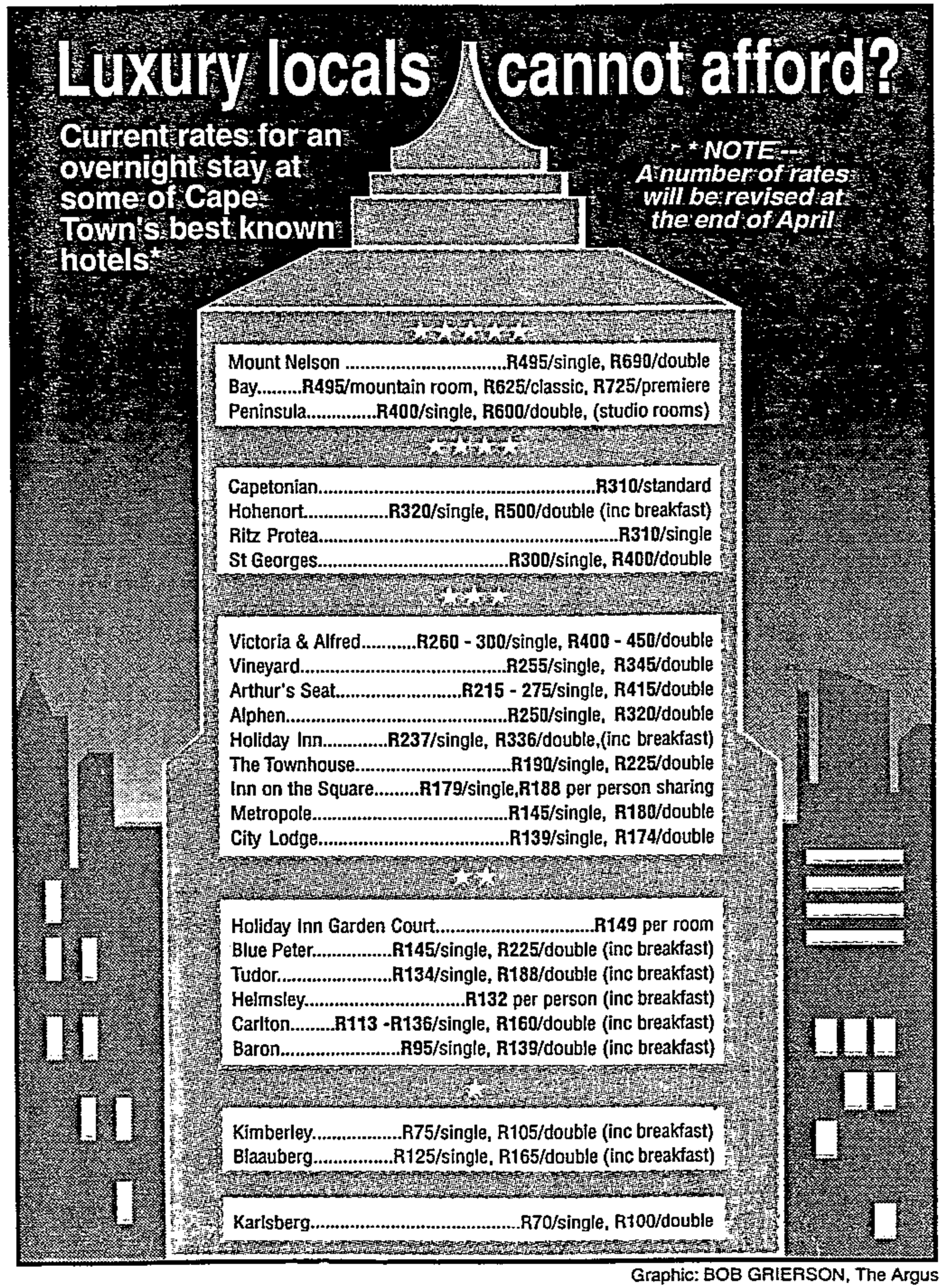
There's room at the inn . . .

(288) ARG 29/3/93

. . . at a price, but city rates still compare well



HIGH-RISE LUXURY: The Cape Sun, one of the group's top hotels, is an example of South African luxury — at a price.



Graphic: BOB GRIERSON, The Argus

MARC HASENFUSS
Business staff

THE average price of a hotel room in Cape Town — at R175,33 a night — showed a hefty 26 percent increase in 1992 compared with the previous year, according to figures released by the Central Statistical Service (CSS).

The national average of R129,23 was 19 percent higher than in 1991.

However, experts said Cape Town's higher hotel prices would not stymie the region's international tourism drive.

The CSS figures support this argument — showing the Peninsula's occupancy rate slightly up at 55,5 percent for 1992 in spite of the deepening recession at home and abroad.

This compares favourably with hotels in Durban/Umhlanga (57,85 percent) and Johannesburg (57 percent).

The national occupancy average dropped about four percent to 47,88 percent in real terms during the year.

Wesgro chairman Dr David Bridgman pointed out that South Africa was not a cheap tourist destination.

"It is a long-haul destination that always will be relatively expensive. We must see Cape Town's hotel prices in this light."

He said an increase in hotel prices coupled with higher occupancy rates was gratifying for the region.

"It means that profitability will increase and ultimately lead to an increase in hotel development" which was essential for improving the region's ability to service the peak tourist season effectively.

He added that the increase in hotel prices had prompted growth in "informal" hotels or guest houses — "a positive development, opening a new segment in the tourism market".

"Obviously, the man-in-the-street can no longer afford five-star accommodation ... he will 'stay down' at one- or two-star hotels."

City Lodge managing director Mr Hans Enderle said he believed local hotel prices still were acceptable to tourists from overseas.

He estimated that, based on current exchange rates, an average hotel room cost the equivalent of about $60 and £35 for US and UK visitors.

Mr Enderle said the relaxation of flight regulations allowed the travel industry to offer attractively priced tour packages. "South Africa through the package tour is still cost effective."

Mount Nelson general manager Mr Nick Seewer said price increases were unavoidable as international travellers were becoming increasingly demanding.

He said it was necessary for the hotel to invest heavily in improving standards to meet international requirements.

"We had no choice but to increase our rates in line with inflation."

The rand's recent stability against the basket of currencies also had fuelled perceptions that local hotels were pricey.

Mr Seewer said the devaluation of European currencies had affected South Africa adversely as a relatively low-cost holiday destination.

"Based on international standards we are still reasonably priced ... but we are not as cheap and attractive as five years ago."

He pointed out that a five-star hotel in London cost £200 a night, roughly R940. The Mount Nelson's overnight rate of between R475 and R690 compared more than favourably.

Fedhasa hotel operations chairman Mr Jos Kahn also dismissed allegations that Cape Town hotels were overpriced.

"There are hotels for all pockets in Cape Town."

He said there were first-class hotels — like those in the City Lodge and Holiday Inn stable — which offered accommodation at very reasonable prices.

Captour chief executive Mr Gordon Oliver said overpricing of hotels was not a regular comment from visitors.

Keep safety in mind — on wall

THE colour chart on Road Safety — which appeared in The Argus on March 3 — is still available at Newspaper House, St George's Mall, Cape Town.



The chart, published by The Argus in association with BP, helps motorists, cyclists and pedestrians to be more aware of safety on the roads, highlights vital road signs and provides hints for parents on how to make sure their children can cycle in safety.

Schools should have the chart for classroom display, parents should have it for instructing the children and companies should have it for the benefit of employees — perhaps to enclose with pay packets.

Bulk orders (30 or more) can be made by telephoning Brian Bouch at ☎ 511-0003, and smaller orders can be placed at Newspaper House.

Save Sea Point from vice — plea

Municipal Reporter

SEA POINT cannot be allowed to degenerate into a "Little Soho" of prostitution and vice, says ward councillor Mr Chris Joubert.

"This will be the year people come up with ways to turn Sea Point around, away from a place that is filthy with discarded sorghum beer bottles and escorts sitting outside their agencies at night soliciting business," he said.

Complaints about security, environmental, crime and traffic problems were flooding in.

"People blame the Waterfront, the recession, but now is the time to come up with creative suggestions."

An option for tackling the poor streetlighting was for businesses to fund new lighting, said Mr Joubert.

Atlantic seaboard residents were being asked to "speak now or forever hold their peace" at a meeting at Sea Point Civic Centre tonight at 7.30pm.

The six ward councillors, police, and heads of traffic, planning, treasury and engineering departments would be at the meeting, to be chaired by broadcaster Nigel Murphy.

Star 29/3/93

Protea wins hotel contract in Nairobi

Finance Staff

Protea Hotels is moving into Kenya.

The group has pulled off a major coup by wresting from several contenders the contract to operate Nairobi's newest international hotel.

The R30 million Nairobi Protea Hotel at Hurlingham on the outskirts of Nairobi opens in mid-June.

Protea executive chairman Otto Stehlik says the development is a result of the group's determination to use the more positive political climate to export know-how and expertise and to open doors into Africa.

Protea Hotels has in the past two years rapidly expanded its activity in Southern Africa.

It now operates a resort in Swaziland, two hotels in Mozambique and four in Mauritius, and has recently taken over two hotels in Zimbabwe.

Plan One, Protea's subsidiary company, has been involved in the planning, conceptualisation, development and procurement of the Nairobi project.

This has resulted in export orders for South African fixtures, furniture and equipment worth R11 million, with more to follow.

Cultured Aussies? You'd be surprised

STAR 1/4/93

288

The Star's Food Editor LYNDALL POPPER recently visited Australia on a food tour, courtesy of Qantas and The Australian Tourism Commission.

THE INGREDIENTS cooked up by organisers of a recent food tour to Australia were so blended as to give a party of international food writers an impression of that country embracing far more than its cuisine — and there are lessons for South Africa in its attempts to draw visitors here.

We were given a fascinating sense of place in both Sydney and Melbourne — the two cities on the itinerary. In Sydney we were:

● Put up in a five-star hotel, the ANA, where every room provides a view of the harbour, taking in the famous opera house and the harbour bridge. Great luxury here — never does one use a bar of soap or a towel more than once. But no uncomfortable coldness which can be part of five-star accommodation.

● Treated to a guided tour of The Rocks historic area surrounding the hotel. This was where the first Europeans landed way back in 1789 and established themselves in the rugged sandstone terrain which is now a place of old buildings, cobblestones and quaint shops. Restaurants too, of course.

● Cruised around the harbour to get a picture of the lie of the land.

In Melbourne we were:

● Driven around the beautifully designed Victorian city and then on to the Mornington Peninsula vineyards and orchards.

● Guided through the area known as "Little Vietnam" where many Vietnamese have established thriving shops trading in Eastern ingredients.

In both cities we were treated to lengthy lunches and dinners each day at noteworthy restaurants. We were joined by media people — different ones at each meal, each with an informative and often amusing slant on Australia, and, because this was a specialist food tour, on its food.

On thinking back I am sometimes uncertain about the name or location of a restaurant, but by concentrating on the food style it all comes back. Take Chinois for example — Melbourne's showpiece East-meets-West restaurant — something like Sydney's Darling Street Thai. If you know which city, you can name the restaurant.

Another remarkable aspect of the tour was the evident co-operation among chefs, restaurateurs, food producers and food writers. Quality ingredients are valued and professional expertise honoured.

Food writer Leo Schofield notes: "There are two trends in Australian cooking right now. One is the extraordinary development of natural produce ... an absolute boom in creating everything from farmhouse cheeses through to specially bred lamb and fish — a vast emphasis on naturalness and freshness which has absolutely revolutionised cooking."

Visitors get the impression they are all in it together to advance the new Australian cuisine — restaurateurs dine in each other's establishments and use each other's ideas, generously acknowledging them on menus.

Comfortable clothes and flat shoes were recommended gear for a 5.30 am departure for Sydney's fresh produce and flower markets as well as the fish market, with brightly coloured exotic fish captivating the eye.

Even on this tour we were accompanied by chefs taking pride in what is available.

A visit to a food hall in a department store underlined the seriousness of the subject and we also enjoyed a tasting of olive oils, some locally produced; Australian cheeses, which include some superlative goat varieties; and local wines.

Bright young chef Neil Perry, regarded as something of a culinary leader, told us of his intention to write a book — not a collection of recipes, but something to convey his food philosophy, the place of food in life and the spirit of his dishes.

No wonder we came away not only dined and wined in great style with a warm, positive feeling about the country, but enriched.

And it was all so good because it was not simply a food tour. The Australians care a lot about producing the very best in every sphere, and the warm welcome they give the visitor is an incentive to save up for a return trip. If that's what specialist tours can do, perhaps they are what we in South Africa should be thinking about for tourists here. □

Fewer stars at Southern Sun

Fm 2/4/93

(286)

When Southern Sun downgraded several of its hotels last year, it was seen as a smart move to cut losses in some tough markets where it was charging too much and providing too high a level of service. But the chain didn't stop after downgrading 10 hotels; it's now stripping one, two and even three stars from another 14 hotels and the project is becoming controversial.

The two-year effort will leave Johannesburg and Durban with just one five-star hotel each, cut the range of accommodation in more than a dozen other cities, and see the possible layoff of up to 2 000 employees. By the time the project is completed at the end of the year, Southern Sun will have downgraded nearly half of its 53 hotels.

This strategy has surprised and disappointed competitors and travel operators, who feel that downgrading so many full-service hotels may benefit domestic but not international tourism. They say overseas tourists can afford full service but are put off by hotels offering only limited facilities.

"I'm sorry to see these five-star hotels downgraded," says Protea Hotels MD Arthur Gillis. "It puts Protea in a position to capture a larger share of the international market, but that isn't the point. We believe that SA is a quality-tourist destination. We don't believe that it's a backpacker market. Can you imagine what backpackers would do, in their numbers, to Table Mountain or to Kruger National Park?"

The downgrading last year of the five-star Johannesburg Sun to a Holiday Inn Garden Court enabled the city's remaining five-star hotel, the Carlton, to raise its rates and increase occupancies to above the 65% *break-even point.*

But eventually the downgrading could hurt the Carlton — with less overall promotion, the city centre will be seen as a less obvious place for five-star patrons to stay. "It wasn't good news that they downgraded the Johannesburg Sun," says Lee Whitfield of Anglo American Property Services, which owns the Carlton. "We are taking a long-term view."

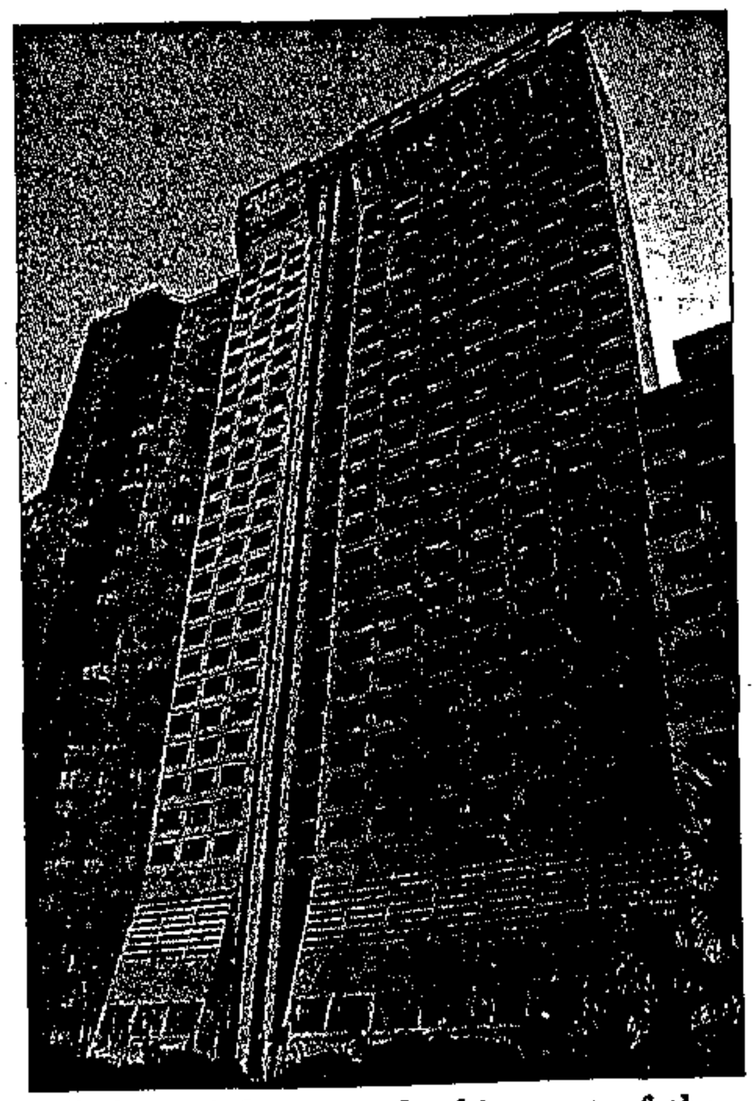
While the Carlton got an immediate boost from Southern Sun's repositioning programme, City Lodges around the country got more competition. MD Hans Enderle says the switch by Bloemfontein's four-star Landdrost Hotel to a Garden Court forced him to cut prices at the Bloemfontein City Lodge. But there was an unexpected bonus — occupancies and profits went up. "A similar situation will probably occur in any centre where we both operate whenever they change their units to Garden Court hotels."

Southern Sun's most recent shock for the tourism industry was last month's announcement that the five-star Maharani Sun on the Durban beachfront also will be dropped to Garden-Court status.

"It's sad," says Lodewyk de Klerk, the SA Tourism Board's Durban regional manager. "We are left with just the Royal, which is a fine hotel, but we need more five-star accommodation if we are to attract international tourists. We'll definitely need more in 1997 when the Durban International Conference Centre is completed. We'll have to provide good-quality accommodation for up to 3 000 conferences delegates at a time."

Durban, however, will get a second five-star hotel in mid-1994, when the multi-million-rand upgrade of Karos's Edward Hotel is completed.

There's no mystery surrounding Southern Sun's strategy. The three-and-a-half-year recession has hammered domestic tourism and business travel. The number of overseas visitors has risen in each of the last several years — there was hardly an upmarket bed available around Johannesburg during the recent Grand Prix — but the violence has prevented the 20% annual increases once predicted. So hotel patronage has dropped



Maharani Sun ... *checking out of the luxury market*

steadily since 1990.

The latest Central Statistical Service figures put December's occupancy rate at 35,6% of the industry's 88 555 beds, well down on the 40,7% of 89 116 beds two years earlier. Broken down by gradings, December's occupancies were 25,8% for one stars (34,4% in December 1990), 40,3% for two stars (44,8%), 38% for three stars (41,9%), 44,4% for four stars (43,4%) and 35,6% for five stars (40,9%).

By trimming costs, cutting prices and boosting occupancies, the unlisted Southern Sun Group plans to survive this trend and improve profitability. The plan's architect, MD Ron Stringfellow, says the company earned R24m last year, but he won't be drawn on revenues, occupancy levels and especially retrenchments. He claims only that occupancies are "substantially higher than the national average and have improved our market share." As for layoffs, he says staff levels at most Garden Courts are still being determined and will depend on how many facilities are leased out.

The Sandton-based company, which is under the SA Breweries umbrella and is the country's biggest chain in terms of hotel investment, has been busy much of the past year defining specific market segments. Its five-star Cape Sun, Sandton Sun and Beverly Hills in Umhlanga Rocks serve the top end. Next come the three-star Holiday Inns, then the Holiday Inn Garden Courts and finally the no-frills Formule 1 chain.

Most of the action has centred on creating Garden Courts. In addition to the Maharani, the newest batch of future Garden Courts include the four-star Burgerspark in Pretoria, the Airport Sun near Jan Smuts, and the De Waal Sun, the St George's Sun and the unbranded Inn on the Square in Cape Town.

Eight regular Holiday Inns also will become Garden Courts — in Pietersburg, East London, Bloemfontein, Port Elizabeth, Wilderness, Oudtshoorn, Umtata and Milpark, Johannesburg. These conversions started last week with the closure of the East London Holiday Inn.

"Southern Sun is keeping pace with customer needs," Stringfellow says. "We had tremendous success with our existing Garden Court Holiday Inns. People voted with their feet. And we still provide more full-service accommodation than any other group. We have 4 734 rooms in the three-to-five-star sector, about twice Protea Hotels' offering." Protea is the country's biggest chain in terms of number of hotels.

He says occupancy at the former Johannesburg Sun, especially, is high, explaining that it had been in the wrong location for a five star. "If people pay for five-star accommodation, they are particular about where the hotel is located. That's why they prefer the Sandton Sun. But middle-income people shop around for a good deal."

Stringfellow says the company's strategy was warmly welcomed at the annual travel show held recently in Berlin. The feeling was that with many more airlines flying to SA and fares plummeting, the tourist mix is changing, he says. Those who can afford high fares can choose four- and five-star hotels; accommodation is just a small part of the equation.

But with the lower fares, he says, more people with less disposable income are arriving. For them, accommodation represents a bigger slice of their holiday funds. "What we're doing is good for SA."

SA tourism campaigns in Europe bearing fruit

CT 20/3/93 (288)

By AUDREY D'ANGELO
Business Editor

INTENSIVE campaigns to promote SA as a tourist destination in Germany, Italy and Austria are starting to pay off, according to the SA Tourism organisation (Satour).

But Otto Stehlik, chairman of the Protea Hospitality Corporation, said that although Satour would now benefit from increased funding it would still not be enough in comparison with the sums being spent to attract tourists to other countries.

And concessions in the Budget to encourage the extension and refurbishment of hotels did not recognise the seriousness of the situation facing hotel groups, which had caused major retrenchments.

Protea had so far avoided retrenchment and hoped to continue to do so by saving in other ways.

Nick Seewer, regional director of Orient Express Hotels International and GM of the Mount Nelson Hotel, said the 4% rise in VAT and higher fuel levy might price SA out of the international tourism market.

The "Come to SA" campaigns in Europe have been run in conjunction with Alitalia, SA Airways (SAA) and Austrian Airlines.

Satour's Milan office reports a 25% increase in visas issued to Italian visitors to SA last year compared with 1991, with a doubling of inquiries in October and November compared with the same period a year earlier.

"For many years SA has been perceived by Italians as an expensive destination but reductions in air fares by most airlines means that Satour Milan is able to promote the country as a 'value for money' destination," a spokesman said yesterday.

Satour's Frankfurt office reports that there were 1 800 positive responses to a joint Lufthansa/Satour direct mailing campaign among 14 000 travel agents.

Satour's Vienna office reports "a tremendous response to articles published throughout Austria, written by journalists who toured SA last year."

Seewer, who has just returned from meeting tour operators and travel wholesalers in Britain and Germany, said the VAT and fuel price hikes eroded SA's advantage as a value for money destination.

Stressing the importance of price, he pointed out that Western Europe was still in a serious recession. It would not be unwelcome, from the point of view of attracting foreign tourists, if the rand were to fall further against hard currencies.

Stehlik said that although the 4% rise in VAT could affect domestic tourism he did not think it would make any difference to foreign visitors.

Cheaper airfares and a wider choice of airlines coming to this country had cut the costs of SA as a tourist destination. The security situation was the main deterrent to coming here.

Cableway company in row over takeover proposals

(288) ARG 20/3/93

■ There was disagreement between directors and sharteholders over a takeover bid at the cableway company's annual general meeting.

MARC HASENFUSS, Weekend Argus Business Staff

SMALL shareholders in Table Mountain Aerial Cableway (TMAC) have accused directors of failing to disclose key facts in the draft document outlining a takeover offer and of making interest-free loans to other companies

AY Investment's takeover offered TMAC shareholders R200 a share — which according to some shareholders is well below the real value of the company. AY Investments is made up of a number of TMAC directors.

At a lively AGM yesterday, chairman Mr Louis de Waal (also a director in AY Investments) admitted that a key paragraph had been withdrawn from the buyout draft. But he claimed the paragraph would have been misleading to shareholders.

The paragraph detailed the directors' intention to expand current facilities at the Table Mountain Cableway and the possibility of starting a similar project at Signal Hill.

The omission is a technical breach of the Securities Regulation Panel (SRP) requirements — which govern company takeover bids. The SRP insisted the matter be brought to the attention of shareholders.

However, Mr De Waal said any new work at Cableway and Signal Hill could only take place "well down the line". Furthermore, city council approval was still needed and this could take at least another eight or nine months.

"This is why it was omitted from the draft document sent to shareholders."

In addition, the potential for the group to benefit from an upsurge in international tourism was dependent on large scale upgrading.

This would require substantial capital expenditure and could take years before shareholders reaped the dividends, he said.

However, shareholders who accepted AY Investment's offer of R200 a share said they would have reconsidered the bid if the expansion plans were detailed at the time.

South African Shareholders Association chairman Mr Issy Goldberg urged directors to allow shareholders, who had already accepted the offer, to "resign from their acceptance of the offer" if they so elected.

This, he said, would give the company 'free access to respectability".

Mr De Waal noted Mr Goldberg's suggestion and said the matter would be discussed.

However, he stressed that directors were satisfied with the original offer and that enough detail was disclosed in the draft document.

Mr De Waal pointed out that the R200 a share offer was about double TMAC's net asset value. A representative from Ernst & Young also assessed the offer as "fair and reasonable".

Mr Goldberg said a number of shareholders had given him evidence to substantiate their plea that it was impossible to extrapolate from the accounts presented in the offer and the disclosures what the true value of TMAC was.

Shareholders also complained about the "incestuous" relationship between some of the directors of TMAC, Signal Hill and 44 Dock Road.

Revamp for Table Mountain transport system?

WILLEM STEENKAMP
Weekend Argus Reporter

■ The Table Mountain cableway, completed in 1929, could undergo major upgrading and modernisation if proposals being drawn up by consultants are accepted by the Table Mountain Aerial Cable Way Company.

PLANS for the modernisation and refurbishment of the popular Table Mountain cableway are to be completed by next month.

(288) ARG 20/3/93

Mr Louis de Waal, new chairman of the Table Mountain Aerial Cableway Company, said consultants had been instructed to draw up a masterplan for the revamping and modernisation of the 64-year-old cableway, which until the Waterfront, was the city's premier tourist destination.

Their consultant's brief was to investigate the implications of increasing the capacity of the cable cars, the expansion of the restaurant on top of the mountain so that a new section, probably built of timber, could be used for private functions, increased parking space at the lower station and ways of increasing the fresh water supply on the mountain.

Mr De Waal said if the masterplan's recommendations were accepted a decision on the refurbishment programme and the dates would be taken in June.

"The cableway has a tremendous safety record and is very popular among locals and tourists alike. We feel it is important that people who go up the mountain leave with a positive attitude.

"Because long queues and parking problems cause frustration and may leave people with a negative feeling about the experience, we decided it was time to look into measures to resolve these problems.

"One way of doing this would be to increase the capacity of the cars. But that could mean we have to install more powerful engines, new gearboxes and possibly new cables.

"We will also be looking at a booking system simmilar to that of movie theatres. When it is full people will book for a later trip. This could mean the waiting period will be decreased."

Mr De Waal said increased parking facilities would also be investigated. Landscaping around the bottom station would also be considered.

"We have only one cableway and the idea is to make it more accessible. On average we take about 400 000 people up the mountain annually and we feel this figure could be increased."

If the recommendations of the consultants are accepted, the work will be done in phases so that the cableway is not closed for a lengthy period.

Mr De Waal said his company was still interested in constructing a cableway up Signal Hill from the Waterfront, but that the final approval for this controversial scheme lay with the City Council. City officials were currently investigating the viability for such a venture. If the go-ahead is given by council, a formal proposal will be made by the Cable Way Company.

■ Mr De Waal became chairman of the Table Mountain Aerial Cable Way Company earlier this month.

Alarm over wave of restaurant robberies

BDM 16/3/93

288

GAVIN DU VENAGE

RESTAURATEURS in Johannesburg's northern areas were keeping silent about robberies and armed attacks on their businesses for fear of bad publicity, an industry spokesman said yesterday.

All restaurant owners in the region were taking urgent measures to beef up security, he said.

Catering, Restaurant and Tearoom Association chairman Frank Swarbreck said recent attacks on restaurants in affluent areas had badly affected trade and some businesses were facing closure.

In one of the most recent attacks, a gang struck at the Lobster Tavern in Randburg and raped a woman after other customers and staff had been locked in a storage room. At the weekend, armed men robbed Mike's Kitchen in Parktown, and yesterday armed men escaped with R21 000 in cash and jewellery from the Seawave restaurant in Bedfordview.

Swarbreck said restaurateurs were not notifying police as they feared customers would be frightened off. "They hope it will not happen again but, of course, it will."

He believed many attacks turned violent when criminals found little cash to take, with most customers paying by cheque or credit card. Frustrated, the robbers turned on their victims, he said.

Swarbreck said his association would petition President F W de Klerk to investigate security for the industry. It had also held meetings with high-ranking police officers to discuss how to beat crime.

Police spokesman W/O Andy Pieke said yesterday businesses failing to report crimes were making it easier for the perpetrators to remain at large.

...ere stolen, 201,7
...ouis, Rotze said.

...in an affidavit supporting his applica- ... or circumstance.

Casino operators gamble on 'loophole'

MANY private casino operators will risk all by reopening their doors, hoping that loopholes in the new gambling legislation will prevent police from closing them down again. BIOAY 17/3/93

Several operators had started trading again in Cape Town and Durban, while Johannesburg's Casino Royale opens its doors on Friday.

SA Gaming Association chairman and attorney Grant Kaplan said yesterday several of his casino-owner clients had approached him in recent weeks for legal advice on how to continue trading within the Gambling Amendment Act — rushed through Parliament late last year.

STEPHANE BOTHMA

The most popular "loophole" left in the Gambling Amendment Act, he said, was the provision that casinos could operate and punters could bet money, but could not receive cash, credit notes, cheques or "anything of value" as winnings.

Kaplan suggested payment could be effected by a third party — a so-called broker — not directly involved with the casino, which would prevent prosecution.

The police yesterday said they were studying the Act and were investigating the modus operandi of casinos which had reopened. (258)

139 883

Tourism allocation welcomed

ST 18/3/93

Staff Reporter

THE massive R110 million cash injection for the tourism industry — double last year's amount — was yesterday welcomed by industry spokesmen.

They said the new allocation and improved tax incentives would allow for more aggressive marketing of South Africa overseas and increase the supply of tourist accommodation.

Mr Pieter van Hoven, Satour chairman, said it was a "tremendously positive investment" in the future of South Africa which would boost job creation, foreign exchange and economic growth.

Mr Alan Gooderson, Fedhasa national tourism standing committee chairman, said it was unfortunate that the Industrial Development Corporation's loans were not subject to more accessible interest rates.

MASTERBOND FM 19/2/93.

Who will blink first?

The offer last week by Dubai-based Geap International to secure control of Fancourt, the luxury golf resort near George, has effectively been rejected by Masterbond's curators. And a legal storm over the validity of

joint curator Arnold Galombik said it appears Geap is prepared to pay about R50m in total, spread between Masterbond debenture holders (R25m), building contractor Group Five (R17m) and other concurrent creditors, including Fancourt developer and founder André Pieterse. Pieterse, a major shareholder in Fancourt, notes that no-one has yet offered to buy his shares.

Pieterse's involvement in the Geap offer is said by observers to be linked to his substantial shareholdings in the eight Fancourt companies. Pieterse says this is wrong, but won't comment further. It's clearly a complication, though: Pieterse's continued ownership of the controlling interest in the Fancourt companies could hamper any rescue operation. However, Pieterse says he's willing and anxious to co-operate with any genuine buyers.

Builder's lien

Group Five's key involvement arises out of its construction activities on the latest phase of the Fancourt development: 12 lodges, said to be virtually complete, and a further 28 lodges about 60% finished. The company claims to hold a builder's lien over these assets; since a lien of this kind ranks ahead of first mortgage bond holders (such as Masterbond) Group Five's role may be pivotal.

Recognising this, the Masterbond curators and Fancourt provisional liquidators jointly "repudiate Group Five's lien. Attorneys and counsel have investigated this matter and we are acting on their advice."

Group Five chairman Peter Clogg tells the *FM*: "It's one thing to make a press statement but we don't know their grounds. I'm reasonably relaxed that we're covered."

Meanwhile, final liquidation of Fancourt was considered by a Cape court this week. As the *FM* went to press no decision had been taken. It seems likely the Masterbond curators and Fancourt provisional liquidators will apply for a further extension to canvass proposals expected from other parties.

Galombik says he has received inquiries from Singapore, Japan, Germany and SA. "We intend," he says, "to provide all parties with full information about Fancourt to enable them to arrive at proposals."

Strictly speaking, he says, the Geap offer hasn't been rejected, because it still has 30 days to run. However, he adds that Geap MD Mahendra Patel tells him that the company's first offer is also its last and that it will not put any more cash on the table.

Clogg confirms Group Five was instrumental in persuading Geap to bid. "We contacted it in Dubai last year." It's worth

FM 19/2/93 . ECONOMY & FINANCE

noting that Geap chairman Humaid Bin Drai is also president of Dubai Golf Club.

In the absence of any other firm offers, the Fancourt dilemma is unlikely to be resolved quickly or to the ultimate satisfaction of debenture holders.

David Gleason

TIMESHARE FM 19/2/93

Cooling off time (288)

Timeshare sales in 1992 were 1,1% down in volume on 1991 and, in spite of selling 23 000 weeks, the sector recorded a 19% drop in turnover. The average price per unit, at R8 520, was 17,5% down on the previous year. FM 19/2/93 (288)

Resort Condominiums International (RCI) MD Steve Griesel told the 1993 Tisa Timeshare Covention at the Wild Coast Sun on Monday that sales in the first half of 1992 were 21% down on the corresponding period in 1991, but picked up in the second half to show a net 1,1% decline on the whole of 1991.

Discounted unit prices

He attributes the surge in sales in the second half to heavy discounting by developers to stimulate the market. Additional factors were the introduction in October of a five-day cooling off period for buyers and the appointment of a timeshare ombudsman, Mr Justice Cecil Margo, to advise and arbitrate in disputes. This initiative, called Timeshare 2000, resulted in a record R23m in sales in that month.

Discounting has been possible, says Griesel, because strong developers have been able to buy timeshare properties at up to 50% of their replacement costs. His advice to would-be developers this year is that, instead of building anew, they should do more of the same. He also suggests that in the current economy, where buyer finance continues to be tight, developers should consider reducing their infrastructure and selling fewer units at bigger margins.

Keener pricing is also the name of the game in the US. RCI vice-president for resort sales in North America, John Reinhardt, reports that one upmarket resort, Cyprus Point, in Orlando, Florida, is selling three-bedroom unit weeks for US$8 500 compared with a regional average of $11 500. He adds that about 75% of timeshare owners are taking advantage of the exchange option.

The number of salesmen in the local timeshare industry has been dropping consistently: from 1 400 in 1990, to 800 in 1991 and 400 in 1992. The top 100 performers continue to make 70% of all sales.

Griesel believes opportunities exist in Cape Town for new timeshare developments "but only at excellent locations and at excellent prices." Growth in the western Cape continues but is hamstrung by a lack of resorts — only 15 in the region, many of which are mostly sold out. He notes interest in the inland regions, particularly the Transvaal, but says there's been a significant decrease in unit sales in the eastern Cape.

Only 9 600 new weeks came on to the market last year — a reflection of the continued consolidation of the market and a lack of new developments. Griesel says the sector is now approaching an 80% sell-out and there are only about two years of stock left in the

* continued

PROPERTY FM 19/2/93. (288)

market.

A 20% vacancy factor would cause office developers in SA, the US and UK to have grave second thoughts about building more but, Griesel says: "While new timeshare developments will be needed to supplement supply in the right areas, the current situation is ideal (in terms of supply and demand) for the industry at present, considering the drop in unit prices and holding costs, which continue to be a problem." ■

Tourism to get major boost

(288) CT 18/3/93

Political Staff

THE government is to launch a major initiative to boost the tourism industry.

Finance Minister Mr Derek Keys has earmarked R110,1 million for the programme in addition to which the Industrial Development Corporation (IDC), is prepared to make up to R600m available for loan to stimulate the industry.

Another plus for tourism is that the depreciation period for certain hotel refurbishment costs is to be reduced from 20 to five years, Mr Keys saying this would make an important contribution towards increasing the supply of semi-luxury accommodation for overseas visitors in particular.

Mr Keys said that despite the problems currently facing tourism, the sector had an important role to play in a long-term development strategy.

He said that tourism had the potential to make a vital contribution as a net generator of foreign exchange and job creator.

International experience showed that tourism promoted the establishment of small businesses.

Mr Keys stressed that greater political stability, and a "downscaling of violence and crime" will also need attention to make South Africa a safe destination for tourists.

Govt tells of Lost City link

19/2/93. (288

WILSON ZWANE

GOVERNMENT moved yesterday to smother suspicions that it secretly squandered taxpayers' money on promoting Sol Kerzner's Lost City complex as a tourist destination during the recent Miss World contest.

Tourism Minister Org Marais said last year's negative media coverage overseas of violence and spiralling crime in SA seriously affected tourism.

"Representations were received by government from various sectors of the SA tourism industry for a major effort to be made to counter this trend. After deliberation with the industry a proposal was made to the Cabinet Working Group for Economic Affairs for a contribution to be made to publicise tourist attractions in SA during the Miss World pageant.

"This event presented a unique opportunity for the promotion of international tourism as it was part of the major promotional activities surrounding the launch of the Lost City".

The project, involving R2m, was not secret but a joint marketing venture with the private sector. Satour often teamed up with, for instance, various airlines in joint marketing projects.

"The project was probably the most successful publicity promotion undertaken in conjuction with private enterprise. Feedback we have received has been extremely positive," Marais said.

The estimated value of the commercial time and positive advertisement of SA and southern African attractions amounted to an about R320m, Marais said.

Plea on Fancourt refused

LINDA ENSOR

CAPE TOWN — An 11th-hour application to intervene in the final liquidation proceedings against Fancourt was turned down in the Cape Town Supreme Court yesterday and judgment will be handed down today.

Former Western Province rugby player Johann de Villiers Visser, who has more than R100 000 invested in Fancourt debentures, applied to intervene in the proceedings.

He asked the court also for a postponement of the hearing on the final liquidation hearing.

Visser said he and other debentureholders needed time to consider offers made to purchase the resort.

The curators and provisional liquidators of Fancourt rejected the R50m offer by Dubai-based Geap International which, they said, was inadequate, but Visser argued that investors had the democratic right to participate in the decision-making on the offers.

He had invested his entire personal savings in Fancourt. (288)

A small dividend now, Visser said, would be more meaningful to him than a larger one later.

However, Judge H L Berman refused the application, saying no-one was better able to consider the offers than the curators who were professional men with an objective view of the matter. BIDMT: 19/2/93.

"We have reached a stage that an end must be put to the misery of these companies," the judge said.

The curators have applied for a final liquidation order which, they say, is necessary to enable them to sell the assets.

This they cannot do under a provisional order. Final liquidation would enable them also to challenge Group Five's claim to a builder's lien over its R17m claim against Fancourt.

No need for tears over timeshare

STAR 20/2/93.

288

THIS is the first of two articles intended to help readers make a safe investment in the timeshare market.

BUYING timeshare would seem to the uninitiated to be fraught with pitfalls. But since the introduction of broad controls by the Timeshare Institute of South Africa (TISA) in association with the Harmful Business Practices Board, prospective buyers have been able to relax a little.

The most important consideration when buying timeshare — as with any other commodity — is to ensure you get value for money. This means not only ensuring your financial investment is safe, but also that you get the wonderful, relaxing annual holiday you deserve.

When considering the financial aspect of selecting a resort, the primary concern should be the extent of the bond held over the property. This is most easily checked by obtaining financial statements for the past two years. What is most important here is to see whether the bond has been reduced during this period.

Benchmark

Resorts that have been liquidated in recent months generally failed to channel monies received into their bonds and ended up with foreclosures. Another aspect to watch out for is levies. Are they constantly rising?

HOW MUCH? When deciding how much to pay, a good approach would be to estimate your future expenditure on holiday accommodation for the next five to six years and set that as a benchmark. However, certain rules apply: weeks in periods of high demand such as December and Easter are always the most expensive.

Check the state of the bond

You also get what you pay for; luxury resorts with all the amenities laid on will be more expensive than those offering only the basics.

Prices also vary according to geographic area: a rough rule of thumb is that Cape Peninsula resorts are the most expensive, while Durban offers the least expensive timeshare accommodation.

An excellent source of information on relative values of timeshare holidays is the resale market. A good place to start is with Time & Time Again. Published once every two months, it features an extensive list of timeshare available for resale. This will give you the clearest and most concise picture of what is available throughout the timeshare market. It also offers excellent bargains for the budget-conscious buyer.

It is most important to realise that you are buying a holiday — an experience rather than an object. Because of this it is as important as the financial considerations that you select a time of year and place that suits all your lifestyle requirements. If you are to enjoy visiting a place repeatedly, it should be a resort that attracts the kind of people you are comfortable with and offers the kind of facilities you will use.

WIDE RANGE: People commonly view all timeshare as being the same, but this cannot be further from the truth. The timeshare market in South Africa, represented by approximately 150 destinations, offers resorts that appeal to virtually the full range of tastes and prices.

Extreme examples are a resort in the eastern Cape catering primarily for retired couples, offering two-sleeper units, bowls and leisurely nature trails; and the Natal South Coast resort catering for people of conservative political persuasion, admitting whites only.

Evaluate

Whether your preference is for a quiet nature-orientated stay in the bush or a glamorous razzle-dazzle holiday at a prime coastal spot, there is a timeshare resort for you.

The best way to evaluate a resort is to stay there. When you are offered a free weekend, use it; or when buying on the resale market, offer to rent the time from the seller, see how it suits you and only then offer to buy. This also affords you the opportunity to talk to other timeshare owners and find out about the calibre of management at the resort.

□ Next week: Exchanges and hints for consumers.

Teamwork needed to pull in the customers

JOHANNESBURG hotels, particularly at the five-star level, are being hit by high vacancy levels.

Carlton Hotel deputy general manager Charles Cable says the crime rate in the CBD is seriously affecting business.

However, media reports both here and abroad are having an even greater negative affect.

"South Africans view the greater Johannesburg area as unsafe.

"Overseas, the effect is even worse because people do not understand how big SA is. Reports of problems in Soweto, for example, are seen as relating to the centre of Johannesburg," says Mr Cable.

There is a tendency for travel agents to book travellers into Sandton hotels.

But Sandton has its own, less publicised, problems with crime.

The Carlton Hotel has been taking part for some years in efforts to improve safety in the city. Moves to combat crime are beginning to bear fruit.

However, combating crime is only part of the solution. Efforts must be made to promote Johannesburg as an attractive tourist destination.

Mr Cable says not only hotels and tour operators should promote tourism.

"Everyone must become involved. For example, police and traffic officers need to become part of the marketing process, as they are in other countries.

"There is a need for everyone in contact with tourists, from taxi and bus drivers to enforcement officers, to be able to direct them to attractions, inform them about the city and generally convey a welcoming atmosphere," says Mr Cable.

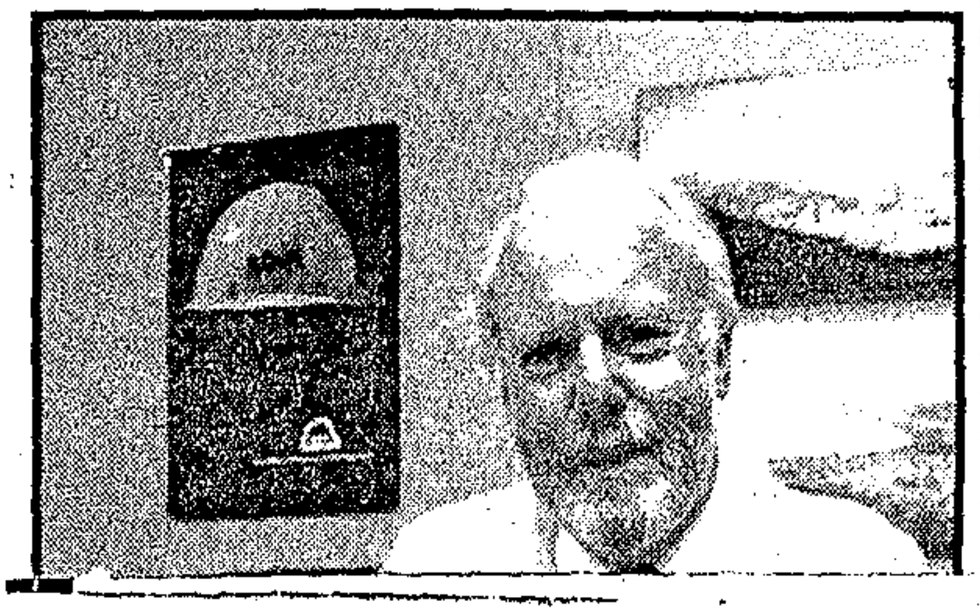
A user-friendly transit system is another priority as well as the upgrading of existing transport facilities such as taxis and buses.

He says the city needs to upgrade rail and bus stations. Streets need to be kept clean and the provision of high-quality public toilets is another necessity.

Direction and other street signs should be improved to make it easier for visitors to find places of interest.

However, there are areas in which the hotel trade needs to make more effort. There is a lack of training facilities for hotel personnel.

Mr Cable says: "In the short term there is great demand for affordable accommodation. But in the future, as more tourists travel to SA, there is going to be a shortage of appropriate accommodation. It takes about three years to build a five-star hotel."



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Tourism boom expected

STAR 23/2/93

By Shirley Woodgate

Domestic tourism still formed the backbone of the South African tourist industry, but a new international marketing plan envisaged 960 000 overseas visitors by 1995 and 1,75 million by the year 2000, South African Tourist Board chief director Dr Ernie Heath said yesterday.

Local tourism generated about 60 percent of the industry's total turnover, which at this stage comprised about 2 percent of the country's gross national product. This compared with an average 6,1 percent in most Western countries, he said.

Reporting a 12 percent increase in overseas visitors last year — with tourism from the Far East boosted by 25,8 percent during 1991, despite the current unstable political climate — he said prospects were extremely favourable provided the personal safety of overseas visitors was ensured.

Foreign exchange earnings through tourism had been targeted at R7 721 million by 1995 and R21 million by 2000, Heath said.

Satour planned to market South Africa aggressively overseas in the next three years.

Leisure group Kersaf sees earnings drop 9%

From MARCIA KLEIN

JOHANNESBURG. — Leisure group Kersaf Investments' earnings dropped by 9% to 105c (115c) a share in the six months to end-December as poor conditions affected consumer spending in all operations.

The group, whose interests include Sun International, Interleisure and Douglas Green Bellingham, reported a 9% turnover increase to R1,1bn from R1bn. This growth was assisted by the full period trading of the Carousel and the opening of Lost City at the end of November.

Operating profit declined by 3% to R252,6m from R259,7m. Chairman Buddy Hawton said margins were affected by wage costs, retrenchment costs, the effect of unregulated casinos and increased marketing and discounting aimed at keeping up occupancy levels.

A change to a net paying position of R8,9m from net interest received of R4,5m in the previous year reflected mainly the use of cash resources and external borrowings to fund the major capital developments. This resulted in an 8% drop in pre-tax profit to R243,7m (R264,2m).

Profit after tax decreased by 6% to R187,1m from R198,1m. Attributable income dropped by 6% to R81m from R86,4m, with the 9% drop in earnings a share reflecting additional shares in issue.

The interim dividend was maintained at 66c a share, with a marginal drop in dividend cover.

Interleisure's cinema and related activities had performed well, with cinema attendances 25% up on the previous year on the back of 25 new screens, Sunday cinema and good product.

Kersaf pinched by drop in spending

BIDM 23/2/93.

MARCIA KLEIN

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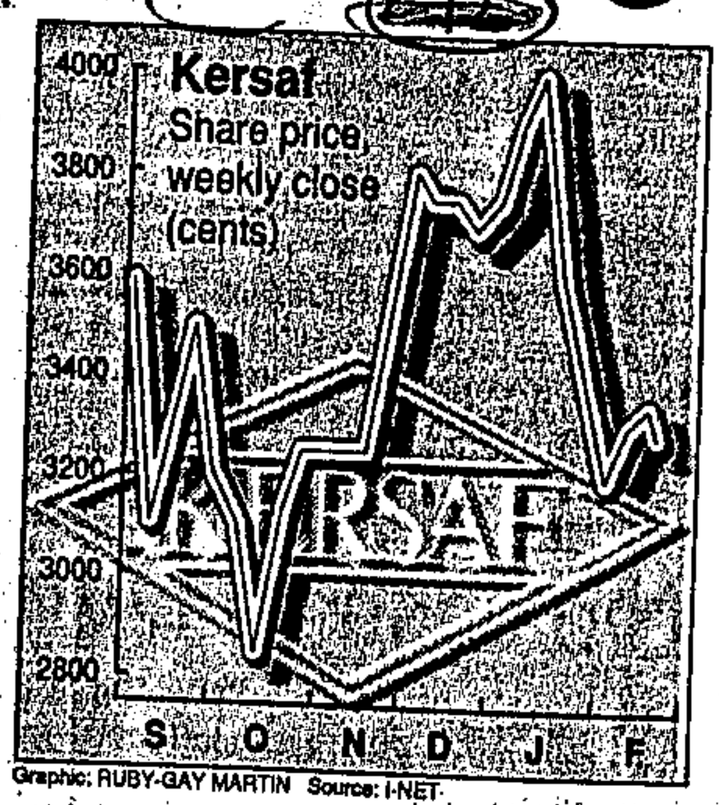

Graphic: RUBY-GAY MARTIN Source: I-NET

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☐ To Page 2

Kersaf

BIDM 23/2/93.

☐ From Page 1

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Hawton said results reflected adverse trading conditions and depressed consumer spending. Despite huge capex, the balance sheet remained strong, with gearing at 26% (24%). Now that most of the capex was complete, the new developments had the ability to generate strong cash flows in the future, he said.

Offshore operations, held through Royale Resorts, had been quiet. Mauritius was severely affected by the international recession. French gaming operations were also affected by the recession. Hawton said Royale had a difficult six months, and this was likely to continue. The group was still investigating offshore acquisitions.

Sun International's results were satisfactory given the economic situation and the effect of the unregulated casinos. Construction of major developments at Sun City and the Wild Coast Sun, which had disrupted trading, had now come to an end. Sun International's occupancy was 62% for the period, compared with 66% in the previous year.

The group was happy with Lost City and forward bookings were encouraging.

Interleisure's cinema and related activities had performed well, with cinema attendances 25% up on the previous year on the back of 25 new screens, Sunday cinema and good product. The sports division had disposed of some wholesale brands.

Douglas Green Bellingham was affected by consumer spending, with most brands under pressure.

Hawton said the completion of Sun International's major resort projects and continued strong growth in cinema attendances should enable second-half earnings to approximate those of the first half.

Yesterday the share shed 50c or 1,4% to close at R33.

The share traded at a high of R45 in July last year and a low of R28 in September.

SA attracts more visitors

PRETORIA. — More overseas tourists visited South Africa last year than in the preceding year, the chief director for tourism promotion of the SA Tourism Board, Dr Ernie Heath, said.

An estimated 12% more overseas tourists visited the country in 1992 compared to 1991, while visitors from the Far East showed an exceptional increase of 25,8% over the 1991 figures. — Sapa

ANC wants 'green' tourism

CT 24/2/93

Staff Reporter

A FUTURE South African government should attempt to integrate the "green" factor with economic development and ensure that tourism expanded without causing lasting damage to the environment.

288

This was said by ANC constitutional committee member Professor Albie Sachs who was the guest speaker at the Fairest Cape Association's breakfast at the Mount Nelson hotel yesterday.

Professor Sachs said SA was made up of different cultures which had a "great respect for the land" but this was not reflected in the tourist industry.

He said one issue which rankled was tourist brochures portraying whites enjoying themselves on holiday while blacks were seen in a subservient role.

Commenting on the proposed 10-year scheme to mine titanium from the St Lucia sand dunes, he said there were some "things that people simply did not touch".

He said the Fairest Cape also tended to overlook the "ugliest Cape" where a large section of the Peninsula's community lived in sordid and squalid conditions.

Pik defends gift to club

Political Staff

THE Minister of Foreign Affairs, Mr Pik Botha, yesterday defended former ambassador to the United States Dr Piet Koornhof's donation of R250 000 to a hunting organisation.

The donation to Safari Club International was made to promote tourism from the US to South Africa and to counter trade sanctions, Mr Botha said.

Replying to a question tabled in Parliament by Mr Thomas Langley (CP, Soutpansberg), Mr Botha said the contribution was made at a time when American sanctions at federal, state and local level were most severe.

Safari Club International was "one of the most important and influential big-game hunters associations in the US with an affiliated membership of approximately one million".

Steers spreads its wings

(288) STAR 24/2/93

***Bucking** economic trends last year, the Steers group increased turnover by 45 percent. But this dynamic company is not content to rest on its laurels and next month will open the first of its planned overseas outlets.*



A TEAM ... The Steers management team at the Midrand Head Office.

In the face of a fall-off in consumer spending, the continued growth of the Steers group is nothing short of remarkable. In fact, last year the number of Steers outlets grew to 140 and group turnover increased by 45 percent — a performance that is fully expected to be repeated this year.

The stage is now set for Steers to go international and the first offshore Steers is due to open in Greece next month. More outlets are planned in Greece and other EEC countries in a programme that will see Steers become an international chain.

Like all such success stories, the beginnings were humble. A certain George Halamandaris visited the United States and returned fired with enthusiasm for the establishment of US-style specialised food concepts in SA.

He established Steers and Milky Lane. The Spur Steak Ranches, Longhorn and Black Steer were initially franchised to Steers. It can therefore accurately be said that many of the most popular steak ranch/fast food operations in SA owe their origins to Halamandaris.

Steers decided that fast food was the platform for future growth and here was an opportunity to bring a unique blend of American style foods to the SA market via the franchise concept.

The formula that evolved, a mix of products prepared in the US charbroiled fashion with a choice of sauces and condiments, went down extremely well in a country that had a big per capita consumption of red meats and regarded braais as almost a national heritage. Steers carefully positioned itself to appeal to both the family market and the trend-setting youngsters.

That formula is unchanged to this day but is being somewhat refined and a new advertising campaign on both TV and radio breaks shortly with a distinctly more sophisticated image. The idea is to provide Steers with a clearly defined image in a market that is otherwise somewhat cluttered with competition and no real differentiation in terms of the inherent western theme.

The Steers system has proved itself, says marketing manager Achilles Zoulas. Centralised kitchens ensure that raw materials are of the best quality. The company has its own bakeries and its own butcheries. The key factor is ensuring that what reaches the public is of the standard that they have come to expect.

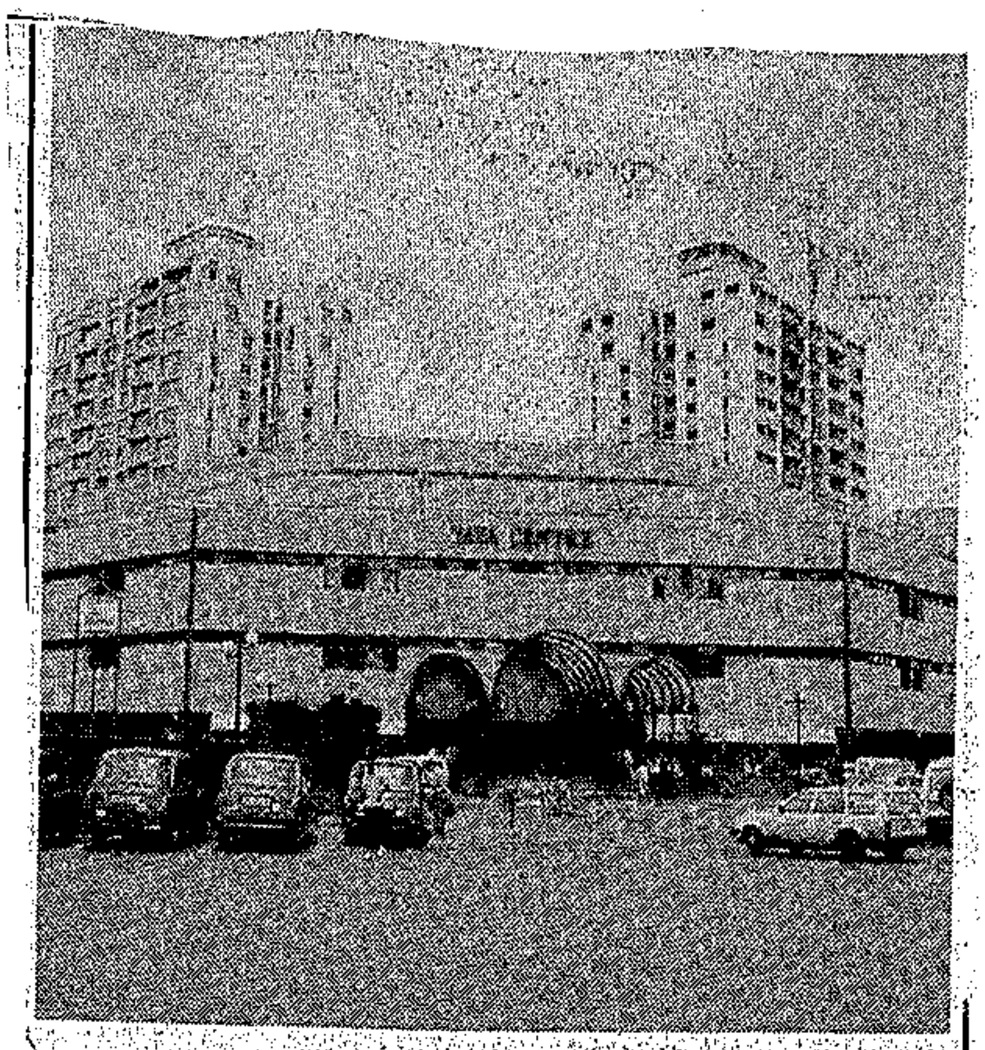
Most of the Steers outlets are franchised (only three are company owned) and the company is therefore highly geared to look after the interests of its members

New ideas are part of the equation — and not merely in fast foods. For example, the company has come up with a concept in video outlets which is directly linked with the Steers outlets. The video chain, known as Blockbusters, has grown from one to 13 outlets in the short period of one-and-a-half years.

Further evidence of Steers' success is that the head office in Midrand, a project completed just two years ago, will have to be expanded shortly.

The company remains in the hands of George's son, John, and his three cousins, Peter, Theo, Perry and Babis.

For further information telephone (011) 315 3000.



Protea aims to corner Africa

PROTEA hotels are making a concerted drive to corner the African continent after developing an extensive network of 72 hotels in Southern Africa.

The group is also well-positioned to utilise its expertise in the rest of Africa having already spread it's wings to operations in Kenya — where the Nairobi Protea (shown above) opened this year — Swaziland, Mozambique and four hotels in the Indian Ocean island of Mauritius.

A Protea spokesman pointed out that the keyword for the success of the hotel was affordability, with among others the hotel chain letting out per room instead of per person.

In 1984 executive chairman Otto Stehlik stated the intention of Protea was "to make hotels affordable once again".

The group has decided to focus on smaller hotels and in Mauritius the Moonlight Bay hotel fitted this description and was purchased in 1991, a month later the hotel Club Centre de Peche at Baie De La Riviere Noire on the west coast joined the group and in March 1992 Villa Pointe Aux Biches hotel near Grand Baie joined the fold.

In January the Protea pushed the total of hotels in Mauritius to four with the purchase of Pearle Beach hotel.

According to the regional manager for Protea hotels in Mauritius Andre Steyn a further five hotels will be added to the Protea hotel ranks by the end of 1993.

Steyn says that the strength of the hotel group in Mauritius is based on the successful ties it enjoys with local operators.

He points out that cost cutting measures has helped make a normally expensive island more affordable — talking of the centralising of computer systems, bulk purchasing and the sharing of certain facilities.

STAR 26/2/93

Hotel's R10 000 fixed rent queried

CAPE TOWN — The Jan Smuts Holiday Inn had been hiring the State land on which it stood for R10 000 a year since 1972, Rosier de Ville (AVU Standerton) said in Parliament yesterday.

Speaking in debate on the Airports Company Bill, he asked whether there was any provision in the contract for an increase in the rental. — Sapa.

FANCOURT FM 26/2/93 (288)

Second time around

Rebuffed once, an international financial and property conglomerate has reinstated an offer to rescue the controversial and exclusive Fancourt golf resort near George. Fancourt was constructed largely on R89m of borrowings provided by failed investment group Masterbond.

The most recent developments include an earlier offer submitted by Dubai-based Geap International. This was rejected by Masterbond curators who described it as "unfair and inadequate" to Masterbond debenture holders. There was a revised offer late last week, as applications went to the Cape Supreme Court for the liquidation of the Fancourt companies.

Some time ago, the Masterbond joint curators determined their best course of action on Fancourt would be to liquidate the companies. A provisional liquidation order was granted. Shortly before the final return date (which had already been moved several times), a consortium including Geap and SA building and construction company Group Five submitted an offer to buy all the curators' claims against Fancourt for R25m.

The offer included payment to Group Five of R15m to cover the company's builder's lien over the Fancourt properties, together with an unspecified amount for partial payment of concurrent creditors.

The offer was rejected by Masterbond curators who pressed ahead with the liquidation of the companies, despite a clear warning by Geap MD Mahendra Patel that liquidation would result in the immediate withdrawal of his consortium's offer.

Telephone conversations last week between Patel and joint curator Arnold Galombik, persuaded Galombik to modify his final liquidation application to the court: in papers filed ahead of last week's final return, Galombik confirmed *bona fide* rescue proposals had been received. An extension was granted. The final return date, which Galombik says won't be extended, is now March 5.

Fancourt was purchased by film producer Andre Pieterse in 1968 when he bought the property from ill-fated Glen Anil. Pieterse's career encompasses an early period with Ster-Kinekor and was followed by several years as a senior vice-president with major Hollywood movie maker MGM. Later, Pieterse returned to SA and joined the Department of Information at the time Eschel Rhoodie exercised power in it.

He produced the film *Golden Rendezvous* with money partly contributed from the sale of an interest in one of Pieterse's companies to a government front company. The film, based on the Alistair Maclean thriller, was not a box office success.

Many years later, Pieterse decided to convert the Fancourt Manor House into a country hotel. Masterbond provided R2,9m in financial assistance and subsequently a further R1m. The scheme was expanded to embrace the exclusive golf resort, with residential rights, which has made Fancourt famous. It involved the purchase of adjoining farmland and the construction of a Gary Player-designed golf course.

As the project progressed, further monies were drawn down from Masterbond until a final amount of R89m was applied against the scheme. Pieterse is emphatic that every bond registered was supported by valuations obtained by Masterbond management.

A R10m dividend declared by Fancourt Holdings was, according to Fancourt's auditor James Leask, of auditor Fisher Hoffman Stride, used to facilitate the intended entry of UK-based hotel management group Orient Express as partner with Masterbond and Pieterse.

The fixed assets of Fancourt Holdings were revalued and, because the revaluation was in excess of the nominal value of Fancourt Holdings' assets, it was possible for the directors to declare a dividend for the excess amount. This was never paid to the shareholders — Masterbond and Pieterse — as the directors made it a condition that the dividend would not be distributed until adequate funds and profits were available. Instead, it is understood the purpose was to create loan accounts which could be on-sold to a new company, Golf Corp, along with the shareholdings in Fancourt Holdings in a manner which would be tax effective.

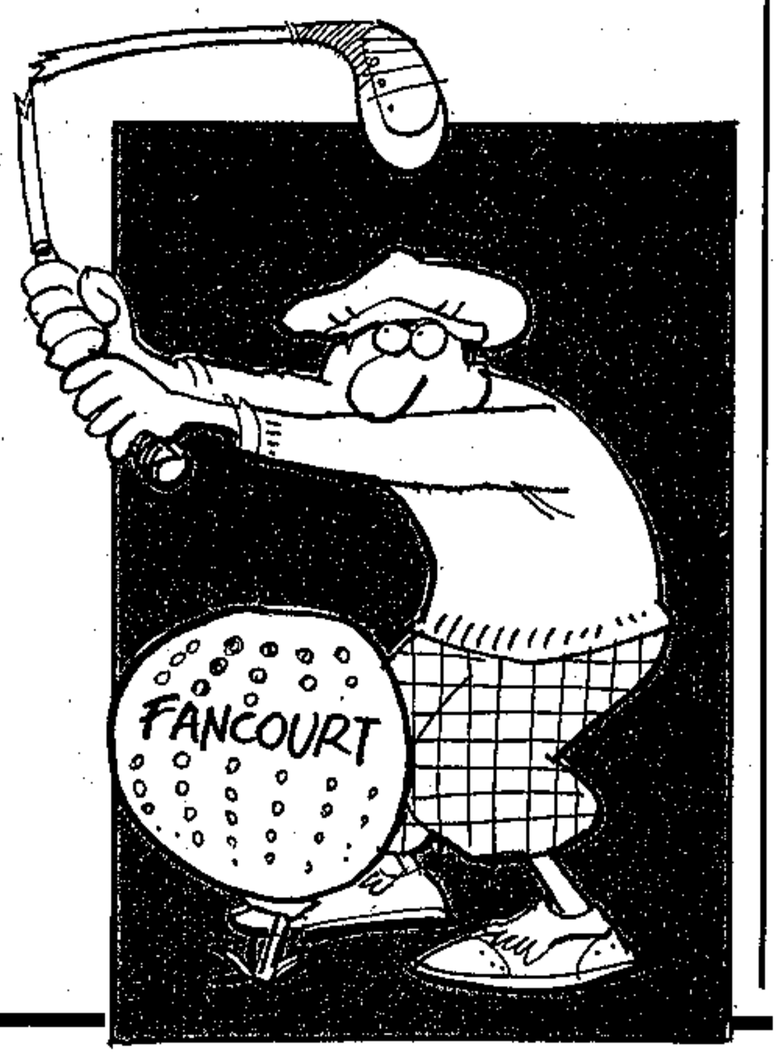
A revaluation of this kind usually gives rise to nondistributable reserves; Leask says, however, that there are many examples in case law to support the distribution of non-distributable reserves in certain prescribed circumstances.

Geap's Patel tells the *FM* his company's original offer, split between R25m to Masterbond and R15m to Group Five, should not be interpreted to mean all this would have been available as cash. "The sum offered to Group Five was on the basis that it would be paid over time and subject to the satisfactory completion of a number of matters," says Patel.

"If the Masterbond curators are willing to accept the same terms and conditions as would have applied in respect of Group Five, and if they will provide this company with appropriate indemnities, they can have the full R40m which we have offered."

The effect of that is to transfer responsibility for settling Group Five's builder's liens to the curators. Galombik says he's satisfied, on the basis of opinion received from senior counsel, that Group Five's rights in law are tenuous. Understandably, Group Five chairman Peter Clogg says he's taking legal advice next week.

David Gleason



Hotel star system to be voluntary

TIM COHEN

CAPE TOWN — Participation in the star-grading system for hotels is set to become voluntary as a result of the consolidated Tourism Bill published in Parliament yesterday.

The Bill, an amalgamation of various legislation, is aimed at deregulating and promoting tourism.

A new Tourism Board is to be introduced, which will have legal standing. It will have the power to revise criteria required for gaining a particular star status — or to scrap the star system altogether.

It is possible a new system might be introduced with fewer gradings than the current five.

Under the new legislation, establishing a hotel will be easier, although government will not assist in the marketing of the hotel if it is not part of the new voluntary system, in an effort to maintain high standards.

The new Bill, which if passed will entail the repeal of 20 Acts of Parliament, also authorises the Tourism Minister to establish voluntary grading systems for prescribed sectors of the industry, such as hiking trails.

Mavekiso ha

Tourism Bill merges 5 acts

PRETORIA. — The Tourism Bill tabled in parliament this week consolidates the five acts previously governing tourism in South Africa, SA Tourism Board executive director Mr Spencer Thomas said yesterday.

He said the bill did not affect the structure of Satour's Board of Control. The board was appointed in October last year in terms of the Tourism Board Act of 1983.

Satour would not be affected by the consolidation of the current legislation, Mr Thomas added. — Sapa

Exchangeability 'vital bottom line

STAR 27/2/93 (288)

THIS article concludes the series intended to help the consumer make a successful timeshare investment.

AN IMPORTANT consideration when buying into a timeshare scheme is exchangeability. Most timeshare resorts in South Africa are affiliated to RCI (Resorts Condominiums International), which offers exchanges locally and internationally.

One cannot exchange upwards: a low-season week in a small unit cannot be exchanged for a high-season week in a luxury unit. The better the timeshare you own in terms of season and space, the wider your choice of exchange.

The trend in the resale market is to buy bargain high-season weeks purely for exchange. This is quite a good idea, particularly if one intends "banking" the time over a number of years with RCI with a view to a future holiday abroad.

Satisfied

However, exchanges cannot always be guaranteed, as they are subject to the rule of supply and demand.

This means that you might end up having to use or let out a week or unit you had no intention of using in the first place. People who buy for exchange must be prepared to offset the risk against the low price at which the week was obtained in the first place.

Despite the poor publicity generated by the failure of some resorts, it must be remembered that these cases represent only a small portion of the timeshare industry. Most timeshare owners are satisfied with their purchases.

With hotel tariffs rising to take advantage of growing international tourist trade, timeshare is fast becoming the only viable alternative holiday accommodation for South African holidaymakers. If you take as much care in buying timeshare as you would when buying a car, a home or any other expensive item, you cannot go wrong.

Consult this checklist to reduce the risks:

□ Visit the property before buying. Preferably, stay there.

□ Examine the background of the developers and brokers.

□ Management is crucial — no other factor is as important to the success of a resort. Check the developer's management experience. Is care being taken with recreation facilities? Is maintenance adequate? Is there any front-of-house management?

□ Has the management organisation, the seller or managing agent the authority to deal with co-owners who fail to pay levies or damage property?

□ Can owners terminate the contract if the management agent performs poorly?

□ Know your legal rights. All verbal representations must be included in writing in the contract.

Credibility

□ If the contract is unclear or you have unanswered questions, go to an attorney.

□ Look for the logos of the Timeshare Institute of South Africa (TISA) and RCI on company advertisements, stationery and brochures. This lends credibility to the resort or development.

□ Do not hesitate to contact TISA if in doubt about any aspect of the resort or contract. Telephone (011) 442-6102.

□ If you feel under any pressure to buy — don't!

Transun revamps

S/Times (Buss)

TRANSKEI Sun International has spent more than R90-million turning its Wild Coast Sun Hotel and casino into a Tahitian tropical island resort while at the same time expanding the casino's gaming operations. 28/2/93.

New banks of electronic slot machines as well as expanded gaming rooms should give Transun's takings from gambling a useful boost.

Transun managing director Alberto Chiaranda said this week: "We wanted to build on the success of the Wild Coast Sun and give the development something special — so we decided on a little Tahitian magic."

He is optimistic about the future and feels the R90-million spent firmly establishes the hotel and casino complex as the premier coastal resort in southern Africa.

Funicular to replace Cape Point bus

JOHN YELD
Environment Reporter

THE "Flying Dutchman" bus at Cape Point will be replaced by a funicular under a plan unveiled by the Western Cape Regional Services Council, which is seeking tenders.

A new restaurant and curio shop and a separate coffee shop will also be built, each at a cost of several million rands, under a scheme to upgrade the Cape of Good Hope Nature Reserve — the Cape's second most important natural attraction for tourists after Table Mountain.

Last year 410 000 people visited the reserve, where strict environmental guidelines have been set for the building work.

The proposed restaurant-curio shop will be on the eastern section of the existing parking area at the Point, overlooking False Bay.

The parking area is to be upgraded and landscaped.

The funicular will run from the car park to the old lighthouse, which is to be restored as an observation tower, says the proposal document.

Other planned improvements at the upper Point include upgrading paths, providing additional stone lookouts and converting cottages into a lighthouse and radar museum.

A coffee house/tearoom with a viewing deck and outdoor terrace — part of the restaurant tender — is planned near the upper funicular station. ARG 1/3/93 (288)

Casinos face rent squeeze

TRACY SCHNEIDER

CASINO owners stuck with high rentals for premises they no longer used were struggling to cancel leases following government's closure of unregulated gambling operations.

Casino owner Hymie Sussman said he was "meeting obligations with landlords as far as was legally demanded".

He said some leases required months' notice. This was "like pouring money into a hole". Sussman said premises were standing empty and landlords benefited from steep rentals.

Hotels have converted casino areas into conference and function rooms, while waiting for the findings of the Howard commission in April.

"We have kept our equipment and can quickly change our premises back into casinos if need be," one hotelier said.

Island plan

CT 4/3/93

288

Prison will become a museum

By BARRY STREEK
Political Staff

THE cabinet has decided that Robben Island will not become a playground for the rich but a museum with free access — and this could mean a R400-million annual tourism boost for Cape Town.

Speaking in Parliament yesterday, Minister of Correction Services Mr Adriaan Vlok said Robben island would not be commercially exploited.

The decision brings to an end years of speculation on the future use of the island, which has been a *leper colony, army base and notorious prison.*

It is estimated that once the island is developed it could boost tourism in Cape Town by more than R400m a year, adding to the existing drawcards of Table Mountain, the Waterfront, the Peninsula and the Wine Route.

In the '70s and '80s there were suggestions to turn the island into a gamblers' Mecca with neon lights and a casino, but preliminary work by the Future of Robben Island Committee has favoured using the island's natural assets and its Victorian buildings as a tourist drawcard.

The chairman of the committee, local businessman Mr Nick Malherbe, has estimated the island would draw 10% more foreign and 15% more domestic visitors to the city.

Mr Vlok said the government had decided yesterday that a museum would be established on the island depicting its history — and all parties, including the ANC and the PAC, would be consulted in the development.

A Robben Island Advisory Committee, comprising experts from the public and private sectors, would be appointed under the Cape Provincial Administration to manage and develop a plan for the island.

Under the development programme fauna and flora and shipwrecks in the area would be protected.

Mr Vlok was replying to a question tabled in Parliament by Mr David Dalling (ANC, Sandton) on the future of the island. He said there were 723 prisoners on Robben Island and the last of them should leave at the end of 1996.

PICNIC PANIC AS FIRE SWEEPS SIGNAL HILL



MOUNTAIN BLAZE . . Flames leap across Signal Hill Road at the height of yesterday's blaze, which forced the closure of main roads into Cape Town and sent day-trippers scurrying. Here a fire brigade patrol vehicle and two city residents are trapped briefly by flames.

Picture: BENNY GOOL

Hundreds battle fires

Staff Reporters

TWO elderly English tourists and a group of picnickers abandoned their cars and fled for their lives when trapped in choking smoke on Signal Hill yesterday.

The Signal Hill fire was one of two big blazes yesterday — the other broke out on Devil's Peak.

"The flames were just below the (Signal Hill) road and we *couldn't get through because of* the thick smoke," a shocked Mr Hugh Robinson, one seven picknickers, said after escaping the Signal Hill fire.

Council law enforcement officer Mr Patrick Anderson badly injured his foot while trying to save his motorcycle from advancing flames on Signall Hill.

Fire-fighters dragged him to safety through dense smoke and he was rushed to hospital.

The Devil's Peak fire started *about 11am, fanned* by a 60km/h south-easter. It halted traffic on De Waal Drive at lunchtime, and traffic officials then closed the freeway until 6pm.

Both blazes were under control by 4pm after destroying vast tracts of mountain vegetation.

Hundreds of fire-fighters were called out from the Fire and Rescue Services, Cape Nature Conservation, the Public Works Department, City Parks and Forests, Groote Schuur Estate, traffic and law enforcement agencies and the city council.

By late last night the cause of the fires was not known.



SAFREN FM 5/3/93.

Worse to come

Safren's results for the six months to December are disappointing but not unexpected. The deterioration in world trade was bound to hamper its core shipping activity and it's no surprise that the recession at home has hit most of Safren's businesses.

Safmarine, the division which has been the biggest profit earner, suffered a 46,2% fall in attributable earnings. Its cargo volumes were hampered by near-zero growth in international shipping volumes, reduced freight rates and the squeezed margins that follow in their wake. But there were other factors.

In particular, depreciation was raised by almost a third. This was partly because new land-based assets were brought into operation after the large capital spending of the past two years, and partly because four new ships were bought and commissioned.

Safren chairman Alistair Macmillan says losses incurred by Flitestar also contributed to Safmarine's earnings decline. These losses remain undisclosed.

Recession and violence in SA depressed Kersaf's hotel room revenues, and the unregulated rash of illegal casinos reduced cash flows across the gambling tables. Attributable profit from Kersaf slipped 6% to R61,5m. Macmillan also points to the disruption of trading caused by construction at Sun City and the Wild Coast Sun.

Rennies was the only division to increase its attributable earnings. Macmillan says that, aside from the gains from a rationalisation programme implemented last year and increased efficiencies at freight terminals, Rennies benefited from handling additional cargoes of grain for drought relief.

With the R2,4bn capital spending programme completed, the drain on Safren's cash resources is over. Borrowings will tend to decrease as cash flows improve. The interim balance sheet shows a 34% rise in long-term borrowings compared to a year ago. This accounts for the increase in net interest paid, without which (despite the additional depreciation) pre-tax profit would have been roughly maintained.

Macmillan says the Lost City at Sun City is enjoying an occupancy rate of well over 80% (at a room rate of about R650 a night), but adds that occupancy rates throughout the group's hotels are not what they were a year ago. He expects closure of the small casinos will improve the position.

An earnings improvement for Safren depends heavily on the performance of Safmarine which, in turn, relies on international trade. Given the continuing international and domestic recessions, the heightened competition between sea carriers, and between SA's domestic airlines, Macmillan expects Safren's full-year EPS will decline more than the interim 18,6%.

The market seems to have anticipated this outlook rather late. In January the share traded at 9 925c. At R84 now, if EPS decline 20%, the projected p:e will be about 17 against the present 13,6. It suggests that the share could weaken further. *Gerald Hirshon*

STORMY SEAS

Six months to	Dec 31 '91	Jun 30 '92	Dec 31 '92
Turnover (Rm)	2,31	2,39	2,37
Pre-int profit (Rm)	338	434	335
Pre-tax profit (Rm)	337	406	310
Attributable (Rm)	133	198	109
Earnings (c)	248	369	202
Dividends (c)	65	190	65

Star 15/2/93

Border troubles impact on Sun Ciskei

By Stephen Cranston

Sun Ciskei, which owns four casino hotels in the homeland has reported a 28 percent reduction in earnings per share to 15c in the six months to December. The interim dividend was 27 percent down to 11c.

Sun International MD Ken Rosevear says that the group was affected by the recessionary conditions in the Border area and by the unrest which climaxed in October's Bisho massacre.

Occupancies were reduced from about 55 percent to about 45 percent and turnover fell by eight percent R54,8 million. Because of the high fixed costs in the industry, operating profit fell by 25 percent to R12,9 million.

Rosevear says that staff numbers have been reduced from 1 300 to 950 in order to reduce the fixed cost base.

There are no capital expenditure project plans and Rosevear says a priority is to reduce borrowings. Gearing has been reduced from 59 percent to 48 percent with total interest bearing debt down R1,7 million to R16,3 million.

Rosevear says that revenues are likely to remain under pressure but because of reductions in fixed costs earnings for the second half should approximate those in the first.

R40m Dubai bid for Fancourt

EDWARD WEST

DUBAI-BASED Geap International has offered R40m for Fancourt Holdings as settlement for the R97m owed to debenture holders and bond participants, and for R15m owed to contractor Group Five.

Geap International MD Mahendra Patel said on Friday Geap had made a R25m offer to curators for "all of the rights, title and interest" of the debenture-holders and of part bond participants of the Fancourt project, and of the Masterbond companies.

The offer would also provide for settlement of contractor Group Five's R15m builder's lien over various assets and, if accepted, would be followed by negotiations with representatives of minority shareholders, Patel said.

The offer was valid for 30 days only, and was dependent on Reserve Bank approval and approval from curators. The offer would also lapse if any of the Fancourt companies were placed in final liquidation — an issue due for a legal decision in court on February 19, he said.

Patel said the offer would give bondholders immediate access to considerably more money compared with a recent offer by a consortium comprising Standard Merchant Bank, Group Five and Orient Express Hotels, which had been rejected.

If the Geap offer failed and Fancourt was liquidated, creditors would face a complex legal situation with claims and counter-claims ensuring a delay of at least another 18 months, possibly leaving little for distribution. B1 08 my 15/2/93

Geap was involved in international manufacture, contracting, property development and trading, and had previously been involved in golf course project development, said Patel. 288

● Picture: Page 3

Star 16/2/93 (266)

Masterbond probe resumes

A partner in Masterbond's firm of attorneys gave evidence yesterday that he had stamped a Club Mykonos lease that was never registered. At the resumption of the Nel Commission of Inquiry in Cape Town, Hendrik van Zijl, a partner in the law firm Hazel and Robbie, said he was the notary who stamped a lease between Club Mykonos Langebaan and the shareblock company. The lease, which purported to protect the rights of timeshare buyers at Club Mykonos, was never registered. The hearing continues.

Star 17/2/93 (288)

Dismay over Fancourt move

Fancourt chairman Andre Pieterse expressed dismay yesterday at the decision by curators of Masterbond to reject the offer of a Dubai-based company for the rights held by the bond and part-bond holders in the luxury golf resort group. He reiterated that if the Fancourt group could continue operating, investors in the Masterbond debacle "could, over a period of time, have received the full value of their investments".

Five 'substantial' offers for Fancourt

CAPE TOWN — Five substantial offers to purchase the luxury Fancourt resort outside George were under negotiation, Masterbond curator Arnold Galombik said at a news conference yesterday.

Two offers had come from Eastern countries, two from SA banks and one from Cape Town lawyers acting on behalf of a German syndicate. BIDM 17/2/93

Galombik said the curators and the Fancourt provisional liquidators regarded the offer by the Dubai-based company Geap International as "totally inadequate and unfair to investors".

Geap was prepared to buy Fancourt for about R50m with only R25m going to Masterbond investors, who had about R116m in capital and interest invested in the resort.

An amount of R17m would go to Group Five and the balance of about R8m to

LINDA ENSOR 285

concurrent creditors and shareholders, including former Fancourt chairman André Pieterse. Galombik said the curators and provisional liquidators repudiated the validity of Group Five's claim to have a lien over the full R17m of Fancourt Holdings' debt to the company.

"The claims of Masterbond investors were secured by first mortgage bonds and we shall do everything possible to secure their rights and ensure that other creditors, who are in law not entitled thereto, do not rank ahead of them," Galombik said.

Galombik said the curators were in favour of Fancourt being finally liquidated on the return date tomorrow, but still had to discuss this with the provisional liquidators.

Propnet tosses waterfront proposals to private sector

B/DAY 17/2/92. 288

Reports by
PETER GALLI

PROPNET is looking to the private sector to come up with proposals for the development of the multimillion-rand first phase of the Port Elizabeth Bay Waterfront development.

This would be undertaken jointly with Propnet and would have to fall in with Propnet's and the city council's vision of Port Elizabeth as a tourist destination.

Any development would also have to complement the existing working harbour, as did Cape Town's Victoria and Alfred Waterfront project.

"We envisage an attractive and functional development that will ultimately be fully integrated with the CBD, thus reconnecting the city with its waterfront origins," said Propnet projects manager Johan Malherbe.

Two priority areas have been identified for initial development. The Slipway Precinct could include speciality shops, restaurants, pubs, a hotel and a maritime museum, while the Yacht Basin could be upgraded for small vessels.

The final development could cost "hundreds of millions of rands" and certain guidelines had been established following the recommendations in a report by a consultant and the findings of the task group established last year.

"While we do not intend to be prescriptive about the proposals, we expect the first phase to centre on water-related developments and activities. We own the 25ha of land, but are prepared to consider putting up some of the working capital if necessary," Malherbe said.

"We are looking for partnerships that involve innovative design and creative financing. Market demand will also determine the phasing of the development and the time frame."

A proposal call document detailing the criteria will be available from Friday and the closing date for submissions is May 27.

The proposals will be structured in two phases. In the first, interested parties will submit information on the structure proposed and how they view their role. This will include commitment in terms of financial, human and other resources. Proposals should be conceptual rather than comprehensive and include sketch designs, plans, elevations and sections done to scale.

All proposals will be adjudicated by a panel of representatives from Transnet and the Port Elizabeth City Council. A recommendation will then be made to the Transnet board to formally accept the chosen proposal, and final terms and conditions will then be negotiated.

Need for discounting in selling timeshare

B/DAY 17/2/93 (288)

SOME form of discounting strategy needed to be introduced in the selling of timeshare products, SA Timeshare Institute MD Steve Griessel said at the 1993 convention at the Wild Coast Sun this week.

While this did not imply that only discounted or cheap products would sell, the discounting of products from the top was necessary to keep up sales volumes in the present economic climate.

Consolidation of the timeshare market had also allowed stronger developers to buy infrastructure in the industry at discounts of up to 50% of replacement value.

They were also able to sell the product at discounted prices, and existing infrastructure in the market needed to be carefully examined as an alternative to building new infrastructure.

Griessel said it might be prudent in the present economy to reduce infrastructure and sell less, to make more on margins.

Buyer's finance in the timeshare market would continue to be limited to a small number of large players which, combined with smaller deposits, would see cash flow and margin management become critical, as opposed to volume sales.

The industry had sold 23 000 new timeshare weeks in 1992. This was only 1,1% down on 1991 (19% down in rand turnover), in spite of pessimistic forecasts based on political instability and the downturn in the economy, he said.

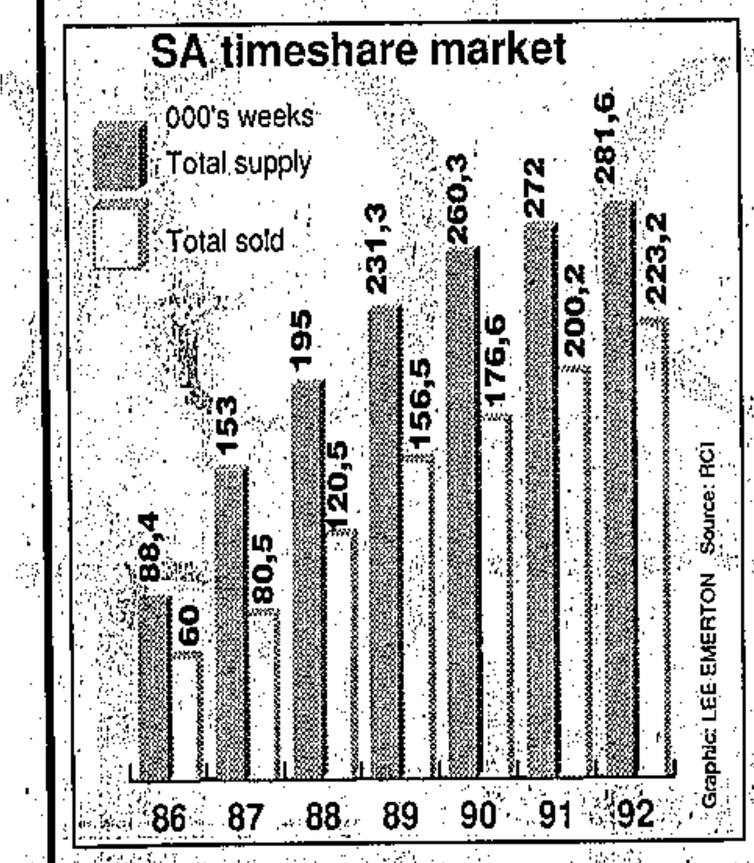
About 21 400 new owners had bought timeshare in 1992 at an average price of R8 250 a unit, 17,5% down on 1991. Sales in the first half of 1992 were 21% down on the previous year in terms of the number of weeks sold.

However, the second half of the year brought a 24% increase in the number of weeks sold over the same period the previous year. "The reason was the discounting of timeshare products to stimulate sales and the launch of Timeshare 2 000 on October 7, which contributed to record sales of R23m that month," he said.

The number of salesmen in the industry had also dropped considerably in the past two years. In 1990 there were 1 400 active salesmen, which dropped to 800 in 1991 and was halved to 400 during 1992.

"Significantly, just as in 1990, 300 salesmen are economically viable, selling 90% of all units in the market. The Top 100 performers continue to account for 70% of total sales," Griessel said.

Fewer salesmen were resulting in lower infrastructure costs and more stable margins, he added.



Fm 19/2/93 288

SUNBOP

Six months to	Dec 31 '91	Jun 30 '92	Dec 31 '92
Turnover (Rm)	483	617	556
Operating inc (Rm)	141	129	141
Attributable (Rm)	108	110	111
Earnings (c)	96	95	93
Dividends (c)	64	68	64

and its Valley of the Waves, however, depends on high people usage and wet, overcast, weather is a sure dampener.

That said, SunBop's interim results to end-December reflect six full months of operation at the Carousel project and one month at the recently opened Lost City. The net result was to produce an increase in turnover of 15% to R556m. Unfortunately, that wasn't matched by a commensurate performance in operating profit which remained almost motionless at R141m.

Rosevear says that is attributable to much higher overheads, particularly from the Carousel operating for the full six months and the Lost City for one month. "The next six months should be a good deal better, as full contributions from Lost City come through," he says.

However, SunBop's bottom line was rescued by a generous tax saving of nearly R10m from increased capital allowances. The small decline in EPS comes from new issued shares.

The balance sheet reflects a huge increase in net assets, which jump R574m to R1,537m. That is occasioned by some of the Lost City investment being brought on to the book for the first time. Despite the unusually heavy capital investment, gearing remains a comfortable 30%.

But there is some bad news for shareholders. Average room occupancies have declined to 72% (previously 78%) though the Palace is running against the trend at 86% last month. Depressed economic conditions and political uncertainty lead the directors to predict the company will do no better than match last year's earnings overall.

Despite completion of the substantial capital renovation programme in time for the 1992 summer season, turnover at TranSun fell to R103m and attributable earnings dwindled by 24% to R20,4m. The reasons, say Rosevear, lie significantly in the poor economy, competition in the gaming business and the tense security situation.

"There is a widespread sense of confusion," says Rosevear. Militant action by local taxi drivers, who closed the road bridge connecting TranSun with the Natal south coast, compounded the issue. That, apparently, was a reaction to what taxi drivers saw as undue harassment by SA authorities.

Matters at Sun Ciskei were not much better. Operating profit fell 25% and EPS declined 28% to 15c. What can you expect, asks Rosevear, in a security situation which encompasses the Bisho shootings and the looting of the Mdantsane Sun? An insurance claim of less than R1m has since been settled, but it's the savageness of the economic downturn, coupled with the general uncertainty, that is causing the greatest harm to the bottom line.

The results from these three companies illustrate with unusual clarity how essential it is for SA to return to stability, calm and economic resurgence.

David Gleason

SUN INTERNATIONAL FM 19/2/93 288

Wet days and insecurity

In a land ravaged by drought, not many men welcome dry days. Sun International MD Ken Rosevear is the exception. The Lost City

FM 19/2/93 288

NEWS SAB increases price of beer • Van Rensbu

Beer price goes up today

Sowetan 9/2/93

By Isaac Moledi and Sapa

THE price of beer produced by South African Breweries will increase by an average of 7,4 percent from today.

SAB said the price hike would vary in geographic areas and pack ranges depending on transport charges.

The brewery also said retail prices in bottle stores were set by the retailers themselves and SAB could therefore not say when and by how much these prices would increase.

"This increase was well below current and expected inflation and is the 16th year in a row SAB has kept its increase below inflation," SAB's beer division chairman Mr Graham Mackay said yesterday.

■ Taverners dismayed by price increase and warn of possible boycott:

Shebeen owners yesterday greeted the increase with shock and said this could drive away customers.

National Taverners Association president Mr Ephraim "Peggy Bel-Air" Senne accused the SAB of "playing a dirty game" with black taverners. He said it was only through *Sowetan* that he had learnt of the increase and warned that the brewery needed to be taught "one or two things" by the taverners.

"Breweries have a tendency of notifying us at the last minute. They knew that if they had notified us beforehand, many of us could have stockpiled a lot of liquor in our taverns.

Senne warned the brewery of a possible boycott if another increase took place.

Star 10/2/93

Rebuilding project (288) hits Transun's profits

By Stephen Cranston

A significant fall in the number of day visitors and disruption as a result of the R94 million rebuilding project led to an 18 percent drop in the operating profit of Transun to R26 million.

Transun owns the Wild Coast Sun.

Sun International managing director Ken Rosevear says occupancies at the resort increased by three percentage points to 68 percent but the average room rate was 10 percent lower due mainly to rate concessions offered during the construction period and an intensive promotional campaign.

Turnover was down two percent to R102,6 million and the operating margin fell from 30,2 percent to 25,3 percent, partly as a result of increased costs.

Transun went through a major retrenchment exercise towards the end of the period, reducing its staff complement from 2 284 to 1 823 but the benefits will not be felt until the second half.

As a result of the extensions Transun paid net interest of R280 000, compared with net interest received of R4,3 million in the six months to December 1991.

The effective tax rate fell by four percentage points to 21 percent due to capital allowances arising from the extensions.

Dividend

Attributable earnings of R20,4 million were 24 percent down from the previous year, with earnings a share similarly reduced to 14,1c.

The interim dividend is down 21 percent to 11c.

Rosevear says Transun is a strong cash generator, having brought in R54 million in cash last year.

It was able to reduce gearing from 25 percent to 21 percent with long-term debt reduced from R38,4 million to R36 million.

Star 11/2/93

Sun Bop also feels recessionary pinch

By Stephen Cranston

Sun International (Bophuthatswana) (SunBop) has reported a three percent reduction in earnings per share to 93c. The dividend has been maintained at 64c.

Chairman Sol Kerzner says there was pressure on revenues across the board. Hotel occupancies fell from 78 percent to 72 percent and spending by day visitors was reduced on a per capita basis.

The operating margin fell from 29,1 percent to 25,3 percent.

Occupancy at the new Palace Hotel, which forms part of the Lost City, however, has exceeded 80 percent since opening in December and is expected to reach 85 percent in February.

Turnover increased by 15 percent to R556,4 million but this is largely accounted for by the Lost City and the contribution of the Carousel for the full six months.

The Carousel only traded for six weeks in the last interim period. Kerzner says without these factors turnover would have been virtually flat.

Sunbop paid R4,35 million in interest during the six months whereas during the six months to December 1991 it earned R865 000 in interest.

In order to fund the building of the R750 million Lost City, interest bearing debt increased from R156 million in June 1992 to R352 million in December.

Kerzner says he does not expect Sunbop to return to a net cash position for another 18 months to two years.

Sunbop's next capital expenditure project will be the R50 million revamp of the public areas of the original Sun City Hotel. This will start in May or June and should be completed by December.

He explains that it has been 15 years since the hotel was first designed and it is time for next concepts to be introduced.

Profit before tax was down three percent to R136,6 million but the effective tax rate fell from 25 percent to 19 percent.

Sunbop had planned a tax equalisation fund with a tax rate of 20 percent, but in the present circumstances has lowered the tax rate to make the bottom line look healthier.

Attributable earnings were up four percent to R110,6 million but an increase in the number of shares in issue led to the three percent reduction in earnings per share.

Kerzner says it remains difficult to predict the earnings of the group with any certainty but with the Lost City open and attracting more visitors to Sun City, he expects earnings for the full year to approximate those last year.

Judgment reserved in casino hearing

DURBAN — A Durban Supreme Court judge reserved judgment yesterday afternoon after hearing a second application by two casino operators to set aside a gambling ban which came into effect at the end of January.

The owners of Florida Road Entertainment and River Palace Leisure Industries asked Natal's deputy judge president, Judge John Broome, to set aside government's decision not to extend the moratorium on gambling.

They also applied for an order for Justice Minister Kobie Coetsee to reconsider his decision to disallow further gambling operations until he had afforded interested parties a fair hearing to state their case.

Yesterday's hearing came just over a week after a similar unsuccessful one by the same applicants in the Durban Supreme Court.

Yesterday Johan Ploos van Amstel SC argued that Coetsee had not granted casino owners and other interested parties a fair hearing before deciding not to extend the moratorium on gambling.

Casino owners had a right to trade and, apart from the general public, the Minister's decision was calculated to prejudice casino operators and deprive them of their livelihood, he argued.

Ploos van Amstel further submitted that it had been a legitimate expectation by casino owners that they be granted a fair hearing before the Minister decided to go ahead with the January 31 shut down.

Casino operators had expected, from statements made by Coetsee, an extension to the cut-off date pending the outcome of the Howard commission's inquiry into gambling. Coetsee's decision not to do this had come as a shock, even to fellow NP MPs, he submitted.

Council for the Minister, David Gordon SC, disputed the argument based on legitimate expectation, saying casino owners were merely entitled to make submissions to the Minister. This did not mean they would be allowed to continue operations.

New legislation on gambling promulgated on November 6 had afforded casino operators the privilege of not being prosecuted until they had wound up their businesses by the end of January.

They were still operating illegally but had been granted indemnity from prosecution for that time period, said Gordon.

This had been done to allow other potential gaming entrepreneurs the opportunity to begin on an "equal footing" should new gambling legislation come about.

Many operators had deliberately waited for the outcome of the Howard commission before starting their businesses and it would be unfair to them to continue allowing illegal operations now.

The "transitional provision" not to prosecute gambling club operators until the end of January was also provided to allow casino employees time to find alternative employment.

Gordon further referred to an affidavit by Coetsee which stated that 250 "formal" and 1 750 "informal" casinos had sprung up last year and "no reasonable South African can expect the report of the Howard commission will support the unregulated proliferation of casinos". — Sapa.

Sun Bop affected by lower revenues

BIDAY 11/2/93. 288

MARCIA KLEIN

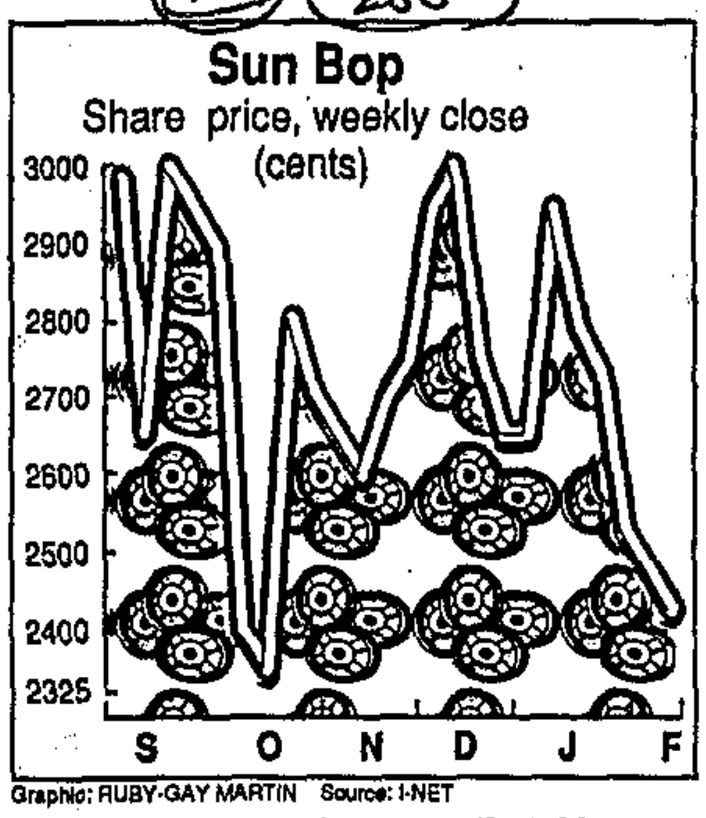
PRESSURE on revenues and lower margins saw Sun International Bophuthatswana (Sun Bop) report a 3% drop in fully diluted earnings to 93c (96c) a share in the six months to end-December.

Turnover was boosted by the inclusion of the Carousel for the full period compared with six weeks in the previous year and the opening of Lost City in December. It increased by 15% to R556,4m from R483,4m.

Chairman Sol Kerzner said revenues were "generally under pressure", and room occupancies were 72% compared with 78% in the previous year. Occupancies were nonetheless significantly higher than other hotel groups and indicated increased market share, Kerzner said.

The group reported virtually unchanged operating profit of R140,9m as the pressure on revenues led to lower profit margins.

An increased net interest burden was partly offset by a reduction in taxation,



Graphic: RUBY-GAY MARTIN Source: I-NET

resulting in a 4% rise in attributable earnings to R110,6m from R106,1m in the previous year. The interim dividend was maintained at 64c a share.

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Sun Bop

B1PM 11/2/93. 288

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Kerzner said the Carousel's performance had been steady. Although there was no fall-off in day visitors, their spending power had levelled off.

He was "extremely pleased" with the Lost City, particularly with international media coverage and market response to the publicity. Occupancy at the Lost City had been in excess of 80% to date, and the Lost City had also significantly boosted overall day visitors to the Sun City complex.

Commenting on market uncertainty, reflected in the weak share price, he said the group was well run and its balance sheet was strong. There was concern at the size of the group's debt following the two major developments, but gearing was contained at 30%. Interest cover remained high.

In the short term, the group's performance was dependent to some extent on the local economy. But in the medium term, he was "bullish about its capacity to attract a significant overseas market". Earnings for the full year "should approximate those of the past year".

After Easter, Sun Bop would go ahead with a major revamp of the main hotel at Sun City. Although planning was not yet complete, Kerzner estimated this would involve expenditure of about R50m.

FM 12/2/93. (288)

RESTAURANTS FM 12/2/93. (288)

Food on the move

One piece of delicious news in an otherwise dull market is a plan by the legendary Johannesburg deli-restaurant Wachenheimer's to open branches in other parts of the city — either in joint ventures or through franchises.

The Doornfontein-based kosher restaurant, famed for its hot beef on rye and other Jewish specialities, has its eye on Johannesburg's financial district and Parktown, Braamfontein and Bramley Gardens. The V&A Waterfront in Cape Town is also under consideration.

"I'd like to find a working partner for the Doornfontein restaurant. This will free my time so I can concentrate on this and other branches, and increase our wholesale operations," says Nasherei Foods director Michael Shenker.

Nasherei Foods, which bought Wachenheimer's in 1991, operates a restaurant, deli and factory from its Beit Street premises in Doornfontein. Under the Wachenheimer's label, it manufactures pies and TV dinners for supermarkets countrywide. Its salamis and polonies are produced by T W Foods, the holding company for Goldenberg's butchery, which runs its operation on the next Doornfontein block.



Wachenheimer's ... *looking for kosher opportunities*

Wachenheimer's, established in 1936, is noteworthy not only for its food, but as a reminder of life as it once was in the predominantly Jewish suburb of Doornfontein in the first half of the century. Many Johannesburg Jewish families trace their past to the suburb. The restaurant is a favourite venue for informal business lunches for people of all persuasions.

Recognising its historical significance, the Witwatersrand Technikon, a near neighbour, has offered the services of its architectural students gratis to Shenker who is planning to undertake a low-budget facelift of the whole block. The project will cost Nasherei R20 000-R30 000 and entail stripping the doors and window frames down to their original wood, repainting and decorating the interior with photo montages of old Doornfontein residents.

Though Shenker leases the space, the improvements should help him in his search for a business partner. Even the café at the end of the block, he says, is prepared to chip in.

As for his move to the financial district, Shenker's priority is to secure a location as close as possible to the JSE. A site that might fit the bill is the empty 405 m² of the former Deales restaurant in AA Life Centre on Kerk Street opposite the JSE. Landlord Sino-African Properties is still negotiating with prospective tenants.

If a deal could be struck, a business of this nature in such a prime location would no doubt become a gold mine. Perhaps an appropriate theme for the restaurant decor would be photo montages of the men, such as Barney Barnato, Carl Hanau and Sir George Albu, who founded SA and its first gold mines. ■

TAKING COVER

FM 12/2/93

Travel insurance is set to boom with government's commitment to scrap the fidelity fund operated by the travel industry. One of the first insurers to come out with a new policy is Travel Assistance, which for several years has marketed a range of products to travellers worldwide. The new policy bolts-on a new cover against default by a travel operator.

Rates are from R15 for every R5 000 of cover. Travel Assistance sales manager George Novis says travellers stranded as a result of a failure on the part of a travel supplier can claim all money laid out for the trip and get emergency assistance to enable them to continue the journey.

Last year government indicated it would consolidate all tourism legislation in one Act and take the opportunity to wind up the fidelity fund.

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150-room luxury hotel by Clinic Holdings' Barney Hurwitz; and the second and third developments would entail a beachfront restaurant and shopping complex by a triad of developers consisting of Intersite, the council and consulting engineer John Zietsman. This mall-type development will include cinemas and offices connected to other developments by an elevated walkway over the railway line.

The council has given the go-ahead for the sale of the land for the hotel project, but mall promoter Zietsman is still searching for an anchor tenant for the proposed shopping centre. In November, the council gave Zietsman a 12-month option to purchase an adjoining council-owned site for incorporation into the centre. The development is planned to extend over the airspace of the suburban railway line which goes through Muizenberg station. Negotiations are being conducted between Intersite, the council and Zietsman over the airspace rights.

Most of the land involved in the four proposals is being put up by the council while the private sector and the Rail Commuter Corp are collaborating on the development and provision of facilities.

The fourth site, the largest and most ambitious of the projects, is a R100m joint venture between an undisclosed developer and a major finance house. Proposed is a large retail and recreation complex on the site of the pavilion and promenade. Public reaction to the proposal is being gathered and firm plans are to be submitted soon.

Intersite spokesman André Engelbrecht says the Muizenberg development is one of several proposed along the coastal railway which links Muizenberg with Simon's Town.

Development interest has been kindled by about R24m worth of townhouse projects executed by a number of residential developers on the hillsides overlooking False Bay over the past 18 months.

These include the 29-unit Cap Michel and the 46-unit Lakeview. Together with Pepkor's R10m Victorian-styled shopping complex, opened in April on Muizenberg's main road, they have led to a general surge in property prices in the area.

There are also proposals to develop 5 000-6 000 upmarket houses at about R250 000 apiece on the other side of the centre, which developer Clive Burzelman hopes to start by the year's end.

The emphasis of the new commercial development will be to make the area an all-year-round hive of activity with a full range of modern amenities for the growing number of residents and visitors. It will also help restore Muizenberg's past status as an upmarket holiday resort and residential area.

Council development co-ordinator Philip Theron says the identification of strategic land within the beachfront and commercial precinct of Muizenberg has been done over a number of years as part of its development strategy to uplift the area's socio-economic environment. This resulted in a proposal call last year by council. ■

MUIZENBERG

Recapturing the past

A beachfront revival project, incorporating strategic council-owned land, is being planned for Muizenberg on the Peninsula's picturesque False Bay coast. A four-part, multimillion-rand collaboration between Rail Commuter Corp property subsidiary Intersite, developers and Cape Town City Council is in the final planning stage.

Last year the council received development proposals for four beachfront sites running from in front of the recently restored, historic railway station to beyond the beachfront promenade, including the sunken garden.

The proposals include plans for a R20m,

FM 12/2/93.

DURBAN DOCKS

Getting to the Point

Durban's ambitious R1bn plan to redevelop the Point has moved a step closer through adoption of a Point Development Protocol. The scheme breaks new ground by involving the community more intimately in property development.

Signing of the protocol means the project is now endorsed by a diverse group which includes the ANC, Durban City Council, the Consultative Business Forum, IFP, SA National Civic Organisation, Inyanda Chamber of Commerce, Durban Chamber of Business and Propnet, Transnet's property development unit.

It also presupposes, though it's not spelt out, that these organisations will be represented on a project steering committee. Most have a clear vision of what the Point should look like and are unafraid to say so.

The draft structure plan was published less than two years ago. It reflected Transnet's and the Durban City Council's vision for the transformation of the decaying, but potentially high-yielding, Point area on the northern fringe of the harbour.

The original plan is now dramatically changed. With the new participants in the protocol, emphasis is being placed on addressing inequalities by ensuring that the Point is developed as a resource benefiting the greater Durban population. This means balancing market requirements with community needs, such as job creation and enabling disadvantaged groups to participate in the project. For example, though greater opportunities may lie in developing the area for recreation and tourism, signatories insist that bringing housing, small industry and commercial activity into the mix should be explored.

An agency for land consolidation and development is to be established. Once that happens developers will begin to get some idea of where they fit in and then the first projects should start.

Signing of the protocol addresses an obstacle which halted progress on the project for some time — namely the ANC's concern that the disenfranchised sector of the community was not being involved in the development. It was also concerned that the land, mostly held by public bodies, should not be summarily sold to developers.

Adoption of the protocol implies that land should be offered to developers on 99-year leasehold, though there are also references to freehold tenure.

The protocol is encouraging for what has been dubbed as Durban's answer to Cape Town's Victoria & Alfred Waterfront but care should be taken to ensure that the commercial imperative is not subjugated by the development committee's high social ideals.

The signs are encouraging. In the protocol is a commitment that the development should be operated on sound business principles. ■

Historic estate to be privatised

CTN 12/2/93 (288)

Govt to give up Groot Constantia

By BARRY STREEK
Political Staff

PARLIAMENT is to be asked to approve the transfer of the Groot Constantia Control Board into a non-profit company, the Minister of Agriculture, Dr Kraai van Niekerk, announced yesterday.

The cabinet had approved the transfer of the control board into an association without gain at its meeting on Wednesday, he said in a statement.

The directors of KWV, the wine industry's marketing company, will become the first members of the new company, but other institutions will be involved as trustees to guard the interests of the estate.

The move to privatise the government-owned wine estate has been strongly condemned by the by the South African National Civics Organisation (Sanco).

A member of its national executive, Mr John Neels, said all public assets should be retained by the government and the move would result in a handful of individuals being able to close the estate.

Dr Van Niekerk said that since 1988 the present control board had investigated the possibility of relieving the state and the taxpayer of the considerable financial obligations at Groot Constantia.

He stressed that Groot Constantia's accessibility to the public and tourists would not be adversely affected by the legislation.

He also gave the assurance that the cultural historic activities of the present museum would continue as before and the necessary restoration would be completed. The historic buildings would always be maintained in good order.

The major implications of the planned legislation included:

- Ownership of all movable assets and of the estate itself now vesting in the board would be transferred to the envisaged company. The South African Cultural History Museum would retain ownership of its movable assets.

- The KWV, as representative of the wine industry, had agreed that its directors should act as founder members of the envisaged company and voted a substantial amount to enable it to complete the restoration of the historic buildings on the estate. KWV had also backed the commitments of the trust to finance future maintenance of the historic buildings from wine income.

SunCiskei interim dividend dips 27%

JOHANNESBURG. — Sun International Ciskei dropped its interim dividend by 27% to 11c a share for the six months ended December 1992 as harsh trading conditions depressed earnings.

The casino-hotel group faced considerable pressure on turnover as social unrest, the economic depression and a rash of illicit gaming establishments sprang up in Port Elizabeth and East London.

A decline of 8% in turnover pushed earnings lower, but high fixed costs also had a marked impact on operating margins.

Attributable earnings fell 28% to R11,5m from R16m previously while earnings a share plummeted by the same percentage to 15c (21c).

SunCiskei said revenues were likely to remain under pressure this year because of the poor economy and socio-political uncertainty and costs had therefore been rationalised where possible.

Earnings for the second half of the year should approximate the performance of the first half due to the benefits of the cost-cutting and provided there was no further deterioration in trading conditions, it said. — Sapa

Star 15/2/93

Offer for Fancourt, Masterbond rights

A Dubai-based company has offered R25 million for "all of the rights, title and interest" of the debenture holders and part bond participants of the Fancourt project and Masterbond companies.

A separate offer would also provide for settlement of Group Five's approximately R16 million builders' lien over various assets.

If accepted, the offer would be followed by negotiations with representatives of minority shareholders.

Announcing this at the weekend, Geap International (UAE) managing director Mahendra Patel said the offer was valid for 30 days and would lapse if any of the Fancourt companies were placed in final liquidation.

In terms of the offer, debenture and bond holders would have immediate access to more cash than was the case with the proposal made recently by an other source, Patel said.

"But acceptance now is im portant. If there are further delays, it is unlikely my company would be prepared to make as good an offer again," he warned.

There has already been a 16-18 month delay and uncertainty over Fancourt, a Gary Player-designed luxury golfing complex during which time it had received a negative image which seriously affected sales.

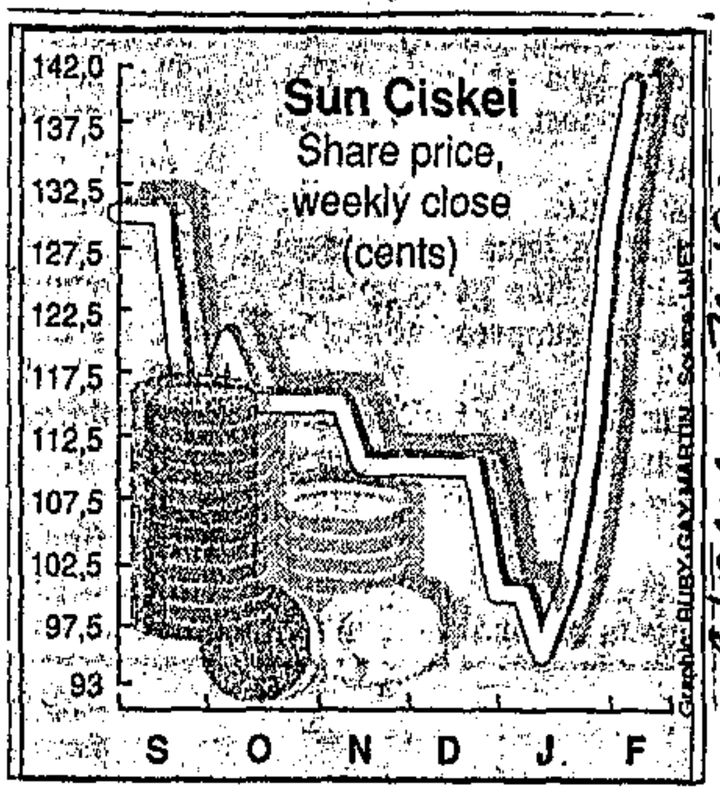
Patel said various sensitive assets could deteriorate further, and certain key personnel, seen as central to the development's success, could start looking at alternative prospects.

This would be taken into account by prospective buyers, if there were any, and would drive the price downwards.

If the Geap offer was not accepted and Fancourt was placed in liquidation, creditors would face a long wait due to the complex legal situation.

Claims and counter claims could result in delays of up to 18 months. — Sapa.

Sun Ciskei drops earnings



BDM 15/2/93

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MARCIA KLEIN

RECESSIONARY conditions, unregulated casinos and unrest incidents had a severe effect on Sun International Ciskei (Sun Ciskei), which dropped its earnings by 28% to 15c (21c) a share in the six months to end-December.

The group, with resorts including the Fish River Sun, Mpekweni Sun, Amatola Sun and Mdantsane Hotel and Entertainment Centre, reported an 8% drop in turnover to R54,8m from R59,5m. Unrest in Ciskei resulted in the temporary closure of some of the hotels during the period.

Chairman Ken Rosevear said the relatively high fixed cost nature of the industry

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Sun Ciskei

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☐ From Page 1

saw operating margins deteriorate and operating profit decline by 25% to R12,9m from R17,2m.

He said Sun Ciskei had taken "immediate and dramatic steps" to look at costs, in recognition of the lower levels of trading. Costs had been rationalised wherever possible, and employee numbers had been reduced by about 350.

He said cash flow was picking up, gearing was reduced to 48% from 59%, and interest cover was healthy.

The interest bill was significantly lower at R232 000 from R1,1m, resulting in a 22% decline in profit before and after taxation to R12,7m (R16,1m).

After preference shareholders, attributable earnings were down by 28% at R11,5m from R15,9m.

A 27% lower interim dividend of 11c (15c) was declared, with the cover maintained at 1,4 times.

Rosevear said results were affected by unrest and unregulated gaming operations — particularly in Port Elizabeth and East London. In addition, recessionary conditions were particularly severe in the region.

Although occupancy levels were not a major factor because of the low number of rooms, he said occupancies ran "in the mid-40s" for the period, about 10% below the previous year.

There had been a decrease in day visitors, and not much growth in the amount they had spent.

Although it was difficult to forecast, Rosevear said the action taken to reduce costs should enable Sun Ciskei to match the first half's earnings in the full year.

Govt helped finance Lost City launch

CT 8/2/93 (288)

Own Correspondent

JOHANNESBURG. — The government paid R2 million to help finance the publicity drive for the Lost City launch, Minister of Tourism Dr Org Marais confirmed at the weekend — but claimed this had been a golden opportunity to publicise South Africa's tourist destinations.

The money, which might not all be used, was not given to Mr Sol Kerzner or to the management of Sun City, but was used to make a video which was shown during the Miss World pageant.

The pageant was seen in 81 countries and by between 400 and 600-million people, Dr Marais said in Rapport, a Sunday newspaper.

The allocation of R2m to the Lost City festival was bound to arouse suspicions and was unfortunate considering the government's recent banning of "hard" gambling, Democratic Party leader Dr Zach de Beer said yesterday.

He said although an investment of R2m in marketing tourism could be justified, for the government to make this money available for the benefit of a single resort or group of venues was "bound to arouse suspicions".

To try justify this expenditure by arguing that it was done to counterbalance the poor publicity South Africa got after the killing of two British women in northern Natal was so childish that it could only have been forwarded by "someone as silly as Dr Marais", Dr De Beer said.

Cloud of uncertainty hangs over Kersaf performance

B1DAY 8/2/93

MARCIA KLEIN

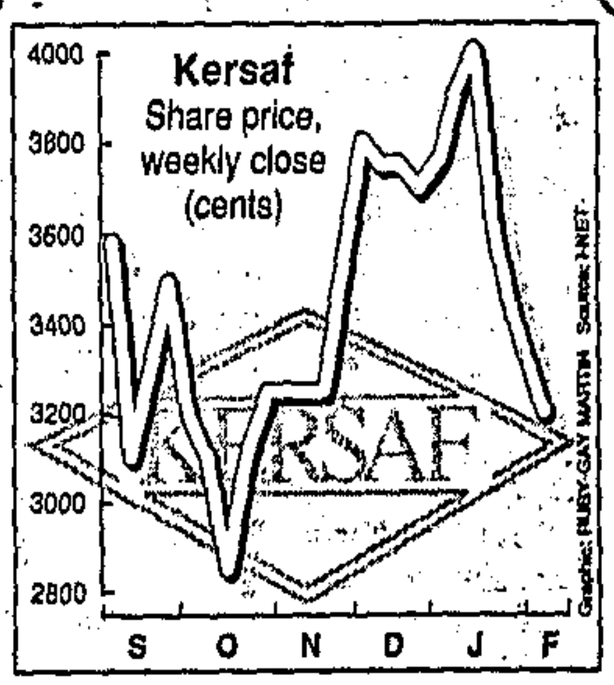
UNCERTAINTY over how Kersaf would absorb the effects of unrest, massive expansion and unregulated casino operations had made forecasting difficult, analysts said.

Forecasts for the six months to end-December varied from a 10% decline in earnings to a 5%-10% increase.

Uncertainty was also reflected in Kersaf group shares, which have been weak — but volatile — in a strong market.

Kersaf interim results, which will soon be released, could be disappointing and dull at best, an analyst said.

But it was difficult to forecast because of the building and opening of the Lost City, poor consumer spending, the effect of the unregulated casinos on casino revenues, the effect of the world recession on its offshore operations, and unrest, particularly in Transkei and Ciskei.



The Lost City, the largest project of its kind in southern Africa, would result in a deterioration in the balance sheet.

But the question was how much, analysts said.

A short-term cash need would result in a reduction in the dividend payout. The option of a scrip dividend was also likely.

Analysts expected results from Sun Ciskei to be sharply down following unrest in the area.

Occupancies, which affected the amount of business in the casinos, were expected to be significantly lower than the previous year.

Transkei Sun, which had relatively high occupancies in the peak period, was expected to show little if any growth.

Sun City and the Carousel remained buoyant. The Carousel would make a significant contribution to Sun Bop as it was operating for less than two months in the previous interim period.

Operations in Swaziland, Lesotho and other smaller areas more dependent on occupancies would have "fallen out of bed", an analyst said.

Leisure and entertainment group Interleisure was likely to report unchanged earnings. Cinema attendences had held up well.

Interleisure results would come off a high base as its second half was worse than its first in the previous year.

Q Data stays on growth path

B1DAY 8/2/93.

JONO WATERS

COMPUTER software and services company Q Data continued to achieve a real growth in profit, increasing earnings by 31% to 23,4c a share in the six months to December last year.

The company declared an interim dividend of 7,5c a share compared to 6c a share in the same period in 1991.

Turnover rose 36% to R88,6m (R65m) and pre-tax profit rose 64% to R9,35m (R5,71m).

Chairman Piet den Boer said the increases were the result of "the solid, consistent performance of the services arm of the Q Data group, a substantial improvement in first-half sales by a number of the group's product companies, and the excellent results achieved by the two new companies operating in the networking and systems integration environments".

Q Data paid tax of R5,32m (R2,76m) as a result of an offshore investment that was expected to show positive results in the next financial year, he said.

Group income after tax rose 37% to R4,03m (R2,95m).

Den Boer said the bulk of software sales occurred in the second half of the year and the company was confident that substantially improved earnings would be achieved in the second half of the financial year.

"Despite the negative economic conditions affecting many organisations, the group's proven track record of success in its dedicated market niche gives the Q Data board confidence in achieving a steady growth in earnings a share over the previous financial year."

Q Data's southern African operations achieved an 89% increase in after-tax profits, he said.

Lebowa slashes its net losses

B1DAY 8/2/93.

JOHN DLUDLU

THE Lebowa Development Corporation boosted its turnover 7,5% last year despite continuing lack of industrial investment in the poverty-stricken northern Transvaal, chairman Willie Ramashoba said in the corporation's financial statement last week.

Turnover increased to R115m and net losses before extraordinary and abnormal items were slashed to R409 000 from R5m in 1991.

The corporation's retained income for the year was R3,3m.

Govt's R2m for Lost City event

GOVERNMENT made R2m available for the opening festivities of Sol Kerzner's Lost City complex, but the money was to promote tourism and would have to be accounted for, Tourism Minister Org Marais said at the weekend. (288)

Rapport yesterday reported Marais as saying the Miss World contest at Lost City had an audience of up to 600-million people, and Cabinet had jumped at the opportunity of marketing tourism through the event. B/Day 8/2/93.

It had stipulated that the money should not go to Sol Kerzner or Lost City, but to promote tourism.

This was done through the 10-minute video during the Miss World contest, showing SA's tourism potential.

Marais said the organisations involved in the project, such as M-Net and the Tourism Board, would have to submit their accounts to government. He believed the full R2m might not be needed.

Business Day Reporter

DP leader Zach de Beer said yesterday government's action was bound to arouse suspicion and was unfortunate considering its recent banning of "hard" gambling.

An investment of R2m to market tourism could be justified, but for government to make this money available for the benefit of a single resort or group of venues was "bound to arouse suspicions".

Marais's attempt to justify the expenditure by arguing it was done to counterbalance the poor publicity resulting from the killing of two British women in northern Natal was "childish", De Beer said.

● Comment: Page 6

Rosebank hotel rejected

Business 21/11/93

PETER GALL (288)

THE development of the Grace Hotel adjacent to The Mall shopping centre in Rosebank was blocked yesterday by the Town Planning Tribunal.

The tribunal rejected the Johannesburg City Council's application to rezone erf 46, which would have allowed it to sell the site, a 2 146m² narrow strip near the corner of Tyrwhitt and Cradock avenues, to the owners of The Mall for the construction of a 10-storey hotel.

Tribunal chairman Jan Van Blerk said yesterday: "The proposed development was out of keeping with the rest of the buildings in the area in terms of both height and bulk and, accordingly, it was decided to turn down the council's application."

A source close to the council said recent council findings that office rights of more than 30 000m² for the site where JHI House is now situated had been created through an "error on the part of the administrator" had undoubtedly contributed to the tribunal's decision.

"At the hearing this building was used to show the height and bulk that had been allowed for in the area, but the granting of these rights was found subsequently to have been an error."

Rosmarin & Associates director John Rosmarin, who represented the council, told the hearing the hotel would not contravene height restrictions or create a precedent in the area. Irma Hugo of City Planning said the proposed development complemented The Mall shopping centre and was not out of keeping with developments in the area.

But the Rosebank Action Group, which co-ordinated opposition to the project, said the development would contravene the council's own bulk guidelines and pave the way for other similar developments.

The council could not be reached for comment, but is expected to appeal against the decision to the Townships Board.

Satour seeks funds

SATOUR was lobbying government for more funds to promote SA tourism abroad, executive chairman Spencer Thomas said yesterday. (288)

Thomas said tourism had earned R2,7bn in foreign exchange last year, and higher investment was needed to promote SA abroad. BDM 2/11/93

Tourists safer in city

cr 22/1/93 288

By YVETTE VAN BREDA
Staff Reporter

ATTACKS on tourists in the city decreased by 90% in December last year compared to the previous year — and all the credit has to go to the police Tourist Assistance Unit.

So says Captour spokeswoman Ms Marion Kelder. "We are incredibly pleased by the drop in muggings of tourists and the SAP's Tourist Assistance Unit must be credited for that."

Captain Carl Thiart, head of the unit, said there was a marked decrease in reported crime on tourists this festive season.

Since the inception of the unit in February 1991 there had been an average of three to five tourist muggings in the city a month compared to 45 in Johannesburg. Since the unit in Johannesburg was started, this figure had decreased to 30 a month.

Capt Thiart said the most remarkable decrease was in December last year when only two muggings — cameras were snatched — had taken place compared to 1991's 11. In October last year no incidents were reported.

● **JACKIE CAMERON** reports that while tourist crime is on the decrease, the incidence of thefts from offices in the city has increased.

A police spokesman said it was becoming common practice for thieves to walk into offices under the guise of looking for work.

"Thefts from offices are particularly common in buildings with security systems. There is a false sense of security and people tend to leave purses and bags lying around," he said.

A chance to own a company

Rutec franchise to create jobs

Sowetan 22/1/93.

By Mzimkulu Malunga

■ Entrepreneurs wanted from disadvantaged communities:

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A COMPANY manufacturing small-enterprise equipment plans a major franchising campaign which would not only enrich its own coffers but lead to the creation of hundreds of jobs.

Through its marketing arm, Work for Life, Rutec plans to sell franchises to entrepreneurs in the disadvantaged communities to open training centres for people interested in owning their own businesses.

"This is a positive affirmative action programme that is motivated by profit and private enterprise - not charity," says Rutec managing director John Dommett.

The envisaged programme starts when the entrepreneur buys a franchise from Work For Life and opens a training centre in the community he lives in.

Then Rutec will assist him with the training of instructors who will teach prospective entrepreneurs about the key dynamics of running a business - production and management.

According to Dommett, the screening process of prospective franchisees will be stern. "We will only take the best."

They will have to satisfy three major categories to qualify. One is that they should have a strong financial background and would-be franchisees should know the needs of the communities they work in.

Lastly, the franchisee should be satisfied that candidates for instructors' positions at the training centres are appropriate persons as most of the machines need people with a technical background.

Costs for starting a viable franchise range between R10 000 and R30 000, depending on the size of the community the business is aimed at serving.

Conservative projections, says Dommett, indicate that each centre, if properly run, can create about 1 640 business opportunities over a five-year period.

The target is to establish 300 centres in the next five years and it is estimated that they could generate up to half a million smaller enterprises during the same period.

All centres must be motivated by a profit incentive, emphasises Dommett. The average cost a course will be R50 and most of them will run between a day and a week.

GAME PARKS FM 22/1/93

Looking at lions

(288)

If Sun International (SI)'s Lost City complex is really going to work — it costs about R600/person/night to stay there — then one surefire way of ensuring its success is to entice foreign tourists, their pockets bulging with hard currency.

That, in essence, is the marketing philosophy underpinning the development. The problem is, in the current fragile socio-economic environment, that's easier said than done.

What would help in getting international tourism off the ground in Bophuthatswana, everyone agrees, would be having the "big five" right on the Lost City's doorstep. It's acknowledged that foreign tourists come to SA principally to see three things — the game parks, the Sun City complex and Cape Town.

It thus comes as no surprise that, as a starting point, the group is talking to the Bophuthatswana Parks Board about introducing lions to the Pilanesberg Game Reserve.

"Having the big five (lion, elephant, rhino, buffalo and leopard) will boost tourism significantly," says SI CE Ken Rosevear. "An all-in package which includes visits to the game parks and Cape Town is expensive because of the travel involved. It would be so much better if they could enjoy the facilities at Sun City — and see game."

The key to the plan, though, is big game — especially lions. "From a tourism perspective, lions are important in the marketability of a reserve," says Bophuthatswana Parks Board chairman Roger Collinson.

He says introducing lions to the reserve has been on the agenda from the beginning. "The board has agreed in principle to introduce lion providing the project has the support of the local population, funding is forthcoming to meet capital expenses and that the board is not out of pocket."

But there are some problems. One is the cost of erecting an electrified lion-proof fence around the park. "The country is hilly and cut with riverbeds and streams. Any fence we erect will have to withstand floods," Collinson says.

Another difficulty is posed by the people who live along the boundaries of the reserve. Quite understandably, they have expressed some reservations. It means the lions have to be properly managed in order to maintain a balance so that individual animals will not be pressured out of the reserve.

Collinson estimates costs will run to between R3m-R5m — money which the board is hoping will come from SI, the Bop government and other sources. The cost includes the hiring of a lion expert to manage the prides as well as insurance cover should lions escape and maul cattle or people. Collinson says while chances of an escape can be minimised, there are no guarantees.

SA Wildlife Society ecologist Andrew Duthie says putting lions into the reserve will change the neighbour/park relationship, which he notes has only recently improved. "There is great potential for friction here," he observes. A rough study of the costs and requirements of the project has been completed. Now it's a question of winning over the hearts and minds of the people most likely to be affected. ■

FM 22/1/93 (288)

By MAGGIE ROWLEY
Property Editor

Bumper season for V & A Waterfront

(288)

ET 22/1/93

IT has been a bumper festive season for the V&A Waterfront with total takings of about R30m outstripping even the most optimistic forecasts and budgets, MD David Jack said.

"At last count turnover was at R29 650 000 but a few tenants still have to put in their figures so we could well top R30m."

With a record 1,49million visitors in December — nearly half a million more the previous year — average spending per head was about R19,94 — way up on the R8 in December 1991.

In an interview yesterday, Jack said food outlets still accounted for about 50% of all turnover, clothing stores about 16%, the hotel and cinema operations about 4% and the balance about 28%.

Most traders had topped budgets and had kicked into turnover rentals — paying about 10% of takings.

"People thought our rents were too high but this just goes to show we pitched them at the right level," he said.

Even the older stores in the V&A Hotel complex, which had expressed concern that the opening of the new mega-million retail centre towards the end of last year would hurt them, had shown improved sales.

"Their fears have proved unfounded and from the figures I have seen they are all up on last year and have benefitted from the increased numbers attracted to the new venues," he said.

Restaurateurs and retailers interviewed said after the hectic December trade which had stretched into January, there had been a marked drop-off 10 days ago but business was beginning to pick up again.

"You could tell exactly which day the Transvaal schools went back. The centre was like a morgue," said a spokesperson for Jenni Button.

"But this week it picked up sharply again and a surprising number of locals are patronising the retail centre," she said.

Jack said that while many of the newly opened outlets could not really compile forecast budgets as it was their first year of trade, many had set most optimistic and least optimistic scenarios and taken the middle as a baseline.

"And from almost all accounts they appear to have exceeded their most optimistic forecasts," he said.

A spokesman for the Quay Four restaurant said while the new facilities in the retail centre might have lured some of their clientele, "we were still having to turn people away so it did not impact on our bottom line."

While his figures were still with his accountant, he estimated takings were up about 10% on a year ago.

"We have had a very good season and while it has quietened down a bit about 70% of our customers are locals who patronise us year round."

Others said while they expected good patronage during February and March when international tourists traditionally descend on the city, the true test of their success would come in the off-season months.

Rejected timeshare scheme still offered

S/Times 24/11/93

(288)

WISEMAN KHUZWAYO

A SOUTH African company is continuing to market a timeshare scheme on a small island off Mozambique, although the Mozambican government has vetoed plans for the resort.

This week, Johannesburg-based Salgado Holdings International insisted it had been granted rights to open a holiday resort on Macenta Island, 40km from Maputo, by the Mozambican Department of Foreign Investment.

The scheme involved 20ha of land on the island, on which Salgado told investors it would develop 400 timeshare bungalows, usable for 25 weeks any time of the year for R12 500.

On Thursday Salgado directors, Mr Michael Cothill and Mr Ron Mackie, together with attorney Ivan Morris, showed the Sunday Times a fax from Mr A Sumburane, a director of Mozambique's Foreign Investment Department purporting to authorise the project on behalf of the Mozambican government.

But when the Sunday Times telexed Mr Sumburane, asking a number of questions about the development, a reply was received from Mr Sumburane's deputy, Mr Mussa Usman, stating that the Salgado project did not have authorisation. Mr Sumburane was said to be on leave.

The Sunday Times is also in possession of a letter dated December 8 from Mr Cothill to Salgado's operations director, Mr Pieter van Niekerk. The letter makes it clear that the company was aware that its resort scheme had been vetoed.

The letter said the company was in a "predicament", as it had already received cheques from South Africans keen on buying timeshare.

It went on to suggest that shareholders be informed "that the concept they were sold had been rejected by the Mozambican government" and that all cheques be returned to them.

But so far only two investors who contacted the Sunday Times said they had received refunds.

Many investors said they were being "pushed from pillar to post".



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

Casino stakes up as deadline nears

ST Times (Cape Metro) 24/1/93. (288)

By BRIAN BERKMAN

THOUSANDS of people throughout the country could lose their jobs if casinos have to close their doors at midnight on January 31, Cape Town casino owners have said.

The Department of Justice is expected to announce this week whether the January 31 deadline is to be extended, but some casino owners have already given their staff notice.

The Gambling Amendment Act, passed in Parliament last year, outlawed all forms of gaming for benefit. Special reference was made to card games and games of chance.

However, pressure from opposition parties and interest groups led to the appointment of the Howard Commission to examine the question and the setting of the January 31 deadline.

Now casino owners are awaiting the findings of the Howard Commission — which are expected to be released in April — and an announcement that might compel them 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.

Bottle store rebels to tackle Sunday trading

By LEW ELIAS

CONTROVERSIAL amendments to the Liquor Act are high on the agenda for the inaugural meeting of the breakaway South African Liquor Stores Association (Salsa) Western Cape region this week.

The liquor traders, who broke away from Fedhasa last year to allow bottle store owners to concentrate on issues affecting them, are to meet at the Brackenfell Hotel on Wednesday.

Guest speaker is wine writer Michael Fridjohn who is to discuss Sunday trading and how the amendments to the Liquor Act will affect the trade.

Mr Fridjohn wrote an outspoken article on Sunday trading for this month's issue of the trade magazine, Liquor Store Monthly.

Salsa has held regional meetings in other areas as part of its membership drive.

Its formation has led to Fedhasa's liquor arm, the National Liquor Stores Committee's re-evaluating its function. The committee is proposing changes to methods of operation and priorities.

Its chairman, Ian Rubin, said recently that the committee could judge Salsa's impact on the Fedhasa liquor arm only when membership fees fell due.

Liquidated resorts: buy bid by shareholders

ST Times (BUSS) 24/1/93 288

By TERRY BETTY

SHAREHOLDERS in recently liquidated Cabanas Del Mar and Cabanas Del Sol on the Natal south coast are to form a company to put in an offer to buy the developments.

The final order of liquidation for the two developments was granted on November 24 after an application had been brought by bondholder Metboard, which is owed in excess of R5-million.

Shareholder and chairman of the shareholders' action committee Carl Mischke says the shareholders will, with a cash injection of R640 to R3 600 each, be able to rescue their investment.

RCI and timeshare watchdog TISA are lending their full support to the purchase offer.

At a remarkably civilised meeting in Randburg on Wednesday attended by about 1 100 shareholders and other parties, except for Metboard, the shareholders agreed they want to retain ownership and control of the resorts to prevent a similar situation happening again.

Dr Mischke says that, as most people will be able to pay the extra funds only over an extended period, they need a financial institution to underwrite the offer.

However, the pressure is on as the liquidators have given them until March 18 to prepare their offer.

Interest

The deadline was postponed from February 25 as long as the shareholders will cover the operating costs of the resort from March 1-18.

Running costs amount to R100 000 a month for both resorts. This does not include interest, which at 19% a year amounts to around R40 000 a month for each resort.

Dr Mischke says it is still impossible to meet that deadline as they have to get signed mandates from all the shareholders, draw up and print the agreements, form the company as well as approach financial institutions to underwrite the offer.

If the liquidators go ahead with selling the resorts on auction, the shareholders stand to lose their entire investment.

The two Cabana developments went under as the developers, Hees, Van Loggerenberg and Erasmus, were unable to repay the interest and capital amounts owing on the loan.

Dr Mischke says the trust accounts, which between the two developments were meant to hold about R8,2-million, and may only be used to offset the bond, contained only R67 000.

The liquidators are investigating what the developers have done with the balance.

TISA executive director Peter Erasmus says that, to ensure this does not happen again, TISA is insisting that all its members have six-monthly audits to see that all the provisions of the Act have been complied with.

Meanwhile, the developers have also put forward a rescue plan that runs along similar lines to the shareholders' proposal.

RCI managing director Steve Griessel recommends that the shareholders do not sign any documents sent to them by the developers.

Mr Griessel says their first priority is to save the resorts for the shareholders, and thereafter they will look into other details, such as the liability of the directors as well as whether Metboard's bond over the properties is valid.

The Shareblocks Control Act states that a shareblock company may not encumber its assets (over and above the original encumbrance) without approval of 75% of the shareholders (excluding the developer).

Illegal casinos in the dark

(286)

By JEREMY WOODS

THE threat of organised crime gaining control of the gaming industry resulted in thousands of casino workers across the country leaving work on Friday night not knowing whether their industry would be closed down overnight or given a further reprieve.

An Act of Parliament passed last year amended the Gambling Act to define what is gambling and what is not after casino operators had found a way around existing laws.

Now, all forms of gaming for benefit are outlawed with special reference to card games and games of chance, while existing casinos have been told to close their doors by midnight on January 31.

A statement from the Minister of Justice, Mr Kobie Coetsee, is imminent on whether the industry is going to be closed down or whether a further extension is to be given.

Pressure from interest groups and opposition parties resulted in the appointment of the Howard Commission to look at the whole issue of gaming in SA.

Some casino operators believe an extension will be given until the Howard Commission delivers its findings some time in April.

However, police sources believe the weight of evidence that organised crime is moving quickly to control the gaming industry is so serious that the casinos could be made to close their doors by the end of the month deadline.

Sit Times (Buss) 24/1/93

Turning the blacks into tourists

Sowetan 28/1/93

By Mzimkulu Malunga

■ Plans to make tourism a major foreign exchange earner:

THE South African Tourism Board (Satour) is to introduce a new grading scheme to popularise tourism among black people.

The new system, which will start operating on April 1, covers all components of the tourism industry from hotels, guest and breakfast houses as well as restaurants as opposed to the current mandatory registration and grading formula applicable only to hotels.

According to Satour's tourism promotion director, Mr Ernie Heath, the new method will be consumer-oriented.

One of the key pre-requisites to be part of the system is non-racialism.

Satour is in the process of completing a market survey among travellers and non-travellers to detect their feelings about tourism.

Heath says his organisation has realised that black people, even those who travel to major tourism areas during holiday periods, still stay with their relatives in those areas instead of alternative forms of accommodation.

"Once we have established the needs of active and prospective tourists, we will be able to formulate a proper tourism education programme," he says.

A key target group for the Satour tourism education programme is the children.

Negotiations with the Development Bank of South Africa (DBSA), Small Business Development Corporation (SBDC) and the Industrial Development Corporation (IDC) to finance small tourism ventures are in process.

Casinos have had their chips as Govt pounces

Star 30/1/93.

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.

Death knell of cheap burials

ARG 30/1/98

28b

VUYO BAVUMA
Weekend Argus Reporter

UNDERTAKERS are concerned about the price increase — in some cases 40-fold — for graves in Khayelitsha cemetery.

Increases were recently promulgated by the Administrator of the Cape after representations by the Lingelethu West City Council.

The undertakers, who are members of Khanyagula Funeral Parlour, said the majority of families cannot afford the "ridiculous and exorbitant" tariffs.

Under the new rates, the price for digging a grave for an "adult resident of the township at the time of death" has jumped from R11 to R200. For a child, the fee has gone up from from R3 to R115.

Even a pauper's burial does not come cheaply any more — after costing R5, it is now pegged at R150.

Exhumation and the opening of a grave, formerly done free of charge, now costs R100.

Dissatisfied members of Khanyagula said the new tariffs should have been discussed with the community before any decision could be reached.

Said one undertaker: "The tariffs are now almost equal to the costs of an average funeral. This will make things difficult for ordinary families."

But town clerk Mr Graham Lawrence said the council had consulted the people as "humanely as possible".

Last year the council met a group of township bodies, including South African National Civics Organisation, about the planned tariff increases.

In August, it placed notices about the increases on various public areas and invited comment.

"We received no comment from anyone, including Sanco. We then submitted the tariffs to the Cape Provincial Administration, which published the new tariffs.

Even the Cape City Council did not consult its ratepayers before increasing the tariffs, he argued.

Mykonos fortunes change as profits grow

288
S/Times
(Cape Metro)
31/1/93

CLUB Mykonos, the R200-million West Coast resort that found itself adrift in the eye of the Masterbond storm is back in business with a vengeance and making big profits.

Two years ago, under Masterbond's management, Club Mykonos notched up losses of R7,8 million and called in consultants Hotel and Leisure Management to sort out the problems.

Richard Lander, managing director of Hotel and Leisure Management, who has been running the club for the Masterbond liquidators, has announced that Club Mykonos is firmly back in the black.

31/1/93

Rescue

"We are making a significant profit each month," said Mr Lander. "The future of Club Mykonos as the major West Coast resort is assured."

Club Mykonos has been built around three West Coast beaches on a peninsula near Langebaan. Its kalifa, "Greek holiday homes", are styled on Greek-island cottages with authentic Greek interiors, down to the floor tiles, rugs and colour schemes. The resort has one of the most modern marinas in

By JEREMY WOODS

the country, five swimming pools, one of which is indoors, two restaurants and tennis courts.

The resort was financed with Masterbond investors' money. Although a successful rescue plan has been found to retrieve a large part of these investors' money, much of the Masterbond publicity has rubbed off on Club Mykonos.

As Masterbond crashed-landed under the weight of its debt about two years ago, banner headlines said "Club Mykonos to close".

"That was the worst time," said Nigel Easterbrook, the resort's general manager.

"We had 218 conference guests and 500 others, most of whom sat down at breakfast and read how the resort in which they were staying had closed.

"On top of that, the liquidators withdrew R300 000 from the bank which was all our working capital for day-to-day bills."

Strength

Quick thinking and fast footwork saved the day.

"I thought it very important that guests and staff should be kept fully informed, so we had daily meetings and told them exactly what was happening."

When the liquidators inspected Club Mykonos they found a well-run resort with excellent accommodation and sporting facilities.

"They told us they thought the place was well-managed and asked us if we would carry on running Club Mykonos," Mr Easterbrook said. "Obviously, we were delighted — and that's what we've done."

Club Mykonos has gone from strength to strength. The resort's kalifa self-catering accommodation is especially popular with Cape families who want to get away for a few days. Also, 118 conferences have been booked for this year.

"The big challenge is whether we can complete the new five-star hotel at Club Mykonos," said Mr Lander. "I am reasonably optimistic that we can."

The burning question for Club Mykonos homeowners, clients and liquidators is whether the resort will be awarded a full casino licence once the Howard Commission has finished its examination of the gambling scene.

If any resort is a contender for a casino licence in the Cape Province, Club Mykonos, with its beautiful location and high-profile facilities, must be a favourite.

Gavin Weiman reports that SA casinos are hoping they'll get a 'fair deal'

What future for local gambling?

STAR 1/2/93. (288) (289)

It is that time of year,
when men work silently in the fields
and women weep gently in their kitchens ...
for Parliament is in session
and no man's property is safe.

PARTICULARLY anxious this year will be the 3 000-odd people employed in South Africa's fledgling, but quasi-legal, casino industry. Today, the moratorium on prosecutions contained in Section 7 of the Gambling Amendment Act 1992 lapsed and these people face prosecution, confiscation of their private property, fines and possibly imprisonment.

Reliable sources say the Howard Commission of Inquiry into gambling is unlikely to make its recommendations known before March or April. Justice Minister H Coetzee has the power to extend the moratorium. Fairness and justice require that he does.

Rumours already abound that the police have been training a team to swoop on illegal casino operations.

The Free Market Foundation is not "for" or "against" gambling as such — gambling should be a matter of personal conscience. Gambling, and any other peaceful and honest business, should be legal under the rule of general and just laws that ensure fair "dealings".

Gambling should be regulated by regional or local governments within the framework of a Bill of Rights that protects property and contractual rights (including the right to own a roulette wheel or enter a wagering agreement).

Competition in the gambling industry has few, if any, drawbacks and many benefits to society.

These, and many other issues, are discussed in the Free Market Foundation's submissions to the Howard Commission.

The submission's conclusion reads:

- The cost to a punter when he gambles are the odds against him. In the same way that competition in other industries lowers prices, competition in the gambling industry lowers the price, which means improving the odds.
- Compulsive gamblers would not necessarily be helped by closing the newly formed casinos.
- A frequent or compulsive gambler is better off playing at one of the new casinos now than he was playing illicitly or at the Sun International casinos.
- The new casinos do not display any noticeable negative externalities. They provide employment and investment in infrastructure.
- The new casino industry would provide a new tax base. However, additional taxes over and above the normal company taxes should be levied with care.
- It is inconsistent to have legalised alcohol and illegal gambling. The maleffects of alcohol are far worse than the maleffects of gambling. However, the reasons for having legal alcohol — which are accepted as valid — apply even more strongly to gambling. □

The writer is legal manager of the Free Market Foundation.

Star 11/2/93 (288)

Casinos in angry bid to overturn ban

Staff Reporters

Independent casino owners are preparing to take the Government to court over its clampdown on gambling dens.

Anger is growing over the Government's surprise move to make hundreds of casinos illegal.

Casino owners were preparing to bring an urgent interdict in Durban today preventing Justice Minister Kobie Coetsee from implementing the Gambling Act and closing them down.

Gaming Association co-chairman Mike Werner said urgent applications to keep casinos in Johannesburg open were also to be made in the Rand Supreme Court.

Casino owners last night claimed they were even supported by some National Party MPs. Owners said 18 MPs met President de Klerk on Saturday to express their dissatisfaction.

Owners said they had been led to believe that the clampdown — unexpectedly announced by Coetsee on Friday — would be postponed pending the outcome of the Howard Commission on gambling.

The commission's report is expected to be released in about two months' time.

Opposition to the Gambling Act forced Coetsee to amend the Bill last year to allow him discretion to postpone its imposition. This smoothed away opposition and the Bill was passed.

The State President's office was not willing last night to confirm or deny that the meeting with the MPs had taken place.

River Palace Group director Lester Gribble told The Star gambling generated a R150 million turnover a month in South Africa.

Democratic Party justice spokesman Tony Leon said the decision was "regrettable, illogical and constituted a breach of faith on (Coetsee's) part".

● More reports – Pages 3, 8

Star 11/2/93

Zoeknog Dam break to hurt wildlife, tourism

288

By Julienne du Toit

When the Zoeknog Dam in Lebowa gave way last week, it was not just R38 million that was washed down the river.

The tons of soil from the dam wall turned the river a thick orange-brown colour, so solid it looked like a sand road from the air.

But it was not so thick as to clog up the gills of the fish. The damage was far more subtle.

It coated and smothered the eggs and hatchlings the fish have just laid on the gravel bottom of the Mutlomuvi River, and also the river it flows into — the Sand — and ultimately the Sabie River.

According to biologist Des Weeks, of Rhodes University, who is doing studies on invertebrates in the Sand River system, this huge load of topsoil does not kill, but weakens the life in the river.

It is not just the Mutlomuvi River that is in trouble, but the entire Sand-Sabie river system.

In a space of less than 100 km, the Sand River and its tributaries run through the territory of three governments: South Africa, Lebowa and Gazankulu.

The two homelands, which are politically hostile to each other, usually do not communicate on river matters, and this has led to a great deal of misunderstanding, according to Londolozi game reserve owner John Varty.

He maintains the Sand River is perennial. From his birth, it has flowed, clean and strong, throughout the seasons. A perennial river has certain rights. It must be kept flowing. No one can completely dam it or channel it, he says.

Last year, Varty and his brother became frantic. The Sand River was not flowing. Their hippos were trapped in shrinking, stagnant pools.

A trip in a helicopter showed them the problem. The water was not flowing beyond a weir in Lebowa, built to trap water for Champagne Citrus Estates.

Because of this, Gazankulu water officials further downstream, unaware the river was flowing strongly above the Lebowa weir, maintained that the river was a seasonal one.

A seasonal river can be sucked dry by anyone for any purpose. So the Gazankulu officials said they were under no obligation to release water from the Edinburgh Dam, which the Sand River flows into, to save Londolozi's hippos.

Before the wrangle became too complicated, the rains came, and most of the hippos were saved.

SA Department of Water Affairs director-general Claasie Claassens admitted, after some argument, that the Sand River was perennial. The problem was that the entire catchment area was overdeveloped, he said.

At the rivers' source high in the Drakensberg, exotic pine trees and bluegums planted for forestry were sucking up 30 to 40 percent of all the rain that would go into the river, Varty said.

Further down, citrus trees used up 200 tons of water for every ton of citrus produced.

The Mutlomuvi had been dammed at Zoeknog for coffee, which was also not a water-economical crop.

Lastly, there were hundreds of thousands of people. Very few had running water, but when they all did, even more water would be used.

And as less and less water found its way downstream, to the Sabi Sand Reserves and the Kruger National Park, so the game would suffer.

And if the game suffered, the tourists would be less willing to come, which would be a blow to the tourism industry.

Lost City not real ruin — Rosevear

STEPHANE BOTHMA

THE Lost City was not about to crumble, Sun International MD Ken Rosevear said at the weekend.

Parts of the carefully constructed ruins of the exclusive resort have suffered real damage from heavy rains in Bophuthatswana only months after the glitzy official opening.

But Rosevear said the cracked Royal Staircase, leaking swimming pool and damaged waterways were "normal" damage caused by earth shifts and ground movements. "It is merely buildings settling in," he said.

He could not give an estimate of the cost of repairing the damage, but said repairs would not cost SI anything.

"Repairs, which have been going on for the past two to three weeks, are a matter of insurance. The construction companies involved would carry the costs," he said.

Rosevear said media reports about the damage had created a "storm in a teacup". He denied faulty construction was to blame. And the rush to complete the R800m complex in time for the festive season had not been a factor. Damage caused by ground movement often happened with new buildings, he said.

Damaged underground pipes feeding the flowing lakes had to be replaced. All five damaged waterways would be back in operation this week, he said.

The pipes that had been damaged were being replaced by steel ones.

The only inconvenience to Lost City visitors was the closing of a part of the Royal Staircase leading down from the Palace Hotel to the Valley of the Waves.

"Only a section of the stairs is closed for repairs to foundations. Large crews are working around the clock to get everything back to normal," he said.

Visitors seek evidence of employers' role in violence

ADRIAN HADLAND

THE role of employers in engendering violence in SA will be investigated by the International Confederation of Free Trade Unions.

At a media conference in Johannesburg, ICFTU general secretary Enzo Friso said 50 trade union leaders from around the world would tour SA over the next few days, gathering information about employers' role in violence.

Cosatu general secretary Jay Naidoo said some companies, including multinationals, had attempted to undermine trade unions by hiring employees from opposing political factions during strike action.

This had precipitated violence in some instances, Naidoo said.

Frisco said if evidence of this could be obtained, union members of the multinationals' home plants would be informed and urged to act.

Calling for the reimposition of sanctions was one option which could also be considered by the confederation, he said.

Friso said the 50 trade union leaders, assisted by Cosatu and Nactu representatives in terms of an agreement signed by the three organisations, would meet in Johannesburg soon to discuss their findings.

"We will discuss how best we can help at this particularly delicate moment to foster democratisation and fight violence in SA".

Naidoo said it was vital during the pre-election phase that unions be allowed to establish freedom of association.

Fewer wines on auction

LINDA ENSOR

CAPE TOWN — The application of more stringent selection criteria and the tight economic climate will see fewer wines on offer at this year's Nederburg Auction in Paarl on April 3.

Compared with 1992 when 10 489 cases of 121 different wines were on offer, fetching a total of R2m, only 9 324 cases of 89 wines are on sale.

Strong overseas interest is expected when 30 of SA's premier estates, wineries and co-operative sellers offer their finest wines.

Two newcomers to the auction will be De Wetshof Estate with a Danie de Wet Chardonnay 1991 WO, named after the owner and award-winning winemaker, and Rhebokskloof with its maiden vintage Chardonnay 1991 WO.

Casinos to take battle to courts

B10My 1/2/93. (288)

STEPHANE BOTHMA

CASINO bosses late yesterday afternoon were still considering their position regarding government's decision to close down all illegal gambling institutions by midnight last night.

"We are still preparing for urgent court applications to stop government," Gambling Association of SA chairman Grant Kaplan said.

Casino Royale spokesman Karen van der Merwe said legal action was imminent.

She called on all gambling operations to contribute to the cost of what she foresaw to be an expensive battle.

The gambling industry believed that Justice Minister Kobie Coetsee had preempted the Howard commission's report on gambling and lotteries expected in April, she said.

At the time of going to press, no finality on court action had been reached.

The urgent application will be brought on the grounds that Coetsee had not exercised his discretion properly by failing to extend a period of grace against prosecution granted to casinos.

A decision to put Coetsee's decision before the courts followed an urgent meeting in Johannesburg of proprietors representing more than 30 casinos on Friday.

Coetsee announced last week that grace against prosecution in terms of the Gambling Amendment Act of 1992 would not be extended beyond last night.

The gambling industry, however, believed Coetsee had breached a promise to extend the moratorium until after the filing of the Howard report.

DP Justice spokesman Tony Leon supported the casino owners.

He described the Minister's decision as "regrettable, illogical and a breach of faith".

"It is also an affront to the parliamentary standing committee on justice," Leon said. "The committee only agreed to the passing of the Gambling Amendment Act pending final determination by the Howard commission."

An estimated 50 000 people would be unemployed if casinos around the country closed down.

Casinos to stay closed as court bid fails

Bidday 2/2/93. (288)

LLOYD COUTTS

SA casinos are to remain closed following an unsuccessful application in the Durban Supreme Court yesterday against government's ban on informal gambling clubs.

Judge Galgut ruled not to grant temporary relief to two Durban casino operators — Florida Road Entertainment and Palace Leisure Industries — which made an urgent application to remain open pending the Howard report on gambling.

In their submission they said Justice Minister Kobie Coetsee had been grossly unreasonable in banning casino operations before the report was made public, Sapa reports. They said they were losing R200 000 each a day in turnover.

The judge requested that Coetsee respond to allegations on his department's ban by the end of the week. The two casino operators would then renew their application next Monday.

Gaming Association co-chairman Michael Werner said in Johannesburg that other casinos would await the outcome of the hearing on Monday. The association would, however, consider bringing an application in the Rand Supreme Court.

Yesterday hundreds of casino employees protested outside the court and outside Parliament. They waved banners reading "The Justice Department is a contradiction of terms" and "FW, don't gamble with our lives".

Our Durban correspondent reports that the Durban City Council voted yesterday to support the establishment of "strictly controlled" casinos. Local authorities should be responsible for issuing casino licences and should have the right to a portion of the profit for community projects.

Star 3/2/93

Pressure mounts on Govt to open casinos

(288)

Political Staff

CAPE TOWN — Pressure is mounting on Justice Minister Kobie Coetsee to change his mind on private casinos, allowing them to operate at least until the Howard Commission reports on gaming and gambling.

House of Delegates members Amichand Rajbansi and Farouk Cassim are to seek an urgent meeting with Coetsee to present petitions and letters from employees and supporters of casinos.

They had talks yesterday with Janine Jansen, a spokesman for casino staff. She has more than 4 000 signatures on a petition from staff and supporters and 233 letters from staff demanding that casinos re-open.

Jansen, who is also seeking a meeting with Coetsee, estimates the number of casino staff put out of work at 62 000.

She said Coetsee had to re-open casinos until the Howard Commission reported, warning that operations could be driven underground.

It was unfair that the Government allowed escort agencies to operate but not casinos, said Jansen.

Michael Hendrickse of the Labour Party has also called on Coetsee to review his decision.

He pointed out that the Gambling Amendment Act specifically allowed Coetsee to extend the moratorium on closing casinos in anticipation of the findings of the Howard Commission.

● Former Springbok rugby player and casino owner Martiens Louw was among the first arrested by police, who cracked down on gambling operations within 24 hours of the expiry of the Government's moratorium, reports Sapa.

Louw, his wife and two others were arrested on Monday night for allegedly operating a casino in Meyerton, south of Johannesburg. They were warned to appear in court tomorrow.

Police carried out "inspections" on casinos countrywide but had found most closed, said SAP spokesman Captain Burger van Rooyen.

● Retrenched casino employees yesterday staged a protest outside Sandton City. A roulette table was set up and passers-by were offered free games. Signatures for a petition calling for legalised gambling were collected.

'Relieve' taxpayer of estate

By BARRY STREEK

THE state and taxpayer should be relieved of the financial responsibility for Groot Constantia, the management board of the wine estate said yesterday.

"A sound financial future should be created for Groot Constantia which would allow viniculture to proceed in a manner consistent with the status of the farm," it said in its 1992 report, which was tabled in Parliament.

The board's recommendation that a non-profit trust or company be formed to assume control of the estate was criticised last week by the SA National Civics Organisation (Sanco), who said it should remain under the government's control.

However, the Minister of Agriculture, Dr Kraai van Niekerk, denied there were sinister plans behind the proposals.

TIMESHARE RENTALS FM 5/2/93.

Where the value is (286)

Renting timeshare is probably a cheaper, less risky way to have a holiday than owning timeshare or paying hotel bills. And it has particular appeal for a family that does not want to spend successive holidays at the same resort or set any pattern at all.

For R270 a night over Christmas, a family of four could have enjoyed a marvellous break at Mabula Game Lodge in the northern Transvaal. Or, for the same price, a couple could have spent a peak Christmas season week in a one-bedroomed timeshare unit overlooking the sea at Bantry Bay, Cape Town.

If such value can be offered, the question that needs to be asked is whether there is a market for investing in rented timeshare. Rental occupancy levels are most buoyant in peak season weeks, according to a survey carried out for the *FM* by Resort Condominiums International (RCI).

However, the survey shows that as few as 20% of owners rent out their weeks. RCI says initial returns can range anywhere from 9% to 14% on a R60 000 unit in peak season in a high demand area, such as the Cape. Taking a conservative view, investors worry.

For example, one investor notes that, after levy payments, the return would be reduced to 8,75%. On a rented apartment, the least an investor would look for would be 12%.

But RCI believes rental rates are increasing at a much higher rate than present inflation. MD Steve Griesel says at Beacon Island in Plettenberg Bay units over the past eight years have jumped from R200 per week to R800 a day. Property economist Neville Berkowitz points out that it is mortgage financing in inflationary times that makes property a good investment. This method, most times, does not apply to timeshare. RCI argues that alternate financing methods which achieve the same effect, are used in 75% of timeshare purchases.

Of course, the risk is to find a tenant. RCI's sample consisted of 16 resorts known to have successful rental programmes. The resorts were placed in five categories: central Cape, eastern Cape, eastern and northern Transvaal, Durban and Natal's north and south coast.

The highest rental occupancy levels in peak season were found in the central Cape (90%), followed by 80% for Natal's north and south coast, 70% in Durban and 60% in the eastern Cape and the eastern and northern Transvaal. In mid-season, the central Cape again came out tops at 75%, followed by Durban at 60%. At resorts in the eastern and northern Transvaal, 45% of units were let, while figures for those on the north and south coast of Natal and in the eastern Cape was 35% and 30% respectively.

In low season, only Durban achieved a 60% letting rate, though Durban represents a small rental market RCI points out. It was followed by a 45% tenant occupancy in the central Cape. The eastern Cape came in at 10%, Transvaal resorts at 30% and Natal coastal resorts at 20%.

The split between owners' weeks and developers' weeks in rental pools showed that in the central and eastern Cape, most weeks put up for rent belonged to developers (85% and 90% respectively).

The proportion was split evenly at 50% each for developers and owners in the eastern and northern Transvaal.

In Durban and on the Natal coast, it was almost exclusively owners who put their weeks up for rent. The resorts in Natal are much older and mostly sold out, than those in the Cape or the Transvaal.

However, the percentage of owners who put their weeks up for rent is small. The average is 15%, with the exceptions being 10% in the eastern Cape and 18% in the central Cape.

Average rentals per day were given for two-bedroom units sleeping between four and six people. Prices range from R750 in the central Cape to R600 in the eastern Cape; R320 in the Transvaal, R200 in Durban and R300 on Natal's coast. The average commission charged by rental companies is 20% in almost all the categories, except in the eastern Cape, where it is 25%.

Tenants gain because of the inherent weakness in the market brought about mainly by over-supply, professional investors say. RCI argues that rentals are only future sales leads and its primary focus. ■

FM 5/2/93 · (288)

should be subjected to taxes and strictly regulated with limited licences linked to the tourist industry and subject to tender that could attract foreign players.

"If licences are linked to a major investment in tourism, the organisation cannot afford to break the law and lose its licence, avoiding the necessity of a complicated and costly policing procedure."

Not surprisingly, Rosevear supports the Minister's decision to close down his competitors, while his own proposals suit Sun International's book to a T.

"If the Howard report recommends that gambling should be allowed — and our submissions say it should — the slate will be clean and the playing fields level." He claims that the moratorium allowing mini-casinos operating before October to stay open till this week severely prejudiced his company, other potential operators and horse racing.

Les Kourie snr, whose family heads SA's largest bookmaker operation, says racing has been concerned that fledgling casinos operated without any structure and formal rules. Many players could not collect winning bets because some small-time operators can't put up guarantees or securities, he says.

Kourie points out that racing is subject to stringent controls and claims that it is the second largest generator of income to State coffers. "Racing is subject to a 12% betting tax while most tote dividends are subject to a 25% deduction." He welcomes the decision to close the casinos till controls are in place, but is adamant that gambling in SA shouldn't be abolished. "If people can gamble across the border, why not here?"

Representing the casinos, attorney Grant Kaplan acknowledges that controls are needed to avoid unscrupulous behaviour. But he is concerned that licensing shouldn't be used to keep out smaller operators.

One reason why mini-casinos are unlamented by the big boys is that they lowered the price of gambling by improving the odds, says economist Michael Schewitz.

"Simply, the cost of gambling is the odds against the gambler," says Schewitz, who wrote a paper on the issue for the Free Market Foundation. "When there are relatively few casinos, the rules of the game will heavily favour the house. The odds have improved so dramatically by the recent de facto deregulation that SA cities almost certainly offer the best odds in the world."

He adds that competition also induced Sun International casinos to improve its odds. Rosevear disputes both claims.

On social issues, Schewitz concludes that the new operations did not display any noticeable "negative externalities." For example, he says casinos would not resort to force when collecting debts because this would risk business and the sanction of the law. Media reports have suggested that there was some intimidation, probably because gambling debts are not legally enforceable.

He claims the new industry has done a lot to bolster economic growth. "They have led to a demand for rented space during a property slump." Others would dismiss gambling as the ultimate zero-sum game.

Schewitz concludes that casinos should be treated like any other business, made to pay taxes and possibly to help finance charitable and social projects. ■

FM 5/2/93 ·
GAMBLING (288)

Lady Luck runs out

Justice Minister Kobie Coetsee's decision last week to close the 1 500 or so mini-casinos has buried — perhaps — one of the world's most deregulated gambling industries.

Two casino owners are challenging his decision in the Durban Supreme Court, alleging that the Minister failed to exercise his discretion properly — a novel argument in our law. The court has asked the Minister to answer the allegations by the weekend, and the application could continue next week. A successful outcome could encourage operators elsewhere to make similar applications.

But while the outcome of the court case and the Howard Commission — which Coetsee commissioned to look into the issue but didn't wait to hear from — remain uncertain, many lessons have been learnt.

Society did not collapse, nor was there a marked increase in crime and deviant behaviour because of the presence of Little Vegas, Casino Royale and the rest. The industry claims thousands of jobs — estimated at 15 000, many more than Sun International was forced to lay off because of the competition — were created and the tax base grew.

On the other hand, not all accept that so many jobs were created, and many operations didn't pay taxes, perhaps knowing that they might not be legal for long. Nor is loss of employment a factor when bans on such industries as the drug trade and prostitution are considered.

On balance, though, except for some churches, most people seem to feel that gambling should be allowed outside the homelands. But there is confusion about what form it should take.

Ken Rosevear, group CE of Sun International, which has a monopoly on homeland casinos, says: "We're not fundamentally opposed to gambling in SA but we think it

Green light for taverns in all areas

(28) CT 5/2/93

By PETER DENNEHY

THE government has given the green light for shebeens in any residential area to be legalised.

A Ministry of Trade and Industries letter before the city council this week says the government will now allow shebeens in any residential area to apply to the Liquor Board for a licence to sell liquor for consumption on the premises.

Previously only shebeens in black townships were given the opportunity to become legal taverns.

The letter states that government policy on "applications for tavern licences" changed late last year.

Mr Charl Nel, private secretary to Deputy Minister of Trade and Industry Mr David Graaff, said the new policy was simply an extension of an existing policy.

However, applicants must already be operating shebeens at their places of residence to qualify.

They must provide separate toilet facilities for men and women, and the part of the house in which the tavern is operated must be separated from the rest of the house.

The residential premises must be rezoned for business purposes, or permission must be obtained from the local authority for liquor to be sold there.

Mr Neil Ross, chairman of the council's housing committee, said yesterday that he had asked the town planning committee to pass on all rezoning applications to the housing committee before approving them.

"We don't really go with the legislation," he said. His committee would, however, consider all applications on merit.

One of the considerations would be whether a tavern was compatible with the area it is in, which would include consideration of what neighbours think of it. Another consideration would be whether noise and disorder problems were likely to result.

Nat MPs support casinos' bid to stay open

CAPE TOWN — Two NP MPs have signed affidavits in support of an urgent application brought in Durban this week by two casino operators against Justice Minister Kobie Coetsee.

Stanley Fisher and James Kuiler are MPs in the House of Representatives. Fisher is also deputy chairman of the Justice standing committee.

The application followed Coetsee's refusal to extend the moratorium beyond January 31, when all casinos were required to shut down.

Judge Galgut gave the Minister until yesterday to give reasons why the moratorium should not be extended. The judge will hear the matter on Monday.

Political Staff

In their affidavit — supported by Fisher — the casino operators said it was on Fisher's insistence that a proviso was placed in a Bill allowing the Minister to extend the moratorium deadline.

They state this proviso was inserted "specifically for the eventuality that has now arisen: the Howard commission has not completed its investigation and that an extension of time is now required" until it reports.

Meanwhile, our Durban correspondent reports that the ANC yesterday threw its weight behind casino workers and called on white casino staff to join Cosatu where "they would find strength in unity".

SAP appoints civilian to senior personnel post

ADRIAN HADLAND

PRETORIA — The SAP announced its first civilian appointment yesterday in its bid to create a more community-orientated force.

Former Absa personnel manager Neels Steenkamp, 47, who has worked in the banking sector for more than 24 years, took up his post this week as the SAP's deputy director-general of human resources.

Steenkamp said he would institute change in the police by taking command of recruitment, selection and training responsibilities.

"I am not here to walk in and change everything but to learn and assess before advising any changes," he said.

Law and Order Minister Hernus Kriel, together with the SAP's top management, had decided last year to change perceptions that the police were not community-orientated enough by appointing more civilians to the force, a police spokesman said.

He said the move was part of the drive to establish some autonomy from the central state and government of the day.

Steenkamp said 68 000 police officers underwent training from basic instruction to management skills each year. This provided an ideal framework to reshape police culture and attitudes, he said. "You can't expect people to change without telling them why."

Steenkamp said far from receiving the cold shoulder from the police hierarchy over the appointment, he had been "very warmly welcomed".

Sapa reports SAP public relations head Gen Leon Mellet said yesterday the appointment was the first in 80 years of a civilian to such a senior police post.

Steenkamp would retain his civilian status, with his position being on a par with that of a lieutenant-general.

TED

ember 1992

31.12.91 (Unaudited) (R000's)	30.06.92 (Audited) (R000's)
23 122	24 441
91	5 210
18 065	15 768
41 278	45 419
30 991	32 570
166	780
10 121	12 069

The best bet: Let the dice roll, but keep a close eye

W1 Mail 5/2-11/2/93

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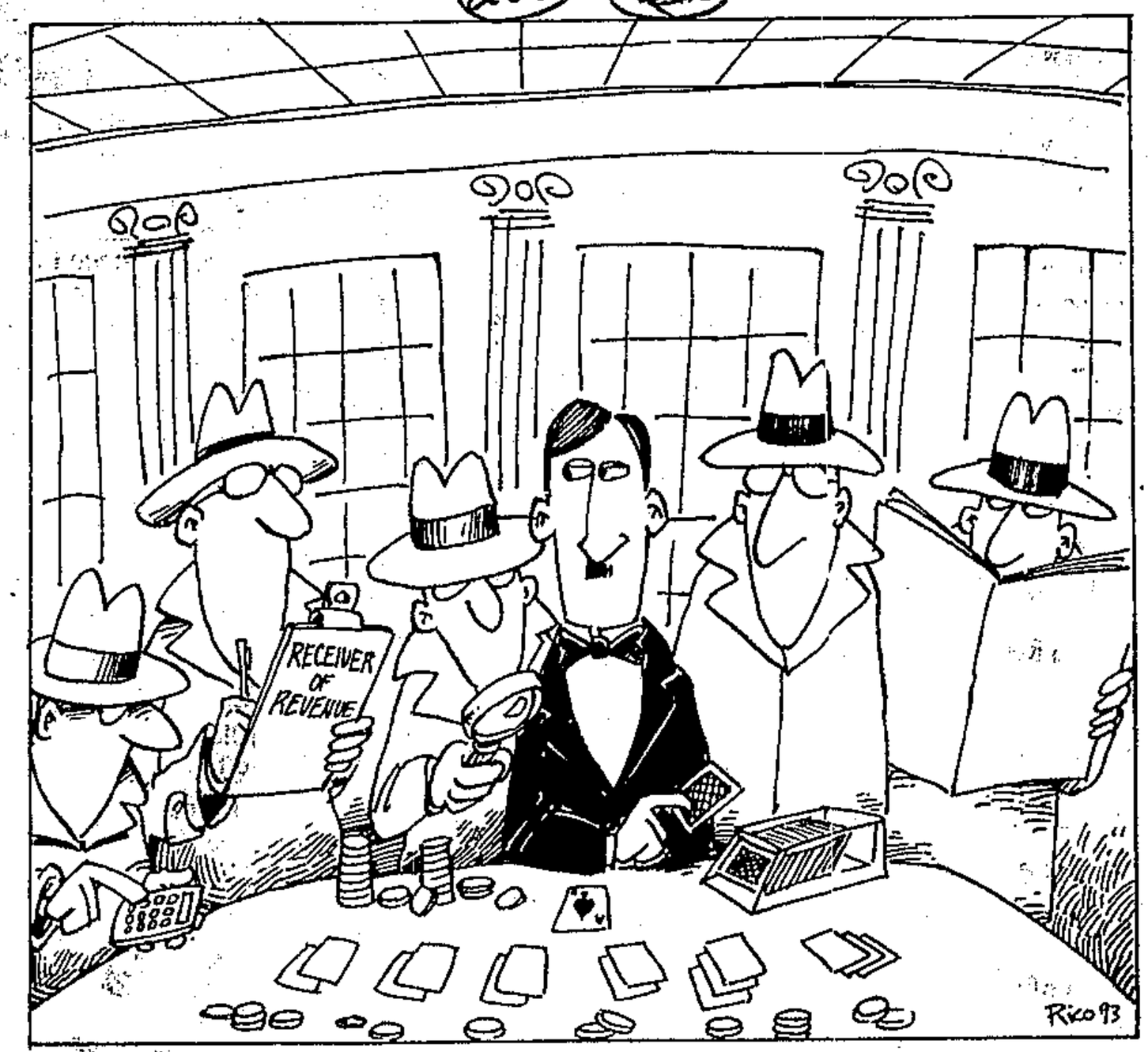
The impression has been created that South Africa must choose between unfettered casino gaming or none at all. **Professor ANDREW SILLEN** *argues that, on the contrary, a regulated industry in which local communities are involved would be beneficial to all*



I DISCOVERED my love of gambling more than 10 years ago when I lived in Philadelphia, which was a seductively short drive from Atlantic City.

Casino gaming seemed like a big deal at the time, since Atlantic City was only the second place in the United States (after the state of Nevada) to legalise gaming. Subsequently, legal venues have spread like wildfire in America, particularly on Native American reservations, where they have turned out to be excellent sources of income and boons for local economies.

By now I've gambled in dozens of casinos in America, Europe and Africa; I think of myself as an educated consumer, if such a thing is possible with blackjack and craps.

I have watched the growth of the industry in the US and, having lived in South Africa now for eight years, would be very surprised if casino gaming did not take off to a similar degree in this country. While this should certainly be allowed (if not encouraged) to happen, Justice Minister Kobie Coetsee nonetheless probably made the right decision to close down the fledgling industry in this country on January 31.

The impression given the press by the South African Gaming Association is that the country must choose between unfettered casino gaming and an outright ban. The reason for this is that the introduction of gaming was neither planned nor legally vetted; the country merely backed into it through a hole in the law. A third option, regulated gaming, is rarely discussed.

Casino gambling, where large amounts of cash are handled, is open to all kinds of abuse. Moreover, it is genuinely offensive to many people who feel they should have a say in whether a casino opens on their street. For these reasons, most communities where gaming was planned (instead of where it just happened) go to great lengths to regulate the industry in terms of where it may operate, who may participate, how games are defined, and fairness of play. (New Jersey, for example, requires complete background checks on all board members of gaming companies; one company was denied a licence just because of its South African connections.) This involves not only regulatory boards which license gaming companies, but uniformed and plain-clothes inspectors who ensure fairness of play, and accountants who check the take.

It would be naive to think that unregulated play is not open to abuse in this country. At the moment, the gambling consumer has no protection or legal recourse if he suspects foul play. Nor do local communities in which the casinos operate benefit financially: operators only pay income tax on profits, for which they are not necessarily audited. But communities should have a say in whether they wish to permit such activities, and should profit from them.

If South Africa is to develop a responsible gaming industry, the Howard Commission currently considering the options should at least recommend the following:

- Casino operators should be licensed by a central board with extraordinary powers to investigate the background and integrity of applicants and investors. Anyone with a criminal record or demonstrable links to criminal activities should be disqualified from participating in the industry.
- Local communities should have a say in whether they wish casinos to operate within their jurisdiction, and on what terms.
- Casinos should be restricted to limited companies which are strictly audited, and there should be routine monitoring of both the games and the books by regulators.
- Public funds generated by gaming should be identifiable and perceived to be beneficial. This means funds should not be dumped into the general coffers, but local communities should be able to share in the revenue generated by casinos. Even better, the funds generated by gaming through special taxes and fees should be designated for a specific, tangible purpose (schools or housing, for example).

Until such concerns are addressed, it is to the public's advantage to keep the industry from taking root. The only satisfactory arrangement is a moratorium until the rules of the game are defined, since once it becomes powerful (and it will certainly become powerful), it will be far more difficult to obtain the necessary concessions from the industry.

The government already appears hostage to talk of job-loss, an emotive argument in the current economic climate. In fairness to those put out of work by the decision, these issues should be addressed as a matter of urgency. Apart from those temporarily unemployed, it is hard to imagine that any community would be hurt at this point by a moratorium. More-over, all the jobs lost and more would return, with far greater security, with the development of a regulated industry in which South Africans and overseas visitors had confidence.

Anything else is a bad bet.

Andrew Sillen is an associate professor at the University of Cape Town

Judge hints at state lottery

A NATIONAL lottery to raise funds for welfare, health and education – promoted and controlled by the state – is to be proposed by the Howard Commission.

In a letter to President FW de Klerk on Friday, commission chairman Judge JA Howard said he would recommend that the 250 "formal" casinos and 1 750 gambling dens be shut down.

He said the public should be warned that no new lotteries would be tolerated pending the Commission's report.

In a statement issued on Friday, De Klerk said he had discussed the matter with Howard after questions had been asked during debate in Parliament on Thursday.

Howard had written to De Klerk last week and gave permission on Thursday for his letter to be made public.

Howard said the 250 "formal" casinos and 1 750 less salubrious gambling dens should not be allowed to continue.

"Nothing in the Commission's report will justify the continuation of such a state of affairs and an extension of the moratorium under the Gambling Amendment Act, 1992, could likewise raise false expectations on the part of a great number of people."

He said of particular concern were announcements by the Board of Executors and Games Africa that they intended to introduce national on-line lotteries by about April this year. The Operation Jumpstart organisation had also announced its intention to extend the area of operation of its Natal Lotto beyond the borders of Natal.

"It is clear that these organisations are determined to anticipate the Commission's findings and attempt to corner the market ahead of other potential competitors.

"They should be prevented from doing so because their lotteries would jeopardise the introduction of a single national lottery under state control and their lotteries could not be allowed to co-exist with such a single national lottery.

"I respectfully suggest that a public warning be issued to the effect that . . . no new lotteries of any kind (including lotteries by or on behalf of welfare organisations) will be tolerated and that persons who establish, commence, manage or conduct any such lottery will be liable to prosecution under the Gambling Act.

"In particular, persons intending to establish national computerised lotteries, or to expand the area of operation of such lotteries, should be warned that they will do so at the risk of prosecution and the loss of their investment."

Howard said he had considered a suggestion that the Gambling Act be amended to provide for a moratorium on prosecutions in respect of lotteries conducted by or on behalf of welfare organisations.

"However, I have decided against it, especially since it might serve to raise expectations which turn out to be false in the light of the Commission's recommendations still to be made."

The continuation of so-called hard gambling (casinos) would lead to a similar situation.

He hoped that the Commission's report would be completed by the end of next month. – Sapa

'booze' brewing

Battle of Sunday

■ The powerful liquor lobby could use its influence to stop liquor stores trading on Sundays: One reason could be that small traders could lose out to supermarkets.

JEAN LE MAY
Weekend Argus Reporter

THE powerful liquor lobby, in which retail liquor interests are strongly represented, could throw its weight against Sunday liquor trading.

A number of liquor stores including a major chain have broken away from the Federated Hotels, Liquor and Catering Association of South Africa (Fedhasa) to form their own association, the SA Liquor Stores Association (Salsa).

Western Province Cellars, a major liquor retailer of the Rembrandt group, with 190 outlets countrywide, has resigned from Fedhasa, according to Mr Jack Culinan at WPC's regional head office.

Reasons for the breakaway were that Fedhasa had formulated no policy about the issue of "after hours" licences to liquor stores and was too concerned with hotels and tourism, according to Salsa spokesman Mr Ken Henecke.

Mr Aldo Girolo, chairman of the Restaurant Guild, which is part of Fedhasa, said the Guild was strongly opposed to liquor stores being allowed to open late at night and on Saturday afternoons and on Sundays.

The chairman of Fedhasa'a liquor committee, Mr Ian Rubin, said he was personally in favour of longer hours, but admitted that Fedhasa had taken no formal stand on the issue.

The split from Fedhasa was disclosed in interviews with Weekend Argus this week concerning the controversy surrounding the refusal by the Liquor Licensing Board of a special licence for Sunday trading to Mr Vaughan Johnson's wine shop on the Waterfront.

Mr Ken Henecke of Liberty Liquors in Durban, chairman of Salsa's steering committee, told Weekend Argus that the association had not lodged an objection against Mr Johnson's application.

It intended hiring a market research company to establish what demand there was for liquor trading on Sundays.

"The fact that the wine shop in question is on the Waterfront should make no difference," he said.

"It all boils down to making a profit and there should be no favouritism in the issue of special licences.

"If one licence is given, everybody else will want licences for Sunday trading."

He was sceptical about the number of tourists who would buy at a liquor store on the V & A Waterfront, he added.

It had been decided to form Salsa because there was a feeling that Fedhasa was occupied too much with hotels and tourism, he said.

"No doubt we'll be co-operating with Fedhasa at a later stage, but we decided there was a need for a special body to look after the interests of liquor stores."

A spokesman for Pick 'n Pay, which sells liquor in some of its stores, said that its lease for the Waterfront store excluded selling liquor. However, it would very much like to sell liquor, he said.

A Cape Town lawyer who specialises in liquor cases and asked not to be named said that "everybody is blaming the Liquor Licensing Board, but it has to implement goverment policy.

"And that policy is definitely against liquor trading on Sundays unless very special reasons can be given why it should be allowed."

The new Liquor Act, when it was first drafted, allowed trading on Sundays, but that provision was deleted because of pressure from the churches and conservative groups, he said.

Another factor was that although liquor outlets in shopping malls and tourist centres could benefit greatly, many smaller stores throughout the country would have problems with Sunday trading, he added.

They would have to decide whether to hire extra staff for the extended hours, or stay closed at weekends and take the chance of losing custom.

Yet another factor was that wine producers themselves may not sell wine on Sundays and public holidays, with the exception of Groot Constantia which is owned by the State.

Mr Johnson, who was refused a licence to open his Waterfront liquor store on Saturday afternoons and Sundays, intends re-applying to the board for extended hours.

"The Liquor Act makes provision for Sunday trading — special liquor licences may be granted in circumstances where the board sees fit," he told Weekend Argus.

"I know that pressure has been brought to bear on the board by some liquor stores which for some reason are against trading for longer hours.

"I have a fundamental problem with why the board does not apply the same criterion to all liquor outlets."

Many cancel hotel bookings after attacks

EAST LONDON. — Hotels and restaurants in the Border and Transkei lost hundreds of thousands of rands over the festive season as nervous holidaymakers stayed away.

A survey of resorts and hotels showed that many potential holidaymakers, shocked by attacks on whites in late November and early December, did not arrive.

Others cancelled bookings at the last minute.

Smaller hotels were worst affected by many last-minute cancellations. Restaurants were less affected, but most felt the pinch.

Hotel and restaurant owners and managers attributed the significant drop in trade mainly to fear of travelling on roads in the region, but said some potential visitors believed they would not be safe even when they arrived at their destinations.

All the managers and owners interviewed said there had been cancellations and that business was quieter than this time last year. However, most said that trade picked up towards the end of December.

The owner of the Mazeppa Bay Hotel on the Transkei Wild Coast, Mr Koos van der Merwe, said that prior to the attacks in King William's Town and Queenstown the hotel had been fully booked, but during the season it was only 60 percent full.

"It was a big loss — plenty of thousands of rands," said Mr Van der Merwe.

The Rhodes Hotel in the north-eastern Cape, which can accommodate 50 people, had four guests.

"We were almost fully booked and we had 99 percent cancellations," said a partner in the hotel, Mr Steyn Berg.

The manager of Mike's Kitchen in East London, Craig Flanagan, said it was "not a normal season". He estimated that the restaurant's turnover was "quite a few thousand rand down". — Ecna.

Hotel tariffs too high, say tourists

BIDAY 5/11/93

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GAVIN DU VENAGE

DOMESTIC tourists strongly resent the high tariffs at SA hotels, a recent survey conducted by Markinor for Satour has found.

Escalating hotel costs have pushed most South African tourists out of the hotel market, resulting in a "crying need" for affordable accommodation.

The survey, conducted among all population groups, found that people felt hotels catered mainly for overseas tourists and were not interested in the local holiday-maker.

People on holiday were tending to stay with family and friends to save money — but also because such an arrangement offered hospitality and social contact.

Another problem local travellers faced was a lack of assistance in the planning of holidays, the survey found.

Most people did not use travel agencies or belong to organisations such as the AA, which handed out maps. The general perception among respondents was that not enough information was available to aspirant travellers.

"Pitiful" public transport was also a challenge to the budget traveller, and was hampering the growth of internal tourism.

Few people bothered with the public transport that was available, with most blacks using minibuses, and whites and Asians using their own vehicles, said the survey. Buses, trains and air travel were the least popular forms of holiday transport.

Whites continued to dominate the domestic market, accounting for 35% of all travellers and for 43% of all holiday trips.

Asians travelled nearly as much as whites, with their financial "potency" making them an attractive market, according to the survey.

And although coloureds were close to whites in terms of cultural background, and thus attitudes and expectations, they lagged behind in travel intensity due to low income.

Expectations differed between various race groups. Whites prefered peace and quiet in a soothing atmosphere, while other groups tended to prefer the glitter of cities, with night life and entertainment on a big scale.

Blacks wanted a high level of service, and did not favour self-catering accomodation.

A separate Satour survey of foreign tourists in the departure lounge of Jan Smuts airport, conducted by Xcel Corporate and Management Services, found that most visitors were happy with what they found in SA.

However, more than a quarter felt that personal safety was a problem, with some having had personal experience of muggers. Despite this, most would recommend SA to acquaintances abroad.

Most foreigners were attracted to SA by the wildlife, scenic beauty and climate, with value for money and available facilities falling lower on their list of priorities.

However, on departure, scenic beauty ranked as the most memorable feature, followed by wildlife and the climate. Value for money and the diversity of attractions also had a high appeal on departure.

Visitors from the Far East, which Satour says is an important emerging market, reflected lower satisfaction with facilities.

The majority of visitors were from the UK (20%), Germany (12%) and the US (10%). The African market was not included in the survey.

AROMA

FM 8/11/93 288

Improving trend

Activities: *Liquor retailing and hotels.*
Control: *Directors 88%.*
Chairman and MD: *M Kovensky.*
Capital structure: *16m ords. Market capitalisation: R3,2m.*
Share market: *Price: 20c. Yields: 5% on dividend; 15,5% on earnings; p:e ratio, 6,5; cover, 3,1. 12-month high, 22c; low, 18c. Trading volume last quarter, 9 000 shares.*

Year to Feb 28	'89	'90	'91	'92
ST debt (Rm)	0,9	2,3	3,1	4,0
LT debt (Rm)	0,1	0,9	0,8	0,5
Debt:equity ratio	0,23	0,67	069	0,77
Shareholders' interest	0,71	0,38	0,42	0,42
Int & leasing cover .	28,8	5,6	2,3	2,9
Return on cap (%) ..	23,4	12,5	10,0	7,6
Turnover index	183	227	238	290
Pre-int profit (Rm) ...	1,9	1,6	1,4	1,0
Pre-int margin (%) ..	n/a	n/a	n/a	n/a
Earnings (c)	6,6	6,0	3,7	3,1
Dividends (c)	2,5	2,5	2,0	1,0
Net worth (c)	27	30	36	36

Aroma did well to confine the reduction in 1992's operating income to 16% after the 83% fall in the first half. Chairman Michael Kovensky says it was a tough year, with competition fighting to retain market share in a declining market in the hotel business and in liquor retailing.

Aroma's Cape Rondevous hotel on the N1 motorway at Brackenfell has been badly affected by the closure of entry and exit ramps from the highway, about 100 m from the hotel. Kovensky embarked on a costly promotional campaign to encourage patronage. This helped and occupancy has increased from 42% in 1991 to about 53%.

Greater success was achieved in the liquor retailing business. Here, Kovensky says, the group was compelled to branch out because of poor profitability in the hotel. Three new liquor stores were opened in the past 18 months and liquor revenue and operating income now exceeds that of the hotel. Gross contribution from the hotel fell to 37,5% from 44% in 1991.

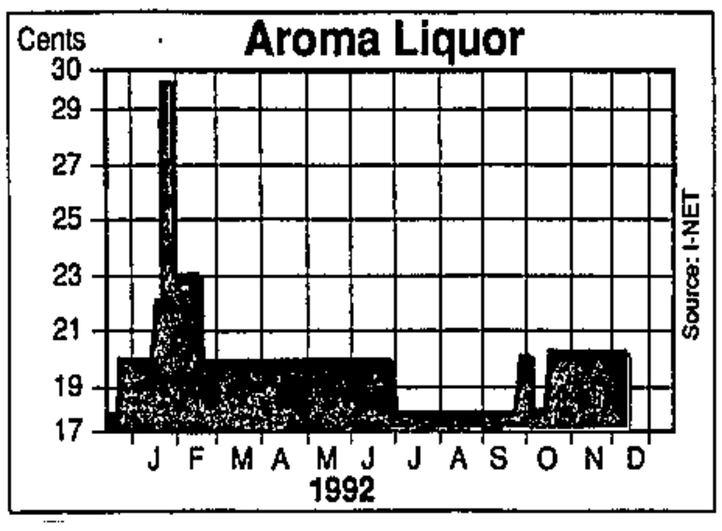
December trade in the hotel and liquor outlets was better than a year ago. Kovensky points out that liquor retailers' customers are trading down. They are buying cheaper, smaller packages and the branded goods — as opposed to cheaper house brands — are "taking strain."

Installation of a comprehensive computerised information system, now on-line to all outlets, has produced improvements in stock-

turn and cash flow. Profitability increased accordingly.

Interim results for the six months to August recorded a 154% increase in attributable profit. Though this growth is not expected to be maintained for the full year, Kovensky was hopeful the Christmas season would generate enough revenue to enable a respectable increase in EPS for the year. The 1993 results should also benefit from lower interest rates. Borrowings are becoming unacceptably high.

Gerald Hirshon



TIMESHARE

FM 8/1/93.

Levies hit the roof

288

A survey of timeshare levies in 87 SA resorts, by the Timeshare Institute of SA (Tisa) shows the highest escalation in studios accommodating between two to four people, with average levies now ranging from R296 to R643, depending on the category.

Escalations ran between 22%-23% — higher than the industry's average levy hike of 18,2% in 1992, including Vat. Previously, levies did not carry Vat or GST. This is the first survey of levies in SA.

The most popular choice of accommodation proved to be two bedroom four-to-six sleepers — where levies range from R332 to R764, depending on the category. Escalations ranged between 17,5% and 22%.

It also found that of the three categories of resorts for which sufficient information was provided to determine levy ranges, the most popular proved to be "category ACF" — and 62 of the 87 resorts which responded fell into this category.

The category refers to resorts with:

☐ "A" — generally daily servicing;

☐ "C" — high maintenance costs, for example painted exteriors, lifts, thatch roofs, coastal resorts; but

☐ "F" — low recreation and amenities charged to the levy, for example only one pool.

The other categories are:

☐ Category ACE, which refers to resorts with high servicing costs (A); high maintenance costs (C); but also expensive recreation and amenities included in the levy (E). This means a golf course, bowling green and so forth.

From these resorts, Tisa received only 15 returns.

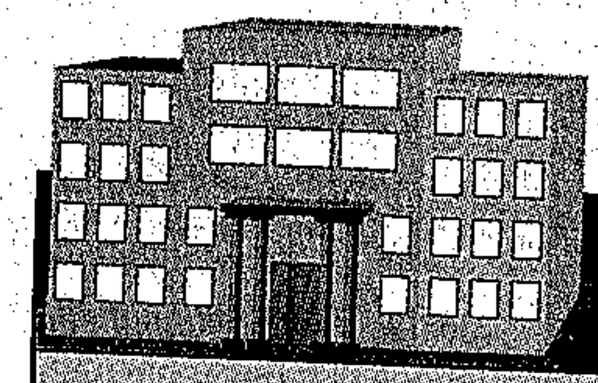
☐ Category ADF consists of resorts with high servicing costs (A) but low maintenance (D). They have a face brick exterior or are simplex chalets; and low recreation and amenities costs (F) charged to the levy. Six resorts of this type responded.

The highest proportion of resorts failing to provide a reserve or sinking fund to cover operating costs was found in Category ACE, where servicing, maintenance and recreation costs are high. Here roughly a third of the respondents had no such fund.

And of the three categories to have shortfalls in their levy fund over from the previous year, Category ACF, the largest, had the highest number of resorts with shortfalls (probably because it is the largest category) at some 20%. But these shortfalls in the budget were found to be the lowest of the three categories, averaging 6,8%, compared to category ACE's 14,4% and ADF's 7,5%.

From its findings, Tisa recommends that a resort should not fall outside of levy ranges by 40%, that is 20% less or more than the norm.

The institute says: "It is accepted that for practical purposes the categories of resorts had to be limited and it is quite likely that if a resort falls outside the range, the reason lies in the fact that the resort is a combination of categories." ■



How high did they rise?

Tisa's Timeshare Levy Survey 1991/1992

Type of accommodation	1991 R	1992 R	Escalation %
ACE			
Studio 2/4 sleeper	†433	†535	23,70
	‡346-520	‡429-643	
1 Bedroom 2/4 sleeper	†423	†490	15,80
	‡338-508	‡392-588	
2 Bedroom 4/6 sleeper	†522	†637	22,00
	‡418-626	‡510-764	
3 Bedroom 6+ sleeper	†748	†853	14,00
	‡598-898	‡682-1 024	
ADF			
3 Bedroom 6+ sleeper	†467	†536	14,70
	‡374-560	‡429-643	
ACF			
Studio 2/4 sleeper	†241	†296	22,80
	‡193-289	‡237-335	
1 Bedroom 2/4 sleeper	†256	†296	15,60
	‡205-307	‡237-355	
2 Bedroom 4/6 sleeper	†353	†415	17,50
	‡283-423	‡332-498	
3 Bedroom 6+ sleeper	†424	†500	17,90
	‡339-509	400-600	

† Average. ‡ Range.

DRINKING FM 8/1/93

Beer and skittles (288)

Perhaps the most remarkable thing about the newly opened Sports Cafe at Cape Town's Victoria & Alfred Waterfront is that it took so long to reach SA.

The concept could have been devised specially for the typical white South African male: a drinking establishment devoted almost exclusively to watching sport on TV. But it was the Americans who perfected sports bars, though the V & A's version is based on a Canadian design. There's clearly considerable potential for a national franchise and Johannesburg and Durban can certainly expect their own sports bars before long.

The V & A's Sports Cafe is not a pub, lacking as it does the intimacy of a local haunt. But it's far glitzier than a tavern and much too hip to be simply another bar. It takes the concept of action bars into a new realm and allows patrons to choose their own entertainment — as long as it's sports orientated.

If you're older — but not over the hill — you go there in the afternoon to watch a rugby Test or the Million Dollar golf with your mates. But late into the night it's the younger set that queues to get in, partly to be seen and partly to see.

FM 8/1/93 (288)

The main attraction is 70 TV screens at tables throughout the cavernous establishment. Patrons can tune in to about 15 live sports transmissions beamed in by satellite from around the world. There's also a bank of recorded events for those who may have a missed a particular match.

A technician will load them on request. On appropriate days all the screens are tuned into a single big match and the roar of the 600-plus crowd that can cram into the cafe mirrors the joy or dismay of those who are actually at the game itself.

Naturally, the cafe is adorned with sporting paraphernalia and memorabilia. Old photographs, autographed sweat shirts and cricket bats, jerseys used by sporting greats, a set of overalls and crash helmet identical to those Nigel Mansell will use while campaigning on the US Indy car circuit this year.

Visiting sports stars are invited along to add glamour (the SA and Indian cricket teams were recent guests) and local sports teams are tending to hang out there as well.

For the more active patrons there's a one-on-one basketball court, a hi-tech putting green that changes slopes and angles to test even the most accomplished golfer (Gary Player recently did the honours with the first putt) and sports-orientated arcade games.

Along with the concept, the menu is American-style: hamburgers, chilli dogs, potato skins, ribs, Tex-Mex.

For what it is, the food (served by waitresses in sexy tight cycling pants) is well prepared. Portions are large and prices are reasonable. There's also a good selection of local and imported beers.

For those who can't find anything to watch or who don't want to watch sport — there are such people — there are music videos. And when it's really late, rock music blasts out a dance beat for the more energetic.

Considering the R1,5m-plus investment in furbishings and technology, there's no entrance fee. Popularity, it seems, will pay the way.

Chris Frelmond

ing strangled. But in spite of racial feeling, Durban City Council resisted conservative pressure for solutions based on limiting access to beaches. One proposal was to create "pay beaches" — rejected as a different form of racial segregation.

Management committee chairman Peter Mansfield points out that the success this time was achieved through long and careful planning, community teamwork and communication rather than confrontation and "fencing people off". The council decided not to impose any restrictions on numbers but to encourage good behaviour and safety through its "beachwise" programme and improved facilities. The general aim was to promote self-discipline.

The plan seems to be working. This season's crowds were no smaller than those of previous years — more than 100 000 people (99% of them black) visited Durban's beaches over the New Year weekend — but there was little trouble. After a tour of the packed beachfront, Mayor Margaret Winter said: "Peace, no matter what the odds, was given a chance and it worked. People were just enjoying themselves."

Mansfield adds: "Durban is at the cutting edge of dealing with the future and the lesson for everyone in SA is that we are now managing to handle large crowds effectively — something that all cities will have to face. Critical to this has been the proactive approach in dealing with beach problems. The emphasis is on management and accepting that there are going to be crowds and managing those crowds. Another essential ingredient is public co-operation and that was also present."

Also vital to the operation's success was the visible deployment of hundreds of policemen — SAP and Durban's City Police — in potential trouble spots. Mansfield concedes, however, that this year's success is only a start. He wants to reconvene the beachfront task force, which was established a year ago after the disastrous 1991-1992 festive season.

Notable successes of the campaign were the improved location of facilities such as toilets (thanks to a consultative process, rather than by increasing facilities) and the use of piers and rubber ducks as lifesaving stations which prevented any daylight drownings.

An aspect which Mansfield believes could be further developed is the provision of more off-beach entertainment — such as the "peace concert" at Kings Park soccer stadium which attracted 25 000 people over New Year — to draw people away from the front. One area which still needs improvement is litter collection in crowded areas.

Police spokesman Captain Bala Naidoo agrees that there has been a great improvement — but he believes the biggest problem is alcohol abuse. "Incidents, though few and far between, were all linked to excessive alcohol consumption. We will have to examine seriously ways of controlling the amount of liquor being taken to the beachfront."

Durban must string a few successful holiday seasons together before confidence is restored. Nevertheless, it is encouraging that even in SA's highly charged racial and political climate, holidaymakers are not fighting on the beaches. ■

BEACHES FM 8/1/93.

The nightmare recedes

The ongoing Durban nightmare of recent years, a chaotic Christmas and New Year on the beaches, didn't materialise this time. Tens of thousands of people did crush on to the sun-scorched seafront, but the city's new approach to crowd control was hailed as a success. 288

For three years, ever since the beaches were officially thrown open to all races, the authorities had battled unsuccessfully with hooliganism, drunkenness, violence, racial tension and overcrowding. Tourism was be-

We're not all going on a summer holiday

(288)

W/Mail 8/1-14/1/93.

By ARTHUR GOLDSTUCK

IF the casual observer took into account only the bare statistics of tourism, it would appear that skin colour has a direct effect on why one would want to go on holiday.

The South African Tourism Board (Satour) even has a phrase to define such differences: "white holiday behaviour" is the way it describes the practice of spending holidays at the sea, in the mountains, or in a game reserve.

Black people, according to a research survey conducted for Satour, travel largely for the purpose of visiting family and friends.

Satour acknowledges, however, that there are many barriers to those blacks "who would like to adopt white holiday behaviour": chiefly lower disposable income and historical exclusion from the travel market.

In short, "white holiday behaviour" is simply the normal behaviour of those who have the means of undertaking a real holiday. Those who can't afford it go for the next best option.

The Satour survey, conducted by Markinor's Christine Woessner, reveals that whites still dominate the domestic holiday market: comprising 17 percent of the population, they account for 35 percent of all travellers and for 43 percent of all holiday trips. Blacks account for 47 percent of all trips — far below the proportionate weight of the black population.

"Asians, however, also proved to be an important segment in the holiday market," Woessner observed. "Their travel incidence and frequency comes close to that of whites, their financial potency makes them an attractive target market."

Coloured people, like blacks, "lag behind in travel sophistication and travel intensity, largely due to low economic status", according to Woessner. "Blacks, at present, show similar travel frequency to that of coloureds — very much behind that of whites and Asians. Still, taking into consideration their modest income, they display a great deal of mobility, due to large scale migration to the cities over the decades, leaving family and friends behind who in turn become obvious targets and destinations for visits and holiday trips."

Satour also identified whites and Asians as the biggest holiday spenders, with blacks lagging far behind — largely due to having only a fraction of the budgets of other groups. Per person, the average spending of blacks is only 17 percent that of whites.

Owners feel the pinch as holiday crowds stay away

Clipper 10/1/93. (288)

HOTELS and restaurants in the Border and Transkei lost hundreds of thousands of rands over the festive season as nervous holiday-makers stayed away.

A snap survey of resorts and hotels in the region this week revealed that many potential holiday-makers, shocked by the spate of attacks on whites in late November and early December, did not arrive.

Others simply cancelled their bookings at the last minute.

Smaller hotels were worst affected by numerous last-minute cancellations. Restaurants suffered less severely from the dip in the tourism, but most felt the pinch.

Hotel and restaurant owners and managers attributed the significant drop in trade mainly to people's fears of travelling on roads in the region, but said some potential tourists believed they would not be safe when they arrived at their destinations.

All the managers and owners interviewed said they experienced cancellations and that business was quieter than this time last year. However, most of them agreed that trade picked up towards the end of December.

They also indicated that tourists who braved the warnings to reach the resorts appeared well-satisfied and made bookings for next year.

The owner of the Mazeppa Bay Hotel on the Transkei Wild Coast, Koos van der Merwe, said: "All the people who were here without exception have booked for the coming December."

Prior to the attacks in King William's Town and Queenstown it was fully booked – but during the season it was only 60 percent full, resulting in a loss of thousands.

One of the partners of Rhodes Hotel in the north-eastern Cape, Steyn Berg, said the hotel, which can accommodate 50 people, had four guests over the festive season.

"We were almost fully booked and we had 92 percent cancellations," he said.

"It started off slow but picked up towards the end," said John Church, owner of the Bonza Bay Hotel.

The Morgan Bay Hotel, north of East London, fared reasonably well.

"We had a few cancellations due to the violence but vacancies were immediately filled with people off the streets," said manager Andrew Warren-Smith.

The manager of Mike's Kitchen in East London, Craig Flanagan, said it was "not a normal season". He estimated that the restaurant's turnover was "quite a few thousand down".

A popular coffee and ice-cream parlour, Dulce's, was "not as busy as last year", according to manager Monique Spaargaren.

The upmarket Movenpick – also in East London – was not too badly affected.

"We usually send people away but this year we could take them in," said manager Ernst Steidl. – EL-news

Two sides of the leisure property market

STAR 12/1/93. 28K

The consumer side of the leisure property market is shaping up, but sellers at the business end will have to be brutally realistic.

Steve Griessel, managing director of exchange organisation RCI International, says: "The recent increase in timeshare sales point to the increasing popularity of this holiday option, especially now that the industry has introduced Timeshare 2 000, which includes a mandatory five-day cooling-off period for purchasers and a revised code of ethics applicable to everyone involved in developing, marketing and selling timeshare.

"Sales volumes in the first half of the year were 14 percent down on the same period of 1991, a fact directly related to the collapse of the Masterbond schemes.

"However, sales have increased by 43 percent in the second half, despite gloomy prognostications from various quarters.

"In fact, unit sales for 1992 may well be similar to those achieved in 1991 despite a recession which economists maintain has not yet bottomed out.

"I believe this leap in sales is proof that timeshare is a top recessionary product that meets market needs — providing long-term holiday accommodation of a consistent quality.

"And overseas swops and structured packages offer new affordability for international travel, particularly with dropping airfares.

"Timeshare is affordable, flexible and it's here to stay. It has reached maturity and is now in a consolidation phase with a few of the longer, more stable players still operating.

"We are confident that 1993 will see a continued steady sales increase and that a bullish, buoyant market awaits, following an upturn we anticipate at year end."

On the other hand, Rory Stear, new managing director of Hotel Broking Services (HBS), says anyone who is expecting to make a killing out of selling a leisure business in 1993 would be wise to revise their planning because there is so much on the market that buyers can afford to be particular.

"If the values are not seen to be there, sellers will hope in vain.

"HBS, the country's largest leisure property brokerage, will enter 1993 with huge selection of hotels and guest houses for sale and while business is steady, any seller asking unrealistic prices has no chance of attracting buyers.



Steve Griessel (above), MD of RCI International, and Rory Stear, managing director of Hotel Broking Services, present contrasting views.

Outlook '93

"I would not be surprised if we saw a major shake out in the leisure industry during 1993 as owners review their positions and re-evaluate their assets.

"Few hotels have reported 'house full' conditions over Christmas and those that have say that guests have reduced their period of stay drastical ly, due both to the economic climate and in the belief that some resorts were overpricing.

"Buyers are well aware of the state of the market and are taking advantage of the situation with some very attractive deals being completed.

"They are, however, still drawn to the well-run hotel with proven profitability, and to bottle stores in prime positions.

"Also in demand and attracting excellent prices, are the recognised franchises like spur Ranches and Kentucky Fried Chicken outlets.

"The run-of-the-mill restaurant without verifiable balance sheets will find it difficult to find a buyer to offer much more than asset value.

"However, there is likely to be a positive side to 1993. For the wiser operator or owner, the year could be turned into one of consolidation and plans could be laid for opportunistic expansion.

"A sole proprietorship could, for instance, look for an association with one or two others to strengthen their hands in different centres or create a small chain.

"Meanwhile, there remains a major question mark over the future of gaming clubs and although all the efficiently run casinos are doing very well, there is very little trading in the industry.

"Those hotels that have managed to incorporate a casino successfully will continue to reap financial rewards from the peripheral business, but owners should regard this as a windfall and not consider a gaming club as a permanent part of the hotel's asset base."

SA tourist info on line in UK

LONDON. — Travellers to South Africa can now call a series of 24-hour telephone information lines in Britain to find out more about their holiday destination.

Callers can hear recorded messages offering help and information about subjects such as consular requirements, health, transport and accommodation.

The South African Tourism Board's office here is confident the new services will provide travellers with a higher level of support and information than was previously available. — Sapa

Hilton in Sandton hotel negotiations

RALPH LAZAR
and IAN HOBBS

(288)

LOCAL and overseas sources said yesterday the Hilton International Hotels group was negotiating a contract to operate a first class hotel in Sandton.

British-based Hilton corporate development spokesman Peter Riddoch, stressing that it was premature to make a detailed statement, said: "I can confirm that Hilton International has been examining opportunities and we are seriously interested in operating first class international hotels in SA. Discussions concerning the Johannesburg area are at an advanced stage."

Riddoch would not comment on plans for a new hotel in the Sandton area but stressed that its interest lay in "operating" hotels, with the construction and investment side being entirely South African.

A Sandton council official said permission had been granted recently for the construction of a large hotel in the vicinity of Sandton City. She would not name the hotel, but said town planning consultants Rosmarin & Associates had submitted the application to the council. The company declined to comment.

Industry sources said a deal could be announced on January 25.

RDM 14/1/93

Fancourt provisionally liquidated

Fancourt Hotels Pty and its exclusive resort in George will continue to operate, although Fancourt Hotels was placed in provisional liquidation in the Cape Town Supreme Court yesterday.

According to a statement by the group, the golf and leisure resort in George, which is managed by the international Orient Express hotel group, currently has a high occupancy rate and "will remain open for business".

Management

Fancourt said that according to the liquidators, the decision to apply for the liquidation was taken to consolidate the management of the Fancourt operating companies.

This was because "although the development vests in three companies, all three are inextricably interlinked".

The provisional liquidation of Fancourt Properties and Fancourt Holdings was granted in the Cape Town Supreme Court last month. — Sapa.

Wild Coast lures city gamblers

ST Times (Cape metro) 25/2/92

BY JEREMY WOODS

WHILE most local casinos have been closed down, Capetonians can gamble in a Tahitian tropical beach setting — without leaving South Africa.

That's the message from Alberto Chiaranda, managing director of the Wild Coast Sun, visiting Cape Town yesterday to announce a major redevelopment of the hotel and casino complex, situated on Natal's Wild Coast a few hundred yards over the Transkei border.

Transkei Sun International, which owns the Wild Coast Sun, has just spent more than R90-million turning it into a Tahitian tropical island resort, while expanding the casino's gaming areas.

The hotel also has a golf course and its own landing strip. 288

"But family holidays are our main market," says Mr Chiaranda, and to cater for children the complex has a children's centre, including a creche.

Tourism 'pays more than farming'

MARITZBURG — A recent study has shown that ecotourism generates 58 times more money than cattle-farming, says DP environment spokesman Rupert Lorimer.

Lorimer was reacting to a reported statement by ANC land spokesman Derek Hanekom — since denied — that the organisation was considering farming cattle in the Kruger National Park.

Lorimer said an experiment in the Limpopo area had shown that an annual R12 profit was made a hectare with cattle farming. This was contrasted with the money made by the Sabi-Sands ecotourist resort, which generated R700 a hectare.

Referring to a project which had been undertaken in Bophuthatswana, Lorimer said it had been shown that 80 jobs were generated by cattle farming and 1 200 by ecotourism.

Ecotourism was the most sustainable and one of the most profitable forms of land use, and should be seriously considered by a future SA government.

Environment Minister Louis Pienaar said he could "hardly believe his ears" when he heard the ANC's suggestion.

The suggestion was totally without reason as the Kruger Park was in fact making a profit. "To want to use the Kruger Park for farming is to kill the goose which lays the golden egg."

The private ecotourism industry around the park was a multimillion-rand investment which created tens of thousands of jobs, Pienaar said.

He said 90% of foreign tourists came to SA to experience the wealth of its natural environment.

For every 11 new tourists, one job was created in the tourism industry and two more in supporting industries. — Sapa.

Star 10/3/93

Hotels feel economic pinch

Durban will be left with only one five-star hotel — the Royal — when the luxury Maharani Sun is downgraded to a Holiday Inn Garden Court in September. The announcement, which has left employees in fear of retrenchments, was made at the International Travel Fair in Germany this week. Southern Sun group financial director Les Smith said yesterday the Maharani was one of 14 or 15 Southern Sun hotels which face the axe.

(288)

Drakensberg cableway plan

CT 15/3/93

288

Own Correspondent

DURBAN. — A group of developers and environmentalists are to meet in Qwa Qwa this week to discuss a proposed cableway in the Drakensberg mountains.

Plans for the cableway, to be built on the eastern side of the Sentinel amphitheatre, have been slated by some environmentalists.

Director of Bergwatch Mr Keith Cooper was reported at the weekend as saying that until all economic, socio-political, and environmental questions had been looked at and they were satisfied with the results, they would fight the proposed scheme by the Qwa Qwa government.

Dr George Hughes, director of the Natal Parks Board, said that although he was not opposed to cableways in principle, it would require very sensitive planning.

He said there had been plans for other cableways in the Berg in the past, but this was the only one he had heard of in recent times.

On Friday a meeting between developers, environmentalists and representatives of Lesotho will be held at the Witsieshoek mountain resort to elect a team to study the project.

1993

PROPE

Too few quality hostelries available to investors in SA

288

B/DAY 17/3/93

PETER GALLI

THERE is a shortage of good quality upmarket hotels and guest houses for sale as local and foreign investor demand increases, market players say.

"There is huge interest, especially from offshore buyers, but there is currently a shortage of hotels for sale and we are unable to satisfy the demand," says Pam Golding Properties' Commercial and Industrial division MD John Pistorius.

This is particularly true in the western Cape, where there is solid demand, but few upmarket hotels and guesthouses are available, he says.

Hotel Broking Services chairman Errol Finkelstein says hotel sales have shown considerable movement during the past three months and the "hectic interest" from the investment market is a sign of returning confidence in the hotel trade.

This sector of the property market has been subject to rollercoaster activity during the past year.

"A year ago there were signs of increased interest in existing hotels, resorts and restaurants, but the demise of Codesa 2 and events at Boipatong and Bisho stopped that process in its tracks," he says.

However, since October conditions "have changed remarkably". In this period HBS has concluded deals worth more than R18m including the sale of five hotels, a number of restaurants and a small distillery.

Pistorius says the group is currently finalising the sale of two western Cape hotels worth R6,5m.

Finkelstein says: "We are presently dealing with six foreign investors, including a representative of a Swiss consortium looking to invest R30m, a UK hotelier wishing to buy a hotel to manage himself and a German industrialist wanting to buy a hotel to be managed locally."

The weakness of the rand against most foreign currencies makes such deals very attractive to the foreign investor. Economic conditions have resulted in several distressed sellers, enabling cash buyers to get a good price — in many cases less than half replacement value.

"Given the present uncertainty, these investments carry quite some risk, but if the politics works out the investor will achieve a very high return," he says.

There is also active interest from Kenyan hoteliers. They apparently see mutual spinoffs in the relationship between the two countries.

However, while there are several smaller hotels for sale, many of these are in rural areas. Of the 60-odd available, many are off the major routes. "These are traditionally very difficult to sell, and the owners will have to look at alternative uses for them. We have had some on our books for more than two years that have seen no interest at all," he says.

Durban still has tourist appeal

B/DAY 17/3/93 (288)

PETER GALLI

DURBAN has not changed its image and is still a popular tourist destination, Greater Durban Marketing Authority tourism director Ted Hirst said yesterday.

"Durban remains a popular tourist destination for all race groups and has not changed its image. It remains 'all things to all people'," he said.

It was unfortunate that, with the downgrading of the Maharani Sun, there would now be no five-star hotel on the beachfront, but the three four-star hotels would be able to cater for the demand, he said.

"Between 70% and 75% of the 1,5-million tourists to Durban are visiting relatives and therefore the hotels and self-catering apartments constitute only a small percentage of the total number," Hirst said.

While hotel occupancies in Durban did not look good for Easter, this was the case in all major regions and was because these holidays had been "pushed into a long weekend", he said.

Our Durban correspondent reports that Fedhasa Natal chairman Alan Gooderson said the industry was hoping for a "last minute rush of bookings when people are more certain of their financial situations".

Durban will be left with only one five-star hotel — the Royal — when the Maharani is downgraded to a Holiday Inn Garden Court in September, an indication that SA's top hotels are in trouble.

The announcement, which has left employees in fear of retrenchments, was made at the International Travel Fair in Berlin, Germany, this week.

Confirming the news, Southern Sun group financial director Les Smith said the Maharani was one of 14 or 15 Southern Sun hotels in SA which would become Garden Courts.

Garden Court hotels do not have room service, mini-bars in rooms, porterage facilities built into the cost of the room or restaurants and bars on the scale of high-grade hotels.

The decision was prompted by "the fact that top hotels just aren't making money with the low occupancy rates they are getting" and "changing customer needs — people are seeking more value for money", Smith said.

Room occupancy rates at four- and five-star hotels in Durban and Umhlanga Rocks dropped from 67% in November 1991 to 59% in November last year, Central Statistical Service statistics showed. Bed occupancy rates dropped from 52% to 46% during the same period.

Smith expected the Maharani Sun's downgrading to be as "enormously successful" as changes to the Johannesburg Sun, which was converted to Garden Court status a month ago.

He blamed the problems on the violence in the country that was "prohibiting the free flow of overseas traffic at a growth rate that should be spectacular".

"We need the country to get through this tough political time, and when that happens I can foresee a shortage of hotels in this city," he said.

A Royal Hotel spokesman said the establishment was "definitely not looking at downgrading", although it was "feeling the pinch" along with the other hotels.

State to launch R110-m tourism booster

288 ART 18/3/93

Political Correspondent

THE government is launching a multi-million plan to boost tourism.

Generating more jobs and earning more foreign exchange are the chief goals.

A supplementary sum of R25 million is being included in the 1993/'94 Budget, in addition to R85,1 million in the printed estimate of expenditure — a total of R110,1 million.

The Minister of Tourism-designate, in consultation with the departments of Finance and State Expenditure, will design a programme to allocate the funds.

The Industrial Development Corporation "also is prepared to make up to R600 million available for loans to stimulate the tourism industry".

In addition, the depreciation period for certain refurbishment costs of hotels is to be reduced from 20 to five years.

"This measure, which has taken the economic lifetime of assets into account, will make an important contribution to increasing the supply of semi-luxury accommodation, for overseas visitors in particular," according to the Department of Finance's Budget Review.

It notes that "there is sufficient consensus that this sector has an important role to play in long-term development strategy.

"Tourism has the potential to make a vital contribution as a net generator of foreign exchange and as a job-creator.

"International experience also indicates that tourism promotes the establishment of small business."

However, the review adds: "In the nature of things, greater political stability and a down-scaling of violence and crime also will need attention in order to make South Africa a safe destination for tourists."

Various options for land use aired

Star 19/3/93

By ANITA ALLEN

INITIALLY, three options for land use of the Eastern Shores of Lake St Lucia were proposed: mining, tourism and forestry. Interested parties proposed another two: residential development and resettlement.

Agriculture was not considered viable due to inherently low fertility in the area, and the Department of Forestry agreed to phase out commercial forestry over the next 20 years.

Residential development was considered not feasible.

"Resettlement of displaced people as a land-use option was not considered during this EIA on the grounds that present government policy determined that the area would revert to conservation," the report says.

It was not within the brief of the EIA to comment on the legitimacy of resettlement claims. However, in view of the developments with respect to this issue in South Africa today, the report predicts that it is likely that valid claims will be settled by according some form of right.

The report concludes that both proponents of future land-use options on the Eastern Shores build this scenario and the possibility of accommodating the outcomes of such claims into their land-use plans. □

Star 19/3/93

Govt assurance

MINISTER of Environment Affairs Louis Pienaar has given an assurance that the Government's decision on the St Lucia mine would depend on whether the project would cause "irreparable harm to the unique ecosystems" of the area.

"No decisions will be taken by the government until the evaluations and recommendations of the review panel under the chairmanship of Mr Justice Leon are available," he said. — Political Staff. □

Star 19/3/93

Parks Board plan for lake 'impractical'

(288)

By ANITA ALLEN

THE nature conservation and tourism option for development of the Eastern Shores of Lake St Lucia as proposed by the Natal Parks Board (NPB) would have major negative impacts, the Environmental Impact Report collated by the Council for Scientific and Industrial Research (CSIR) concluded.

It went as far as to recommend that the NPB review its basis for planning and management of ecotourism for the whole Greater St Lucia Wetlands Park.

The extent of ecotourism development proposed by the NPB for the Eastern Shores would result in high negative impacts on the environment due to large numbers of tourists. This would extend to the wetlands through trampling as well as infrastructure and chemical pollution of freshwater systems due to sewage and waste.

The NPB proposal involves increasing the present accommodation capacity within the Eastern Shores and its environs from the present 426 beds to 2 774 beds by the year 2012, representing an annual growth rate of 12 percent. The report concluded that this was a highly improbable scenario given that the present capacity of the Kruger Park, an area 160 times larger than the Eastern Shores, is currently 4 018 beds.

The NPB proposal was unlikely to be realised given constraints on capital funding, scarcity of managerial and other skills needed and the probable resistance to such intense development.

The report concluded that the most plausible scenario was 1 500 beds by 2012.

The increase in light-vehicle traffic that would arise from NPB's proposal would be from about 100 vehicles to around 1 000 a day, the report concluded. This would have high negative impacts in the long term on noise levels, visual qualities of the Eastern Shores scene and on quality of wildlife viewing.

To mitigate these negative impacts, the report recommended careful siting of development nodes and placement of electrical cables, telephone links and water pipelines underground. It also called for effective policing of noise levels and restrictions on the number of vehicles.

It noted that the NPB proposal focused on the provision of hutted accommodation on the Eastern Shores, but recommended that other options needed to be evaluated.

Dealing with economic impacts, the report concluded that mining had significant economic advantages. If ecotourism without mining was allowed there would have to be mitigatory action to offset economic losses to the country.

It recommended that the basis of planning and management for ecotourism in the subregion be reviewed by the NPB to establish systems and approaches that would maximise social and economic benefits for the communities.

The NPB, as a non-profit organisation, could not allocate a portion of its profits to social responsibility programmes, the report noted. To ensure that needs and concerns of local people were addressed, the report recommended:

- Ecotourism operations be devolved to the private sector to ensure greatest financial and economic value.
- Private-sector operators should be required to have social responsibility programmes along the lines of major SA companies.
- Private-sector operators should be required to observe development guidelines and pay a portion of their profits to the NPB or relevant conservation authority.

Ecotourism without mining, the report concluded, would have a high positive impact on the perceptions of those who find intrinsic value in the Eastern Shores as a wilderness. This would be felt at the national and international level.

Nevertheless, the report recommended rapid development of ecotourism infrastructure for the following reasons:

- To cater for the growing tourist industry.
- To provide necessary employment and other opportunities that would ensure the acceptance of conservation, without mining, by the local people.
- To provide an attraction for foreign tourists and in so doing to attract foreign exchange.
- To provide a source of funds to facilitate sound ecological management. □

Hotel costs are 'killing tourism'

(288) CT 24/3/93

Own Correspondent

DURBAN. — The cost of hotels in South Africa is "a major stumbling block" in attracting foreign tourists to our shores, says Satour.

Mrs Derina Holtzhausen, head of Satour's corporate communications department, was responding to allegations from Standard Bank group economist Mr Nico Czpionka that the cost of hotels was "killing tourism in South Africa".

'Problems'

"All our research indicates that prices are a major stumbling block in attracting overseas visitors," Mrs Holtzhausen said.

She said it was "one of the problems most cited by tourists visiting South Africa".

"Even with the favourable exchange rate foreigners are finding they don't get as much value for money here as in overseas hotels," she said.

Mr Czpionka had stayed at Umhlanga's Beverly Hills Hotel and claimed it was vastly overpriced at R700 a night, drawing a protest from Fedhasa chairman Mr Alf Sudheim that the hotel was "not excessively overpriced".

A survey carried out yesterday of five five-star hotels in Durban, Cape Town and Johannesburg found the Beverly Hills Hotel near Durban to be the most expensive.

It was also the only hotel that included breakfast in the price. The other hotels offered breakfast for less than R30.

Rate

A night at the Beverly Hills Hotel for two would set guests back R740, while Durban's Royal Hotel quoted a double-room rate as R460.

Johannesburg's Sandton Sun charges guests R600 for a double room.

The Mount Nelson Hotel in Cape Town asks R660 a night. A night in a double room at the Cape Sun would cost R660.

Tourism 'needs halt in crime'

DURBAN. — Unless violence could be controlled, South Africa's tourism industry would not achieve a 20% growth rate this year, Minister of Tourism Dr Org Marais said last night.

Addressing a Fedhasa Restaurant Guild function, he said the astronomic rise in crime rates in major cities was having a decidedly negative effect on turnover.

The police had announced a new 10-point plan to combat crime and violence in co-operation with organised trade and industry. "Where tourism units are already operational, there are encouraging reports of a drop in crimes like bag snatching and stabbing."

"Although the private sector can provide large amounts of capital to build and upgrade hotels, the government would also have to provide incentives aimed specifically at generating growth in centres with tourism potential," he said. — Sapa

CT 27/3/93

New bill about to shake up tourism

CT 26/2/93 (288)

PARTICIPATION in the star-grading system for hotels is set to become voluntary as a result of the consolidated Tourism Bill published in Parliament yesterday.

The bill, an amalgamation of various legislation, is aimed at deregulating and promoting tourism.

A new Tourism Board is to be introduced, which will have legal standing. It will have the power to revise criteria required for gaining a particular star status — or to scrap the star system altogether.

Under the new legislation, establishing a hotel will be easier, although the government will not assist in the marketing of the hotel if it is not part of the new voluntary system.

The bill, if passed, will authorise the tourism minister to establish voluntary grading systems for prescribed sectors of the industry, such as hiking.

Tourism could earn SA R24bn

(288) ET 22/2/93

Staff Reporter

SOUTH AFRICA could earn as much as R24 billion in foreign exchange through tourism by the year 2000, Satour tourism promotion chief director Dr Ernie Heath said at the weekend.

Announcing a three-year international plan to "aggressively" market South Africa, Dr Heath said Satour planned to attract 960 000 visitors in 1995 and 1 750 000 a year by the year 2000.

"At the end of the century this will mean 40 000 additional direct jobs and 80 000 indirect jobs in the tourism industry," Dr Heath said.

The plan includes public relations projects and advertising campaigns to highlight key tourism features such as South Africa's scenic beauty and animal life, and encouraging articles on South Africa in overseas publications.

"Tourism can be a key mechanism in the upliftment of all South Africans in the long term," he said.

However, Dr Heath warned that there were "some local factors that must receive urgent attention", such as improvement of service quality, more competitive pricing strategies and the improvement of productivity levels in the tourism industry.

He said that while prospects for tourism were favourable, the personal safety of foreign visitors was important.

"It is therefore very important that the political turbulence and violence in South Africa come to an end as soon as possible," Dr Heath said.

● Captour chief executive Mr Gordon Oliver said yesterday his organisation continues "to aim at making the Western Cape an all-year round destination, and we are vitally interested in what Satour is doing".

Service with a snarl

Times Buss 21/2/93. (288)

By TERRY BETTY

SOUTH AFRICANS need to jack up their services and put a smile on their faces if they want a bigger bite of the international tourism market.

A Markinor survey on foreign tourists' impression of SA shows that local service standards have slipped.

Where 91,8% of tourists thought of SA as a friendly country in 1988, this has slipped to 71%.

Opinions of helpfulness has slipped from 80% to 67%, and the quality of service has fallen from 70% to 54%.

Yet despite this, the overall impression of the country has remained stable.

Satour chief director Ernie Heath says another feat for the industry was that, despite the unstable political climate, SA had 12% more tourists in 1992 than in 1991.

Visitors to SA from the Far East showed the highest increase of 52,8%, although the UK, Germany and America still remains SA's largest market.

The survey shows that most people come to SA for the wildlife, but leave having enjoyed the scenic beauty more. The climate is also a popular drawcard.

As can be expected, the largest deterrant to tourists is the fear for personal safety.

Dr Heath says SA was on target to achieve an 18% increase in tourism last year, but this dived after the Bisho and Boipatong incidents.

"In previous research 70% of the visitors rated personal safety as good compared to 25% in this study."

As a result of the survey Satour is working on a strategic framework to develop tourism.

Boost for tourism — old law to be scrapped

LEGISLATION governing the tourist industry is to be scrapped as part of efforts to stimulate and develop the industry, says Tourism Minister Dr Org Marais.

"In keeping with government's commitment to deregulation, the present five Acts governing the industry will be repealed and a new consolidated Tourism Act will be tabled in the coming week," he said in a statement yesterday.

He made the announcement shortly after meeting tourism ministers from Transkei, Bophuthatswana, Venda and Ciskei in Cape Town. The Economic Community of Southern Africa meeting discussed the future of the Southern Africa Tourism Region.

Dr Marais said the draft Bill would contain a provision for voluntary registration by the accommodation industry. Satour was consulting two steering committees concerning registration.

The Bill is one of the actions flowing from a White Paper on Tourism drawn up after a conference aimed at promoting co-operation in tourism in Southern Africa. Fourteen states attended the meeting in October 1992.

The paper was launched at Satour's Indaba in Durban last year.

Dr Marais said important developments have taken place in the tourism industry since the Indaba, adding Satour had developed a three-year international markethng strategy and a three-year tourism development strategy.

Among the developments were that interest subsidy programmes and/or an accelerated write-off of development and refurbishing costs for income tax purposess, were being investigated.

This was aimed at assisting in the development in new tourism projects and the upgrading of existing facilities, the minister said.

Proposals to this effect had been drawn up by a task team consisting of Satour and Fedhasa representatives. And proposals by the Industrial Development Corporation had been submitted to the Department of Finance for consideration in the next Budget, Dr Marais said.

Steps had also been taken to overcome the existing fragmentation in training. These were expected to culminate in a single tourism training body.

"Satour will shortly be facilitating the development of an overall tourism strategy," the minister added.

In another development, relevant sectors of the travel industry are to submit proposals for a code of conduct by the end of March.

Also, the Competition Board is reviewing all regulations, with a view to removing any impediments to the development of accommodation establishments.

A new management policy for state airports takes effect on April 1. — Sapa.

Govt bid to stimulate tourism with new law

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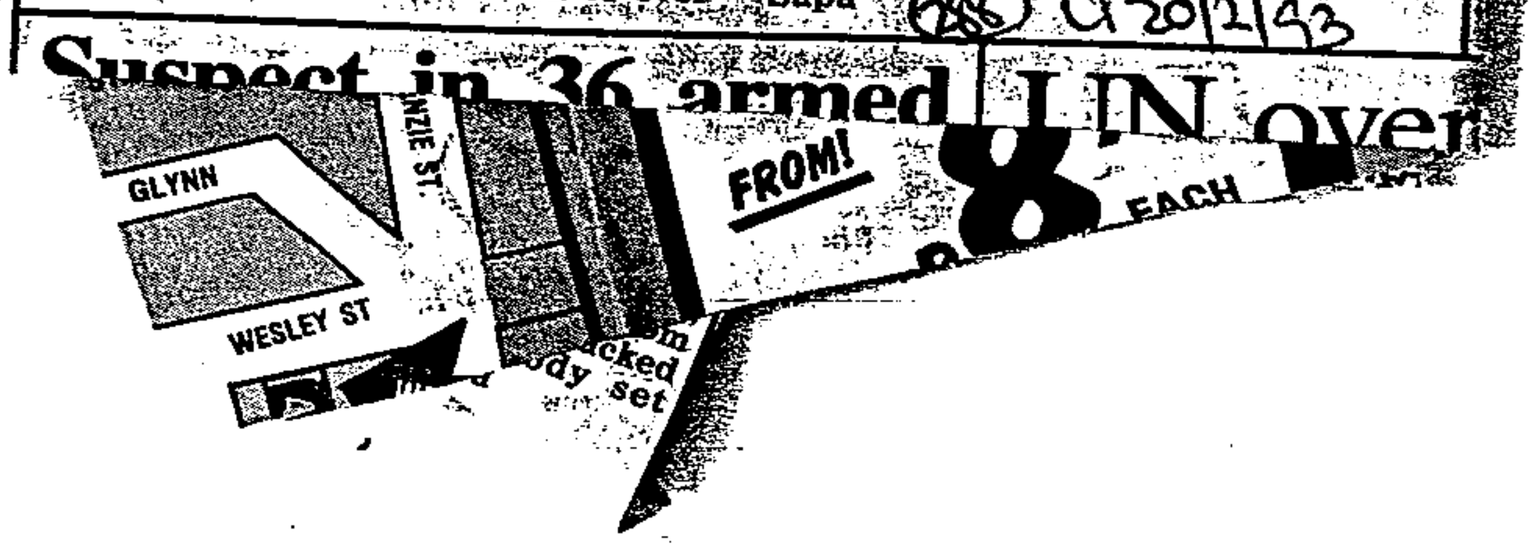
(688) CT 20/2/93



Casino ban dents hotel revenues

Own Correspondent

DURBAN — Some Durban hotels had lost hundreds of thousands of rands since the recent forced closure of casinos, it was disclosed yesterday.

Hoteliers are expecting a more lucrative Easter holiday season than last year, however, after improved crowd control and better publicity for the city during the Christmas break, said Fedhasa Natal chairman Alan Gooderson.

Casinos, many of them operating at hotels, were forced to close or face prosecution at the end of January after Justice Minister Kobie Coetsee refused to extend a moratorium on prosecutions.

The Edward GM Gerhard Patzer said "apart from the lost revenue from gaming, we have also had a decrease in the number of people coming to eat and drink since the ban.

"There has been a definite downturn in our restaurants and bars — our beverage sales have dropped by 25% and our restaurants have seen at least a 10% loss," he said.

Gooderson said he hoped the Howard Commission report on gambling, when it was released, would recommend that casinos be allowed back into graded hotels as the industry was having a rough time.

Police probe rebel 'army'

PRETORIA — A police investigation to establish whether the so-called SA Republican Army (Sara) existed was continuing, SAP spokesman Capt Nina Barkhuizen said yesterday.

She was reacting to claims by Sara — purportedly made up of returned exiles opposed to the ANC — that it was holding an Apla operative who was involved in attacks around the country.

Sara spokesman Douglas Ndlovo reportedly said his organisation's "high command" would decide on February 27 if the Apla operative, codenamed Painter, should be handed over to government. This was, however, subject to demands, including that the ANC surrender all its arms caches to government.

Police last week cautiously noted Sara claims of responsibility for assassinations of ANC supporters, including that of ANC Natal Midlands deputy chairman Reggie Hadebe.

Law and Order Ministry spokesman Capt Craig Kotze said that until Sara's existence was confirmed, it had to be borne in mind that some organisations claimed responsibility for massacres for propaganda purposes.

He warned against propaganda ploys, citing Apla claims of responsibility for incidents in which it had not been involved. — Sapa.

Timeshare prices down nearly R2 000 a week

Own Correspondent

DURBAN — The prices of timeshare weeks dropped from an average of more than R10 000 in 1991 to R8 250 last year, RCI Southern Africa MD Steve Griessel told the 1993 Timeshare Institute of SA convention at the Wild Coast yesterday.

But the sale of new weeks was down by a mere 1,1% at 23 000.

"Although 21 400 new owners bought timeshare in 1992 (23 000 new weeks), the average price showed a decline of 17,5% on 1991, which resulted in a 19% drop in the rand turnover for the year (total sales R190m)," Griessel said.

He forecast that timeshare prices could show another drop this year, but believed that, given the right political, economic and international circumstances, there could be a boom in two years' time.

He stressed that the southern African market had not reached saturation point. There was room for expansion in Cape Town, where sales had improved, and inland.

The industry had shown great growth in the second half of last year, partly because of the price discounting and because of the Timeshare 2000 launch in October. This had seen the start of a cooling off period, where buyers were given time to change their minds on a purchase.

Griessel also pointed out that in spite of the fact that 30 organisations had gone into liquidation over the years, only about 1 000 people had lost their rights.

In the past three years the number of sales staff involved in timeshare had dropped from 1 400 in 1990, to 800 in 1991 and 400 in 1992.

Southern Sun Group MD Ron Stringfellow told the convention that SA's hotel industry was in for another two tough years and the slogan now was "Stay alive till '95".

He blamed local and international recessions, political uncertainty and violence for much of the problem.

Internationally, the airline and hotel industries had been hit by the recession. The public believed that travel was non-essential — business could be done by fax and phone; and hotels were capital intensive — it cost R750 000 a room to build a five-star hotel.

On tourism, Stringfellow said SA had only 200 000 genuine tourist visitors a year, if one discounted business travellers and those visiting friends and relatives. This represented 0,07% of the world tourist market.

Satour had a limited budget — Australia's allocation to tourism was 15 times SA's.

Nonetheless, Stringfellow believed that SA's tourism industry had the potential to outstrip gold and become the driving force in turning the country's economy around.

Hotels report mixed Christmas occupancies

B1 DAY 5/2/93.

(288)

KELVIN BROWN
and MARCIA KLEIN

PRESSURE on consumer spending and foreign tourists' reluctance to visit SA has seen hotel groups report mixed occupancies for the peak holiday season.

Industry players said a few major resorts had attracted local and international visitors, putting occupancies at more than 80%. But some hotels reported occupancies of only 40%, way below break-even point.

Protea Hotels MD Arthur Gillis said yesterday the past holiday season's occupancy levels were similar to those a year earlier and slightly better than expected.

It was a good season for Cape Town and the Garden Route, but people stayed away from the eastern Cape, Transkei and Ciskei as these areas were seen as too dangerous. Natal did well, the eastern Transvaal was quiet and Johannesburg did better than expected, Gillis said.

Captour PR Lauren de Wet said her organisation recorded a 35% increase in visitors to its main tourist information centre in Cape Town compared with December 1991.

Sun International MD Ken Rosevear said his group had had mixed occupancies. Sun City's four hotels reported an 89% occupancy rate compared with 83% for three hotels in the previous year. Promotional efforts had paid off, and interest in Lost City had been high.

The Wild Coast Sun, which experienced problems after violence in the area, had an 82% occupancy against 75% a year earlier.

Occupancy across the group was 63% compared with 65% in December 1991, indicating that other resorts, particularly in Ciskei, had not fared well.

Karos marketing director Stan Hoffman said his group's business in Cape Town was good, in Durban and the inland resorts it was satisfactory, but in the southern Cape it was disappointing.

Durban Unlimited (former Durban Publicity Association) economic development GM Thabo Mpakanyane said Durban fared better than in previous years.

Southern Sun's Durban hotels booked 2 600 more bed nights than a year ago.

Three Cities Hotel group operational director Clive Bennet said beachfront occupancies were still substantially down in comparison to six years ago.

Three Cities Hotel group MD Nick Martin said killings at the Wild Coast and Sodwana Bay sparked cancellations from foreign tourists.

He expected more misery for the industry in 1993, with occupancy levels much the same as — or lower than — in 1992. The economy had affected the number of South Africans staying at local hotels while violence was keeping foreigners away.

R3,95m asked for 'The Mouse'

B/Day 27/1/93

2&8

THE renowned Granny Mouse's Country House hotel in the Natal Midlands has been put on the market for R3,95m.

Owner Richard Poynton says he is selling "The Mouse" as he has been given the go-ahead to pursue a new development in the Drakensberg.

"Unfortunately, economics have dictated the sale as we do not want to borrow money for the new venture. We have 400 acres in the Giants Castle region and need the money to develop this."

However, he stressed the hotel would continue to operate as normal until a buyer had been found and a decision taken on what would be done.

The hotel is on about 30ha bounded by the Lions River, and 19 cottages are offered as well as amenities like conference facilities, restaurants and walking trails.

Poynton said other possible uses for the development included turning it into an upmarket conference centre; a corporate getaway; a syndication for private schools or racehorse owners; a private country estate; headquarters for a national company or a health hydro.

"So far I have been approached by a prospective German buyer and a group of investors in Durban, but nothing material has developed yet. The property was recently refurbished, and a buyer could move in right away."

The new Drakensberg development was still in the planning stages and plots would initially be sold under share block or sectional title.

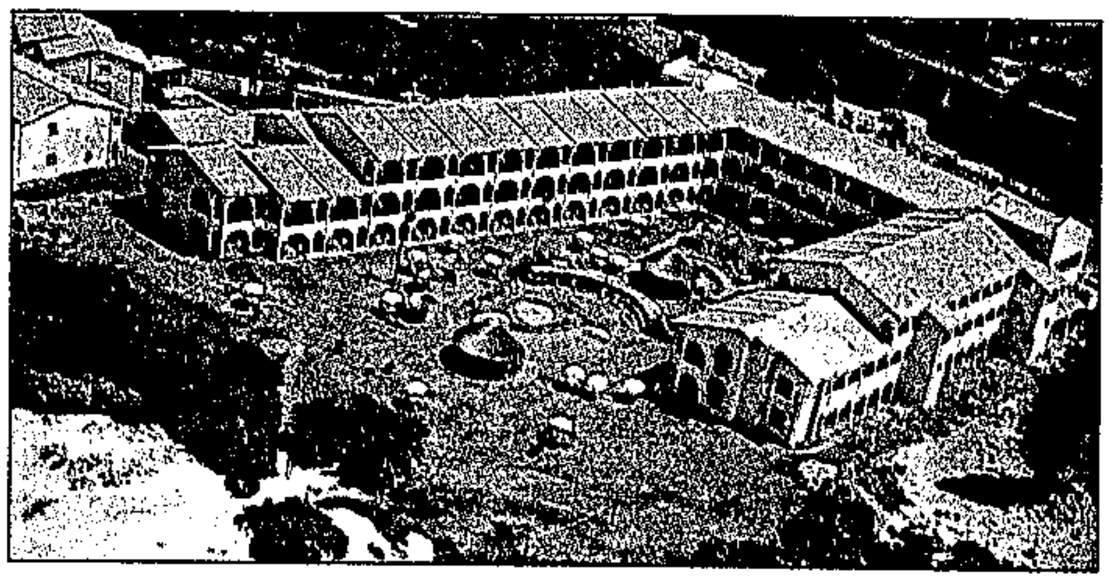
Poynton is hoping it will be ready for launching by December. A hotel aspect is also planned, but at a later stage.

CABANAS DEL MAR AND DEL SOL

Developers propose a rescue

The developer of timeshare resorts Cabanas del Mar and Cabanas del Sol on the Natal south coast was due to meet Resort Condominiums International (RCI) earlier this week to put forward a proposal for a rescue of the provisionally liquidated schemes.

Bondholder Metboard brought the liquidation application against the shareblock companies on October 20 this year, after capital and bond repayments fell into arrears. Metboard also gave the developers a five-month period of grace to seek additional funding from shareholders and, when this lapsed, it began proceedings (*Property* December 4).



Cabanas del Mar ... *would it a bargain at R70 000 a unit?*

At the time of going to press, Cabanas Marketing directors Renier van Loggerenberg, Harold Hees and Willem Erasmus were still finalising their new rescue plan, which they believe is "brilliant", as well as a list of their shareblock debtors.

Van Loggerenberg attributes the absence of cash in the estates of the two resorts to the failure of timeshare owners to pay their levies and even the full amounts of money owing for their shares. "The total amount involved is enormous and every effort was made to collect these debts, but without success," he says.

The essence of the proposal he plans to present to RCI is that the 4 000 shareholders in the shareblock companies of Cabanas del Mar and del Sol pay a special levy. This would range from R325 for low-season weeks to R2 475 for in-season weeks in the case of Cabanas del Mar; and from R755 to R5 700 for Cabanas del Sol. The money would pay off the outstanding bonds owed to Metboard amounting to over R5m and an estimated R100 000 to other creditors.

In order to trace shareholders and get back shares, Van Loggerenberg says he would apply for a court order in terms of Section 311. His other problem will be to get a substantial number of them to agree to these terms.

Van Loggerenberg hopes First National Bank will chip in on behalf of those shareblock owners unable to meet these payments. FNB operates Leisurecard for RCI members — which is used to buy timeshare and pay for other holiday expenses at RCI resorts. Leisurecard membership also provides a 15-year guarantee of timeshare holidays in the event of a development's failure. But since Leisurecard has only been operating for 18 months, it remains to be seen how many Cabanas owners are entitled to it and, conversely, whether FNB would be prepared to consider the rescue.

To further boost shareholders' funds, the directors propose to cede to those who contribute all the unsold units in the two schemes — Cabanas del Mar's 80 units and Cabanas del Sol's 41 units are 85% and 60% sold out respectively. But they add that "these figures were true before a large number of shareholders defaulted and contributions had to be cancelled."

They also propose to cede to shareholders all the debtors, which they estimate to be R1,071m for Cabanas de Mar and R1,335m for Cabanas del Sol. Naturally, the directors, who own both the unsold stock — worth R1,8m (in Del Mar) and R3,7m (in Del Sol) — and the debtors, would cede their own rights to this money to the shareholders.

Should shareholders accept, Van Loggerenberg says the liquidation order would be reversed and shareholders would stand to make a profit which could either be used to offset their levy funds, or simply be paid out as a dividend to shareholders.

As for the deteriorating Cabanas del Mar, Van Loggerenberg's proposal to shareholders is that they build a new scheme on any one of a number of vacant pieces of ground already identified (including Winkelspruit) along the south coast, using proceeds from the sale and conversion to sectional title of this particular resort.

He believes that by offering the two-bedroom units on the market at R70 000 a piece — "a bargain basement price" — "the units would be snapped up in no time." The beachfront building could also be an excellent old-age home.

But in this scheme of arrangement, shareholders would be duty bound — according to Van Loggerenberg's plan — to build a new timeshare scheme and use the drawings prepared by an architect and another shareholder in Cabanas del Mar.

"I of course would be available to assist and consult at any point in the process," he says. ■

DURBAN

Signs of bottoming out

There is growing evidence that the industrial, commercial and retail property markets around Durban may have bottomed out. But taking on a larger commitment at this stage is probably only for the bold — it may be premature to expect dramatic gains.

J H Isaacs (Durban), one of the area's leading brokerages and property management companies, has taken a mildly bullish view of the market. In a just-published analytical property survey, it concludes that

CONTINUED

PHOENIX PLAZA NEXT

Sanlam Properties is to develop a R60m shopping centre in the Indian town of Phoenix, north of Durban. Investments GM Fanie Lategan says the 17 000 m², single-storey, air-conditioned Phoenix Plaza will have more than 100 retail outlets, including a supermarket, banks, fashion and fast-food shops. There will be 1 179 parking bays.

George Skinner, CE of Coreprop, marketer and manager of the centre, says 80% of the space is already let. Building on the 62 531 m² site starts this month with completion scheduled for November next year.

When the centre is finished, it will push the value of Sanlam's Natal shopping centres to R664m with about 217 600 m² of retail space. The largest of these is the 36 200 m² Chatsworth Centre.

Phoenix Plaza will serve a population of about 190 000. Lategan estimates the R60m capital injection into Natal should create about 350 jobs during construction. He adds: "Based on the Chatsworth experience, we expect Phoenix Plaza to generate 400 permanent jobs and 100 semi-permanent jobs for locals. It will also pay about R240 000 in annual rates and taxes."

One billion rands to tame the Wild Coast

w/Mail 8/1-14/1/93 (288) ~~1075~~

A property group has raised a billion rands to turn the Transkei coast into a prime holiday spot. The Holomisa government has insisted that the scheme show sensitivity to the local people and to indigenous wildlife.

By EDDIE KOCH

A SOUTH African consortium has raised about R1-billion in foreign capital for an ambitious development programme that will turn the Wild Coast of the Transkei into a prime tourist destination.

If the deal, which is still at a delicate stage of negotiations, comes off it will turn the Wild Coast into a serious rival for both Cape Town and Durban as the country's prime tourist destination.

The Transkei government appears determined that the scheme promote rural development in the communities that dot the homeland's coastline and not damage the homeland's beautiful but fragile marine ecology.

General Bantu Holomisa has begun negotiating with the Cape Town based firm, Finland Property Services, to build a giant chain of tourist facilities along a stretch of the Wild Coast between Port St Johns and Port Shepstone.

Representatives for Finland Property Services were reluctant to comment this week on the plan, saying that negotiations with the Transkei government and its consultants were still in a delicate stage.

But sources close to the company report it has already raised about R1-billion rand from foreign investors, most of them based in Germany, and that the entire project will cost some R5-billion to complete.

The Transkei government has employed consultants from the Wildlife Society of Southern Africa to ensure that the tourism scheme will not go the way of Natal coast developments by devastating rare coastal forests and coastal ecosystems.

The Transkei has some of the last remaining indigenous dune forests in the country and some 300km of coastline which has remained largely unspoilt because of a lack of previous development there.

And in a unique move, Holomisa is reported to have hired a team of consultants whose brief it is to ensure that rural communities along the coastline will have control



Peaceful on the wild side, but for how long?
Photo: KEVIN CARTER

over the way in which the scheme is implemented as well as a say in the distribution of profits generated by the tourism project.

The sources say Holomisa is enthusiastic about the project and is aware that ecotourism has the potential to become the springboard for a wider rural development programme in Transkei.

The government is reported to be especially concerned that the project will cause large-scale social dislocation if rural people flock to the coastline and abandon the region's already depressed rural hinterland.

"It is clear that tourism is the Transkei's major asset but the government is aware that it needs to be used in a way that does not repeat the mistakes made, for example on the south coast of Natal," said one of the sources. "The project must be managed in a way that offsets the negative aspects of commercial tourism, especially environmental damage and massive demographic changes. We don't want to turn this into another Natal situation."

According to sources, the scheme has its origins in a plan to convert a five-kilometre strip of coastline between Port St Johns and Mkambati in the north into a game reserve and then build tourist facilities at various spots along the coast.

It has since been expanded and the Transkei government wants the developers to look at a 280km stretch of coastline that includes regions south of Port St Johns as well.

Grand Prix brings hotels and car-hire boom

JOHANNESBURG hotels and car rental agencies were fully booked with floods of foreign visitors in town for Sunday's Formula One Grand Prix at Kyalami, industry spokesmen said yesterday.

Avis MD Grenville Wilson said his cars were all booked and the car rental industry could expect to do business worth about R5m during the Grand Prix period.

Motor Racing Enterprises has said about R120m in foreign exchange was earned by SA businesses as a spinoff from last year's Grand Prix. The earnings fully justified government's decision to support the event with a R17m grant, MRE said.

RAY HARTLEY

Wilson said the 650-strong foreign media contingent was responsible for many of the bookings. "I just hope there's no fire (in the parking lot). Last year, we lost a few cars there," he said.

Hotel spokesmen said many hotels were fully booked with foreign drivers, engineers and media related to the Grand Prix.

One Sandton hotel said 200 of its 300 guests were international visitors here for the Grand Prix.

Meanwhile, Kyalami's pit lane was a hive of activity yesterday, as engineers began assembling Grand Prix cars in preparation for Friday's practice session.

Attention centred on the adjoining McClaren and Williams pits where arch rivals Ayrton Senna and Alain Prost have parked their cars ahead of the big race.

● See Back Page

Not-so-grand hotel

W\Mail 15/1 - 21/1/93. (288)

Recession and room prices pitched at dollar-rich tourists have put luxury hotels out of the reach of the average South African. New minimal-frills hotels are taking up the slack, reports

BARBARA LUDMAN

THE Johannesburg Sun will be a 673-room sign of the times when it's relaunched rather far down the ratings ladder later this month.

In the technically separate City Lights entertainment centre, in sites formerly occupied by some of the city's most expensive restaurants, there will be a revue bar, an electronic games arcade, affordable eateries and, eventually, a movie complex.

The Johannesburg Sun, built seven years ago as a five-star hotel, has been converted into a "Holiday Inn garden court", which is what the Southern Sun group calls its "limited service" establishments — where you pay by the room, not by the person; carry your own bags, do your own ironing and go out to find your own dinner.

For years, City Lodges — founded by hotelier Hans Enderle around the time the Johannesburg Sun was launched — were the only hotels around offering good, minimal-frills accommodation at low prices.

Suddenly, there's competition. Everybody's getting into the act — and just in time.

In a recent survey commissioned by Satour from Markinor, South Africans said they avoided hotels because they were too expensive. The researcher found "strong resentment against hotels and their price structure" and a suspicion that hoteliers catered mainly for overseas tourists and were "not interested in the local holiday-maker".

They're not far wrong, at least at the top of the range. Hotels like the Sandton Sun are there for people who expect luxury and think R400 a night is reasonable, and there aren't many South Africans who fit that description. According to group managing director Ron Stringfellow, most of the five-star Southern Sun hotels attract a predominantly foreign clientele; four-star hotels and Holiday Inns (Southern Sun has owned Holiday Inns for years) tend towards a 50/50 mix; but with the garden courts, the balance begins to tip towards local tourists.

Garden courts aren't the cheapest of this new species of hotel. That distinction belongs to the Formule 1 chain, where you pay R74 a night for a room that sleeps three people — plus an extra R6 if you want to perch on a stool at breakfast time for rolls from Mr Crusty and a cup of good coffee.

Formule 1 is a French hotel chain; managing director Roland du Trevou, who used to manage Le Morne in Mauritius, managed to sell Southern Sun on the concept and put a deal together. The first small hotel, which opened a year ago near Jan Smuts airport, has done so well it stands fifth in bookings in the Formule 1 group worldwide. Another opened in December next to the Hillbrow fire station; a third will be ready for business next month near the industrial area off the M1 Sandton/Wynberg exit.

You can come and go in a Formule 1 hotel and never see a living soul if you time it correctly. At 10pm the doors are shut; you register with a credit card via an ATM placed outside, which gives you your room number and key code. You punch that in to open the front door and your room door; there are no keys.

The brightly-painted room, 11m square, is designed to look as if one has a bit of space in there. A bunk bed is placed above the top of the double bed, almost like a headboard, and next to it is a rail with four hangers. A triangular desk is set into a corner; a TV set and alarm clock hang above it. Where one finds a cupboard in conventional hotel rooms there's a room with a shower and toilet.

The only telephones are public pay phones in the corridor. There is no room service, no valet service, no hairdryer. There are no extra charges — so no checkout lines.

The Berea hotel attracts twenty-something travellers, people on a "looking around" visit from Zaire and Zimbabwe, commercial travellers, French tourists who know the marque, people in town for a day or two only, generally on business. Du Trevou hopes firms and factories will put their trainees up in the Sandton hotel.

"We are the Volkswagen of limited service accommodation," he says. "City Lodge is the Mercedes."

A City Lodge room is absolutely luxurious compared with Formule 1's; rather larger with pictures on the wall, a hairdryer, a hanging cupboard for clothes. You pay by the person, not by the room. There's only breakfast provided, but you eat it in a restaurant next to the lobby; there's even a pool and a ladies' bar, and the vending machines offer beer and wine as well as Liquifruit.

The group has devised a smaller, cheaper brand: a Town Lodge, with smaller rooms and a shower instead of a bath. Both versions are aimed at business travellers: "Businessmen don't need two or three bars or restaurants, because they're going to be taken out for lunch and dinner," says operations director Clifford Ross. "They don't have to pay for large conference facilities they're not using."

It's a growing concept. City Lodge, which opened its 10th hotel last month at the Waterfront in Cape Town, plans two a year for the next five years. Formule 1 intends to hit the magic 10 by next year, with 40 by the year 2000. Even Karos, in a bid to compete with the revamped Johannesburg Sun, has converted the Johannesburger into a R99,50 bed and breakfast hostelry with a second person staying free — essentially picking up on the notion of paying by the room, not by the person.

Not everyone's moving into the market. The Carlton, long may it thrive, continues upholding a high standard. Protea, which runs privately-owned hotels on management contracts, is actually upgrading some of the more luxurious establishments, like the Braamfontein, which already offers only suites, not rooms.

But, says regional director William Ford, luxury is expensive. The wage bill in the South African hotel industry, he says, is higher proportionately than almost anywhere else. So there's a worldwide trend towards limited service, aimed at a "particular niche market — people who do not need a full service hotel. They're happy just to buy a bed and not to see any staff."

It's the cost of staff and the cost of capital that have made the limited service concept attractive to hoteliers, says Stringfellow. And they're working. The group owns nearly half of the three, four and five-star hotel rooms in South Africa, but it's their limited service hotels that show the highest occupancy rates.

"We are going aggressively at the one and two star hotels," he says. "There's an element of down-trading. That will change when the recession ends."

Stringfellow sees it as a pyramid, with the Sandton Sun at the top and a plethora of Formule 1s at the bottom. He believes local travellers will move up the pyramid, with people who have never been able to afford hotels taking their place. After all, "there's a whole population of new hotel guests that have never been catered for".

Cheers for the new liquor bill

288 CT 15/1/93

Changes to favour tourism

Staff Reporter

SWEEPING changes to the liquor laws that will scrap restrictions on restaurants and allow certain wine farmers to trade on Sundays have been widely welcomed.

The Liquor Amendment Bill published this week, which will go through Parliament soon, proposes that wine and malt restrictions in restaurants be scrapped.

Wine estate owners with a producer's licence have welcomed the news that they will shortly be permitted to trade on Sundays.

Hotel liquor licence holders who are members of the South African Tourism Board's voluntary grading and classification scheme will be exempted from all restrictions on liquor sales.

According to a memorandum attached to the bill, restrictions on the hours, days and circumstances under which hotels can serve liquor are not beneficial to tourism.

The ban on serving liquor in restaurants to people not having meals will be scrapped because it restricts entrepreneurship and is difficult to enforce, according to a memorandum attached to the bill.

Bottle stores will be open to trade on non-religious public holidays and remain open until 8pm in the week. On Saturdays bottle stores will be able to remain open until 5pm.

The maximum penalty for selling liquor to people under 18 will be doubled from R10 000 to R20 000.

Captour chief executive Mr Gordon Oliver said he was encouraged to see that the government was now more attuned to the needs of the industry. "Foreign visitors just can't understand why we don't trade on Sundays," he said.

The managing director of Neethlingshof, Mr Francois Theron, said he was "delighted" that he would be able to trade on Sundays, as his business was geared to tourism.

A managing director of one of the larger liquour groups, Mr Boetie Rietoff, said he welcomed the longer trading hours, but believed people should be required to present identification to ensure sales were not made inadvertantly to persons under 18.

Bottle stores will not be permitted to trade on four religious public holidays — Good Friday, Ascension Day, the Day of the Vow and Christmas Day.

Good news for hostelries

STAR 15/11/93.

By Meg Wilson (288)

The hotel industry will no doubt be delighted at this week's decision by the Industrial Development Corporation (IDC) to extend financial assistance to the owners and operators of accommodation facilities.

In terms of a new programme, the General Tourism Scheme, the IDC will provide up to R10 million per project for the renovation, refurbishment and extension of existing accommodation facilities.

Funding will be in the form of loan finance, with the minimum amount being R300 000 per application, at interest rates of 14,5 to 15,5 percent.

The scheme will be run in addition to the IDC's Eco-Tourism Scheme, which is aimed specifically at the development of facilities in game parks and conservation areas.

IDC chairman Carel van der Merwe says the scheme follows an investigation by the IDC into the need for small and medium operators to receive assistance in the upgrading of their facilities.

Meanwhile, the Tourism Liaison Council (SATLC) has commissioned another investigation, which may bring tax relief to tourism operators involved in the promotion of South African products abroad.

SATLC chairman Rupert Lawlor says: "We believe a greater understanding is needed of what the tourism industry is doing internationally to promote South Africa, and that recommendations should be prepared on tax incentives to assist those companies involved in marketing exercises abroad."

The council has commissioned Arthur Andersen & Associaties to investigate the possibility of adapting the General Export Incentive Scheme (GEIS) and/or the Export Marketing Allowance (EMA) to "recognise and encourage innovation and developments within the tourism industry".

The GEIS effectively applies only to manufacturers. The EMA compensates exporters for costs incurred in establishing new markets and provides exhibition finance and travel expense assistance for trade missions.

Lawlor says the findings of the investigation will be presented to the Department of Trade and Industry, with a recommendation that either a specific amount of money be set aside, or that a special tax incentive be instituted for the effective international marketing of South Africa.

Objectors slam proposed 10-storey Rosebank hotel

LLOYD COUTTS

A PROPOSAL for a five-star hotel adjoining the Rosebank Mall, which has the backing of the Johannesburg City Council, was severely criticised at a town planning tribunal hearing yesterday.

The tribunal is considering a council application to have the site of the proposed hotel — a narrow strip of land on the northern boundary of the mall — rezoned to allow development by the mall owners.

About 1 000 objections to the proposal, mainly on the grounds that the high-rise hotel would not be in keeping with the general character of Rosebank, have already been lodged.

The Rosebank Mall company is to buy the site from the council if its application for rezoning and development is approved. It intends erecting a 10-storey, 160-bedroom hotel in Johnson Avenue.

In its submission, the Rosebank Action Group argued that the development would set a precedent for uncontrolled high-rise development in the suburb.

Action group spokesman Laurie Starfield said the council's support for the proposal meant it had been left to Rosebank residents to fight the real developers and owners of the mall, City Centre Property Fund, which he described as "a large consortium of property developers".

The owners of the neighbouring Cradock Heights building contended that the development could destroy the character of Rosebank, and replace it with another Braamfontein or Hillbrow.

Anglo American Property Services and the Transvaal Institute of Architects also opposed the development.

Town planner John Rosmarin, for the council, said there was general consensus on the need for a hotel in Rosebank, but that the issue had been clouded by the controversy surrounding JHI House, which was erected in violation of restrictions on buildings in the suburb.

Rosmarin said there were 14 undeveloped sites in Rosebank which had rights for 10-storey buildings.

Power cuts in Jo'burg

ADRIAN HADLAND

LARGE sections of Johannesburg's CBD experienced repeated power cuts yesterday afternoon, with some offices reporting significant disruptions to computer and electronic systems.

The cuts were caused by a faulty cable installed after an explosion at the Fordsburg electricity substation last September, a Johannesburg City Council spokesman said.

He said the problem was fixed yesterday afternoon.

Swiss to probe Pilatus sale

IAN HOBBS

LONDON — The Swiss government, under pressure from the ANC and the UN, confirmed yesterday it would order an investigation into the R520m deal to sell 60 Pilatus PC-7 trainer aircraft to the SA Air Force.

A foreign ministry spokesman in Berne said the issue would be considered by the Federal Council, or cabinet, "in the very near future".

The spokesman said the deal between the SAAF and Pilatus Aircraft, of Staus in the west of Switzerland, had not required prior government approval under Swiss law but that international issues concerning the "intended sale" were being reconsidered.

He said it was impossible at this stage to say whether the Federal Council intended to stop the deal and whether it had the legal and political clout to do so.

A spokesman for Pilatus said the issue was "extremely sensitive" and no statement would thus be made.

Home is where the hols are!

By PEARL RANTSEKENG

THE plummeting value of the rand and ongoing violence in Natal could be factors contributing to the low occupancy rate at Durban's hotels this Easter.

Occupancy rates at a number of Durban hotels dropped by 10 percent compared to last year's figures, a snap City Press survey revealed.

Royal Hotel executive assistant manager Andy Nold said: "There are so many factors contributing to the decrease, one of them being that the city was not as well marketed as last year. And we also mustn't forget the violence in Natal."

Although Umhlanga Sands Hotel also reported low occupancy, a hotel spokesman was optimistic: "For the next two weeks, starting from this weekend, we expect to have 100 percent occupancy."

Surprisingly, for the Holiday Inn Garden Court, things couldn't be better, according to the hotel's assistant general manager, Jill Karam.

"We are already fully booked for the Easter weekend and I believe this was due to our low prices and good quality," she said.

But, there are still high hopes that this Easter will be a good one.

The Natal Co-ordinating Traffic Committee is mounting a high visibility campaign and emergency services in the province to assist motorists.

FM 8/1/93. 288 288.

BEACHES FM 8/1/93.

The nightmare recedes

The ongoing Durban nightmare of recent years, a chaotic Christmas and New Year on the beaches, didn't materialise this time. Tens of thousands of people did crush on to the sun-scorched seafront, but the city's new approach to crowd control was hailed as a success. 288 288

For three years, ever since the beaches were officially thrown open to all races, the authorities had battled unsuccessfully with hooliganism, drunkenness, violence, racial tension and overcrowding. Tourism was being strangled. But in spite of racial feeling, Durban City Council resisted conservative pressure for solutions based on limiting access to beaches. One proposal was to create "pay beaches" — rejected as a different form of racial segregation.

Management committee chairman Peter Mansfield points out that the success this time was achieved through long and careful planning, community teamwork and communication rather than confrontation and "fencing people off". The council decided not to impose any restrictions on numbers but to encourage good behaviour and safety through its "beachwise" programme and improved facilities. The general aim was to promote self-discipline.

The plan seems to be working. This season's crowds were no smaller than those of previous years — more than 100 000 people (99% of them black) visited Durban's beaches over the New Year weekend — but there was little trouble. After a tour of the packed beachfront, Mayor Margaret Winter said: "Peace, no matter what the odds, was given a chance and it worked. People were just enjoying themselves."

Mansfield adds: "Durban is at the cutting edge of dealing with the future and the lesson for everyone in SA is that we are now managing to handle large crowds effectively — something that all cities will have to face. Critical to this has been the proactive approach in dealing with beach problems. The emphasis is on management and accepting that there are going to be crowds and managing those crowds. Another essential ingredient is public co-operation and that was also present."

Also vital to the operation's success was the visible deployment of hundreds of policemen — SAP and Durban's City Police — in potential trouble spots. Mansfield concedes, however, that this year's success is only a start. He wants to reconvene the beachfront task force, which was established a year ago after the disastrous 1991-1992 festive season.

Notable successes of the campaign were the improved location of facilities such as toilets (thanks to a consultative process, rather than by increasing facilities) and the use of piers and rubber ducks as lifesaving stations which prevented any daylight drownings.

An aspect which Mansfield believes could be further developed is the provision of more off-beach entertainment — such as the "peace concert" at Kings Park soccer stadium which attracted 25 000 people over New Year — to draw people away from the front. One area which still needs improvement is litter collection in crowded areas.

Police spokesman Captain Bala Naidoo agrees that there has been a great improvement — but he believes the biggest problem is alcohol abuse. "Incidents, though few and far between, were all linked to excessive alcohol consumption. We will have to examine seriously ways of controlling the amount of liquor being taken to the beachfront."

Durban must string a few successful holiday seasons together before confidence is restored. Nevertheless, it is encouraging that even in SA's highly charged racial and political climate, holidaymakers are not fighting on the beaches. ■

SERVICES SECTOR — ACCOM. LIQUOR & Catering
GENERAL

1993

MAY — DEC.

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

Market changes wiping out SA's CBD hotels

Star 6/7/93

288

Gloom rules: Hoteliers in general don't believe they have much to look forward to this holiday season but the proprietors of downtown establishments have reason to be even gloomier. **MEG WILSON** reports.

THE downtown hotel — as we knew it — is dead.

Falling occupancies, rising operating costs and changing customer demands have already prompted radical changes in the hotel industry, giving rise to many more limited-service establishments and leaving the CBDs of Johannesburg, Durban and Cape Town with just one five-star establishment each.

And the future of those is by no means certain, if Johannesburg's Carlton is anything to go by: it lost R5 million last year and has had six floors closed.

On the other hand, the Cape Sun is, according to Southern Sun MD Ron Stringfellow, "doing all right".

There are no plans to convert it to a selected-service Holiday Inn Garden Court, as happened to the Johannesburg Sun earlier this year.

But then, he says, his group believes Cape Town's future as a leisure destination will in all likelihood create demand for more top-grade hotels, while Johannesburg is unlikely to be able to support more than one.

Neither, he says, will demand in Durban justify another five-star establishment, which is why the Maharani has been converted to a Garden Court.

"Even though there will be an increase in tourism to Durban, it will remain a good mid-price range destination rather than attract flocks of the type of people who can afford to pay the kind of rates five-star establishments need to charge."

Cape Town, though, is a different animal. The number of hotels peripheral to the Cape Town CBD, especially within or close to the Victoria and Albert waterfront development, is growing rather than shrinking, and most are much better off than many of those around downtown Johannesburg.

The latter establishments, says Protea MD Arthur Gillis, "have probably come to the end of their viable life".

Most travellers to Johannesburg are simply not staying "in town", but taking their business to Sandton — and to Braamfontein, where the Protea establishment continues to run at well over the industry average occupancy.

The problems of downtown hotels are twofold. First, there is the widely held perception that central Johannesburg is a dangerous place.

Second, there really isn't much reason for tourists to be staying in the area anyway — a fact which contributed in large measure to the Great Casino Debate.

One of the main protagonists was Selwyn Hurwitz, joint MD of Karos, which has a large exposure in central areas and would obviously like to have casinos as drawcards to its establishments.

Hurwitz told delegates to the recent Sapoa convention he believed new legislation on casinos would come in the next session of Parliament — and that this would probably be based on the recommendations of the Howard Commission.

He said he had told the commission that he wanted the casino industry to be allowed to develop within South Africa's borders, "to level the hotel playing field".

"Without being critical of Sun International, I believe the implementation of the commission's recommendations will result in an even more monopolistic situation than we have now, because Sun will be the only operator with the resources to comply."

Briefly, the recommendations allow for the development of 10 new casinos — each at least 100 km from a major metropolitan area.

Hurwitz said that would bring no relief at all to the existing industry, and lead only to the development of more hotels — in bad locations and for the wrong reasons.

"Which foreign tourist to Johannesburg or Cape Town is going to drive for an hour to go gambling? On the other hand, who is going to spend a week in a casino resort in a non-destination which just happens to be 100 km from a city centre?"

If social problems associated with gambling were the focus, he said, the size of new casinos could easily be limited, or licences could be restricted to upmarket establishments accommodating those who can afford to gamble.

Hans Enderle, founder of the highly successful limited-service City Lodge chain, agrees.

He believes it can only improve the overall tourist profile of the country good to have more casino resorts with the international reputation of Sun City and the new Lost City.

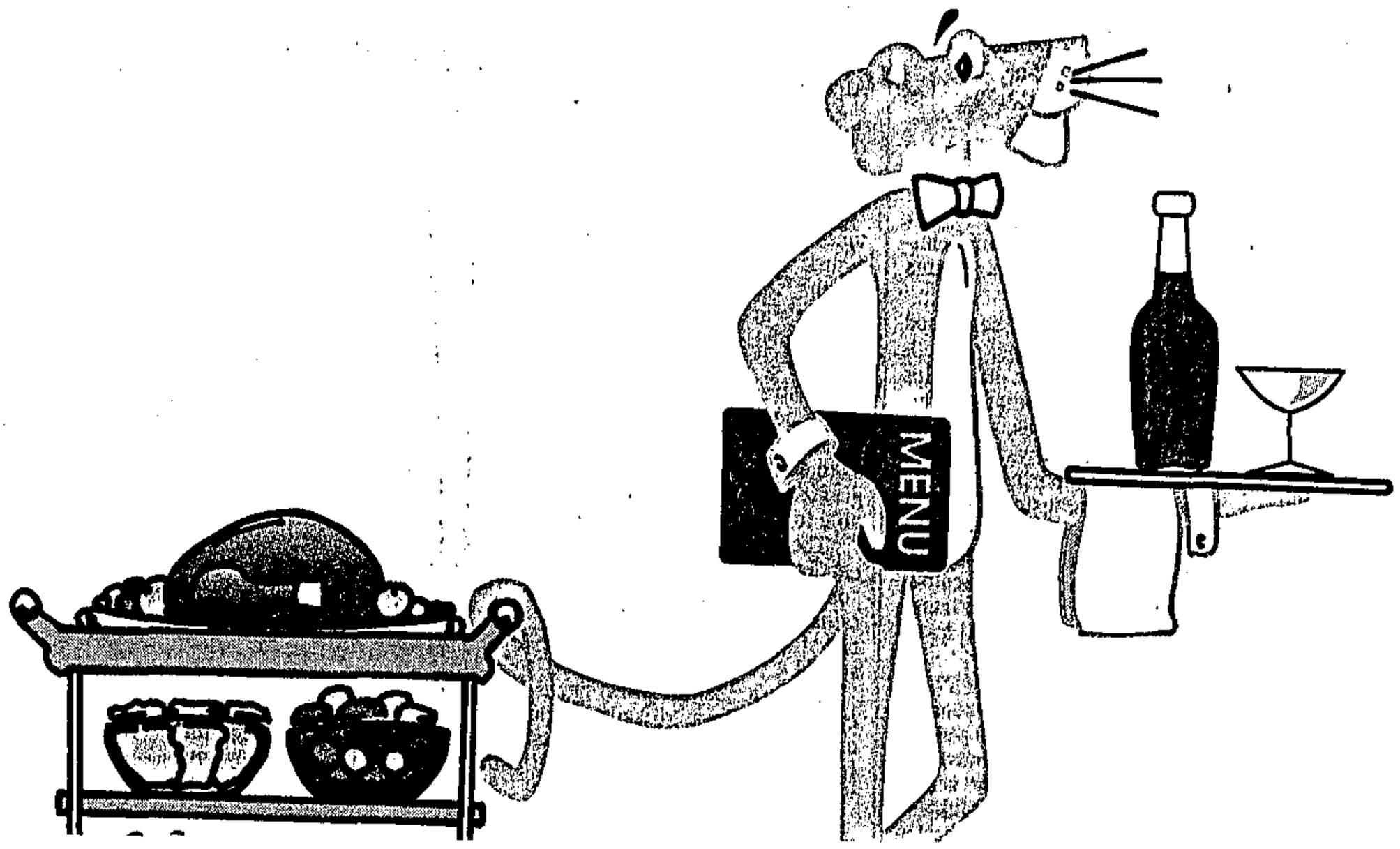
There is also, he notes, the issue of job creation and general upliftment in areas far from the main metropolitan centres.

Besides, he says, it is unlikely that any serious operator would locate a casino in an area which did not have other attractions.

As it stands, though, Federated hotel operations committee chairman Bruno Corte is no doubt correct when he says the future hope for downtown hotels will come from business not from tourism.

And that means the economy will have to improve significantly before they have any hope of revival.

Serves one...



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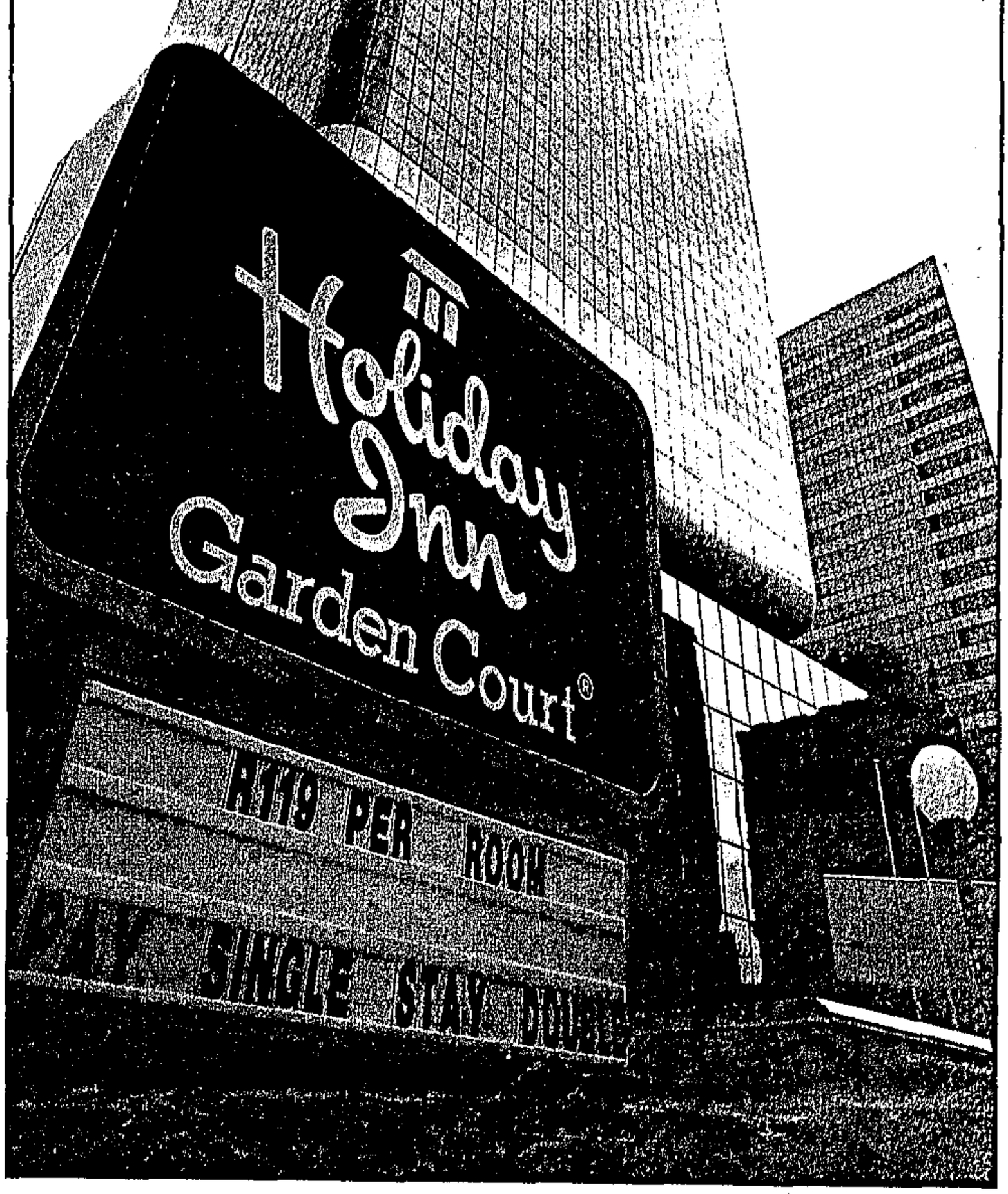


Under threat . . . city-centre hotels are feeling the pinch.

Star 6/7/93

Battling to pull in customers

A GRUELLING recession has, of course, had a negative effect on the whole hotel industry. Domestic "tourists" have simply stayed home, turned to self-catering accommodation or, at best, have cut the length of their stay in hotels.

And hotels have had to chop profit margins to the bone, while advertising extensively to maintain any sort of market.

Fedhasa, the hotel and liquor association, recently reported that average first quarter hotel occupancies were down 10 percent on the same period last year to 47 percent, but top hoteliers reckon the figure is now closer to 40 percent.

In any case, the average for the whole of 1992 was only 45 percent and even at a "high" of almost 62 percent in 1981, the industry was not in great shape. (288)

Political violence, often blamed for the parlous state of the hotel industry, is estimated to have persuaded about 700 000 possible inbound tourists to stay away last year — at an overall cost to the country of about R2,5 billion.

But, says Rennies Travel's Rupert Lawler, who is also chairman of the Tourism Liaison Committee, 10 million local travellers already spend R5 billion a year — and what is really needed is a strategy to build on domestic tourism.



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 tear-gas 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.

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.

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

R600m eco-tourism fund scarcely tapped

ST Times (Buss)
4/7/93

By CIARAN RYAN

FEW loans have been sought from the Industrial Development Corporation's R600-million eco-tourism fund, launched last year.

Only R42-million has been distributed, R25-million of it to the Natal Parks Board for redevelopment of Hluhluwe Hill Top camp. (288)

The Tourism Liaison Committee says stringent screening of applicants deters would-be borrowers. It wants money to be made available for other types of tourism.

Committee chairman Rupert Lawlor says: "This money could be used for other forms of tourism development.

"The IDC charges bank-related rates of interest. This money should be available in soft loans if we are serious about tourism. It should also be more widely available."

IDC senior general manager Jan de Bruyn replies that the fund has been earmarked for upgrading existing tourism facilities. Most of the R42-million has been used at game parks.

Mr de Bruyn says the eco-tourism loan applications are treated far more leniently than by banks.

"Banks demand collateral. We will take collateral if it is available, but our most important criterion is a viable business. We also structure the finance to meet the budgeted cash flow of the project."

Investors are expected to contribute 30% of the funds if the project is for eco-tourism and 40% if it is for general tourism, in line with international norms.

Loan applications, although steady, are coming in at a lower rate than a year ago.

Mr de Bruyn says: "We knew from the start that it will take a long time to distribute the R600-million, but it could pick up dramatically once peace and a political settlement has been achieved."

Tourism: ugly face of the fairest South Cape?

7/7/93

By Waghied Misbach

BLACK people's involvement in tourism was limited to "banjos and broomsticks" delegates at a workshop heard this week.

The Cape Tourism Authority (Captour), which organised the workshop in Athlone to "open lines of communication with the community", was slammed by delegates as "white" and "elitist".

Architect Mr Ivan Sassman, said the Waterfront was an example of the economic imbalance in Cape Town, where large amounts of money were poured into the development but did not benefit the broader community.

"There is a lot of yuppie trade and no position for the disadvantaged," said Sassman.

He said black people's involvement in the tourism industry was reduced to "banjos and broomsticks" (288)

This view was echoed by Dr Allan Boesak, Western Cape chairperson of the ANC, who said the disadvantaged had no decision-making in Captour.

In response, Captour's Mr Gordon Oliver said Captour was discussing changing the all-white composition of its board to represent the community.

Delegates also said blacks were prevented from becoming tourist guides by the high fees — up to R500 — for training.

Ms Shireen Parker pointed out that 70 percent of the 1 800 tour guides were foreign.

SUN INTERNATIONAL FM 2/7/93.

Charging ahead (288)

Lesser men would have gone into hibernation had they invested R850m in a project such as Lost City in Bophuthatswana and opened it just a few months before Chris Hani's assassination and the subsequent dive in tourism.

But this didn't sideline Sol Kerzner. He decided that if Sun International wanted to keep its position at the top end of the tourism industry, it needed to ignore the recession and the headlines, do some aggressive marketing, and invest another R300m in the coming year to upgrade its properties and complete a newly acquired hotel in Mauritius.

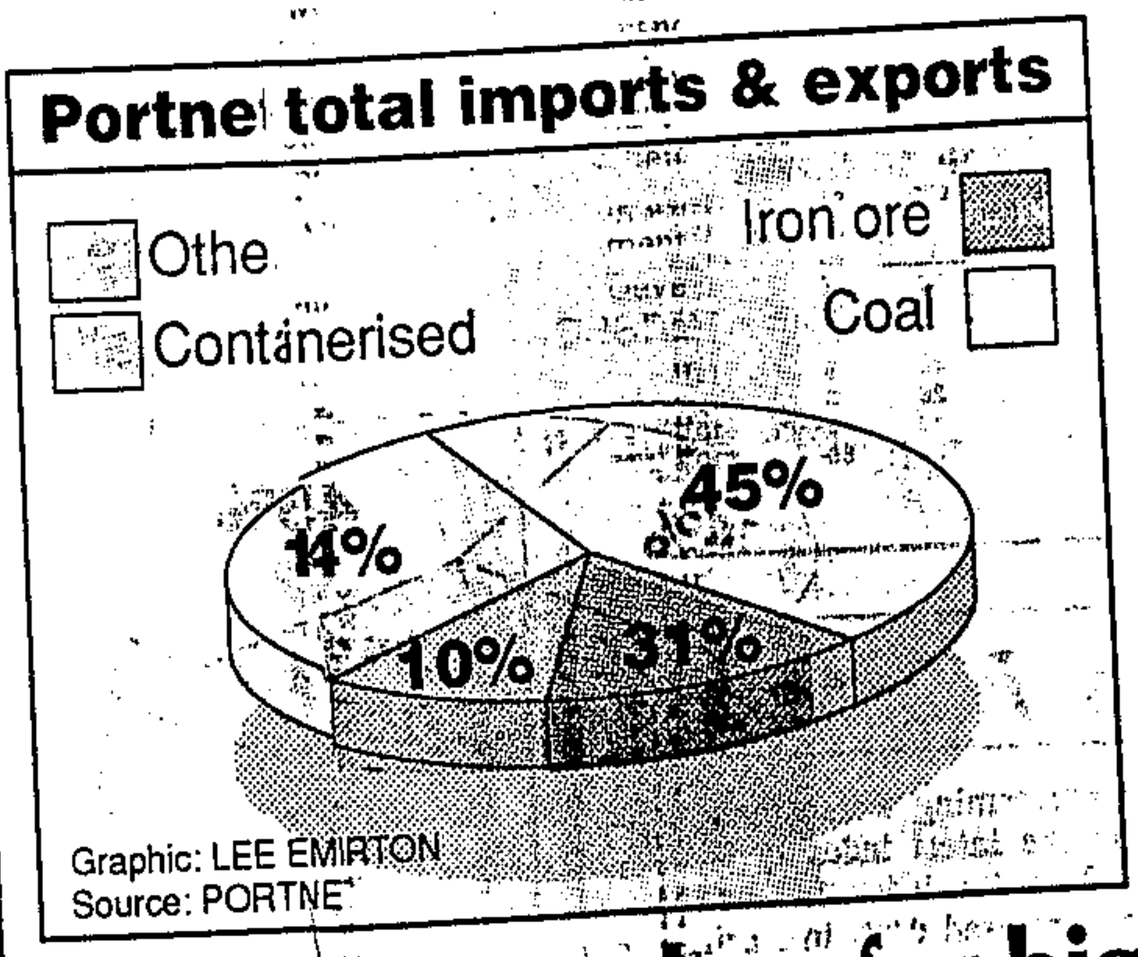
"A country that is serious about expanding its tourism places tremendous demands on its tourism industry," says group development director Dene Murphy. "That industry cannot sit on the fence if it is to meet the challenge. We didn't spend R850m on the Lost City for the short term, and this has paid dividends. The 80% occupancy at the Palace not only surpassed all expectations, but is phenomenal in the current climate."

Murphy says R100m is being spent on upgrading Sun City itself. The 14-year-old hotel hasn't been touched since it was built, nor have its auxiliary facilities, such as its theatres and convention centres. The hotel will get a new foyer, public areas, casino, salon privé, supper club and restaurants. Its 350 bedrooms will be redesigned.

Another R7,5m is being spent to upgrade the Royal Swazi Sun. Most of the rest of the money will be spent in Mauritius, where R80m has been earmarked for remodelling Le Touessrok, which closed on April 20 and will reopen in October with 40 more rooms. In addition, 100 of the 170 rooms will be revamped and the remainder refurnished.

The group recently bought the unfinished Mariya Hotel, which was being built north of Port Louis by a company that went into liquidation, and will spend R95m "re-establishing it." Its contractors will go on site this year, and the 250-room, 18-suite hotel is expected on the market in September 1994. After completion, Sun International will have four hotels on the island, including the St Geran and La Pirogue.

Murphy describes Southern Sun's decision to downgrade 24 hotels (*Business & Technology* April 2) as "their business decision, our standpoint is we have high-quality resort hotels that we must maintain to the standards we set many years ago." ■



Eastern Cape plans for big waterfront developments

HARBOURS in the eastern Cape are clearing the decks to make way for commercial ventures that will attract tourists to port areas. BIDcw 30/6/93

Part of Port Elizabeth's harbour area is to be turned into a commercial enterprise. Ten proposals have been submitted to the Bay Waterfront Task Group.

Pubs, an informal market and entertainment facilities are among the proposals to reshape the area including water space.

Detailed design work on the phased commercial project will be for a 26ha re-development area inside the harbour and 11,4ha of water space, says port engineer and Bay Waterfront Group chairman Sidney Chait.

Some of the schemes have made extensive use of local expertise. Common ideas include pubs, strong links with the CBD, speciality retail, an informal market and entertainment facilities.

"These schemes are substantial and the feeling of all the developers who submitted proposals is that this will be a multiphased development," says Chait.

Once the proposals have been assessed in detail and ranked by the task group, recommendations for interviews are to be made to Transnet's Propnet management board within a few months.

East London is a step ahead of its neighbour and work on the long-awaited Lantern Bay development got under way last week.

Developers Murray & Roberts are to begin by transforming the 1,7ha Fish Wharf into a tourist and entertainment hotspot. The first phase involves modifying and modernising the existing I&J building. (288)

ERTY

TRACY SCHNEIDER

Time for tougher, cleaner timeshare

BIDEY 30/6/93

THE timeshare industry had "cleaned up its act", but had to sustain its new image and prove itself, RCI Southern Africa MD Steve Griessel said recently.

The implementation last year of an industry code of conduct and the Timeshare 2000 initiative had done much to improve the industry's image. However, it was up to the Timeshare Institute of SA (Tisa) to use its teeth "and hammer those who contravened the code," said Griessel.

The introduction of a five-day "cooling-off" period in contracts had forced marketers to move away from high-pressure selling. Fears that the clause would hamper sales had proved unfounded since the number of units sold had remained constant over the past nine months.

The decline in the number of salesmen from 1 400 two years ago to around 400 since October had also removed pressure from the market place.

"Now that there are smaller sales teams, individuals can make a decent living without placing undue pressure on consumers," said Griessel. (288)

The market was consolidating this year, with only four new resorts being built, average unit prices remaining static and developers selling existing stock.

However, the industry was suffering from the poor economic and political conditions in the country. Unit sales for the first five months were down 7,5% on 1992. Timeshare exchanges into SA were poor, with cancellations of up to 50% in some weeks.

But Griessel said exchanges out of the country were up 29% over last year. "This is a function of the economy as an increasing number of people are using this cheap timeshare option to holiday overseas."

Bid to boost tourism 'for the benefit of all'

(288) ARG 30/6/93

☐ Olympic facilities 'dispersed over Cape Flats'

STEFAANS BRÜMMER
Staff Reporter

A NEW initiative to develop tourism in the Western Cape to benefit all has been launched by tourism bodies and community organisations.

Tourism was still seen as an "exclusively white" industry, Captour chief executive Mr Gordon Oliver told community and tourist body representatives at a workshop in Athlone last night.

He said Captour realised that tourism — arguably the most important industry in the Western Cape — was perceived as inaccessible for the entrepreneur and the aspirant traveller.

Plans were to form a committee to continue consultation started at the workshop.

A panel of representatives from Captour, the city council, the Regional Services Council, Wesgro, the Small Business Development Corporation and the Cape Town Olympic-bid steering committee spelled out their bodies' involvement in tourism — and then faced tough questioning from community representatives.

Concern voiced from the floor included how the development of tourism could help correct infrastructural inequalities and that not enough emphasis was put on human development.

Television personality Mrs Elna Boesak, who facilitated the discussion, said the most important points raised were the need for affirmative action in the tourist industry and the empowerment of communities.

The role of the Olympics, should Cape Town succeed in its bid to host the Games in 2004, to boost tourism — and infrastructure in disadvantaged communities — was discussed at length.

Mr Mike Goslett of the Olympic steering committee said the Games could draw 200 000 international tourists and a large number of domestic visitors over a six-week period. The economic spin-off to the Western Cape would be about R1,29 billion, he said.

He said sport and transport facilities, housing and communications networks would be available to the people of Cape Town afterwards.

City planner Mr Neville Riley said facilities for the Olympics would be dispersed across the Cape Flats and bring new opportunities to the 2 million disadvantaged people who did not share the wealth of the northern and southern suburbs.

There were plans to build facilities in Philippi, Khayelitsha, at the Peninsula Technikon and, possibly in the Wingfield area, he said.

A speaker from the floor questioned the commitment to disadvantaged communities of those involved in the Olympic bid. Mr Oliver said there had been attempts to make the steering committee as representative as possible.

Community organisation speakers congratulated Captour for "finally arriving on the Cape Flats".

day, June 29 1993

Karos is back on profit trail

B Day 29/6/93

(288)

MARCIA KLEIN

IN A difficult year for tourism, Karos Hotels has managed to turn around a significant loss the previous year to report a small profit to end-March.

Coming out of a prolonged expansion and refurbishment period which resulted in disruption and lost occupancies, Karos reported an attributable profit of R82 000 after a loss of R3,9m in financial 1992.

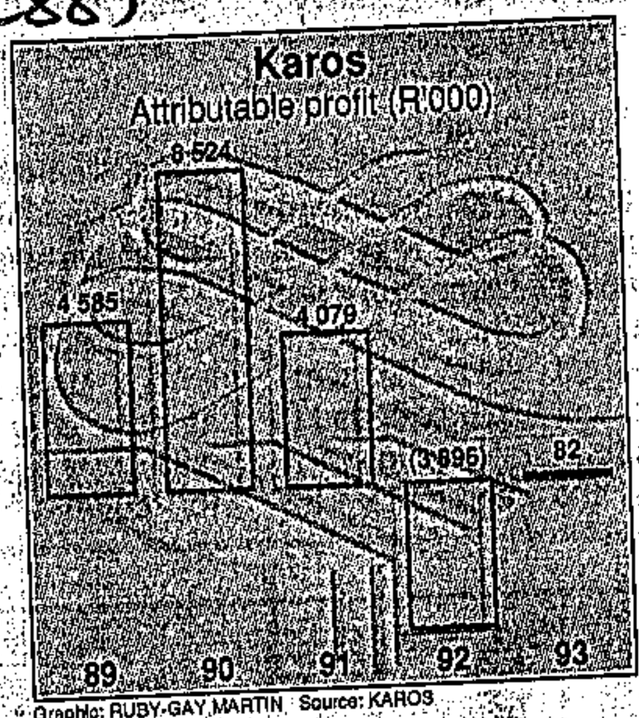
The group issued a third cautionary announcement, saying a further announcement would be made soon.

Although chairman and joint MD Selwin Hurwitz would give no details, there is speculation that Karos could be sold to offshore investment company Marvol Holdings, which acquired a 51% stake in local travel company Concorde Travel Holdings last year.

Hurwitz said recession and unacceptably high levels of violence continued to affect trading. The number of tourists from abroad had dropped considerably and was not expected to recover until next year.

Nevertheless, Karos increased its turnover 18,2% to R105,2m from R89m, and operating profit improved 36,6% to R27,6m (R20,2m).

Hurwitz said this improvement, and an improved contribution from the recently revamped Polana Hotel in Maputo, enabled the group to reverse the previous year's loss and



Graphic: RUBY-GAY MARTIN Source: KAROS

show a small profit after payment of preference dividends. Results from the Polana, re-opened in July last year, had been beyond expectations.

Karos's pre-tax profit was R3,3m (a loss of R800 000 in the previous year).

Gearing was reduced to 56,8% from 64%. Hurwitz said an improvement in gearing and the availability of funds remained a priority. In this connection, Karos referred shareholders to cautionary notices and said an announcement would be made in due course.

Karos reported earnings of 0,3c (a loss of 13,9c) a share, and did not declare a dividend.

Hurwitz said all hotels in the group were in excellent condition.

Hurwitz believed the group could sustain its turnaround trend.

Karos tip toes out of the red

JOHANNESBURG. — In a difficult year for tourism, Karos Hotels has managed to turn around a significant loss to report a small profit to end-March.

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Wall Street stocks closed sharply higher on the back of a bond market rally and end-of-quarter portfolio adjustments. The Dow rose 39 points, or 1,13%, to 3 530.

Hotel groups expect 'bleak' July season

Bday 28/6/93

MAJOR hotel groups are cutting prices and offering bargain packages to try to attract customers in the run-up to what is likely to be a bleak July holiday season.

Tourism industry spokesmen said last week that an increasing number of South Africans were opting to stay at home or to take shorter trips as a result of tight budgets and security concerns.

Karos Hotels joint MD Stan Hoffmann said there was an increasing tendency for guests to stay for shorter periods and use less services.

He said some destinations were offering

JONATHAN DAVIS

rates comparable with 1989 prices, constituting a 40% reduction in real terms.

Protea Hotels group sales and marketing manager Danny Bryer said it was crucial to preserve the existing market, even if profit margins were narrower.

A spokesman for the SA Tourism Board said board inquiries had dropped by two-thirds since March. (288)

Fedhasa spokesman Wynand Pretorius said hotel occupancies countrywide were down 10% on the same period last year to 47% and he was not optimistic about prospects for July.

However, the Durban Publicity Association reported the city was experiencing an average hotel occupancy rate of 70%.

GERALD REILLY reports that economists said at the weekend theindustry was likely to remain in the doldrums until the level of violence dropped significantly and the economy moved out of recession.

Central Statistical Service figures showed that the bednight figures for the past five months had been lower than the same period a year ago.

More young tourists for SA

(288) CT 28/6/93

Staff Reporter

SOUTH AFRICA is high on the list of places for young foreign travellers to visit.

This was said by the president of the International Youth Hostel Federation, Mr John Parfitt, who is in South Africa for the first meeting of its executive committee to be held here.

South Africa became the federation's first full sub-Saharan member in July last year and Mr Parfit is expecting a flood of young tourists to this country.

He said the executive, representing 70 member countries, had held two or three business meetings a year in different places. South Africa had been chosen this time because it was a new member.

Mr Parfitt said the SA Youth Hostel Association was co-operative but lacked resources.

He hoped the federation would be able to help it technically and possibly financially.

There are 24 youth hostels in the country and it is hoped that under the supervision of the federation the numbers will grow rapidly.

The group is here for about 10 days and is to travel around the country.

rghum Breweries

)MIC EMPOWERMENT A REALITY

Changing the face of business

C Press 27/6/93



ia. (seated) Moss Leoka, Mohale

IN just three years the National Sorghum Breweries (NSB) has become the largest black-owned company in SA.

With more than 4 000 employees, the company carries the hopes and aspirations of most black South Africans.

In fact, at a recent glittering function in Johannesburg where NSB chairman and chief executive Mohale Mahanyele was honoured with the Businessman of the Year Award, ANC president Nelson Mandela lionised the company as having "put the issue of black economic empowerment very forcefully on the agenda in this country".

What Mandela and many others are already saying is that the NSB is black economic empowerment in action – not some obscure academic concept which does not deliver the goods as promised. Its humble beginning has the ring of a Cinderella story.

It was after the bewitching midnight hour when it was officially established as an independent business after the Industrial Development Corporation's (IDC) assets and operations were transfered on June 30 1990.

On July 1 1990 the NSB was born and black economic empowerment was put to the test.

Three years later the NSB has made great strides as it gives the sorghum beer industry a new, serious image and facelift. The hard facts are that in pursuing its objectives of real and tangible black economic empowerment the NSB has been recording healthy trading results.

Somehow the company can stand tall and proud in confirming that black South Africans can make it – particularly in a big industry like sorghum beer, which for years had blacks demanding that it be handed to them to run and manage.

On the other hand, the NSB has become the barometer of how blacks will handle economic empowerment when the majority of South Africans find themselves in a post-apartheid society. The NSB was born against the backdrop of a country that is engaged in a painful transition to a democracy.

Mahanyele told a business magazine last year: "NSB has a massive responsibility to show the people of SA how business should be done in this part of the world."

He went on: "NSB does its business among the poorest and amid the squalor of the squatter camps. We are therefore more acutely aware of the problems."

Because Mahanyele believes that the new SA will not usher itself in on its own but has to be created, he says the NSB has adopted an active policy of black economic empowerment to contribute to this dream of millions of South Africans who were cast in the role of underdogs.

Mahanyele does not pull his punches: "There will never be justice, fairness and equality unless past inequalities are addressed through such programmes as affirmative action. The recent history of the Afrikaners is a poignant reminder of how vital it is to empower the poor in order to help themselves."

And to see that this dream and responsibility solidifies, Mahanyele has surrounded himself with able and willing people on the NSB board of directors.

Included on the 11-person board are well-known businesspeople, Moss Leoka; Peter Wrighton of Premier Milling; popular musician "Mama Afrika" Miriam Makeba; former Soweto schoolmaster and now businessman Legau Mathabathe; musician-academic Professor Khabi Mngoma; accountant Israel Skosana and academic Dr N Mzamane.

In addition to pursuing its mission, the NSB has reorganised its management and made numerous appointments. No wonder today it boasts the single largest component of highly qualified and experienced blacks of any company in the history of SA.

The black community also plays an important part in the affairs of the NSB – it sources a large portion of professional services and supplies from this community within which it conducts business. Some of these services include advertising, marketing, insurance, travel, photography and printing.

Mahanyele told *Enterprise magazine*: "The company has created employment for hundreds of entrepreneurs who operate as independent distributors of sorghum beer and has a close relationship with many more shebeeners and taverners through the South African Taverners Association."

Another proud milestone was reached when an overwhelming number of blacks purchased shares in mid-1991 – there are now more than 8 000 ordinary shareholders plus 4 000 employees who belong to the NSB Employee Share Trust.

"Our shares are still available to the public at R1,15 a share in 100 units. Those who still want to buy our shares can purchase them from their nearest NSB brewery or Mercantile Bank," said public affairs executive Derrick Luthayi.

Other visible jewels in the NSB crown are its brand-new Ladysmith brewery which is in full production and the Naspotie Brewery in the eastern Transvaal's Nelspruit area, which was completed this month and will be officially opened in August.

A lot of people sit up and listen when Mahanyele says that the NSB has truly become the "people's company" and is changing the face of business in SA.

It is not an idle boast. The man is a firm believer in that oft-repeated truism: "Nothing on earth is as powerful as an idea whose time has come."

Cape 'doctor' saves M'bond investors

S/Times [Cape Metro] 27/6/93. 288

By JEREMY WOODS

BELEAGURED Masterbond investors in Club Mykonos owe a huge debt of gratitude to Cape Town company doctor and financial adviser Ridge Riley.

Two years ago when Masterbond collapsed investors in Club Mykonos stood to lose R253-million.

But, due mainly to a rescue package put together by Mr Riley together with the curators of Masterbond, those investors might get their money back.

If plans to get a casino licence at Mykonos come to fruition, the Materbond investors in Mykonos could even make a substantial profit.

A former general manager of Barclays Merchant Bank, Mr Riley, whose present occupation is corporate consultancy, was approached by lawyers acting for some of the Mykonos home-owners at the time of the crash to see what could be salvaged.

He sat down with the curators, the homeowners and the banks and after several false dawns, worked out a plan that everyone was happy to accept.

Approved

The agreed rescue package was approved by the courts last week.

It gives Club Mykonos creditors, of which Masterbond investors are the major component, a winning package of debentures and equity shares. There is also a cash underpin for those who need to retrieve some cash immediately.

The debentures should give beneficiaries, two-thirds of their money back.

The equity shares in Club Mykonos is the part of the package that would be affected if Club Mykonos received a casino licence.

"This is where Masterbond investors could make a substantial profit if the Casino licence comes to Mykonos," says Mr Riley. "The shares have a nominal value of R2, but on the research we have done into running casinos, they could be worth as much as R8 a share if all goes well."

The new Club Mykonos Langebaan Ltd will have under the scheme, a capital base of R80-million and 13 000 shareholders.

Masterbond investors could see a once worthless investment, actually be worth alot of money.

Take a bow, Mr Riley.



COMPANY DOCTOR ... Ridge Riley, the man responsible for putting together the rescue plan Picture: JACK LESTRADE

Clifton land dispute in Meiring's lap

ST Times [C|Metro] 27/6/93

288

By NAZEEM HOWA

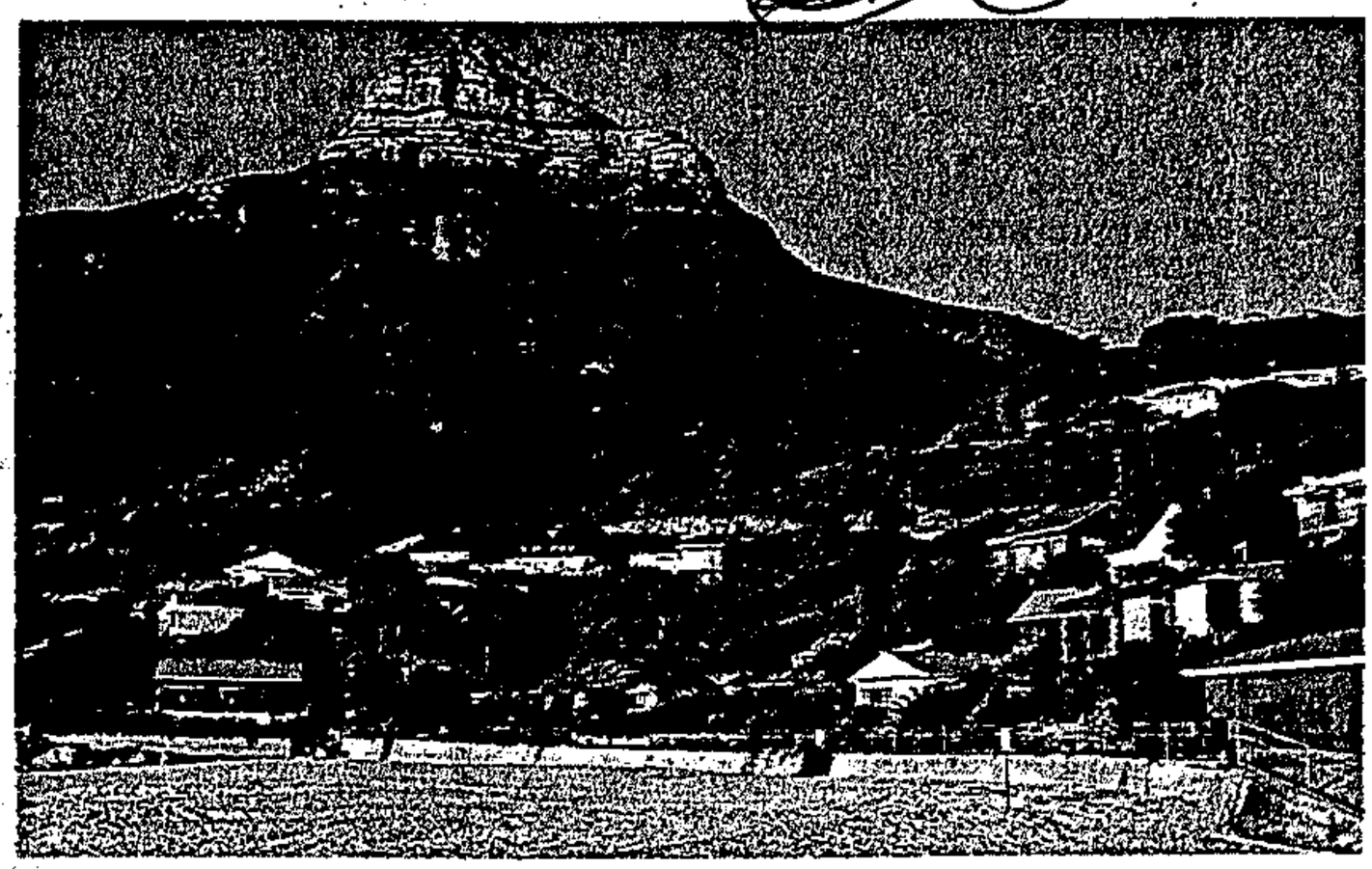
INCREASING pressure is being brought to bear on Cape Administrator Kobus Meiring to step in to resolve the long-simmering dispute over the sale of the land on which the Clifton bungalows stand.

In recent weeks both the African National Congress and the Cape Town City Council have met Mr Meiring separately in a bid to bring a quick end to the years-long battle.

At the heart of the dispute is the seven-year-long attempt by owners of the Clifton bungalows — built on council land — to buy the land.

According to well-placed sources, city council representatives met Mr Meiring recently to discuss an amendment to the Aministrator's recent circular that stipulated that no public land could be sold without thorough consultation with all the major players in the region.

Sources say several ANC regional executive members have also met Mr Meiring to convey their unhappiness about the way the Clifton sales are being handled in contravention of the Administrator's ruling.



DISPUTED SITE ... The controversial houses **Picture: JACK LESTRADE**

The city council's public relations officer, Mr Ted Doman, confirmed that the council had met Mr Meiring about the bungalows but said he could not give details of the meeting.

A recent report that legal advice to council has cleared the way for sales to proceed has elicited a storm of protest from the ANC.

Said ANC deputy regional secretary Willie Hofmeyr: "The Western Cape Economic Development Forum, of which the city council is a member, has made it clear that tourism is going to be a major source of income for the region.

"It is therefore not clear to us why there is this extraordinary haste to get rid of such a valuable public asset."

Several bungalow owners have already signed deeds of sale and paid deposits to the city council for the land.

These agreements were entered into in recent months even though a memorandum dated March 19, 1993, from the City Administration department to the Executive Committee said there was no legal obligation on council to "dispose of the land to the lessees or any other party at the 1986 price or any other price".

The dispute is likely to heighten tensions between the council and the ANC.

The ANC has expressed concern about decisions on the Clifton properties being taken behind closed doors.

"As we move towards a new dispensation it is essential that the entire process be transparent."

According to well-placed sources, the matter is to be discussed on the council's confidential agenda on Tuesday.

Optimistic Hyatt moves into SA

ST Times. CBuss 27/6/93

By DON ROBERTSON

HYATT INTERNATIONAL takes an optimistic view of SA's tourist potential and has signed agreements to manage a new hotel in Rosebank.

The five-star hotel, the Hyatt Regency, will be built by the Iscor pension fund, which recently took over the Rosebank Firs shopping complex for R52-million. The hotel, which should be opened in mid-1995 before the World Cup rugby tournament, will cost about R165-million.

Hyatt has signed a 30-year management agreement with Iscor.

Hyatt president Bernd Chorengel says this is an exciting project for the company because it is the group's first hotel in SA.

"We have researched the market and have seen a strong potential for both leisure and business travel and are looking forward to meeting this growing demand," he says. (288)

Chairman of the Hyatt executive committee, Allen Turner, says the intention is to develop a further two or three hotels in SA plus a number of holiday resorts.

The eight-storey hotel will be built on the open parking area, west of the Firs complex and will have 248 rooms of various sizes. Clubs, entertainment centres, pubs, health centres and a swimming pool will be incorporated.

Finlay & Associates, which negotiated the deal, says "the changing face of SA has prompted us to investigate new areas of property investments for our clients".

Cableway not only option for Signal Hill

Municipal Reporter

PRINCIPAL consultant for the Signal Hill management guidelines, Mr Bernard Oberholzer, said yesterday "we do not specifically endorse a cableway".

The consultant who looked into the proposal for the council said that some form of public conveyance had merit, but "it is in fact suggested that alternative modes such as a tractor-trailer, open-air bus, battery vehicle, chairlift or funicular rail also be investigated — and not necessarily a cableway".

He said the alternative route shown in a Cape Times graphic "could possibly reduce the visual impact of the cableway, but it does not address any of the major problems relating to the residential areas".

Mr Oberholzer said that the consultants believe that some form of public conveyance has merit, but "it is in fact suggested that an entirely different sector of Signal Hill be considered" as a route for any transport link.

(288) CT26/6/93

A map provided in the summary indicates this area, which is a triangle of land between the Lion Battery, the eastern part of the Signal Hill lookout point, and the SADF magazine land in Tamboerskloof.

R165m Hyatt hotel for SA

JOHANNESBURG. — Hyatt International Corporation announced plans yesterday to operate a new hotel in South Africa, its first in the country.

"It is our first hotel in this country and will be a luxurious property serving the local community and international markets," Hyatt president Bernd Chorengel said in a statement.

The 248-room hotel, to be built in the Rosebank business and residential suburb of Johannesburg, will be owned by the Iscor pension fund.

Construction will start in July and the hotel, which will cost R165m, will open two years later.

The Hyatt Group operates 165 hotels and resorts worldwide.

(288) CT2816193

Hyatt International, through its subsidiaries, operates 43 hotels and 16 resorts in 30 countries, with an additional 11 hotels under construction.

Hyatt Hotels Corporation, a separate company, operates 89 hotels and 17 resorts in the United States, Canada and the Caribbean.



Picture: DOUG PITHEY, Weekend Argus.

□ **YOUTH LINK:** Mr John Parfitt, seated, president of the International Youth Hostel Federation, with members of the organisation's executive who are from countries on every continent.

SA youth hostels set to join the rest of the world

288 ARG 26/6/93

Weekend Argus Reporter

A HIGH-POWERED international delegation is to promote South African youth hostels among young travellers around the world, a move which could generate hundreds of thousands of rands in tourism.

Mr John Parfitt, the president of the International Youth Hostel Federation, said the organisation would help improve youth hostels in South Africa by providing expertise, finance and organisation.

The federation's executive committee held a meeting in Cape Town this week. The 12 committee members were from all over the world, including Egypt, China, America and Europe. They fly home tomorrow.

The International Youth Hostel Federation is represented in 70 countries and 5 800 hostels are part of the organisation.

South Africa, which was isolated for years because of apartheid, became a member last year after Mr Parfitt visited here. Twenty hostels immediately joined the federation.

"We decided on holding our meeting in South Africa so that we could meet the national association. It's the first time a meeting has been held here and we feel it may be useful to the national association.

"A lot of development is necessary here as the youth hostels lag way behind those in other countries. We're here to help them into the next century," said Mr Parfitt.

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Catering for tourist trade

Sowetan 25/6/93

288

■ QUARTER FULL South Africa attracts 250 000 people from all over the world:

By Mzimkulu Malunga

THERE IS GROWING OPTIMISM that tourism will become South Africa's major foreign exchange earner in the near future and Fedics is positioning itself for this development.

Though the company has no plans to become a fully fledged tourism enterprise, even with the tourism boom, it is already the biggest inflight services company in the country.

Currently, South Africa attracts only 250 000 international tourists a year, but its absorption capacity is a million people annually.

Tourism die-hards say they like its labour intensiveness. The arrival of every 10 tourists creates two jobs, argue the industry's lobby.

Fedics' managing director, Mr David Wigley, says: "If we have not developed a dynamic tourism industry by the turn of the century, then we shall have failed as a country. Tourism creates jobs."

The company's director in charge of market development, Dr George Msibi, who also sits on the South African Tourism Board, takes the argument further: "If the economy improves and other negative factors like the violence are removed, we are going to have a boom like we have never seen.

"My worry is not if and when the boom will come, but whether the country has the capacity to accommodate the growth," says Msibi.

Fedics runs two inflight companies, Air Caterers and Air Chefs.

Air Caterers serves almost all the major international airlines coming to South Africa while Air Chefs supplies meals on South African Airways and Flitestar as well as some international and continental airlines.

Air Chefs is a joint venture with SAA which owns 51 percent while Fedics owns 49 percent. The company controls 67 percent of Air Caterers with Swiss Air owning the remaining 33 percent.

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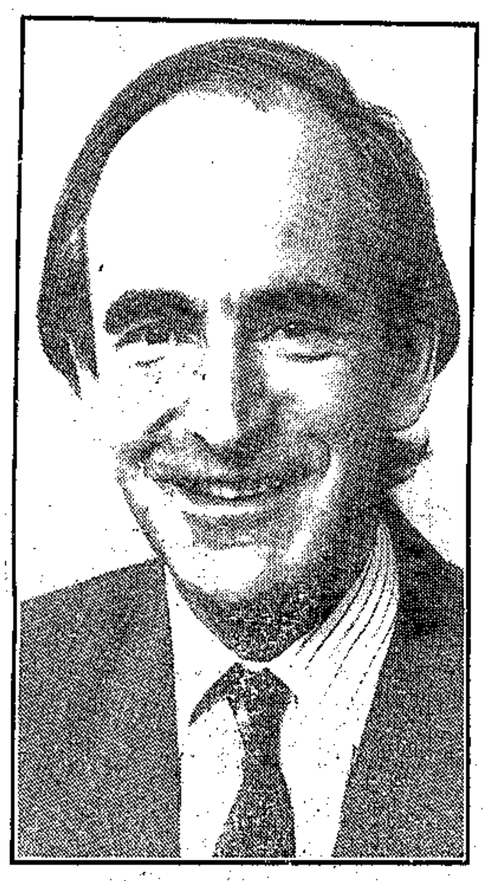
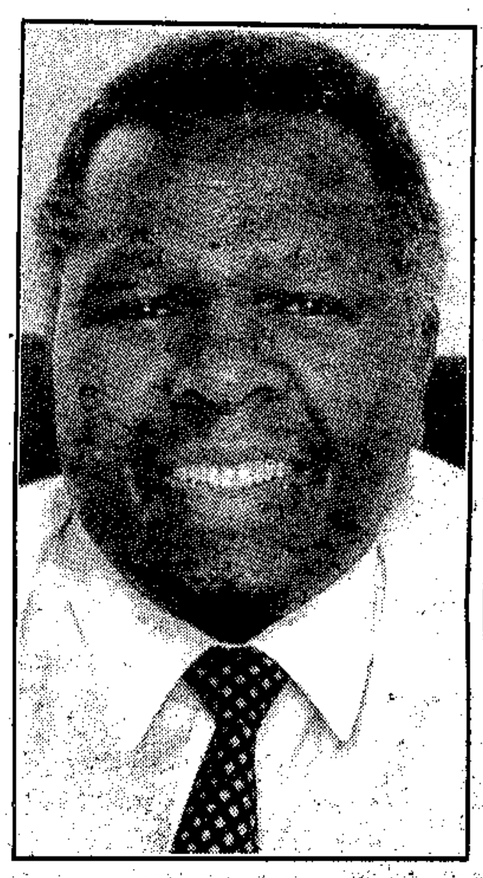


Mr David Wigley



Dr George Msibi

"My worry is whether the country has the capacity to accommodate the growth"

At the end of last year Air Caterers opened a new kitchen worth R20 million at Jan Smuts Airport in line with the growing demand as more airlines invaded South Africa in the midst of South Africa's own version of Glasnost and Perestroika.

The kitchen produces about 4 000 meals a day, but has the capacity to produce 12 000.

Fedics runs all the Longhorns and Juicy Lucy's at the major airports. The company also administers duty free shops at DF Malan Airport.

Msibi says already there is an increasing influx of Africans from far north of the Limpopo which is another illustration that South Africa stands on the threshold of a tourism boom.

"One day, I was at the Holiday Inns Garden Court, and someone there thought I were a Zairean because there are so many of them around," notes Msibi.

About ten years ago, the size of the Australian tourism industry was equivalent to that of South Africa, but due to proper ground work, the industry has increased 12 times in Australia, he says.

Giving workers a perfect dining experience

Sowetan 25/6/93

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FEDICS Food Services, South Africa's leading contract company, is committed to providing customers with a dining experience, rather than just a meal.

Restaurant ambience is an integral part of the company's quality drive, which encompasses every aspect of service, including maintenance of top hygiene standards, effective merchandising, creative menu planning and quality and choice of meals.

The company's regional quality teams include merchandising and decor specialists who work closely with clients on staff restaurant ambience and appearance, and advise on upgrades, whether small or extensive.

In the last two years, the Fedics Transvaal quality team has coordinated the ugprade of about half of the region's 300 catering operations.

Says quality merchandising manager Ms Tracy Denton: "The decor and design of an operation depend on the client's budget and on the profile of customers using the facility, but an attractive, comfortable restaurant always makes a meal a more enjoyable experience".

Stimulating sales

It can also boost client's food sales, as Johannesburg City Council discovered when it implemented the decor and merchandising improvements recommended by Fedics.

The restaurant, which caters not only for council employees but also for the city council's pensioners, was redecorated in pastel shades and the principles of effective merchandising were introduced. Sales rose by 20 percent.

"The decor gave the operation a fresh, inviting atmosphere and, whereas previously patrons would eat and leave, customers now take much more time over their meals and are tempted to sample more of what's on offer", says Denton.

When the Fedics quality team is asked to provide suggestions on restaurant upgrades, the profile of the company is the first consideration, she adds. "A modern, young company probably will be comfortable with modern, young decor, such as blacks and reds, while pastel shades may be better for a more conservative company. We also consider the company's origin, an example being Roche, where wood was used extensively in its restaurant upgrade to reflect the architectural style of a typical Swiss chalet".

"The restaurant gift shop should be particularly successful in areas with limited shopping facilities, and many of our clients are showing interest"

Ms Tracy Denton

For extensive refurbishment, such as that required by Roche, Fedics' team of professional designers in food service design is brought in. The team specialises in kitchen design and has completed about 1 800 large-scale projects over the years.

Among its most recent contracts was the establishment of a free-flow servery and call-order bar at Genmin Unicorn House, at a cost of R450 000.

New concepts

While an increase in investments in facility upgrades is not anticipated, due to the economic climate, Fedics has introduced certain concepts that look set for future success.

One is OJs, which requires no kitchen facilities. Pre-prepared meals are brought in daily, attractively merchandised and, if applicable, heated in a microwave as the customer leaves.

Another new concept, the gift corner — offering gifts for every occasion, from Mother's Day to Christmas — is proving very popular at the Johannesburg City Hall.

"The gifts are displayed in a glass-fronted cabinet and a price list is made available to customers," says Denton. "The service should be particularly successful in areas with limited shopping facilities, and many of our clients are showing interest."

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

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.

288

Basic literacy training

The IHS is accredited by the Hospitality Industry Training Board and runs

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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.

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"

Wigley, says: "If we have not developed a dynamic tourism industry by the turn of the century, then we shall have failed as a country. Tourism creates jobs."

The company's director in charge of market development, Dr George Msibi, who also sits on the South African Tourism Board, takes the argument further: "If the economy improves and other negative factors like the violence are removed, we are going to have a boom like we have never seen.

"My worry is not if and when the boom will come, but whether the country has the capacity to accommodate the growth," says Msibi.

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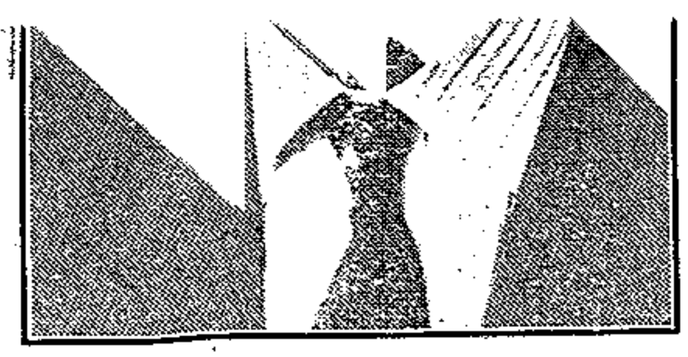

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Beefing up people's development

Sowetan 25/6/93

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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. 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.

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

FM 25/6/93.

EAST LONDON

288

Time for a change

M&R Properties (eastern Cape) has replaced Time Developments, now in provisional liquidation, as the developer of Lantern Bay in East London (*Property* April 2). The city's river front harbour is being redesigned as a recreational and entertainment facility targeted at the local community.

The announcement was made last week by Fuzz Loubser, Propnet CEO and MD of Transhold Properties, which has leased the land from Transnet for 50 years. M&R has been appointed developer as well as manager of the complex for the first year after the completion of the first phase.

According to Loubser, the only differences between the two developers' schemes are that where Time had planned an intertwined three-phase scheme, M&R's has two clearly defined phases. In addition, the cinema complex envisaged previously has been dropped as East London has enough cinemas.

Construction of the first phase began on Monday and is scheduled for completion by December 3.

The 17 422 m² Lantern Bay site is within East London's working harbour on the northern bank of the Buffalo River between Buffalo Bridge and the Queen Elizabeth Graving Dock.

The first phase comprising 2 000 m² of covered area involves the renovation of the old I&J Building and the berthing master's office and will house, among other tenants, speciality restaurants, action bars and pubs, a boutique, brewery and a boat chartering business.

The second phase (2 000 m²), could involve the erection of a building — possibly an hotel — on the outcrop above the monument commemorating the opening of the graving dock. Its design will highlight the area's Victorian theme.

Since the site has magnificent views of the river, a large area has been left open for outdoor exhibitions, markets and displays. It also offers an ideal vantage point for watching water sports.

To enable Lantern Bay to function efficiently the East London City Council is to implement new traffic measures, including a traffic light system along Settler's Way. The council hopes there will be more development along this route. The port's security gate will be relocated to make way for the scheme to give the public unrestricted access to the port and the Buffalo River.

The R6m funding of the first phase of the project is in the form of a loan granted by Transnet to its property holding and investment company Transhold Properties. The development is in line with its policy of adding value to its properties.

Since Lantern Bay is still a working, commercial harbour, Portnet will retain control of the wooden jetty and the quay wall, but will allow Transhold Properties use of the jetty. ■

BUSINES

Gambling, not capital gains, must be taxed

By LYNDA LOXTON

MENTION capital gains tax, and the rich run for the hills. There is a widespread belief such a tax would be a major source of redistributing wealth.

But, said Martin Grote of the Department of Finance's new unit for fiscal analysis at a Cape Colloquium on Economic Policy last week, the new South Africa might do better to restructure its tax system to make it more equitable — and acceptable — and introduce a tax on gambling and lotteries.

A capital gains tax, he said, "would not be a money spinner, and if the government wanted to raise R3-billion or R4-billion quickly, it would do better to introduce tax on gambling and lotteries, which would raise R4-billion to R5-billion".

He stressed he was talking in his personal capacity, but many immediately snatched up his comments as indicating that legalised gambling — and taxes — were on the cards. There has been no government comment on that yet.

The colloquium, organised by the University of Stellenbosch's Economics Project, also spent some time debating the whole economic policy-making process in South Africa — and decided too many mandarins in so-called "independent" bodies were making policy decisions, for which they could not be held accountable.

Philip Mohr of the University of South Africa said what was needed was an expanded National Economic Forum, which was more representative than at present and which could thrash out what the economic goals and priorities should be.

Instead, because of the financial constraints on government, it was leaving policy-making to the Industrial Development Corporation (IDC), the Development Bank of Southern Africa and the Reserve Bank, all of which were regarded as "independent". Reserve Bank Governor Chris Stals has, indeed, emphasised his independence repeatedly over the last few years.

Because they could pay better salaries, they attracted better staff, but delegates were concerned that they appeared to want to remain outside the system, but wanted to prescribe policy within the system.

"So now you have the IDC deciding on projects in which they are the major shareholders and I would argue for more checks and balances on them by linking them up formally with the rest of the policy-making framework," said Mohr.

Similarly, the Reserve Bank alone decided on what happened to the exchange rate when this was possibly the single most important developmental tool in the economy.

Public to have say on proposed new cableway

CT 24/6/93

288

Municipal Reporter

PUBLIC meetings are to be held in the Atlantic Seaboard suburbs and in Schotsche Kloof to discuss the proposed Signal Hill cableway and a report by consultants on the management of Signal Hill.

This was decided at a joint meeting yesterday of three committees of the city council, who were given a presentation on the report.

The consultants have suggested a route for a new cableway that differs slightly from the one favoured by the would-be developers. They claim their route will be less visually obtrusive on the hill.

The full report will be made available to the public at several libraries. After the public meetings, the city planner's department will report back to the committees with final recommendations.

● Arch-opponent of the cableway Mr Arthur Quinton yesterday said he hoped the council would determine what public opinion was, rather than just use the fact that public meetings were held to justify a certain course of action. Mr Ismail Dalvie of the Cape Mazaar Society opposed a suggested weekend toll-road on Signal Hill Drive. "Many visitors to the shrine on Signal Hill can't afford this."

MUIZENBERG

R97 million plan for the beachfront

(288) ARCT 24/6/93

Staff Reporter

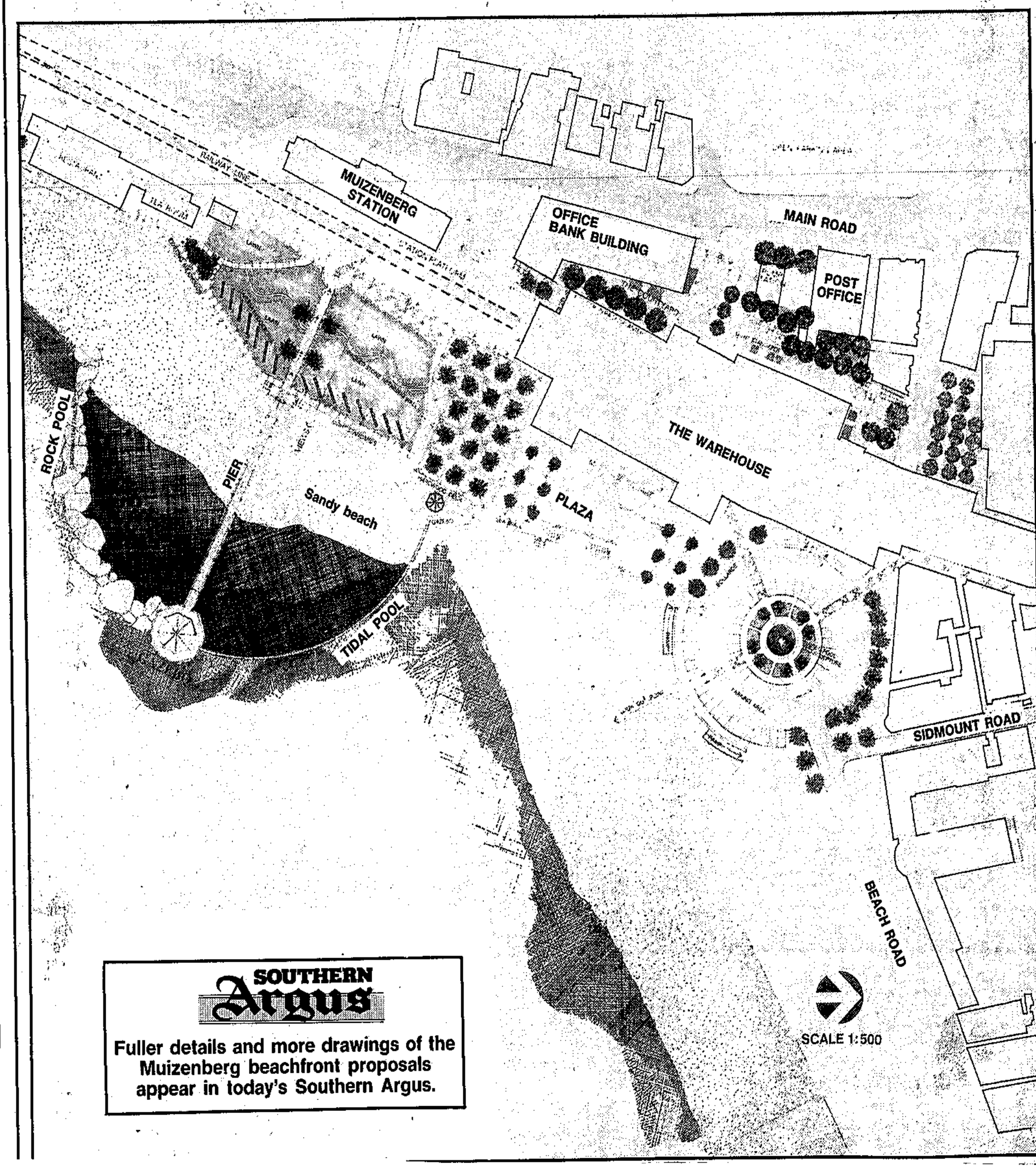
THE long ailing Muizenberg beachfront will get an overdue shot in the arm if an already highly acclaimed R97-million development plan gets the nod.

The plans were shown at a public meeting of Muizenberg residents by project managers Dr John Zietsman and architect Steven Lennard.

One of the plans is for the on the water's edge Sandown-on-Sea and includes a Victorian style restaurant and tavern complex with a pier, a gazebo and a new tidal pool.

The plan for sites two and three is for a Victorian wharehouse style development straddling the railway line. It would have three-level underground parking, shops, a small hotel, which could be expanded, and offices.

Both schemes make use of extensive landscaping of open spaces — far more than required by the city council in its proposal for the area.



SOUTHERN Argus

Fuller details and more drawings of the Muizenberg beachfront proposals appear in today's Southern Argus.

Various options should be considered — report

ARG 28/6/93 (288)

Environment Reporter

A PUBLIC conveyance system to the summit of Signal Hill has merit, and options that could be investigated range from the simple tractor-trailer, open-air bus or battery vehicle to more "high-tech" chairlift, funicular or cableway systems, says a report prepared for the city planner by landscape architect Mr Bernie Oberholzer.

"An alternative conveyance system . . . could promote tourism, benefit those who may not have private transport, and generate revenue for the maintenance of the mountain.

"The system could take pressure off the roads, Kloof Nek intersection and summit parking area, where capacity is sometimes exceeded."

The north-east sector is considered the most suitable for such a system, the report said.

"A cableway, or other form of conveyance, should not be seen on its own but as part of a larger development strategy."

If approved in principle, proposals should be invited from the private sector, it adds.



Living hell . . . Lucky Mokoena (28) and Sipho Ndaweonde (29) pay R250 a month to live in a room which once housed hotel brooms. Picture: Gary Bernard

Three-star hotel sinks into squalor

By Abdul Milazi

One visit to what used to be the Wynton Joy Hotel in Hillbrow will change your view of hotels.

No changes have been made to the original rooms. The only difference is that they are now called flats. Storage rooms have become homes.

Inside, four to six adults share a room for a monthly rental of between R300 and R600. Others live in darkness and damp on the basement floor, which used to be broom and laundry storage rooms.

The only "luxuries" left from the hotel's three-star past are cold water and electricity.

Broken window panes have been replaced by pieces of cardboard, paper and plastic sheets.

Residents say they have had to bring in extra people to share the rooms because otherwise they couldn't afford the rent.

They said they had reported the appalling conditions to the landlord many times.

Most had decided to remain silent because of alleged intimidation by a Zimbabwean man, "Mr Moyo", who runs a disco on the ground floor.

"Mr Moyo" refused to comment.

Efforts to reach hotel owner David Malan have been unsuccessful.

NEWS Mystery murders recalled in co

news in brief

Sowetan 23/6/93

Natal death toll 38

GUNMEN killed at least three dwellers at Umlazi's Glebelands Hostel in Durban yesterday and police reported another two deaths overnight in the township.

Police spokesman Major Bala Naidoo said the gunmen "went from room to room" in a section of the hostel, shooting at dwellers before dawn. Meanwhile, KwaZulu police reported two overnight deaths in two separate incidents at Umlazi. The toll from violence in Natal since Friday is now at least 38.

Sowetan 23/6/93

PAC sends support

THE Western Cape region of the Pan Africanist Congress has come out in support of its negotiating team's refusal to sign what it called the unilateral suspension of hostilities in Kempton Park yesterday. PAC regional organiser Mr Michael Siyolo said the organisation would suspend its armed struggle once all armed forces had ceased hostilities against Africans. He said it was useless to suspend the armed struggle while people were still being killed.

Sowetan 23/6/93

Durban hotels battle

THE All-Africa Games are proving a boon to Durban hotels plagued by low occupancy rates — but prospects for a good school holiday season appear grim.

A Fedhasa spokesperson said enquiries had been particularly brisk in the past few days. However, she said the coming winter holidays were offering little cause for cheer. Enquiries were down to a trickle and the season was expected to be very quiet for hotels.

Kite-flying death

AN eight-year-old boy was electrocuted when his wire-framed toy kite got entangled in a power line at a village near Gweru, Zimbabwe. A police spokesman said Ephias Muzivi of Mkoba's Village was badly burnt on the face and chest when the kite touched live wires. He died in hospital. — *Sapa*.

Council urged to approve cableway up Signal Hill

288

ARG 23/6/93

☐ Expert changes route and calls for total development strategy

JOHN YELD
Environment Reporter

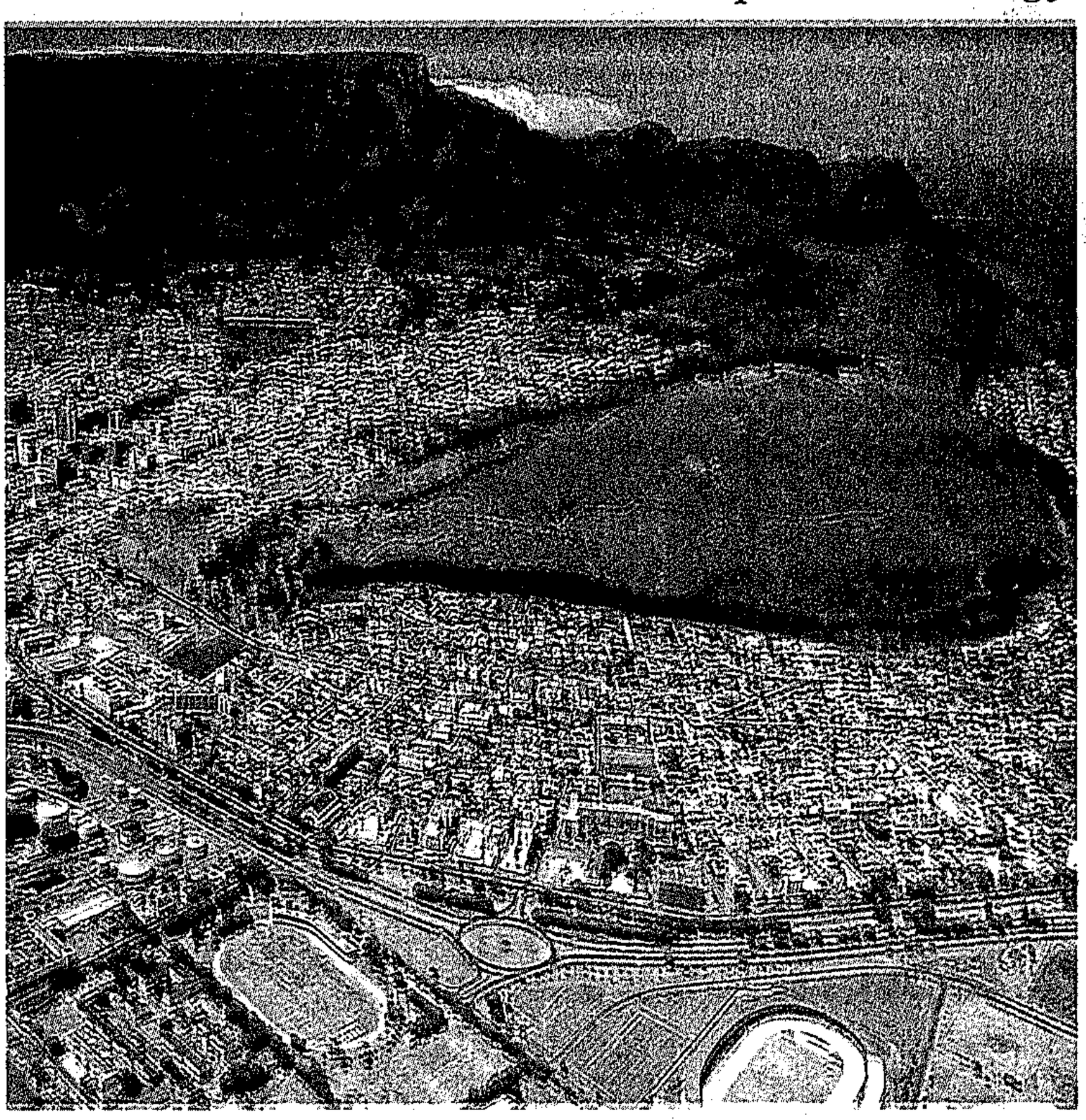
A CABLEWAY or other public transport to the summit of Signal Hill should be approved by the Cape Town city council — but not on the route originally suggested by the would-be developers — according to a report on development and management guidelines for Signal Hill and Lion's Head.

The report was prepared for the city planner by landscape architect Mr Bernie Oberholzer.

It says a cableway or alternative system should be planned as part of a larger development strategy that includes a range of visitor facilities.

This is one of the main recommendations in the report, which is being considered today at a joint meeting of the council's town planning, amenities and health, and utilities and works committees, to be followed by a site inspection.

According to an executive summary of the report, the Signal Hill and Lion's Head area is possibly the largest and most representative of West Coast renosterveld vegetation left in the region — one of the richest plant communities in the Cape Floral Kingdom, with more species than fynbos.



FOCUS OF ATTENTION: Signal Hill, overlooking Sea Point, Green Point and the harbour, is at the centre of controversy about how this beauty spot and outlook should or should not be developed.

'The area is of critical biological importance," according to the report.

The report outlines three possible scenarios for development and management:

● A "stop-gap, minimal approach", aimed essentially at low-key improvements.

● A "recreation amenity" option, with limited development — including a shuttle bus system, but not a cableway — in partnership with the private sector, generating "modest" revenue to supplement mountain management funds.

● A "tourist destination" scenario, with high-level planning and various facilities including a shuttle bus, cableway or chairlift, restaurant, curio shop and picnic sites.

Most elements in scenario two — the preferred option — are "not significantly controversial" and could be implemented in the short to medium term.

"It is conceivable that Signal Hill may have to cater for more intensive recreation and tourism, to enable other wilderness areas to be protected.

"Elements of scenario three, such as the public conveyance system, might therefore become necessary in the longer term, and hybrid scenarios might emerge — particularly if Cape Town aims to promote itself as an Olympic or Millenium city.

Upgrading of facilities seen as urgent need

ARG 23/6/93

Environment Reporter

OTHER major recommendations of the Signal Hill-Lion's Head report include:

● Urgent attention be given to upgrading facilities, particularly at the Signal Hill lookout;

● Special attention be given to the north-east sector of Signal Hill — including Schoone Kloof, Schotsche Kloof and Lion Battery — to exploit the potential of this "threshhold area";

● Additional funding be generated from recreational facilities, leased sites, concessions, a road toll, permits and a possible cableway;

● Plans to create a "gateway" to the mountain at Kloof Nek be further developed, and a control point with visitor information provided at the Kloof Nek forest station;

● Detailed design guidelines be drawn up for paths, paving, signs, landscape furniture and structures; and

● A detailed study of the Camps Bay-Glen-Round House areas, with a view to upgrading tourist accommodation, visitor facilities and the picnic area.

Flame's success burning bright

Star 23/6/93

Flame fast foods *is poised to become a major force in the industry, with five new outlets opening in the Transvaal soon and an outlet launching at Sun City in October.*

Eight years ago, a new take-away outlet opened its doors in Kempton Park for the first time. Today, the original "Flame" has grown into a chain of 14 fast food diner outlets, including both company owned and franchise operations.

In the immediate future, five new outlets will open in the Transvaal, including one at the East Rand Mall. Another is opening at Sun City. And, having firmly proven the formula, the scene is now set for Flame to go national.

Directors Chris Nicolopoulous and Christo Demetriades confirm that Durban has been targeted for the first venture outside of the Transvaal, and this will be followed by Bloemfontein and then Cape Town.

Chris is not showing his cards fully but says with quiet confidence that Flame will soon be a major force to be reckoned with in the fast food industry.

The new Sun City outlet opens in October. Strategically positioned right on the only traffic route out of Sun City, the 260 square metre operation looks like being an absolute winner.

Flame Sun City embodies the latest thinking in the chain in terms of decor and menu. "The formula works," says Christo with enthusiasm.

The group's success hinges on location, a wide range of quality products and service aimed at the family market.

Value for money and variety is at the heart of the matter, with a menu that the opposition finds tough to match, and prices that make it possible, even in these tough times, to enjoy a wide choice and still walk away without feeling as if you need to take an overdraft out at the bank.

"We've been cautious about our expansion plans. We don't just open up in any area. Prospective sites are examined carefully before a franchise is granted.



"Once it is granted we go all the way to provide the kind of support the franchise needs to succeed. As a franchiser we want our franchisees to succeed, and a good relationship stems from being located in the correctly researched area and attracting the people who live there.

"Part of the franchise operation is at Flame's new head office and central kitchens in Edenvale. The new head offices provide potential and existing franchisees with the latest in training facilities. All the meat, packaging and sauces are prepared there and delivered to stores daily, thus ensuring a consistently high standard and a uniform eating experience at every Flame outlet.

"We have bulk buying power through this system and savings are passed on to the consumers who today, more than ever, want value for money.

"Flame's new stores incorporate wine and malt licences at their diner outlets and increasingly outlets such as that of Midrand are catering for the business lunch customers.

"Fresh ingredients and a tremendous selection are what keeps Flame fast food customers coming back for more," he says, "and there is absolutely no compromise in any department." Christo says, "I think the real danger is to get too comfortable. Someone said it's wise to stay properly afraid, so we stay on our toes." These days he says, retailers have to offer people more than just food – they have to provide a complete entertainment package.

The recent addition of the dynamic Christo Demetriades has added a new dimension and the focus is on making the eating out experience at Flame a thoroughly enjoyable "happening".

Part of this happening is the chain's new look, with more brick and wood to create a warm feel.

"The whole look is more upmarket, with terracotta tiles, sophisticated lighting and clean lines" says Chris.

"What people get from Flame these days is stylish surroundings and service at a good price, which enables them to eat out more regularly.

"But above all we remain a family business and children are very important to us, so we go out of our way to keep them happy. At peak times we have clowns, magicians and balloonists – all totally free.

"The dominant trend around the world today is to offer something extra, and that's exactly what we do, bearing in mind that the food business is not just about food."

If you would like to know more about product information and franchise enquiries, call (011) 393-1525.

would not give sufficient a change

Casino could make Masterbond a winner

ST Times (Bus) 20/6/93 (288)

INVESTORS in Club Mykonos who stood to lose R253-million when Masterbond collapsed could get most of their money back — and make a profit.

A rescue scheme for Club Mykonos was given the go-ahead this week in the Supreme Court, Cape Town.

But the main hope for Masterbond investors, Mykonos property owners and many creditors lies in the prospect of a casino licence for the club.

Mykonos Homeowners Association executive director Ridge Riley says: "The Howard Commission's recommendations on legalised gambling include two casinos for the Western Cape. Club Mykonos is the only leisure resort in the Western Cape that complies with all the requirements."

By JEREMY WOODS

Mr Riley designed the rescue package and worked for several months with the curators.

A casino licence would enhance the value of shares that all three groups received under the rescue plan.

The deal gives Club Mykonos creditors, of which Masterbond shareholders are the major component, a package of debentures and ordinary shares. The debentures should return two-thirds of their money to creditors.

Shares in Club Mykonos have a nominal value of R2 each. They would be worth R8 each if a casino licence was granted, says Mr Riley.

A plank of the rescue scheme is the formation of a new Club Mykonos Landgebaan. It will have a capital base of R80-million and 13 000 shareholders.

N BRIEF

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THURSDAY: Aflife's bonus share offer accepted in respect of 96,9% of shares. M&R Investments to distribute in specie its 25,1% holding in Murray & Roberts to members and to be delisted. Dispatch Media warns again.

FRIDAY: SouthWits options may be exercised at 180c from 30/7 to 27/8. Eersteling to issue 7 745 756 ordinaries, one for one at 80c, to buy and develop Zandrivier and to pay for a power line. ABS warns.

JSE will pay limited claims against defaulting brokers A Forbes, HG Crosby and Ben Janse van Rensburg. Genbel warns. Sea Harvest issues prospectus.

NY ROUND-UP

Profit

SUNDAY TIMES

Beer for the commu

ST Times (Bus)

A PLAN to keep the locals happy with ample beer and generate funds for community development has been brewed by Brewmasters International.

Promoted by marketing and promotions group David Hume & Associates, the intention is to establish mini-breweries in poor areas.

They would produce clear beer and plough profits back into the community for clinics, schools, electrification programmes and boreholes.

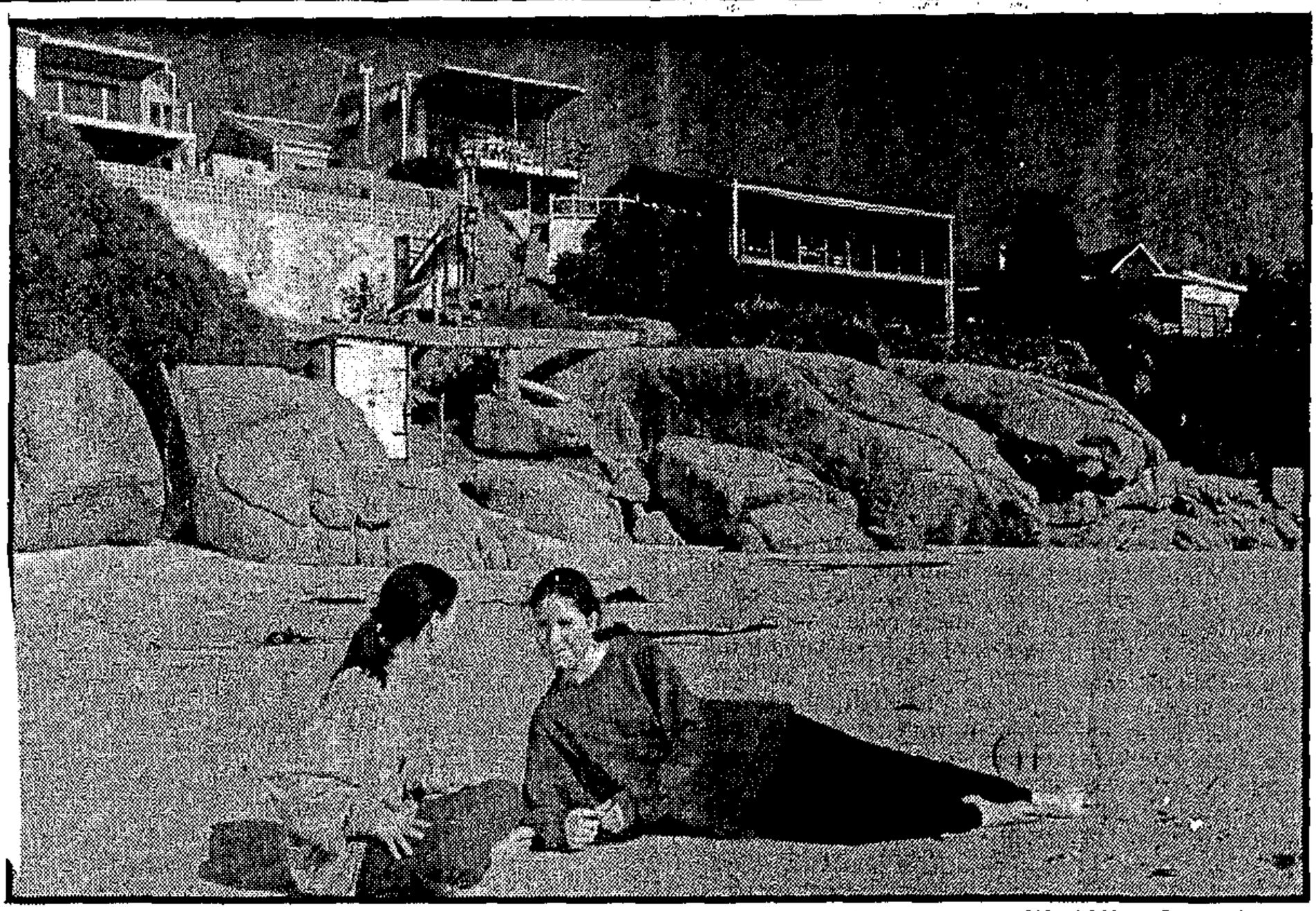
The plan has attracted the interest of Anglo American.

By DON ROBERTSON

A problem for these communities, however, is that a brewery would cost about R500 000. It is hoped to involve the Development Bank or the Small Business Development Corporation in underwriting the cost.

Managing director David Hume says mini-breweries making between 800 and 1 600 litres a day could pipe beer to beerhalls.

Beer could be made for 48c a half-litre, including Government levies. A brewery could pay for it-



A VIEW TO BUY . . . Clifton's bungalows, the leases for which were originally given to World War One veterans

ANC sidelined over Clifton land sales

ST Times CBussJ 20161195

A SEVEN-year battle by Clifton beach residents to buy the land on which their bungalows sit looks set for victory despite strenuous objections from the ANC and others.

Legal opinion given to a Cape Town City Council executive committee this week is understood to have cleared the way for the sales to proceed.

Some bungalow owners have already signed documentation accepting the council's terms of sale, and put down deposits on the tiny pockets of land.

Although the bungalow owners, who include Christo Wiese, Cecil Jowell, and, until recently, Mervyn Key, own their properties, the land on which they stand is leased from the council on a long-standing monthly basis.

By JEREMY WOODS

The leases were originally given to veterans from the World War One back in the 1920s, as well as to pensioners. But the land, currently the subject of a provisional National Monuments proclamation, has until now never been sold by the city council.

However, as long ago as 1986, the council decided the plots should be sold to raise money for other community projects.

Since then there have been numerous delays in carrying out the sales, the latest of which has been the strenuous objections by the ANC and Sanco.

"The ANC believes the land is public land and should be used for amenity purposes. Other objectors believe the land should be sold at current market prices, and not based on 1986 prices as we have agreed," said a spokesman for the city council.

Prices for the plots are around R400 000 each.

Mr Geoffrey Hirschman, chairman of the Clifton Bungalow Owners' Association, said on Friday: "We are hoping to put an end to all this, and have the matter finalised shortly."

He said although some residents are wealthy, many were just "ordinary pensioners who are going to find it difficult to raise the money for the land".

Only homeland gaming on the agenda for now

HOTEL groups suspect that recommendations for the revamp of the gambling laws will gather dust until a new government is installed.

At most, only one aspect of the Howard Commission recommendations — about casino licences — is likely to be dealt with this year. It would hasten reincorporation of the homelands in SA.

The Government has yet to respond to the Howard report, released in April.

A Department of Justice spokesman says the issue could come before the Cabinet on Wednesday.

But government and opposition sources say it is highly unlikely that a bill will be tabled in Parliament this session.

"They are still merely recommendations," stresses Kessel Feinstein Consulting managing director Delano Caras. "We may not see the Government act on them at all.

"But something has to be

By CHERILYN IRETON

done about the casino recommendations before the TBVC states are reincorporated in SA. It would not surprise me if nothing much else happens."

The commission recommended that 10 licences be granted for casinos located at least an hour's drive from metropolitan areas and that applicants prove sufficient demand.

Democratic Party MP Tony Leon will ask the Government in Parliament on Tuesday to react to the report.

"I think they are ducking the issue. We could have had the legislation through by now.

The licences would be granted over and above the casinos already operating in the TBVC states.

Mr Caras says in his annual study of the tourism and leisure trade: "As official policy — insofar as one can deduce it — seems to be oriented towards boosting tourism, it would be surprising if the ultimate legislation, originally promised for 1993, differs substantially from what is foreshadowed by the recommendations.

"But some interesting questions arise: how exactly will projects competing for a licence in a particular area be evaluated and whose divine inspiration will determine which is the best?"

"Will this or a future government be able to resist the temptation of treating the casinos as cash cows and taxing them to death?"

Mr Caras says the commission has sensibly suggested a levy of 15% on winnings.

Sun International managing director Peter Venison says his group is unable to plan more casinos until it knows what the rules of the game are.

Elegant new guest house

A NEW guest house catering for business people and tourists has been opened in a Herbert Baker-designed home in Kenilworth.

Called Baker House, the imposing double-storey building has been carefully restored and now houses antiques and art collected from around the world by owner Henriette van der Walt.

"We are offering elegant but relaxed bed and breakfast accommodation for business people at very competitive prices, but with all the communication facilities that a hotel can offer," said Mrs van der Walt, who can be reached on ☎ 762-4912.

Tourists at risk in SA, says UK

(288)

GARNER THOMPSON
The Argus Foreign Service

LONDON.— Britain's Foreign Office has included South Africa in its list of countries where it believes tourists could be at special risk.

The blacklisting, part of an ongoing exercise by the Foreign Office, has been disclosed following the murder of another Briton in the United States.

It now lists more than 70 countries where tourists are told to take special care.

These include Kenya, Brazil, Egypt, Iraq, Zaire and the West Indies.

Tourists about to visit South Africa are told flatly to avoid townships "and areas near them".

The advice continues: "They should also be alert for muggers, notably in city centres and avoid isolated areas."

The entry, reported by Today newspaper, comes in the wake of the murder of two British tourists, Elizabeth Over and Julie Godwin, in December 1992, and the gang-rape of a woman within a week of that attack.

South Africa's reputation for violence is such that foreign airlines and other travel organisations are becoming concerned that tourists are not being properly advised, while their own staff who stop over there are told to go out at night only under special guard.

● French rugby players and officials are shocked by the violent atmosphere in South Africa, reports The Argus Foreign service in Paris.

Jacques Verdier, reporting for the weekly Midi-Olympique, said: "To be perfectly honest, it is almost suicidal to walk alone, or in a small group, at night in cities like Johannesburg, Cape Town, Durban or Maritzburg. We cannot help comparing the atmosphere here to the situation in French Algeria just before the war there broke out.

"Statistics on the violence here gives one goose-pimples. Recent massacres have left the country in a state of shock and we realise that the eight bodyguards travelling around with us are not there for fun."

Offshore finance scoop for Waterfront hotel

CT 18/6/93 (288)

By MAGGIE ROWLEY
Property Editor

NEGOTIATIONS with two international hotel operators, both prepared to come in with their chequebooks, were well advanced for a new 250 to 300-roomed hotel in the Waterfront, said V.& A Waterfront Co MD David Jack.

Jack said both groups were prepared to invest between 20% and 30% of the estimated R120m to R160m needed to develop the hotel on Quay Six.

"Negotiations are well advanced but still at a sensitive stage. Both contenders however are both definitely willing to invest in the project as well as manage the hotel," he said.

He said discussions were also well advanced with two or three pension funds for local financing of the hotel, which will be the flagship hotel for the Waterfront.

Jack would not be drawn on which hotel chains they were talking to but said they were both international groups which had been active in Africa.

International chains active in Africa include Intercontinental and the Sheraton however speculation has also centred around the Hilton Group.

He said the Waterfront hotel was due to come on stream for the 1995 summer season.

Meanwhile the groundwork for the R100m extension to the Victoria Wharf retail centre was proceeding well and this project was also scheduled for completion in 1995.

Retail centre

He said they were talking primarily to Transnet Pension Fund to finance the centre, which would provide an additional 12 000m² to 15 000m² of retail space bringing the total retail space in the Waterfront to about 44 000m². The existing Victoria Wharf centre provides 26 000m² of space.

Negotiations with major tenants were underway and other tenants would be chosen to complement existing tenants, he said.

A further 600 undercover parking bays are to be provided in the extension.

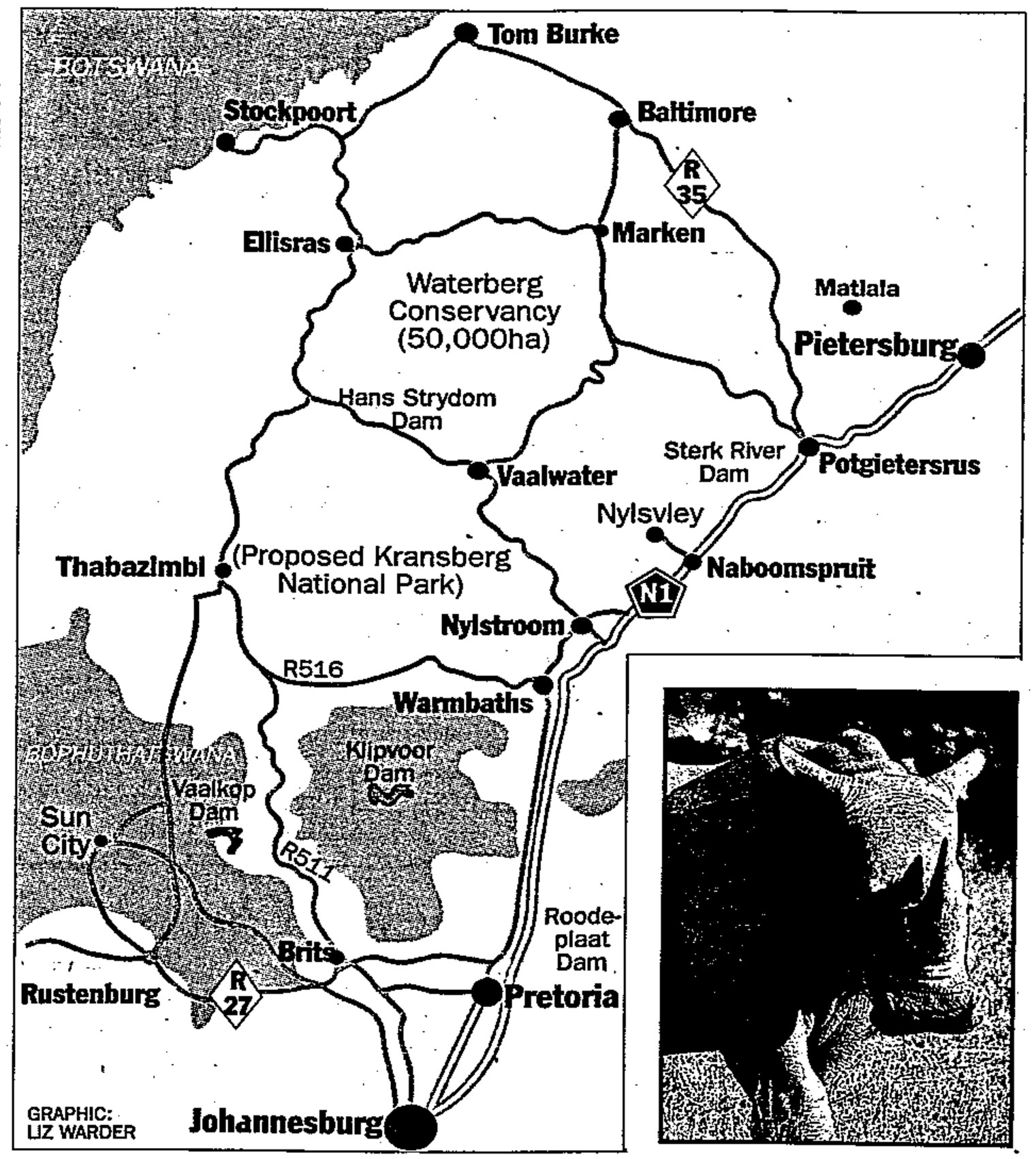
Excavation of part of the site would begin this year with the planned move of Marpro running ahead of schedule. This was now expected to take place at the end of this year with construction starting early next year.

Occupancies at the Victoria & Alfred Hotel in the Waterfront had been in excess of 80% this year even during May which had been the worst month for city hotels, he said.

The City Lodge had also reported good occupancy rates.

He said while trading patterns had dropped off as predicted in the retail centre during May, many of the outlets were performing ahead of budget and 70% of the restaurants in the Waterfront were still paying rents on turnover.

"But they are all looking to quite a tough year, particularly during the winter months."



Big push for Bushveld

By Anita Allen
Science Writer

Bushvelders of the northern Transvaal are staking its claim as a major tourist destination of the future.

The formal launch of a drive to highlight the potential of the Bushveld took place at Nylstroom on Wednesday at a braai organised by the tourism committee of the Regional Services Council.

The area of about 48 000 sq km stretches from the Pienaars River just north of Pretoria, through Warmbaths, Nylstroom, Naboomspruit and Potgietersrus, and northwards to the Limpopo River. From there it includes Koedoesrand, Ellisras and Thabazimbi across the Waterberg, and the Springbok Flats.

This encompasses 31 holiday resorts, 19 nature reserves, 31 hunting lodges and numerous dams, including Frikkie Geyser, Doorndraai, Glen Alpine and Hans Strydom, which offer watersports facilities.

Major attractions are the famous hot mineral springs at Warmbaths and Naboomspruit; the largest natural vlei in the Transvaal at Nysvley, which claims to have be home to the largest variety of water birds in the southern hemisphere, and the newly formed private game reserves Welgewonden and the Waterberg Conservancy, which is a natural heritage site.

There is also the game breeding centre for rare species run by the Pretoria National Zoological Gardens at Potgietersrus.

On the drawing board is the 100 000 ha Kransberg National Park just north of Thabazimbi, which is being planned along the lines of the Kruger Park and will be home to the Big 5.

It is expected to be open to the public in about two years' time.

The Bushveld is also of cultural and and historical significance.

One of its most famous inhabitants was Eugene Marais, author of, among others, "My Friends the Baboons" and "The Soul of the White Ant". Both are landmark works in natural history written at the turn of the century. They have been translated into numerous languages.

Next month is the annual Thabazimbi Game Festival, with its special exhibitions, auctions and its not-to-be-missed game dinner.

Festivals are part of the region, and include the three-day Bushveld Festival at Ellisras, the Biltong Festival in October at Potgietersrus, the Warmbaths Sunshine Festival to celebrate the arrival of Spring, and the January Grape Festival in the Waterberg.

For information, contact the RSC's Bosveld Tourism Information at (01531) 7-1344/5/6 and watch for the new Bushveld video which is due to be screened on SABC-TV soon.

Murders harming economy – Holomisa

EAST LONDON — The unprecedented spate of killings of whites in Transkei has dealt its ailing economy a potentially ruinous blow.

Transkei's military government yesterday condemned the murders and expressed concern about the future of investment and tourism in the territory.

Two more South Africans were murdered in Transkei this week.

Military ruler Major-General Bantu Holomisa said: "Concerted government attempts at boosting investor confidence have been seriously undermined by the nefarious acts of the faceless dastardly few murderous gangsters."

Holomisa added: "The future of the tourism industry is becoming bleaker by the day as a result of these unwarranted bloody slayings of white tourists and other whites." — Elnews.

NATAL SOUTH COAST
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From R 199 000
NO Transfer Duty SAVE ± R 7 550
* Sectional Title
* Luxury Simplexes / Duplexes / Maisonettes

by said early 1995 was the earli-
at a strong pick-up in office
ng activity could be expected.

represented a weighted average of 12,8% of all assets, mining equities represented 20,1%, industrial shares 43,1%, bonds 17% and money market instruments 7%.

Fresh interest in tourism

PETER GALLI

RENEWED attention is being given to tourism-related developments now that there are fewer opportunities in the office, retail and industrial sectors, says Kessel Feinstein Consulting CE Delano Caras.

"In addition to the many schemes for new hotels, game lodges, golf and leisure estates, there is increased interest in tourism-related projects by developers and investors," he says. BIDay 16/6/93

The possibility that licences will be granted for casino resorts, as recommended by the Howard Commission, adds a new dimension to tourism-related property development. ... 288

Many promoters and developers believed the key to a development was to find "the operator". But they failed to realise the big difference between a lease and a management contract.

"The distinction centres on the question of risk. Under a lease the operator assumes the entire business risk. With a management contract, the owner rather than the operator is at risk," Caras says.

"Management contracts are an anathema to local investing institutions which are used to funding projects against triple-A leases, and recoil at the prospect of being the primary risk-taker in a venture.

"But there are signs that these attitudes are mellowing, with some financiers now recognising that a management agreement with a competent hotel chain is worth more than a lease with a suspect operator," he says.

Caras says several international chains are keen to establish a local presence, but are unlikely to do so as investors. And it should not be assumed that an international chain is superior to a domestic group.

New policy

BUSINESS TRIP TO CAPE TOWN

Violence costing tourism dearly

Star 16/6/93

By Derek Tommey

Violence in the second half of last year cost the tourism industry about R200 million in lost revenue. (288)

"Tourism Talk", a survey of the Southern African tourism industry, prepared by Kessel Feinstein Consulting in association with Nedbank, says that overseas arrivals in this period might well have been 35 000 to 70 000 higher but for the heightened levels of local instability.

Apart from losing about R200 million in foreign exchange, some 3 000 to 4 000 job opportunities would have been forfeited as well.

Salutary

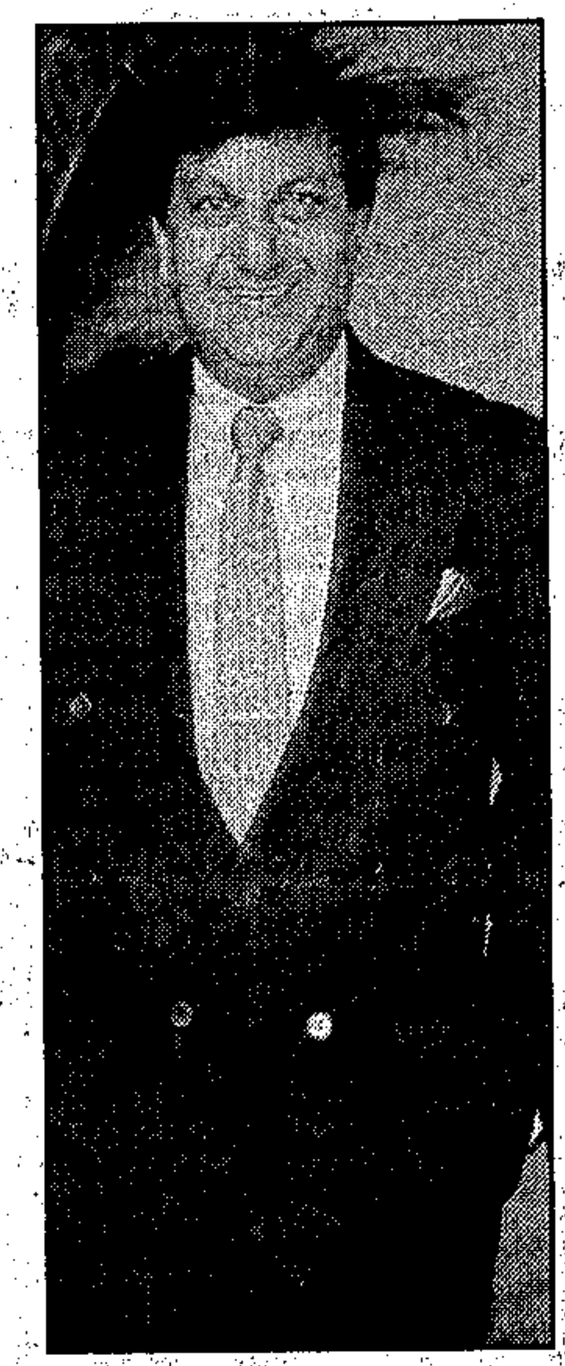
It says that in the first eight months of last year the number of foreign visitors rose by 16,5 percent, but growth for the year as a whole was only 9 percent.

But it adds:"This increase in the number of overseas visitors is most salutary at a time when most other sectors of the economy have experienced negative growth rates."

Foreign tourism is estimated to have brought in R3,5 billion last year, down slightly from R3,6 billion in 1991.

Domestic tourism, including expenditure on business travel, is estimated to have earned R6,9 billion, up from R5,5 billion in 1991.

Altogether, tourism earned R10,4 billion last year — equal to 3,2 percent of gross national product (GNP).



Minister of Tourism Bhadra Ranchod who spoke at the launch of Tourism Talk yesterday

The tourism industry currently employs more than 300 000 people and if it grows as expected, it will require an additional 450 000 workers by the years 2000.

The survey believes that foreign tourism will grow by at least 14 percent, with the number of overseas visitors rising from 564 000 last year to 630 000 this year, the number of African visitors increasing from 1,7 million to 2 million, and "other" visitors rising from 589 000 to 675 000.

The survey says that hotel room rates in South Africa increased on average by 11 percent last year, which was roughly in line with inflation.

In real terms, average rates have risen by 37 percent since 1986 and in nominal terms by 20 percent a year.

This year, hotel occupancies are expected to be the same as those of last year, and rates will increase by a nominal 5 percent.

Commenting on the downgrading of many Southern Sun hotels to 2-star Holiday Inn Garden Courts, it says this will increase competition among lower-grade hotels, while reducing competition in the 4-star and 5-star market.

Trend

This emphasises the trend towards limited-service hotel products which, among other things, might weaken organised labour's bargaining position.

The survey reports that the introduction of the new grading and classification scheme for tourist accommodation establishments has been postponed from July to August.

The new system envisages three levels of registration: listed, graded and classified.

Establishments providing higher-than-average standards of service may be classified "silver" and perhaps "gold".

R200-m loss hits tourism industry

Business Staff (288) ARG 16/6/93

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Some still rush in where the others invest cautiously

B/Day 14/6/93

WHILE some of the major institutional property players are becoming far more cautious in their investments, others are becoming less conservative and increasing them.

Old Mutual Properties investment manager Ian Watt says it is becoming more difficult to consider investment and development proposals and opportunities.

"While we are applying normal selective criteria, it is becoming more difficult to find suitable properties for investment and development. We have also tightened up on speculative developments," he says.

In the past, expenditure on speculative developments mopped up a good deal of the institutional cash flows, but this avenue is closed due to the oversupply of space.

"For the past two years, we have been saying there has been too much speculative development in the market and almost all of our investments have to be substantially tenant driven," he says.

However, Sanlam properties MD Johan Treurnicht says it expects to increase its new property investments by about 25% to more than R1bn in the financial year to end-September 1994.

"However, to achieve this we will have to consider taking greater risks and looking at alternatives to those risk-free, guaranteed investments.

"We will have to be more adventurous and less cautious in our investment approach — but always remembering that it is our policyholders' money and acceptable returns have to be generated," he says.

Opportunities

Areas of growth under consideration by the company was the retirement village market, and opportunities that could come from the establishment of export processing zones.

The privatisation of some public corporations has also created opportunities and Sanlam is talking to a number of parties in this regard, Treurnicht says.

Watt says most of Old Mutual's efforts have been concentrated in buildings with good, financially sound tenants that are well located and offer an acceptable return.

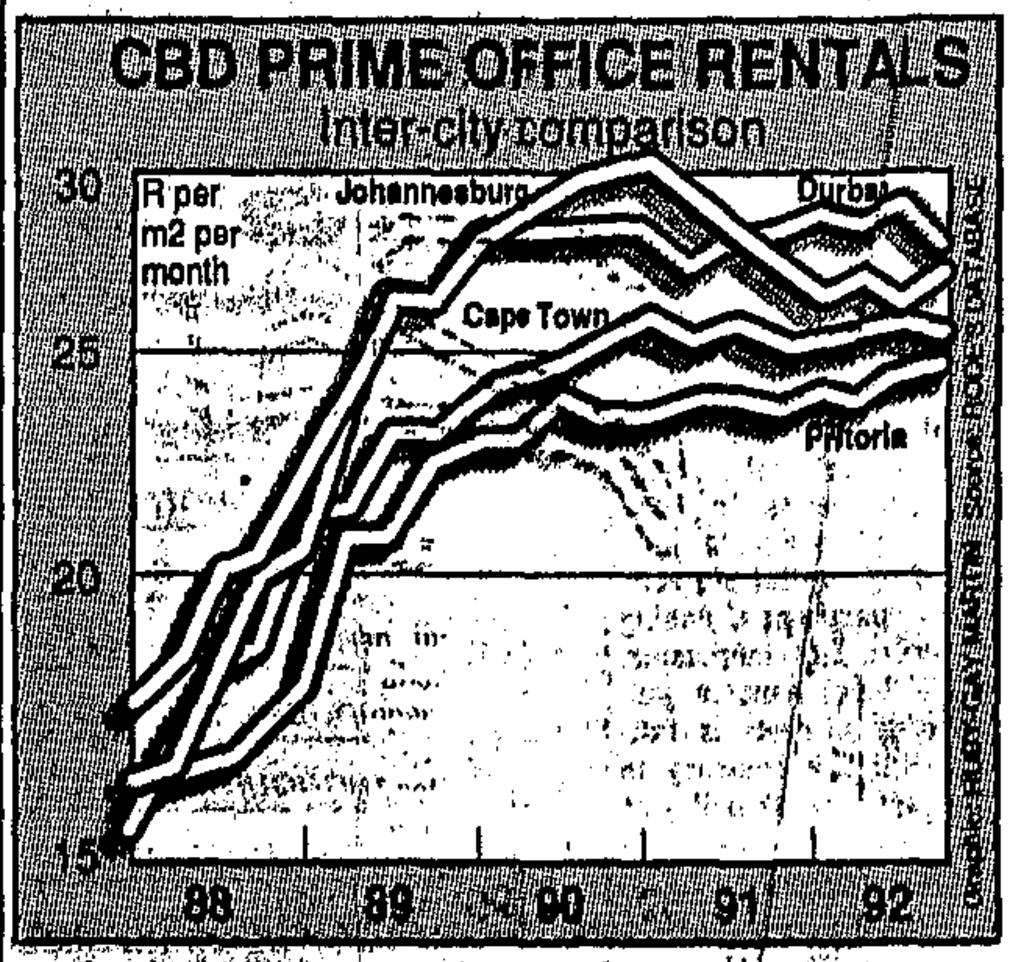
"While we actively acquired industrial land some time ago, we are developing a large amount of this. The present market has forced us to manage our decisions more carefully in regard to the utilisation of land holdings," he says.

Old Mutual is still buying land in areas where it feels there is growth potential, while some of its older office blocks — particularly in the Johannesburg CBD — have been closed and classified as future development sites.

Liberty Life Properties CE Wolf Cesman says property investment opportunities for the group exist in three main areas: strategic investments, adding value to existing properties and selected investment opportunities.

"Strategic investments include our R120m investment in the recently announced Sandton Square development, while we have invested another R120m in various properties," he says.

Strategic and added value investments include the refurbishment and extension of Sandton City at a cost of more than R80m, R145m for the refurbishment of the Sandton Sun hotel and the new Sandton Sun Towers and a R10m refurbishment of Greenacres in Port Elizabeth.



Where something special brings in something extra

THERE is still demand for offices that offer something extra — and tenants are prepared to pay a premium for this space, Rode Report editor Erwin Rode says.

"We first noticed this in Cape Town, where rentals at the Waterfront commanded significant premium over CBD rentals, while rates for offices right on the water were still higher," he says.

Latest reported levels for Portswood Ridge offices — in the Waterfront area but away from the quayside — are R32/m² against R27,42/m² in the BP building.

"This gives the Waterfront a head start of around R4,50/m², while the achievable market rental for offices on the water's edge is R36/m2 — a premium of R10/m² over top CBD rentals."

Even inland water seems to have a special attraction. Brokers specialising in Transvaal "waterfront" offices in Bruma and Verwoedburgstad feel that water's edge space could probably command an extra R1/m², he says.

However, office rentals for most nodes and grades were down in the first quarter compared to the previous quarter, the latest Rode Report on the property market says.

"Notable exceptions include rentals for A and A-plus grade space in the Johannesburg and Pretoria CBDs — which both edged up marginally — and the Sandton CBD, which was the best performer of all the nodes surveyed," Rode says.

Rentals in Johannesburg's decentralised nodes, which performed "reasonably well" up to now, did not perform well in the first quarter. Sandton rentals were up strongly, but those in Rosebank, Parktown, Illovo and Randburg all slipped back slightly.

Foreigners help hotel industry see the end of tough times

B/Day 14/6/93

THE hotel industry — particularly in the western Cape — is reflecting good offshore and local buying interest in spite of the current uncertain political and economic situation in the country.

Pam Golding Properties' hotel and leisure division MD John Pistorius says more than 25 hotels worth over R40m have been sold by the group in the past five years.

"The hotel and leisure industry in the western Cape is experiencing an upswing not seen in any other part of SA. We concluded sales of R5,5m in May alone, which included the sale of Cape Swiss Hotel in upper Kloof Street," he says.

The group was also taking "a proactive approach" to the international marketing of its hotels and one of its representatives was visitng all its international offices to introduce the available properties.

"The Cape has become the preferred location for buyers and we are receiving more inquiries from upcountry and well as international buyers looking for investment opportunities in the western Cape," Pistorius says.

Hotel Broking Services MD Rory Stear agrees, saying international investor activity has "picked up markedly" this year.

"While the Hani assassination slowed down some deals, none were cancelled as a result of this. We are dealing with two German investors looking to invest about R8m in existing hotel operations," he says.

There is a lot of activity in the western Cape, particularly for hotels, guest lodges and restaurants. The Victoria & Alfred Waterfront development has attracted good interest and HBS is involved in three deals in this regard.

There is also renewed local interest, particularly at the affordable end of the market. Many of the major hotel chains are actively looking for new sites for their budget hotels, he says.

"Another trend is the refurbishment of existing hotels. The quality of local hotels declined during the sanction era and this now has to be addressed. There is also demand for properties and game farms in the eastern Transvaal and Durban.

HBS has more than 30 hotels on its books countrywide and has sold in excess of R40m worth of properties since early 1991.

"Our association with Robert Barry in London is helpful as it serves as a source of international buyers," Stear says.

surprising — Rode

16/6/93

"We spoke to MidCity in Pretoria, which confirmed the take-up was possible

Guest house rating system

Staff Reporter

THE South African Tourism Board (Satour), is to create a grading system for bed and breakfast establishments and guest houses as an alternative to the voluntary star grading system which will be introduced for hotels in August with the new Tourism Act.

ST 14/6/93

288

A spokesman said nominations for members of committees to decide on such a system must be sent to the executive director, Satour, Private Bag X164, Pretoria 0001, by June 30.

ATLANTIC SEABOARD REVIEW

Sea Point looks forward to a bright future

S/Times (Cape metro) 13/6/93 (288)

By TWEET GAINSBOROUGH-WARING

SEA POINT is alive and well, and although many may still doubt this, Chris Joubert, chairman of the Green and Sea Point Traders Association, says positive action has arisen from the complaints of the past.

While the short-term outlook is mediocre, the long term holds a lot of promise, he says.

"After meetings with traders and other concerned bodies, we ranked the main reasons for the decline of the Sea Point business area in order of priority," he said.

Competition from prime shopping areas like Claremont and the Waterfront topped the list, though Mr Joubert said he felt Sea Point first felt the pinch at the beginning of the economic recession and the Waterfront served only to exacerbate this.

Crime, lack of security and limited parking were also targeted as factors for the decline of the CBD.

Other reasons were: strip shopping as opposed to malls, poor tenant mix, absentee landlords and the cumulative decline of the whole area.



FAMOUS VIEW ... The Sea Point Promenade, for years a landmark for visitors to Cape Town Picture: JACK LESTRADE

Overall plan

In drawing up a blueprint for the upgrading of Sea Point and its environs the city council engaged planning consultants Todeschini and Jaffer to draw up a working solution.

"This has already been put before the council and certain elements of the plan have been accepted,' said Mr Joubert.

Greening

As a result of pinpointing these problems, the Traders Association has embarked on a greening programme, evidence of which can already be seen.

When you walk down Main and Regent Roads terracotta pots filled with plants stand at the entrance to many of the businesses.

"This is only the start," said Joubert. "The Parks and Forests branch is currently investigating the siting of coco palms, which have been sponsored by a major Sea Point supermarket."

The general upgrading has also received a boost with the city cleansing department allocating 30 extra street cleaners to Main and Regent Roads.

In December last year frustrated shopkeepers took to the streets themselves to improve the situation.

"Traders were provided with black bags and brooms in this 'spit and polish' campaign to clean up Sea Point and welcome tourists," said Joubert.

The Traders Association has gone a step further and has hired its own street cleaners to supplement those of the cleansing department.

Security

Security for businesses and restaurants has been stepped up with the implementation of a business watch, which has been running for two years.

Loiterers are the main cause for concern in the area, but housebreaking and theft has decreased dramatically.

Sergeant Albert Viljoen of the Business Watch said the large number of loiterers was directly related to the availability of alcohol and drugs.

The Watch provides regular foot and bicycle patrols between 8 am and 8 pm.

In addition, a private security firm, co-operating with the police, operates between 5 pm and midnight to ensure the safety of restaurant diners.

Tenant mix

"Over the years Sea Point has lost a lot of its specialist shops and has become very service orientated. We would like to see the return of speciality shops which encourage browsers as well as shoppers, thus revitalising the shopping environs," Mr Joubert said.

The recent influx of escort agencies has given the Traders Association a new dilemma.

"While serving a need and paying rent, we have to admit they are not what the association considers ideal tenants," Mr Joubert said.

"A major problem confronting us is soliciting — male and female — which goes on at night and lowers the tone of the area.

"This is under investigation by the vice squad, which has promised to clamp down on these activities," he said.

Restaurants

Restaurants are still feeling the pinch despite intensified efforts to improve security.

"The many coffee shops along the Main and Regent Roads continue to do well because the coffee shop is very much a part of the continental way of life," said Miss Yetty Luiz, Chairman of the Restaurant Guild (affiliated to the Green and Sea Point Traders Association).

Ms Luiz feels it is not the Waterfront that has affected restaurants but rather the overall political uncertainty, lack of money and the fact that people are afraid to go out.

Ms Luiz said she knew of areas outside Sea Point where restaurants had gone under but was happy to report that although Sea Point restaurateurs were battling, they were still making ends meet.

Mr Joubert said he felt the established restaurants of many years standing had suffered the least because they had built a reputation for good food and service.

Property

Property along the Atlantic Seaboard contines to move, but according to Geraldine Fitzgerald, branch manager of Pam Golding, Sea Point, prices have seen a definite decline and it takes longer to sell from the time of listing.

"Statistics have shown that if it weren't for the occasional sale of a million-plus flat, prices would average out at about R250 000 per unit. Land too has taken a knock, that is if and when it becomes available."

Cash buyers in the land market are not as prolific as they were, with the majority taking bonds to finance their deals.

The average price obtained for houses in the area over the past six months is R540 000 with about half the buyers paying cash.

JOB MARKET

Franchising set to become a major form of employment

ST Times [Buss] 13/6/93

By TERRY BETTY

MOST successful Kentucky Fried Chicken franchise owners in the US are high school dropouts.

Franchise expert David Acheson also says many successful Wimpy franchise holders in the UK are illiterate Cypriots.

"It is a fallacy that you have to be educated to set up a franchise, or establish your own business."

With unemployment and a lack of education rising to unprecedented levels, franchising is tipped to be the major form of job creation in the 1990s.

"The '90s will be the decade of entrepreneurship, no longer will people be looking to get lifelong employment in mega corporations but will instead have to set up their own business."

The international trend of large corporates downsizing has not escaped SA.

NedEnterprise general manager Neville Edwards says that only 1% of high school and university leavers will be able to find jobs in the formal sector at the end of the year — the rest will have to look to the informal sector or create their own employment.

Mr Edwards says the mindset that people have to look for a job once they leave school has to change, "they will have to create their own jobs".

Franchising is also accepted to be the more successful method of starting your own business.

Figures show less than 10% of people starting their own business are still successful after 10 years, whereas the figure is closer to 85% for those who start their own business through a franchise.

The reasons are simple: The franchise holder buys a tried and tested product from the master franchise holder, he is taught how to operate the product and run the business.

A good master franchise holder will also provide backup as well as marketing and advertising support.

International isolation means that SA has lagged the rest of the world in franchising.

Mr Acheson says franchise sales in the US total $750-billion — 35% of all retail sales.

UK retail sales through franchises are around 20%, although this includes all the sales done through pubs.

South Africa's sales through franchises are only about 4% of total retail sales.

Mr Acheson says SA has been isolated from the movement of international franchises. He says the US is the largest exporter of franchises, and they have stayed away from SA because of the political situation.

He also says the stringent exchange control regulations have kept many people out. "Eventually foreign-based franchise owners will want to remit their profits, and this is not easy in SA."

Mr Acheson says a number of opportunities are available in SA, such as in the services sector, as SA has a large number of skilled, trained artisans.

One of the largest US-based franchises announced this week that it is setting up shop in SA.

Coverall Cleaning Concepts' international director of franchise sales, Jack Caughey, says Coverall will tailor its packages to suit the customer's pocket, with the cheapest package costing around R5 000.

Coverall will train franchise holders in cleaning a variety of different offices, surfaces and carpets.

It also gives franchise holders specialist training in fields such as "blood pathogens".

Here franchisees are taught to clean hospitals, particularly emergency rooms where they have to deal with blood and body parts. They are taught to protect themselves against AIDS, what chemicals to use and how the waste should be disposed of.

The master franchise holder will run the franchise for a while to iron out the creases and to adapt it to the SA situation before selling to franchisees.

In fact, Kessel Feinstein Consulting director Bendeta Gordon says the key to the success of a franchise business is that the product has to be tried and tested.

"The business must run for a minimum of two years before the person can even consider franchising it."

The product needs to establish reputation, the owner needs to have experienced all the hiccups first-hand before he can sell his product to someone else.



BENDETA GORDON: Franchises must be tried and tested

The franchiser must be careful in selecting the franchisee — if the outlet is badly run and provides a poor service, it will damage the reputation of the chain.

Mrs Gordon also says before franchising, the franchiser must do a feasibility study to ensure that the product will be appropriate for the environment.

She says the business must be able to generate a large enough profit margin to enable the franchisee to pay the management fee to the franchiser and still remain profitable.

Other essentials include writing an operations manual, running training programmes and drawing up a franchise agreement.

Mrs Gordon says it is essential the franchiser has a well planned strategy or business plan.

Hotels in 'worst slump ever'

ET 12/6/93

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By PETER DENNEHY

THE South African hotel industry is suffering its worst slump ever, according to hoteliers' association Fedhasa spokesman Mr Bruno Corte.

He said the average occupancy rate of hotels countrywide had dropped to an all-time low of 47%.

Violence and political instability were not only keeping foreign visitors away, but were also inducing South Africans to stay at home rather than taking the risk of travelling through troubled areas, said Mr Bruno.

Hoteliers in the Western Cape, who are used to big seasonal dips in room occupancy during the winter months, yesterday said that business was dire for only a few hotels, but that many were emptier than they had been in at least four years.

Mr Danny Bryer, group sales and marketing manager for the Protea Group, said everybody was feeling the pinch, but that "we are not in any panic scenario".

He said the year-round occupancy rate for the country as a whole was normally 52% to 55%, with an October to February peak and a February to September lull.

The worst affected hotels in the country are those in the Transkei and Ciskei, which had only 10% occupancy rates.

But Mr Bryer said the danger in travelling to these regions had been exaggerated.

He estimated that the occupancy rate in the Western Cape was about 47%, which was not alarming for this time of year.

A Central Stastical Services spokesman yesterday said that in mid-winter room occupancy rates in Cape Town fell to just over 41%.

Mr Bill Dickson, financial director of the City Lodge group, denied that the hotel industry was suffering its worst ever slump. In 1986, he said, the overall room occupancy rate had been 46%.

But occupancy rates were probably "the worst they have been since 1989", he said.

Deal prevents retrenchment

PROTEA HOTELS have offered all group employees an innovative package deal to prevent the possible retrenchment of 50 workers from the Ritz Protea Hotel in Sea Point, which has suffered a dramatic decline in occupancies.

All Protea Hotel employees have been asked to take smaller increases to free funds within the company so that redundant employees are not retrenched.

The proposal is one of several developed by Protea Hotel management with the South African Commercial, Catering and Allied Workers' Union.

Protea Hotels group consultant Mr Dave Gillam said yesterday: "It avoids us having to put employees out on the street."

● Spoornet has implemented a similar policy which should result in less than 300 actual retrenchments, out of 2 500 redundant posts, in the Western Cape by the end of the year.

Workers earmarked for redundancy are placed in a national labour pool, retrained and then matched with vacant posts, according to spokesman Mr Hennie Lourens.

Views vary on liquor proposals

Star 10/6/93

283

By Michael Sparks

Churches — the traditional opponents of unfettered liquor consumption — say they don't expect proposed extended trading hours to contribute to liquor abuse.

Retailers have welcomed the freedom to stay open late if they choose to, but said it was unlikely that stores would stay open until 8 pm on weekdays.

Churches said they were not happy with extended trading hours, but they did not believe shorter hours would lead to less alcohol abuse, and hoped to address the problem in other ways.

Western Province Cellars managing director Con Oosthuizen said the implications for staff meant it was unlikely that most bottle stores would stay open late every night.

But he added it was an important step that bottle stores could now choose for themselves when to close.

Benny Goldberg's owner Rob Rutter said stores were unlikely to stay open until late as there was a dramatic increase in crime after dark.

Rutter added: "I don't expect to see sales increasing dramatically. People can only drink so much."

Federated Hotel, Liquor and Catering Association of SA liquor committee chairman Ian Rubin said that extending trading until 5 pm on Saturday would have important implications for bottle stores in shopping centres.

Until now, stores in large centres had been forced to close at 2 pm, while other stores closed at 5 pm.

Dutch Reformed Church social welfare spokesman Dr Dawie Theron said the church did not expect alcohol use and abuse to be affected by longer trading hours. But, he added, the church would have strong objections if liquor was sold on Sundays.

Theron said the church had recently launched a nationwide programme emphasising the prevention of alcohol abuse, which they felt was a more effective approach to reducing abuse.

Methodist Church spokesman Ruth Coggin, said the church was unhappy about any relaxation in regulations on the sale of liquor.

But the church recognised that where alcohol was already being abused, the problem was unlikely to be worsened by extending liquor trading hours.

Record death toll for police, soldiers

B/Day 10/6/93

A RECORD number of police and soldiers were killed in political violence in SA last month.

The Human Rights Commission (HRC) said 34 security force members were killed and 43 wounded in May — higher than any other month since the HRC began keeping records 17 months ago.

May also posted the highest death toll related to political violence in eight months — a total 302 people.

But the HRC said the 1 095 deaths recorded this year was nearly 25% lower than at the same time in 1992.

Most deaths in May were around the Pretoria-Johannesburg area.

More than 8 000 people have died in political violence since President F W de Klerk began dismantling apartheid three years ago. — Reuter.

Fedlife and Club Mykonos

B/Day 10/6/93

CAPE TOWN — Life assurance giant Fedlife's senior personnel approved an investment scheme for Club Mykonos in Langebaan (CML) — even though this scheme was considered undesirable — and invested R27m in it, the Masterbond commission was told yesterday.

Fedlife assistant GM Denis Paizes, giving evidence, said that after attending a meeting at Masterbond's offices in the Cape in November 1991 to find out more about marketing property equity participation in CML, he felt "uncomfortable about the product".

Paizes said that during the meeting he "never saw a balance sheet or any audited statements of the resort" and described the scheme as "a package with little content".

In a memorandum to his superior, investments GM Ian Frazer, he said that "a scheme as ambitious as CML based on unstable financing from short-term deposits must be vulnerable".

Own Correspondent

At this point Paizes was warned by Judge H C Nel, who heads the commission, that witholding information was a contravention of the Commission's Act.

Paizes was reprimanded as he could not remember having further discussions with Frazer about the scheme supported by Fedlife, or who had given the go-ahead to implement the scheme.

He later said that it could be assumed that Frazer and marketing manager Bernard Goldman had given the all-clear for the investment scheme to go ahead.

By May 1991, when Fedlife ended its involvement, R27m had been invested in the scheme by the life assurer.

CP publishes proposals for the new constitution

Buss. Day 9/6/93

CAPE TOWN — The CP published yesterday its constitutional proposals, which insist on Afrikaner self-determination under a confederal constitution in a territory to be negotiated.

The proposals, submitted to the negotiations technical committee on constitutional affairs, do not specify the territory the CP suggested should be set aside as an Afrikaner state.

Nor do the proposals indicate specifically whether it will be possible *for people in the territory who are not white to have the vote.*

The document argues, however, that in terms of international law, states are not obliged to grant the vote to non-citizens.

Only Afrikaners would qualify for full citizenship in the state. Afrikaners were defined as people who were "descendants of the Afrikaner nation and those patriots who share

TIM COHEN

the same destiny".

CP MP Corne Mulder declined to say specifically whether this definition would exclude people who were not white, saying only that the definition was self-explanatory.

Non-citizens within the Afrikaner state would not have the vote, would not be able to stand for Parliament, would not be able to lay claim to immovable property, but would have other private law rights.

On the territory, the CP document proposes that a process of negotiations should result in a legitimate set of boundaries "as opposed to mere unilaterally proposed instant maps".

The CP would present its proposals to the commission on the delimitation of states, regions and provinces, declining to release details of its proposals until they had been considered by the commission.

In contrast to parties that proposed a unitary state or a unitary state with regional powers, the CP was proposing self-determination for those who desired it, and any other dispensation for the rest.

These states — there would be at least two, the Afrikaner state and the New SA — would be bound together "for the benefit of all in a confederation of mutual acceptance and co-operation".

The confederal state would co-operate economically, in a way similar to the EC, and would share scientific and technical progress.

The document concluded that if all parties to the negotiations were serious and accepted the realities, it would be possible to resolve SA's complex problems.

"This may be our last opportunity to resolve our constitutional problems in a peaceful manner," the document said.

PAC rejects nationalisation

Buss. Day

TIM MARSLAND

THE PAC would not nationalise industry if it came to power, PAC secretary for economic affairs Sipho Shabalala said yesterday.

Addressing a conference on commercialisation and corporatisation at Midrand yesterday, he said the PAC did not have nationalisation on its agenda.

"I want to set the record straight. We will never nationalise buildings and so on. We are not fanatics," he said. 9/6/93

However, the PAC would like to see blacks on the boards of companies so that the workers "have a sense of ownership ... We want all people to have access to wealth," he said.

PAC economist Mosebjane Malatsi, who is also senior policy analyst at the Development Bank, said the organisation's focus would be on black empowerment through education.

There were too few blacks with the know-how to handle the running of businesses. Therefore, the organisation would make education a key priority, he said.

adopted heading

DP MP attacks liquor Bill

Buss. Day 9/6/93

CAPE TOWN — Rather than stimulating competition, the Liquor Amendment Bill would protect certain players in the liquor industry, Geoff Engel (DP Bezuidenhout) told Parliament yesterday.

Speaking in debate on the measure, he said the DP would vote against the Bill because the state's deregulation was unsound and licences and conditions of operation made such business inaccessible to local communities.

Central government should not determine trading hours.

"Due to the strong emotive, moral and religious issues at stake here, we believe the desired level (for setting hours and conditions) is third-tier government structures, namely local authorities, where each community can decide its wishes."

While the NP supported regionalism and devolution of power, it still demonstrated how selective its principles really were.

The DP knew there were many opponents of the Bill who did not want any deregulation.

However, experience in other countries had shown that deregulation did not necessarily increase alcohol consumption, and in some instances had actually decreased consumption and abuse.

Government had not been even-handed in its deregulation programme, which continued to discriminate against beer sales in supermarkets or other retail outlets where wine sales were permitted.

This was unjustified state interference originally prompted by the wine co-operatives against English business, he said.

Earlier, Deputy Trade and Industry Minister David Graaff said the implementation of the Liquor Act was a dynamic process that depended on the perceptions of the society it served. But all the problems would not be solved by the amendment.

However, the industry had come a long way on the path of deregulation. He had no doubt that Parliament might find it necessary to pass further deregulation measures in future.

D G H Nolte (CP Delmas) said the CP would oppose the measure because it extended liquor trading hours, and the CP was against trading on a Sunday.

At a time of increasing murders, robbery and death, lengthening selling hours would contribute only to more violence and unrest, he said. — Sapa.

Analysts warn of SA election chaos

Buss. Day 9/6/93

PRETORIA — Political analysts disagreed yesterday on the readiness of political parties, particularly the ANC, to meet the formidable challenges in the "brief" 10 month run-up to an election.

Willem Kleynhans said the country was totally unprepared for an election within a year and an attempt to hold one would end in chaos and a badly flawed result.

Of the country's 22-million eligible voters, 17-million would be Third World political illiterates.

It would take a year or more of intensive education programmes to equip them properly to take part in a democratic election.

He said there were massive "no

GERALD REILLY

go" areas where parties would be unable to hold meetings without provoking violence and disruption.

For the ANC, these areas included Bophuthatswana, Ciskei and KwaZulu, while NP recruiting efforts would not be tolerated in townships. The DP would not fare much better.

Kleynhans said farmers were unlikely to allow the ANC to campaign on farms for the votes of the 500 000 enfranchised farm workers.

He claimed the ANC had almost no election infrastructure and had put out the "begging bowl" in an effort to scrape together the R200m it claimed it needed to fight an election.

However, Wits University political science associate professor Tom Lodge said an election in 10 months' time was feasible, with much hard work, and "certainly desirable".

He claimed the ANC was as well prepared as any other party at this stage but much remained to be done in registering and educating voters.

In certain areas the ANC's organisation was "creaky" but then so was the NP's.

Lodge said a delay in the election could lead to fragmentation of ANC support to the right.

An early election had the support of the business community, which believed it would lead to greater business and consumer confidence and stimulate investment.

Star 9/6/93

More time to buy a tipple

By Chris Whitfield
Political Correspondent

CAPE TOWN — Booze will soon be on sale for longer hours — but those caught selling it to children will face a stiff fine of R20 000.

In terms of the Liquor Amendment Bill, which went through its second reading debate in Parliament yesterday, bottle stores will be able to stay open from 8 am to 8 pm on weekdays and until 5 pm on Saturdays.

The prohibition on the sale of liquor for off-consumption on public holidays will also be lifted in terms of the Bill.

But the fine facing hoteliers, bottle store owners and restaurateurs selling to minors will increase by 100 percent from R10 000.

The Bill should be voted on by Parliament and become law within weeks.

Deputy Trade and Industry Minister David Graaff, introducing the Bill, said it also scrapped other requirements which had inhibited entrepreneurs.

These included the requirement that a meal be served in order to buy alcohol in restaurants.

The restriction on a variety of drinks in restaurants and the requirement that they serve a specified number of brands would also be lifted.

Wine farms could also apply for a licence to sell wine on Sundays.

The ban on liquor licences to people not domiciled in South Africa was also being repealed "so as to encourage foreign investment".

The Democratic Party's Geoff Engel, MP for Bezuidenhout, said the deregulation proposed in the Bill was unsound and would in effect protect certain players in the industry.

He said the Government should not determine trading hours as this should be left to local communities.

Sanctions going soon — NZ

WELLINGTON. — Commonwealth trade sanctions against South Africa are likely to be lifted in the near future, New Zealand Foreign Minister Don McKinnon said today.

He said in a statement that trade, investment and financial sanctions against South Africa would probably be lifted when the timing for multi-racial elections was announced.

Mr McKinnon added that the trigger for lifting the sanctions would be the announcement of measures to oversee South Africa's transition to full democratic rule, including a firm election date.

Not all Commonwealth trade sanctions would be lifted immediately. Restrictions would remain on arms exports until a new non-racial and democratic government had been elected.

The African National Congress says an election date must be set and a transitional national executive formed before it will support the lifting of all sanctions, except those on arms and the oil trade. — Sapa-Reuter.

Visit called off

A VISIT to SA by a Tanzanian Tourist Corporation delegation had been cancelled because of fears over violence, organisers said yesterday.

A telex from the corporation received by the local organiser, African Outposts, said reports of planes being rerouted over Johannesburg and killings on the East Rand worried the authorities to the extent that they forbade the visit.

There's still hope for Hillbrow

w/mail 25/6-1/7/93

By PAUL STOBER

NOT all the news from Hillbrow is bad.

The Johannesburg suburb, once a vibrant refuge for the young and trendy, has been in the news for its spiralling crime rate and the closing of its cosmopolitan shops.

But a survey by Alan Morris of the University of the Witwatersrand's sociology department reveals the suburb has not slid past the point of no return.

"The process of decline is still quite limited. What is required is a sizeable intervention ... to halt the slide into a ghetto and maintain the racial diversity of the area," said Morris.

Morris' survey of 378 households in about 170 blocks of flats shows the area is not as overcrowded as popular opinion has it. Although Hillbrow is still South Africa's most densely populated area, there are on average 2,6 people living in a flat.

Roughly 55 percent of the people living in Hillbrow are African, 20 percent white, 6,2 percent Indian and 16,4 percent coloured. Although the racial composition of the area had shifted dramatically during the past two years, 84 percent of respondents said the change had broken down racism, against 2,5 percent who said it had worsened racist attitudes.

Residents' perceptions of their quality of life in the area differed but most Africans indicated moving to Hillbrow had improved their lives.

Morris sees several obstacles to reversing Hillbrow's decline.

A large number of the people living in the area had moved in within the past five years and only 30 percent intended to stay. Most respondents wanted to leave the area and only stayed because they had nowhere else to go. The constant flux of people made it difficult for residents to build the support networks around which a community takes shape.

Red-lining by the banks also prevented people from buying homes and settling

26 Sea Point hotel staff out

Staff Reporter

A DRASTIC decline in room occupancy has led to a three star Sea Point hotel having to axe 26 workers, scale down its operations and reduce its rates.

Mr Martin Fine, general manager of the Don Hotel in Marais Road, said there was only 40% occupancy for May and the management had no option but to retrench staff by the end of last month.

"We now only offer bed and breakfast whereas we used to provide breakfast, lunch and dinner. We no longer provide room service," he said.

Staff, he said, had been offered a retrenchment package and were given one month's notice.

"Occupancy is the lowest-ever and we reluctantly had to retrench food and beverage staff, porters and housekeeping staff," he said.

Single rooms had been reduced from R245 to R159 and the hotel was following major hotel chains in only providing bed and breakfast, he said.

Mr Fine said there were plans to develop the hotel into an old age home.

He said the Don Hotel no longer had a franchise agreement with the Protea Group.

Hotels expected to stay more than half empty

Buss Day 16 Feb 93

HOTEL occupancies would remain below the critical 50% break-even level in 1993 as political events continued to dampen SA tourism's short-term prospects, major hoteliers said.

Southern Sun group operations director Chris de Kock said that in 1992, average occupancies across the industry were 45%. This compared with close to 50% in 1991 and 62,6% in 1981, which had been the best year in the history of the local hotel industry.

Most hotel operators said this year would be similar to 1992. CSS figures had shown hotel occupancies were only 46,5% in January and February. (288)

Taking into account occupancies to end-May and forward bookings for June, they said occupancy figures for the first six months would be poor. Local and foreign leisure and business travel had been affected by political and economic conditions. In addition, particular areas had been hit by unrest, especially the eastern Cape and Transkei and the Natal south coast.

De Kock said his group had managed to increase occupancies by about 2% over the previous year. He expected occupancies to remain static for the rest of the year, with no significant increase over last year.

There had been a definite decline in foreign bookings since the Boipatong massacre and the death of Chris Hani. One area of improvement

MARCIA KLEIN

was the lower end of the market.

City Lodge MD Hans Enderle said the group's occupancies were generally down between January and May, but this was slightly distorted by the opening of three new hotels.

He said occupancies had been disappointing, particularly in April and May, which had been affected by political events. The Easter holidays were not buoyant, and business travel in general was down.

There was no reason to believe the trend would change over the rest of the year. Price would be a factor in attracting business, but there would not be a huge upswing.

There nevertheless had been a promising increase in foreign tourists, particularly in the coastal areas, Enderle said.

Protea Hotels group sales and marketing manager Danny Bryer said occupancies varied according to areas. In Cape Town, occupancies had been between 70% and 80%, and hotels in CBDs did not fare badly.

He said the hotel and tourism industry was going through a more trying time than last year. Hoteliers were working harder to attract tourists, particularly through below-the-line advertising and special offers. Even A-B income travellers were looking for special deals.

LUXURY HOMES (288)

FM 4/6/93.

Neither love nor money

The empty nest syndrome, coupled with a growing demand for the security and convenience townhouse living affords, could be turning large luxury homes on Durban's Berea into an anachronism.

There's no doubt that the ridge above Durban — including Glenwood, Berea, and Morningside — with its panoramic views of the harbour and the Indian Ocean, is one of the city's premier residential locations. However, there are signs that, following the national trend, large properties in this area at the top end of the price range are not in as much demand as they used to be.

Berea has become a buyer's market. There are seldom more than four or five R1m-plus homes sold on the ridge each year but one estate agent estimates that there could be as many as 24 properties in this price range now up for sale. He believes some of the slack could be taken up by foreign buyers.

Marc Lurie, who has just bought the Pam Golding Berea franchise, says that despite suggestions of a slump in residential sales because of politics, his organisation had a bumper month in April and was expecting May to be even better. Nevertheless, he concedes: "It's still a buyer's market with a preponderance of sellers. Sellers often have to accept substantially less than they're asking if they want to close a deal. We're seeing anything up to a 30% difference between list and selling prices."

Lurie notes there's also an emerging trend of owners of large properties buying down. "People are selling R1m-plus homes to move into more secure flats and townhouses. Though this may be healthy for the townhouse market, it is creating a bit of a vacuum at the top end of the property market. There is a need to stimulate interest in the higher-priced, larger properties," he says.

He estimates there are about 25 properties each worth more than R1m for sale on the Berea — a large number for a small area. "The trouble is that buyers in that price range are few and far between," he says.

JHI residential director and Berea manager Peter Lowe agrees, adding that a number of expensive properties have come on to the market recently. "I don't know whether

this has anything to do with the economy or politics. There is a significant segment of people looking for smaller properties. Those in this category are generally suffering from the empty-nest syndrome and now want something smaller.

Lowe says only a few property owners in the upper price brackets have been selling to emigrate.

Turnover in the R1m-plus price range, he says, is slow. "Berea sees only five or six of these properties change hands annually," he says. The highest demand for townhouses at almost R300 000.

It's not all doom and gloom for the city's top properties. Golding's Lurie says: "We're still receiving many inquiries from our London office for people wanting to buy properties in Durban, Johannesburg and Cape Town. We've just sold two top Durban properties to British and Spanish buyers."

He adds that interest in local properties from foreign buyers remains strong despite their having to use the commercial rand to buy residential property unless they immigrate. ■

FM 4/6/93 288

HOTEL INDUSTRY
FM 4/6/93 288

Breaking into Midrand

In less than three decades Midrand has progressed from a tiny village that boasted it grew the best strawberries to the centre of the biggest concentration of hi-tech industries.

Midrand, midway between Pretoria and Johannesburg and not far from Jan Smuts airport, also has some of the most modern conference and training facilities: the Volkswagen Conference Centre, Eskom's training college, the Unisa School for Business Leadership and the new Gallagher Centre. There's also a conference hall that can seat 1 000 at nearby Kyalami.

But the area's biggest weakness has been a lack of hotels. Now the first quality hotel is ready to open and a second is in the works. The four-star Midrand Protea Hotel will open, after some difficulty, on June 15. It was developed by Goldfields Property Co, which gave the lease to a company named Park Hotels, which ran into financial problems and could not start trading. The opening was postponed and Protea Hotels took over the lease.

The second hotel will be a two-star City Lodge, according to Midrand town clerk Henry Lubbe, but no other information is available yet.

Protea MD Arthur Gillis says the hotel cost R28m, has 177 rooms, a restaurant for 166 and conference facilities for 120.

Teething problems

Occupancy will be limited to 50% — which has already been achieved — until teething problems have been sorted out and the hotel is functioning properly.

When the Midrand Protea opens it will be the highest-graded hotel between Sun City and the five-star Sandton Sun.

The only hotel that would have been direct competition, Pretoria's Burgers Park Hotel, rated as one of the top four-star establishments in the country, fell victim to Southern Sun's downgrading programme and will become a Holiday Inn Garden Court.

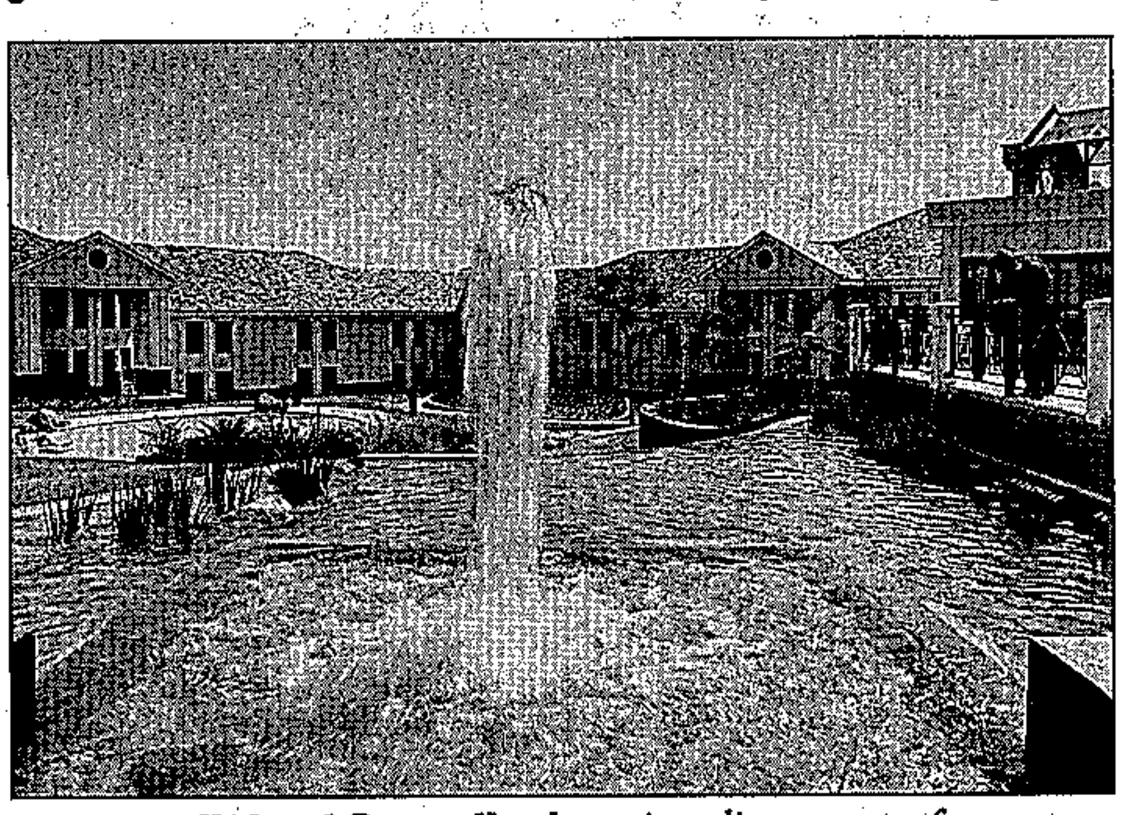
The reason, says Southern Sun MD Ron Stringfellow, was: "Southern Sun is keeping pace with customer demand. We had tremendous success with our existing Garden Court Holiday Inns. People are voting with their feet (*Business & Technology* April 2)."

But observers are still trying to figure out why Southern Sun downgraded the Burgers Park. Occupancy rates for four-star hotel rooms rose the most in January, by 13,4%, compared with January 1992, according to the latest Central Statistical Service analysis.

Room occupancy in Pretoria dropped by 17,7% but hotel income increased by 45,3%.

The Midrand hotel is Protea's 67th, taking into account the 12 where the Protea flag was hauled down last year for a variety of reasons, including noncompliance with standards.

Gillis says that in addition to the obvious guests — conference delegates and out-of-town business people — he expects to attract some foreign tourists because of the hotel's proximity to Jan Smuts and the Formula One Grand Prix races at Kyalami. ■



Midrand Protea Hotel ... *invading new turf*

tantiaberg
alse Bay Review
'LUMSTEAD • DIEP RIVER • HEATHFIELD • BERGVLIET • RETREAT • TOKAI
ST JAMES • KALK BAY • FISH HOEK • SUN VALLEY • SIMON'S TOWN

Muizenberg declared a 'free principality'

(288) CT 3/6/93

By CLAUDIA CAVANAGH

MUIZENBERG residents and businessmen this week declared the area an "independent principality" and swore their allegiance to the success of the area as a premier tourist destination and a "second Waterfront".

One of the highlights of the event, held at Shrimpton Manor, was the delivery of a letter from the "retiring ambassador to Bapetikosweti, Mrs Evita Bezhuidenhout".

She congratulated residents on the "suspicious occasion" and said that "while black homelands like Bapetikosweti are being incorporated back into South Africa, white homelands seem to pop up like Hartzenberg mushrooms all over the land".

One of the main instigators behind the declaration, Councillor Joye Gibbs, said the move should not be confused with the South Peninsula initiative.

"This is purely a tourist gimmick. We're not revealing all but the project will keep going for a few years," she said, urging residents to share and enter into the spirit of a new Muizenberg.

Spring Ball

Mr Garth Luxton, secretary of the Muizenberg Business Association and vice-chairman of the residents' association, said the "principality" would be calling for the nomination of a prince a princess, a Lord and Lady Chamberlain and a town crier who would appear at a spring ball.

These would be honorary positions given in recognition of outstanding work done for the Muizenberg community.

He said: "There has been a notion of no vision in the area for a long time. We want to put a stop to the downward spiral and get people to look seriously at Muizenberg — including national and international tourists."

Also launched on Monday was Muizenberg's "first full-colour tourist brochure" initiated by the Muizenberg Business Association but largely produced through the efforts of Councillor Gibbs, Mr Luxton, Ms Hilary Fischhoff and Ms Jean Tockar.

A competition will be run in local newspapers for Muizenberg enthusiasts to design a new flag, crest and coat of arms for the "principality" of Muizenberg.

All entries must be submitted by July 1. A prize of R500 will be given to the winner.

For more information, call (021) 788-4681.

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Cape Dutch homestead up for sale

ANDREW KRUMM

NOVA Constantia, one of five original Cape Dutch homesteads still in existence, is to be sold by public auction on June 11.

Set in the middle of the Groot Constantia vineyards, the house, outbuildings and one hectare of property were expected to fetch about R4m, owner David McKay said.

McKay said Nova Constantia was the only one of the five original Cape Dutch homesteads available for sale. The others were Groot Constantia, Klein Constantia, Buitenverwachting and The Hope of Constantia.

Built between 1793 and 1805, the 354m² homestead and 368m² cellar were rumoured to have been designed by Swiss architect Louis Michael Thibault, who was employed by the Dutch government at the time.

McKay said he bought the homestead five years ago for use as a wine cellar. However, as nearby Buitenverwachting had excess bottling capacity, it made no sense to continue running Nova Constantia as a cellar.

Little demand for pricey game farms

B/Diary 2 Eastern 288

21/6/93

ANDREW KRUMM

GAME FARMS in the eastern Transvaal remain overpriced, though farms occasionally change hands at a high R4 000 a hectare in spite of a general lack of demand.

Nelspruit based KellaPrince Properties director Navarre de Villiers ascribed this to the ambitions of private sellers with game camps in the larger, tourist-oriented reserves.

"With the increasing commercialisation of game camps in larger reserves like Timbavati and Sabi Sands, private property owners in these reserves are holding out for higher prices."

As the tourist-oriented reserves made up a large proportion of available game properties in the eastern Transvaal, the influence on prices in the region was considerable.

He said although asking prices ranged up to a high R4 000 a hectare (sometimes for undeveloped land), the few prospective buyers generally resisted price levels above R3 000. Most interest came from buyer consortiums, as well as from tourist reserves considering expansion.

"The overseas market, though, has evaporated," he said.

Although the market would pick up only after a political settlement, the removal of game fences around farms bordering the Kruger National Park could stimulate buyer interest temporarily. The private reserves most likely to benefit were Klaserie, Sabi Sands and Timbavati.

De Villiers said the drought had not affected demand as much as supply.

"A large proportion of game farms in this region are owned by Free State farmers. As a result of the financial burden of the drought in the Free State, some farmers have placed their eastern Transvaal game farms on the market."

Western Transvaal-based Property Network chairman Piet Van Rensburg, however, held a different view on the effects on the drought.

"A lot of land in the western Transvaal, especially north of Koedoeskop to the Limpopo, has been almost irreparably damaged.

As a result, both farming and game farming interest in the region north of Koedoeskop to the Limpopo was minimal, with prices ranging from about R1 250 a hectare to a low R450 a hectare further north.

However, from the Magaliesburg to Koedoeskop, where water was more freely available, prices were reasonable, ranging from R2 000 to R1 250 a hectare.

Although the market for game farms was quiet in the western Transvaal, urban-based professionals had shown some cautious interest. "It seems executives are buying weekend getaways not just for themselves, but for the mileage they get out of it from foreign visitors and friends."

Tzaneen-based Leo Senekal Estates MD Leo Senekal said there was little movement in the game farm market in the northern Transvaal.

"We have plenty of stock, but few buyers," he said. Prices ranged from about R1 000 to R1 500 a hectare.

Drop in income for Peninsula hotels

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AIRG 2/8/93

CLIVE SAWYER
Municipal Reporter

INCOME for Peninsula hotels has declined for the second year running, according to a city council town planning branch survey.

But bed nights sold to overseas visitors to the Peninsula increased 29,47 percent last year.

Using sources that included the central statistical services, Satour and Captour, the study reported a 9,3 percent increase of "overseas arrivals" in South Africa from 1991 to last year.

In the Peninsula, there was a decline in the income to room operators.

More hotel chains were renting rooms rather than room occupancies, that is, regardless of the number of people in the room.

Room income from permanent residents fell by 44 percent.

Income from catering was down four percent and down 8,12 percent from bar sales.

Total hotel income showed a 4,54 percent increase in the period, which — taking into account inflation at 17 percent — meant a decline in real terms.

Income from off-sales plunged 34,27 percent, the study said.

The number of rooms available declined by 3,4 percent, while room occupancy averaged 55,6 percent.

"The overseas market has to be the crucial market to target in the short to medium term if Cape Town's formal tourism infrastructure is to survive.

"The market for domestic travel is much smaller than has been estimated previously, as significant numbers of people are squeezed out of the travel market by cost of living increases," the study said.

About 73 percent of overseas visitors to South Africa came to the Peninsula.

Including domestic visitors, the region showed a 5,8 percent increase in the number of visitors last year.

Key months for foreign arrivals were February, March and November, with December and January "marginally" lower.

Maybe rangers could beat up the tourists

Star 31/5/93

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In this new age of eco-tourism, just how rugged should bush camps be for tourists? JAMES CLARKE stirs up a controversy in Australia.

IT WAS the weirdest mountain region I had ever seen — an agglomeration of naked, smooth and unclimbable beehive-shaped mountains, curiously banded with black and red stripes. This is the Bungle Bungle National Park, in the arid Kimberley region of Australia's remote north-west.

I had reached it via Darwin with six other journalists from around the world. We flew south to the tiny town of Kununurra with its "boabs" (baobab trees) and crocodiles.

From here we used two light aircraft to fly a further 300 km south into the Bungle Bungle wilderness.

We landed on a hot, dry plain where John Burns, a tour guide, waited with a vehicle to take us to his camp.

The Bungle Bungle is wild, well-wooded country with a few sand roads. It has some patches of white "kapok plants" which come from Afghanistan. In the 19th century, Afghan camel drivers provided the main means of transport across the great deserts of Australia and their worn saddles, stuffed with kapok, dribbled seed wherever they went.

Our camp was spartan indeed. A few tiny, bell-shaped tents, each containing a single bed, were scattered among the spindly eucalyptus trees. A pair of sulphur-crested cockatoos were nesting near the corrugated iron shed which served as a larder and toolshed.

A blue-winged kookaburra clattered away above the primitive shower and, in a nearby creek, a flock of pea-green budgerigars burst from a bush.

From here we explored the high, narrow passages which penetrate the zebra-striped mountains — passages so narrow that, at times, we had to squeeze sideways. Some opened up into towering gorges forested by a tall endemic species of palm. Many of the clefts end in silent, cathedral-like caves containing large pools.

Back in the bush camp there was no shelter from the burning sun nor from the freak cloudbursts which, from mid-afternoon and throughout the night, dumped an unbelievable amount of rain on our camp.

The rains — so freakish that our disbelieving guide ran around taking photographs — precluded any more exploration of the narrow gorges.

It had never rained in May before, we were told. We managed to get out of the area in a four-wheel-drive bus which took five hours to do the first 53 km. It was an unplanned but exciting road journey which revealed more strange birds and plants.

We saw the sun set in a sky that was red and raw from its wounds but, in our distant wake, we could see blue-black clouds continuing to dump their loads over the Bungle Bungle.

At the usually arid Turkey Creek — the only dot on the map between the Bungle Bungle and Kununurra — we stopped in pouring rain at a roadhouse and fell into conversation with a local guide. We mentioned that the conditions in the Bungle Bungle National Park were a little too austere.

He looked at us in disbelief: "John Burns's camp is luxury!" he said. "Come back in 10 years and you'll find even fewer amenities than you see now."

I asked him why they did not consider building simple twin-bedded wooden huts to replace the tents. People need private space and shade. And why not have paraffin lamps instead of the diesel-driven spotlights which light the camps?

He was dead against anything this permanent.

And a campfire, I said (by now feeling like a traditional carping tourist), is essential for the enjoyment of being in the bush.

"We will never allow the burning of wood from national parks," he said.

I told him that South Africa also forbids the cutting up of dead trees in national parks, but firewood is brought in from outside.

He said the ash would be a problem. I ploughed on: ash can be buried or put down the lavatory holes to kill the odour.

A few days later I raised the question of just how primitive wilderness camps should be, when I addressed a meeting of the Western Australian Tourist Commission.

I suggested that camps could be a lot more comfortable and that, every hour or so, the rangers could hit tourists with sticks to make sure they were not enjoying themselves too much.

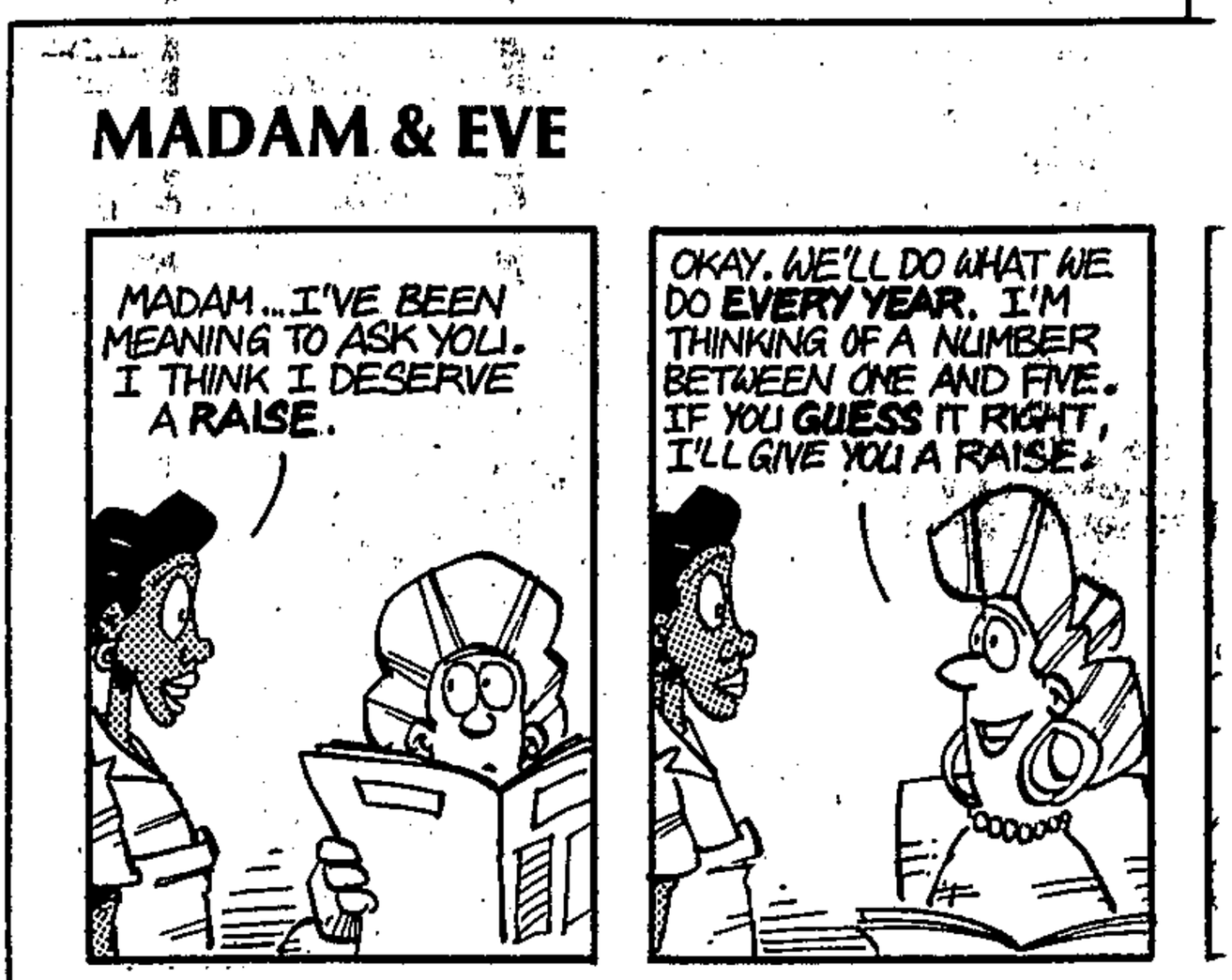
I was relieved when those in tourism agreed that being in the wilderness should be a pleasurable rather than a macho experience. Many questions followed about South Africa's attitude towards roughing it.

Australia, like South Africa, is still uncertain about where to draw the line when it comes to bush camps in this new age of ecotourism. Both countries fear that over-catering for tourists could ruin that which attracts ecotourists in the first place.

Australia — seven times the size of South Africa — has more unspoilt wilderness than the whole of southern Africa's land surface combined.

It is still largely undiscovered by tourists. Its 28 000 km coastline offers all sorts of uniquely Australian attractions.

Its 2 000 km-long Great Barrier Reef, which we visited, has an unrivalled richness of marine species and has been so jealously preserved that on only one of its 2 500 islands can tourists sleep over. □



Cape Town is getting a boost as tourists head for private homes

Bed and breakfast biz booms

ARG 29/5/93

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■ The Cape Town City Council is encouraging householders to run bed-and-breakfast establishments.

DALE KNEEN
Weekend Argus Reporter

PEOPLE who rent rooms in their homes to holidaymakers are saving Cape Town's historical buildings, boosting the city as an international tourist destination and contributing to the economic upliftment of the region.

The bed-and-breakfast trade is a burgeoning industry with landlords reporting record occupancy levels as accommodation agencies get enthusiastic feedback from foreign tourists.

There are approximately 350 people in the Peninsula who rent out rooms in their homes and at least eight agencies which find people to stay in them. Most tourists who seek bed-and-breakfast accommodation are from Europe.

Louise van Wezel, of the agency A - Z Holiday Accommodation, finds guests for about 35 people who offer bed-and-breakfast accommodation throughout the year, more in summer. The houses are in Cape Town and up the Garden Route as far as Port Elizabeth. She says:

"People running bed-and-breakfast establishments are usually fantastic. They're hospitable and keen to entertain visitors. Some organise outings for tourists and occasionally even drive them around.

"Often a couple will find their children have left home and that they have extra time on their hands. They are used to having people in their house and like having tourists to stay while enjoying the extra income."

The cost of spending a night in a bed-and-breakfast establishments varies between about R30 and R100 a person a night, depending on the location and the services offered. The average is around R60.

The most luxurious offer suites, sometimes with a jacuzzi and sauna, while budget accommodation would be unserviced with the guests required, for example, to make their own beds.

Ms Van Wezel said that although South Africans enjoyed staying in peoples' homes when they travelled abroad, few did it here. Most people seeking bed-and-breakfast accommodation were from abroad.

Holidaymakers who specially requested bed-and-breakfast accommodation were usually elderly people and single women who felt more secure staying with people than being in an hotel.

Mr Len Ginsberg and his wife, Joey, have run a bed-and-breakfast establishment from their pretty Bloubergstrand home since 1990. They "love it".

"We have met some fantastic people. We have a daughter who lives in Germany and we're going to visit her later this year. At the same time there are about 50 people who stayed with us who want us to visit them too!"



Picture: WILLIE de KLERK, Weekend Argus

HAPPY HOME: Mr Len Ginsberg and his wife, Joey, right, have been running a bed-and-breakfast establishment for the past three years. Tourists staying in their home enjoy breakfasts with a view of Table Mountain in this room, above, where the Ginsbergs are having tea with a friend Mrs Helen McDougall, left.



They rent out a 120 sq m flat, which is attached to their home and has its own private garden, as well as two double bedrooms which have access to an enclosed porch with a view of Table Mountain.

"We've had many different sorts of people, but all of them have been nice. There have been doctors, lawyers, company directors and even a few celebrities," said Mrs Ginsberg.

The names of champion French glider Eric Napoleon and German Olympic yachtsman Oli Liebor are in their guest book, which bears comments like, "best breakfast in the world" and "fabulous holiday".

The City Council believes tourism could be the biggest income earner for the Western Cape. In Europe more tourists stay in bed-and-breakfast and self-catering establishments than in hotels, a pamphlet says.

The zoning scheme allows up to five guests in a private home anywhere in the city. As long as it is not the main source of family income, a bed-and-breakfast or self-catering establishment will not mean losing the rates rebate on residential property.

The pamphlet is available from Cape Town's town planning branch or Captour. Anyone wanting to accommodate more than five guests could contact the town planning branch at ☎ 400 3588 for advice on how to apply for permission.

Foreign timeshare swops in favour

TIMESHARE exchanges by South Africans travelling to the United States doubled last year to almost 3 600 compared with 1991.

According to the RCI exchange organisation, Europe showed a 38 percent increase in exchanges from South Africa, rising to 2 715.

RCI Southern Africa says falling air fares and attractive travel packages, as well as the removal of political barriers, have boosted the number of South Africans travelling overseas.

PROPERTY EDITOR

But managing director Steve Griessel says the unfavourable exchange rate is still putting the damper on many travel plans. However, timeshare is a cost-effective way for South Africans to holiday abroad.

RCI, which has 140 affiliated resorts locally and more than 2 000 more worldwide, expects to confirm a total of 80 000 exchanges in and from South Africa this year.

SA 'safe for tourist groups'

(288) CT 28/5/93

By AUDREY D'ANGELO
Business Editor

SA is safe for tourists in spite of the violence in some areas, State President F W de Klerk said at a media briefing at the Mount Nelson yesterday.

Answering a foreign journalist who had asked if he was "certain things can be kept under control in this difficult period", De Klerk said it was an over-statement to say that SA was anywhere near chaos.

Violence

"There are a number of areas where things are bad — too many of them. But unless you look for them you can spend three months in SA and not see a single act of violence. Tourists are safe."

De Klerk had spoken earlier at a meeting of the World Economic Forum attended by more than 150 business people from five continents, and government ministers from European and African countries.

He said strong ties already existed between SA and her African neighbours. "Our trade with Africa has expanded rapidly during the last few years and now amounts to almost R12bn annually. Today we have representation in 20 African countries and non-resident representation in six others."

Calling for the removal of the remaining sanctions he said: "Given the irreversability of the constitutional process there is no longer any excuse for the measures which now serve only to impoverish South Africans and impede our prospects for economic growth.

"Every month that passes before sanctions are finally and totally lifted creates further unemployment and deprivation for SA citizens.

"In particular we need full access to the facilities of the International Monetary Fund and the World Bank.

"We need fair access to the markets of the developed world, not only for our primary products but increasingly for beneficiated and manufactured exports as well.

"We need foreign investment and access to international finance."

More black South Africans 'bitten by the travel bug'

Star 28/5/93

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By Winnie Graham

NEW ORLEANS — Black South Africans are emerging as a tourist market "of enormous potential".

Tour operators and airline executives at the TIA (Travel Industry Association of America) Pow Wow this week spoke of black South Africa's growing interest in international travel.

SA Airways' manager of tour product development Errol Matodes said the airline had identified the market for blacks as "extremely important". Blacks were already flying to relatively nearby destinations such as Mauritius, Kenya and Israel, with emphasis on religious tours of the Holy Land.

"SAA is conscious of the need to encourage black tourism," he said. "In fact, we've invested in a new black travel agency in Johannesburg.

"It's called Fab Travel and we've helped with the installation of a computer system, training, expertise and considerable financial assistance."

Colin Loubser of Johannesburg-based Logan Tours is another operator whose company is doing increasing business with black South Africans. He is taking an all-black group on a week-long jazz tour of New Orleans in July. The jaunt costs under R5 000 and includes two nights in New York.

He said the 1994 World Cup soccer tournament, expected to draw more than a million foreigners to the United States, will be popular.

"In the last few years, tourism between South Africa and the rest of Africa has grown considerably," he said. "We have black South Africans going increasingly to places such as Cameroon, Nigeria, Kenya, Zaire, Angola and Kenya."

Big year

Brian Passmore, managing director of Wings Travel in Durban, believes 1994 will be a big year in the black travel market — largely because of the World Cup. His company is preparing a video to entice travellers to the US.

"There's enormous potential in the black market," he said, "particularly with destinations such as New Orleans, New York, Disney World and the Epcot Centre."

His firm has signed a contract with Dominico Tours, a coach touring company in the middle-price range.

"South Africans are very cost-conscious. We'll be able to offer them value for money."

Colleen Wagner of Johannesburg's United Marketing, a wholesale tour operator, believes the potential of the black travel market is largely untapped at present.

She has found that black South Africans are still enjoying holidays in their own country.

Delegates at Pow Wow were told that a benchmark survey had shown there was a heavy emphasis on family travel among US black tourists.

The study reveals that African-Americans travel farther and use buses more often than other Americans.

Two-fifths of respondents said they travelled to visit family, 21 percent travelled for vacations and 11 percent travelled for business. Nearly 80 percent travelled with relatives.

Racial discrimination accounted for less than 1 percent of complaints.

TIMESHARE

Bids and counterbids

Shareholders in the liquidated Natal South Coast Cabanas del Mar and Cabanas del Sol timeshare resorts at Winkelspruit, near Amanzimtoti, should soon know whether they have a realistic hope of salvaging their investments. There's a deadline of noon today for offers to buy the properties.

Liquidators Coopers Theron Du Toit (Cabanas del Mar) and Aiken & Peat (Cabanas del Sol) initially set a February 25 deadline for offers to buy the two complexes. This was later extended to March 18 and then May 28 to allow one bidder, the Shareholders' Action Committee, representing many timesharers, additional time.

Though Property Mart of Orange Grove, which is handling the sale for the liquidators, had not received any tenders at the beginning of the week, director Bill Hartland is unperturbed. "It is usual for bidders in sales like this to hold back until the last possible moment." He adds that there has been considerable interest with 19 sets of bid documents requested.

In addition to outside bidders, at least one other offer (in addition to the action committee) was scheduled to come from within the Winkelspruit timeshare community. The difference, however, is that it is aimed at saving just one of the two resorts.

Timesharers at the complexes were left high and dry when the resorts were liquidated last year through the failure to service a R5,5m bond held by Metboard *(Property* December 25). The 4 000 timesharers quickly discovered that ownership of timeshare weeks never gave them security of tenure.

Timesharers from both resorts combined under the Shareholders' Action Committee, chaired by Carl Mischke, with the intention of either raising funds themselves to save the resorts, or ensuring that the properties fell into "friendly hands."

Rival bidder and timeshare owner, businessman Ken Turner, who has owned time at Del Mar for a decade, believes, however, that Mischke's plan, though a good one, creates additional debt burdens for timesharers. Instead, he proposes putting up the money to save Cabanas del Mar as a business venture. The risk would be his, but so would the profit if the venture succeeds.

Turner explains that he and his brother-in-law, garage owner Gerald Vorster, estimate that R3m should be sufficient for its bid and to fund the complex over immediate debt needs. "We put up R1m and raised a R2m bond from Volkskas for the offer, which was submitted two months ago. We want to put timesharers back into the position they were in before November, where they own their weeks."

Reason for targeting only Del Mar, Turner explains, is that timeshare weeks there are 98% sold while Del Sol has 2 000 unsold weeks and debts of R3,5m. "If timesharers put up capital to save the two resorts Del Mar residents will subsidise Del Sol's."

Schalk de Wet, spokesman for Coopers Theron du Toit (Cabanas del Mar), accepts that there is a risk of such subsidies, but says it will be the liquidators' function to ensure that the offer accepted will best serve creditors' interests. "That we will know when the bids are opened," he says.

If Turner's bid succeeds, timesharers will be asked to pay his organisation R72 a month for each week owned inclusive of levy (the levy portion, which is not more than 50%, will be subject to adjustment in line with CPI fluctuations) — that is, R800 a year per week. After six years, title to the complex will be handed over free of charge or debt to the timesharers' share block company. "We will have recouped our investment and renovated the complex without landing the timesharers in debt," maintains Turner.

He adds that to give timesharers maximum protection they will pay instalments directly to a Volkskas-managed trust account. Turner's company will not be allowed to draw on that account for anything other than proven monthly overheads till the R2m bond is repaid.

"We're not knights in shining armour, but we would like to do something to restore the tarnished image of the timeshare industry. Our profits depend on how quickly we can pay off our bond to the bank," he says. ■

'Open skies' policy still not in place

Star 27/5/93

CAPE TOWN — South Africa is losing numerous jobs and vital foreign exchange because its tourism industry is being inhibited by continued government protection of the airline industry.

This is the view of Southern Africa General Manager of KLM Royal Dutch Airlines Peter Janssen. (288) 269

Speaking at a conference in Cape Town he said: "Liberalisation of aviation in 1992 has seen many more airlines serving the Republic but deregulation has still some way to go to achieve an open skies policy."

"For every extra 10 000 tourists attracted, 1000 new jobs would be created and R50 illion earned in foreign exchange.— Sapa.

Furthermore, I want to announce that the hon the Minister of Defence, in consultation with the Chief of the SA Defence Force, has appointed the Chief of Staff: Finance, Adm Paul Murray, to go into this matter personally to determine in what way the SA Defence Force can assist those involved.

(1) (a) and (b) No, because they are not covered under the Military Pensions Act, 1976 (Act no 84 of 1976) and are not eligible for pension benefits applicable to members of the Citizen Force, the Commandos or the Reserve. They are, however, eligible for funeral expenses at State funeral rates in the case of death or medical treatment for injuries sustained during cadet camps.

(2) Medical treatment was supplied at State expense. A claim for the State funerals is still being negotiated.

Mr E W TRENT: Mr Speaker, I welcome the sympathies expressed by the hon the Deputy Minister, and I welcome the fact that this matter is being investigated, but arising out of the hon the Deputy Minister's reply I would like to ask him whether I correctly understood him to say that they were not eligible to have medical treatment paid for.

The DEPUTY MINISTER: Mr Speaker, not in the normal sense of the word, since they were not members of the Citizen Force, the Commandos or the Permanent Force. In this case, however, as in all cases involving cadets, the SA Defence Force does pay for medical treatment as a matter of fact, a lot of money has already been paid to various members of the families concerned.

Mr E W TRENT: Mr Speaker, further arising out of the hon the Deputy Minister's reply, am I correct in saying then that when Lt Gen Liebenberg told the parents outside the hospital, while they were awaiting the arrival of the injured and dying children, that the SA Defence Force would pay for everything, he was telling the truth? Is that what he said, and is it the SA Defence Force's undertaking that they are going to pay for everything? I happen to know, by the way, that one parent has already incurred medical expenses totalling R8 000 and has not received a cent from the SA Defence Force.

The DEPUTY MINISTER: Mr Speaker, I cannot vouch for what the Chief of the SA Defence Force said to the parents. I can check with him, but what I do know, however, is what I have just said in reply to the hon member's question. We do pay for medical treatment. The hon member is welcome to come and see me. I would be quite happy to supply him with the particulars of the medical expenses that have already been met. As I have just announced, Adm Murray will look into the matter to see if there are any further benefits we can provide in order to help these unfortunate people.

Mr E W TRENT: Mr Speaker, further arising out of the hon the Minister's reply, is he aware of a practice called "rofie" riding which allegedly takes place when Samils or other vehicles are driven at great speed to give kids a shake-up in the back of the trucks? If so, does the Defence Force have any official policy pertaining to this matter?

The DEPUTY MINISTER: Mr Speaker, I am not aware of any such practice. As the hon member knows, the Samil is quite a powerful vehicle. However, I would like the hon member to pay attention to further questions in this regard by the hon member for Walmer, because I think his question will be answered in full when those questions are replied to.

Lotteries/scratch-card organizations

*5. Mr S P BARNARD asked the Minister for National Health and Welfare:†

(1) Whether, during the latest specified period of 12 months for which information is available, the Government has contributed financially to any of the lotteries and/or scratch-card organizations mentioned in the report of the Howard Commission; if so, (a) to which lotteries and/or scratch-card organizations and (b) what is the total amount so contributed;

(2) whether she will make a statement on the matter? B839E

†The MINISTER FOR NATIONAL HEALTH AND WELFARE:

(1) No, (a) and (b) fall away;

(2) no.

†Mr S P BARNARD: Mr Speaker, arising out of the hon the Minister's reply, I wonder if the question was put incorrectly. Am I correct in understanding that the Department has donated R10 million to Operation Hunger? According to the Howard Report Operation Hunger is a lottery. Does the hon the Minister not agree that we should appoint a select committee to investigate the matter?

†The MINISTER: Mr Speaker, the hon member's information is incorrect. Operation Hunger is not a lottery. Operation Hunger has a specific fund-raising campaign, and it is registered as a fund-raising organization. Operation Hunger obtained funds from the Nutrition Development Programme for specific programmes that they submitted to the Department for approval. According to the rules and regulations they qualify for the allocation of these funds. Operation Hunger is, however, not a lottery.

†Mr S P BARNARD: Mr Speaker, further arising out of the hon the Minister's reply, I want to ask if she is aware that the Howard Report refers to Operation Hunger as an organization associated with gambling. She should just read the Howard Report.

†The MINISTER: Mr Speaker, I think the hon member is misinterpreting the information. There are several welfare organizations that raise funds by means of the scratch-card method. For example, there is a group of national councils attached to the Viva Trust, but Operation Hunger has its own independent fund-raising campaign. Various welfare organizations raise funds this way.

†Dr W J SNYMAN: Mr Speaker, further arising out of the hon the Minister's reply, I just want to ask if any additional funds were donated over and above the amount of R10 million donated to this organization last March. Did the money perhaps merely come from the nutrition component, by any chance? If any additional funds were donated, what is the total amount donated to this particular organization?

†The MINISTER: Mr Speaker, I do not know about any other funds donated to Operation Hunger, except those made available for specific nutritional programmes from the Nutrition Development Programme. Unfortunately I am not up to date on the details of grants to all welfare organizations.

†Dr W J SNYMAN: Mr Speaker, further arising out of the hon the Minister's reply, I want to ask if she is aware of a statement issued by the Deputy Minister of National Health at the time, now the hon the Deputy Minister of Constitutional Development, in which he mentioned that a global amount of R10 million was donated to the organization concerned.

†The MINISTER: Mr Speaker, I have already mentioned that the R10 million comes from the Nutrition Development Programme. These are not funds allocated by the Department of Welfare Services for the subsidizing of particular specialist welfare programmes.

†Mr S P BARNARD: Mr Speaker, further arising out of the hon the Minister's reply, may I ask her if the statements of Operation Hunger are available for perusal by this House?

†The MINISTER: Mr Speaker, the Registrar of Fund-raising is empowered to investigate, should hon members suspect that anything irregular has taken place. In that case they may furnish me with an official document setting out the motivation in full and then I can ask the Registrar of Fund-raising to make such an investigation. I can, however, inform the hon member that we do subject various welfare organizations to such an investigation from time to time and that Operation Hunger itself has also been investigated in the same way and that no irregularities have been found.

†Mr S P BARNARD: Mr Speaker, . . .

†The SPEAKER: Order! Unfortunately there is no more time for further questions. [Interjections.] I beg hon members' pardon, there is one last supplementary question and the hon member may ask it.

†Mr S P BARNARD: Mr Speaker, can I just inform the hon the Minister that there is dissatisfaction, that people telephone and complain on radio programmes about how the money for Operation Hunger is managed. As an hon member of this House, I am asking her as the hon the Minister to make available to us all the documentation obtainable and to make available for our inspection the reports of Operation Hunger.

†The MINISTER: Mr Speaker, I take the hon member's representations very seriously and I want to assure him that, if there are really grounds for any investigation, I shall have such investigation made. However, I should like to put the hon member's mind at rest. I receive complaints about various welfare organizations

from time to time, and it has always been our policy to pay very serious attention to them. I shall do the same in this case.

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament.

Archives: treatment of secret documents

*6. Mr R M BURROWS asked the Minister of National Education:

In terms of what statutory and/or other provisions are documents classified as secret treated differently by the archives from documents not so classified? B840E

The MINISTER OF NATIONAL EDUCATION:

Documents of a sensitive nature which require secrecy are dealt with in terms of the provisions of the Protection of Information Act 1982 (Act No 84 of 1982); they are also not archives as contemplated in section 1 of the Archives Act, 1962 (Act No 6 of 1962).

CCB/MI/other security services: destruction of documents

*7. Mr R M BURROWS asked the Minister of Defence:†

(1) Whether any steps have been taken or are being contemplated to prevent documents relating to the Civil Co-operation Bureau, Military Intelligence and other security services from being destroyed; if not, why not; if so, what steps;

(2) whether any such documents have been or are to be destroyed; if not, why not; if so, (a) why and (b) in respect of what date is this information furnished? B841E

The MINISTER OF DEFENCE:

(1) and (2) Yes. As far as documents are concerned which were under the control of the Directorate of Covert Collection of the Military Intelligence Division, the Chief of the SA Defence Force issued an instruction after the appointment of Lt Gen Steyn that no documents and/or electronic data may be destroyed without the prior permission of Lt Gen Steyn.

As far as the documents of the Civil Co-operation Bureau are concerned a previous Minister of Defence issued an instruction on 2 April 1992 that the documents which were available and under the control of the SA Defence Force at that stage may not be destroyed.

Slagboom: accident involving school cadets

*8 Mr A E DE WET asked the Minister of Law and Order:

(1) Whether any sworn statements were taken in connection with an accident which occurred at Slagboom on or about 18 March 1993 and in which a number of pupils were killed and injured; if not, why not; if so, (a) from whom and (b) on what date;

(2) whether the police investigation into the accident has been completed; if so, when; if not, when is it expected to be completed;

(3) whether the South African Police have been furnished with all the South African Defence Force regulations pertaining to the use of Defence Force vehicles for the transportation of passengers; if not, why not;

(4) whether he will make a statement on the matter? B844E

The MINISTER OF LAW AND ORDER:

(1) Yes.

(a)		(b)
	D R Wait	18 March 1993
	A B Kock	8 April 1993
	J K Lovemore	8 April 1993
	C W Bezuidenhout	8 April 1993
	G H Hansen	4 May 1993
	P H Summerton	4 May 1993
	W van Onselen	4 May 1993
	D Vermaak	4 May 1993
	A Aristotelous	4 May 1993
	D Waters	4 May 1993
	G Goosen	4 May 1993
	J Storm	4 May 1993
	L Steele	4 May 1993
	T van der Merwe	4 May 1993
	U Gerber	4 May 1993
	J P Humke	4 May 1993
	G P Francis	4 May 1993
	B St Clair Warwick	4 May 1993
	W P Miller	4 May 1993
	D J Connely	4 May 1993

(2) No.

As soon as all the post mortem reports have been received.

(3) Yes.

(4) No.

*9. Mr J H MOMBERG — Foreign Affairs.† [Question standing over.]

Samil vehicles: transportation of passengers/equipment/ammunition

*10. Mr D H M GIBSON asked the Minister of Defence:

(1) Whether equipment, live ammunition and/or other baggage may be conveyed in the passenger compartments of Samil vehicles while such vehicles are carrying passengers; if so, (a) in terms of what regulations and (b) what type of equipment, ammunition and/or baggage may be so conveyed;

(2) whether any provision is made for such equipment, ammunition and/or other baggage to be stowed and secured so as to ensure the safety of passengers and the stability and safety of the vehicle concerned; if not, why not; if so, (a) what provision and (b) who is responsible for ensuring that the regulations and provisions in this regard are complied with;

(3) whether he will make a statement on the matter? B848E

The MINISTER OF DEFENCE:

(1) Yes.

(a) In terms of the Ammunition and Explosives Regulations (RSA) Volume 1, Pamphlet 13, Chapter 2, paragraph 7 and Army Training Instruction 1/89, Chapter 7-4, paragraph 14.d.

(b) Apart from explosives which have to be conveyed separately, equipment, live ammunition and/or baggage may be conveyed together with passengers if training requirements necessitate this, but then a non-commissioned officer or a person of higher rank must travel on the same vehicle.

(2) (a) Yes. All equipment has to be properly secured or stacked in containers.

(b) The driver and/or the non-commissioned officer who have been appointed to travel on the vehicle.

(3) No.

Samil vehicles: accidents

*11. Lt-Gen R H D ROGERS asked the Minister of Defence:

(1) Whether during the latest specified five calendar years for which information is available any Samil vehicles were involved in accidents in which they overturned or rolled; if so, how many of these vehicles were found to have exceeded the recommended maximum speed for the specific road surface on which they were travelling at the time of the accident;

(2) whether any persons were killed or injured in these accidents; if so, how many? B852E

The MINISTER OF DEFENCE:

(1) Yes, during the past five years 77 Samil vehicles were involved in accidents in which they overturned or rolled. In 21 cases it was found that the recommended speed had been exceeded. Two accidents are still under investigation.

(2) Yes, died—38, injured—147.

*12. Mr D S PIENAAR — Home Affairs.† [Question standing over.]

V & A boss slams taxi services

CT 26/5/93

Staff Reporter

CAPE TOWN's taxi industry needs to be seriously reviewed as it is "third-rate and dirty".

This was said by Victoria & Alfred (V & A) Waterfront managing director Mr David Jack, who told delegates at a two-day conference in the city on Tourism in Southern Africa that the Waterfront had recorded more visitors than any other tourist destination in South Africa.

Mr Jack said the country needed to compare its airports, taxis, hotels, restaurants, shops, signage and tourist information to those internationally, and acknowledged there was room for improvement at the Waterfront.

However, he said the forms of public transport most used by tourists fell way short of what is deemed acceptable overseas.

"Our taxis are frequently dirty, third-rate vehicles which are expensive, with no clear set of fees. Regulation of the taxi industry needs to be addressed urgently."

Captour chief executive Mr Gordon Oliver said Captour had proposed a formal merger with the Western Cape Tourism Association to pool resources and marketing skills.

(288)(382)

Youths to promote tourism

Star 24/5/93

In an effort to engage township youths in promoting peace, the tourism industry and ANC are planning to train youths to take part in one of South Africa's potential growth industries.

The idea behind the planned training programmes is that if the youth understands that the tourism industry is a potential source of jobs, it might be inclined to co-operate in promoting peace.

A meeting to set up a steering committee to launch the programme was held between ANC representatives and members of the travel industry during a recent travel expo in Durban.

It was attended by ANC Youth League president Peter Mokaba, Tourism Liaison Council chairman Rupert Lawlor, SA Tour and Safari Association (Satsa) executive director John Rothschild, and Satsa member Clive Strugnell.

Lawlor said capital for the programme would be raised from the private sector and the Government would be approached to match private sector investment.

— Staff Reporter.

African train tourism opens up

MAPUTO. — South Africa's veteran steam locomotives are leading an up-market tourist push into neighbouring black countries.

Brenda, a steam engine built in 1939, puffed into Maputo station this month at the head of a train of restored teak-panelled coaches.

The 26-hour trip from Pretoria was the first across the border by a luxury passenger train since Mozambique gained independence from Portugal in 1975 and cut ties with South Africa.

"This would have been impossible until very recently, not just because of the war in Mozambique but because of the apartheid system in South Africa," said railway buff Mr Dave Gallop, one of the 46 passengers on the inaugural trip.

The train, christened The Pride of Africa, symbolises the business possibilities that have opened up with the changing political face of southern Africa.

South African entrepreneur Mr Rohan Vos, whose Rovos Rail company runs The Pride of Africa and other journeys within South Africa, plans to extend old-fashioned train travel to Dar es Salaam, Tanzania, in July.

The trip from Pretoria will take 10 days, using the 1 900km Tazara line which Zambia built in the 1970s.

And the price of a ticket? One-way will cost you R18 000. — Sapa-Reuter

Violence scares away tourists

wlmail 21/5 - 27/5/93 (288)

By JACQUIE GOLDING

POLITICAL violence cost South Africa's tourism industry about R500-million over the past year but despite this country's image overseas as a place wracked by violence, tour operators are hopeful they can build a major economic sector.

Satour chief director of tourism promotion Ernie Heath says South Africa has been going through "increased positivity as a tourist venue in the international community" but that the incidents of violence throughout 1992 caused a drop in the influx of tourists.

Visitors experienced a decline in standards of personal safety, said South African Tourism Board chairman Peet van Hoven.

At a week-long indaba held by the board in Durban last week, members said a speedy political settlement was a matter of urgency. They stressed tourism would only boom once a political settlement has been reached and violence brought under control.

"The violence has a definite influence on the industry. Satour projected a growth of 18 percent for 1992. The final growth rate was 7,4 percent," said Satour corporate communication head Derina Holtzhausen.

"Although this is still a considerable growth if the international recession and our political environment is taken into consideration, we were on our way to reach our 18 percent goal until the incidents at Boipatong and Bisho took place."

Research conducted by Satour indicated that this year's violence resulted in five to eight percent cancellations in overseas tourists.

"Bookings are slow and we find that the international trade has taken a wait-and-see attitude," said Holtzhausen.

"Internationally there is a tremendous interest in South Africa as a tourist destination. We believe that the sooner political change can be brought about in the country the quicker we shall be able to realise our full potential, which can have a tremendous impact on the country's economy."

She pointed out, however, that even under the current political circumstances, tourism is the fourth-largest earner of foreign exchange in the country.

Bookings for the peak season in South Africa start in September and fears exist that violence might have an even more detrimental effect later in the year.

Satour feels its role is limited in curbing the violence because the "responsibility lies in the hands of the government and the political players".

"Our role is limited to continuously communicate the importance of peace for tourism to all key players in the South African community," said Holtzhausen.

Satour wrote to Codesa and extra-parliamentary groupings on both the left and the right towards the end of last year imploring the political organisations to consider the impact that violence was having on the industry.

"We had a positive response from many of them and the importance of this industry's ability to contribute substantially to the country's socio-economic growth was highlighted," added Holtzhausen.

Satour has no representation at the multi-party negotiations since the forum is reserved for political players, but the body is investigating the possibility of becoming involved with the Economic Forum.

It is also establishing a national Youth Tourism Club where the problems facing the industry and possible solutions can be explored and highlighted. It is planning a series of regional workshops to get communities involved at an entrepreneurial level.

"There is a serious lack of knowledge about the industry which will demand a concerted education effort from our side," Holtzhausen said.

The hotspots identified by Satour are mainly in the urban areas. High crime levels in Johannesburg, Cape Town and Durban have forced Satour to liaise with the South African Police resulting in the establishment of tourism units.

In Johannesburg, the unit reported recently that crimes against tourists in the CBD has decreased by 50 percent while the Cape Town unit said only nine cases of crime involving tourists were reported in the first four months of this year. In Durban it was reported that crime on the beachfront was virtually non-existent.

But an evaluation report conducted by Satour showed that many overseas visitors saw this country as unsafe. In 1990, 73 percent regarded the country as safe while the same survey conducted this year showed that only 23 percent thought South Africa was a safe destination.

"We are continually monitoring the local safety situation and we keep our overseas officers informed," said Holtzhausen.

"A very important strategy is a pro-active programme to bring journalists on visits to experience our tourism product first-hand and inform themselves about our security situation."

With the potential to become the most sought-after eco-tourism destination in the world, Satour's aim is to increase the industry and attract the overseas tourist.

Heath said: "Tourism is a communal industry and we have to capitalise on the opportunities that it offers and the jobs it creates. We have to get moving and promote the industry in our country."

GREEN PAGES: *Tourism for the people*

Conservation to help a community

wlmail 21/5-27/5/93. (288)

A R10-million development plan would allow small, community-based eco-tourist projects to harmonise the interests of conservationists and rural people, reports

ARTHUR GOLDSTUCK



Business boost ... Rural communities in kaNgwane could benefit from selling their wares to eco-tourists Photo: KEVIN CARTER

IT may well be the cutting edge of eco-tourism: small communities that traditionally farmed the land through slash-and-burn agriculture or overgrazing are being encouraged to turn towards conservation projects aimed at local and international tourism.

If eco-tourism succeeds on this grassroots level, it will be the cherry on the cake for advocates of eco-tourism as a profitable and sustainable path of conservation at all levels.

The latest boost to the concept comes from a R10-million fund that the Development Bank of South Africa (DBSA) suggested the Ministry of Finance provide for community development projects. According to the Development Bank, this fund will be ideally suited to small, community-based eco-tourism projects.

"The importance of wildlife and game reserves has only recently featured more prominently in regional economic planning," says the DBSA's Elsa Kruger-Cloete. "Nature reserves already make a sizeable contribution to the regional economy through wildlife viewing, the sale of endangered species like rhino, and game culling.

"From both the supply and demand perspective, there are opportunities for expanding the industry and increasing eco-tourism's net contribution to the economy and to the wellbeing of rural communities."

Countries like Zambia and Zimbabwe are already producing valuable lessons through projects like Campfire and the Luangwa Integrated Rural Development Project, where rural communities are turning to eco-tourism, and receiving in return both income and employment opportunities that could not exist before.

In South Africa, similar projects are being explored in kaNgwane, Bophuthatswana and at the Sabie-Sand Reserves.

Two such projects are already up and running under the management of the kaNgwane Parks Corporation (KPC).

While the small, 1500 ha Mahushe Shongwe Game Reserve belongs to the Matsamo tribe, it is leased by the KPC, which has built a tented camp that is open to the public.

"The camp already runs at a profit, but the game reserve itself does not," says KPC director Dr Jeremy Anderson. "So funds from the camp are turned back into the reserve, and wildlife is harvested to offset costs. When the reserve is running at a profit, the funds will be redistributed to the tribe. Carcasses of culled game are already distributed to the tribe via their leaders."

The second project, the 7000ha Mthethomusha Game Reserve, belongs to the Mphakeni tribe. The KPC has built a large rest camp, which they have leased to the private sector to run, and they allow a moderate harvest of game for trophy hunting.

"We as the Parks Corporation pay a lease to the tribe for the land on which their own game reserve is situated — and it's more than they would earn from farming it with cattle," says Anderson.

"The funds go into a tribal account, and they decide how to spend it — usually on community-related projects."

The reserve is managed by a committee comprised mainly of members of the tribe, with two members of the KPC.

"They discuss management issues, as well as how money is to be spent on projects. The initiative always comes from the tribe, not from us. Once the reserve is running at a profit, anything above the running costs will go to this committee.

"What in effect we have done, is created over a hundred permanent employment opportunities where none existed previously."

The total investment in the Mthethomusha game reserve runs at about R6-million, while about R750 000 has been invested in Mahushe Shongwe, with a gain of 15 permanent jobs. If the tourists keep coming, both reserves will return the investment before long.

Nevertheless, Anderson advises caution in the utilisation of the R10-million the state has made available. "I think one needs to have an objective assessment of where the opportunities are."

"Many local authorities and governments are not aware of opportunities sitting right under their noses. Unless it is brought to their attention, they could pass up something which could bring a lot of eco-tourism to their regions.

"If that budget was mine, I would first do an assessment of opportunities, then look at which would give the biggest bang for your buck, and then look at drawing up plans for implementation.

There are a lot of problems associated with this kind of thing: there just hasn't been the expertise and independence to recognise opportunities for development."

The lesson of the defunct and defect-riddled Department of Development Aid would also be salutary in this context: millions of rands earmarked for development projects went untouched because civil servants in local authorities couldn't be bothered with the administrative burden. And then there is the billion-rand job creation fund that is still virtually untouched after more than a year.

Kruger-Cloete believes the smaller size and the very nature of the community development fund will preclude such underutilisation.

"You don't have a top-down approach, as you had with those funds. For this initiative to be sustainable, it must come from the ground. We will also communicate it through the interaction between the communities and our project leaders at the front."

The DBSA is also encouraging "resource exchanges", says Kruger-Cloete: "The notion is that local communities can engage in brick-making partnerships, provide sand, thatching grass and labour to resource reserves, who can in turn provide management, administration, cash, building materials and a client base for articles such as basketry and weaving."

The future of eco-tourism is not entirely rosy, however. On the ground, new problems present themselves and require the utmost tact and diplomacy to solve.

"You might have tremendous opportunities available, but then maybe a small section of the community has its own vested interests," says Anderson.

"We had an opportunity next to the Numbi Gate of the Kruger Park where we could have put in a camp that would have provided the community with new employment, but half a dozen cattle farmers opposed it and forced us to pack up the idea. In the end it's the people and the youth of tomorrow who have lost out."

Kenya-SA flights to be increased

By Joe Khamisi
Star Africa Service

Star 21/5/93

NAIROBI — Kenya Airways would schedule one additional flight to South Africa from next month to take advantage of increasing traffic between the two countries, Minister of Tourism Noah Katana Ngala said on his return from a tourism fair in Durban, where 18 Kenyan operators exhibited.

Kenya Airways presently has twice-weekly flights between Johannesburg and Nairobi, while South African Airways has three.

Ngala said that while he was in Johannesburg and Durban, he held discussions with South African Government officials, and the two countries had agreed to co-operate on issues of tourist traffic and game management.

International airfares from Kenya have increased by about six percent following last week's devaluation of the Kenya shilling by 4,67 percent.

TOURISM

Making the grade (288)

Tourism Minister Bhadra Ranchod has presented the Tourism Bill in parliament, where it has been referred to the Joint Committee on Tourism for possible amendments. Once the Bill becomes law, Ranchod expects new members to be appointed to the SA Tourism Board (Satour).

Meanwhile, Satour's Director of Standards, Greg McManus, continues a comprehensive consultation programme with tourist-accommodation owners to familiarise them with the new voluntary national grading and classification scheme. It will replace the present hotel registration and grading system by July and will apply to the main categories of accommodation: serviced, self-catering, caravan parks, guest farms and private game reserves.

McManus says the legislation will finally break the legal linkage that has long existed between hotels and pubs. Liquor licensing will have no correlation with hotel grading and classification.

Under the new scheme, owners can voluntarily apply to Satour to have their premises listed and inspected by consultants who will grade accommodation according to criteria set by international standards. If no application is received, the hotel will merely be listed, not described.

Serviced accommodation that has been graded will be "classified" if the owner applies. Classification pertains only to serviced establishments offering above-average standards of service (silver classification) and superior service (gold).

After premises are graded, unannounced inspections will be made on occasion by anonymous consultants from Satour. There is an appeals procedure for grading and classification. Also, a far-reaching attempt will be made to garner comments on all facets of service through questionnaires filled out by travellers.

About 1 200 of the 5 700 forms of accommodation for travellers are registered in SA. Satour intends to convince more owners to join the scheme to encourage more foreign and domestic tourism.

The scheme's costs will be funded from direct charges to the operators, the sale of the *Accommodation Guide* overseas and in SA and from a bed tax levied on sales of rooms.

McManus is confident the scheme will succeed. Eventually, a standards rating and inspection system will be applied to other aspects of the travel industry, including restaurants, car hire and camping facilities, with the goal being to ensure tourism in SA falls into line with international trends and standards. ■

Satour sees the light on eco-tourism

W|mail 21|5 - 27|5|93.

A new Satour discussion document shows the state-funded agency has had a change of heart on the need for rural development.

By **EDDIE KOCH**

GOVERNMENT funds to sponsor wildlife lodges, the fastest growing rural industry in the country, should be granted only to those entrepreneurs who ensure that villagers participate in the management of the enterprise.

That's the suggestion from senior officials in the South African Tourism Board (Satour), a state-funded marketing body for the travel industry, in a far-reaching discussion document aimed at bringing local eco-tourism in line with the latest international guidelines.

Mike Fabricius, Satour's director of tourism development, notes that most foreign visitors to South Africa come here to experience wildlife and scenic beauty that is most often found in depressed rural areas of the country.

"Uplifting our people is the biggest challenge facing the tourism industry of this country," says Fabricius in the discussion document. "If tourism fails to contribute to meaningful socio-economic improvement, we have lost the challenge."

The paper marks a dramatic policy shift for Satour, a state body which has traditionally had little concern about the need for rural development.

"By employing the principles of community participation, eco-tourism can provide tangible benefits to the disadvantaged, particularly in rural areas where it is most needed," says Fabricius. "The ultimate goal of eco-tourism development is for it to contribute to the improvement of the quality life of our people, particularly those living in and around areas of particular ecological and cultural value, both through direct gain and indirect spin-off."

The government has made some R600-million available, through the Industrial Development Corporation (IDC), as capital to subsidise the establishment of private game reserves and wildlife lodges.

A recent White Paper on tourism notes that this industry has the potential to "kick-start" the economy and to provide the fuel for political reform. It is hoped that the amount of land set aside for tourism infrastructure in the rural areas will expand by some 800 000 hectares in the next 10 years.

"As a result, funding has been made available at preferential financing rates for the development of eco-tourism facilities," says Fabricius.

"Such developments and funding have, however, not been evaluated on the basis of specific eco-tourism policy guidelines but rather on the basis of economic viability."

Satour is critical of this and is now lobbying the IDC and other financial institutions to ensure that all applications for government-sponsored wildlife programmes adhere to the principle of community-participation, as well as financial viability, before financial support is granted.

Fabricius points out that tourism projects — especially those centred on regions which have cultural and ecological value — should involve local communities and entrepreneurs in an equal partnership that ensures both parties benefit from the enterprise.

"Such management requires a continuous, participative process, the cornerstone of which is effective involvement of all stakeholders, namely tourists, local communities and the tourism industry throughout the life span of any eco-tourism project," says the paper.

This should allow rural people the right to joint involvement in the design of projects and their management as well as joint sharing of the benefits that derive from these.

Many of Satour's new, and fairly radical, ideas derive from a study of wildlife programmes in Kenya, Zimbabwe as well as South Africa that have begun to implement the principles of community-friendly conservation.

Dr Frank Vorhies, who runs a consultancy called Ecoplus, points out that the government of Botswana has passed regulations which insist that all tourism ventures have plans to promote rural development and community upliftment in their proposal before land leases are granted to the entrepreneurs.

Satour officials acknowledge their plans to emulate such programmes are likely to run into obstacles before being translated effectively into practice.

One of the most important tasks is to overcome the historical antagonisms that have built up in black communities toward conservation because of forced removals and other apartheid-style policies that have characterised game reserves in the past.

But that they are determined to ensure the policy does not remain at the level of rhetoric is evident by the fact that Satour is pushing for a code of ethics for the tourism industry in an effort to "establish a true participatory approach to eco-tourism development".

The organisation is calling for the government to make it mandatory that all new tourism enterprises be accompanied by a environmental impact assessment and that information about the project's ability to promote democratic participation and rural development be included in these studies.

The approach, says Vorhies, is a shift from a "mine set" that South Africa's wealth can only be generated by exploiting non-renewable mineral resources to a realisation that using renewable natural resources can be as valuable, if not more so, for the economy. ●

TRAVEL

Like Innisfree

Occasionally, someone has a vision of a kind of heaven on earth, the resources to create it, and then sets about producing it with great gusto and enthusiasm. Often, when it is done, the public are excluded. This time they're welcome.

When David and Marlene McCay bought Constantia Uitsig, an 80 ha private wine farm that lies on the slopes of the Constantiaberg in the heart of the beautiful Constantia Valley, it was run down. They have transformed it into a hostelry that boasts a restaurant that is rapidly achieving fame, a wine farm that will be producing its own wines within the next year, and a private cricket oval which has the feel of a traditional English village green — while enjoying one of the most spectacular vistas in the Cape Peninsula.

Nestled in a well-spread copse of ancient oaks is the beautifully restored homestead and 12 garden suites. The homestead comprises two luxury suites, an intimate lounge with fireplace which fronts on to an inviting bar area, and the Constantia Uitsig restaurant. The garden suites each have their own patio and private bathroom, underfloor heating, mini-bar fridges, TV (with M-Net), telephone and tea and coffee facilities.

The restaurant seats 80. It is enveloped in a veranda area, with a glassed floor-to-ceiling outside wall which permits a framed view through the oaks. The view takes in the large natural riverbed which age has sculpted into a series of wide dams; across the patchwork of vineyards that make up Buitenverwachting, Klein Constantia and Groot Constantia farms; and up over the Constantiaberg range. Even for a jaded Capetonian, it is beautiful scenery. At night, the oaks are unobtrusively lit and impart a feeling of being in your own luxurious garden space.

Frank Swainston — formerly of Trattoria Fiorentina, Frank's and PD's in Johannesburg — is the restaurateur. Amid elegant but relaxing and unpretentious decor — shell-coloured with warm ambers, burnt yellows and contrasting deep bottle-green and burgundy — he has formulated a menu that complements the surroundings. It is based on Mediterranean/country cuisine which makes full use of garden-fresh ingredients and is widely varied, from light salads and pastas, to fresh linefish, wild duck, carpaccio and tripe.

The wine list is unusual. It includes a fine selection which cannot, however, be called comprehensive — if that means a full spread of wines from the many Cape estates and wine producers. But if you believe that there is little need to look beyond the produce of the Constantia valley, then it vaunts a selection that will satisfy even the most fastidious wine enthusiast.

Both the menu and the wine list present outstanding value at reasonable prices. It is part of the reason why booking is so heavy.

The Constantia Uitsig cricket oval is the home ground to the Western Province Colts team, which is sponsored by McCay (who played for Western Province in the Sixties and early Seventies). For those who wish to relax outside the homestead in the shade of the trees and enjoy the farming ambience of the place, Constantia Uitsig offers three types of quality picnic hampers (meat, cheese and vegetarian) at R35 per head.

☐ For accommodation, contact (021) 794-6500; for restaurant reservations, (021) 794-4480.

Gerald Hirshon

Inoculation price rockets

288

ARG 20/5/93

The Argus Correspondent

DURBAN. — The price of inoculations for overseas travellers has risen from R3 to R51 in a year.

Angry travel agents said that while they were fighting to keep air ticket prices down, authorities were adding to the burden.

Travel agent Mr Bobby Naidoo said that at the beginning of last year, an inoculation cost R3.

"Then at the beginning of this year it shot up to R14 and at the beginning of this month, it went up to R51," said Mr Naidoo.

A spokesman for the Department of Health Services said people now paid for the inoculation and the service.

Cableway scales up plans

THE Table Mountain Aerial Cableway Company yesterday released the first details of their cableway master plan, which includes computerised booking, extended operating hours and expanding the Table Mountain restaurant.

The company has not yet approved an R10 million scheme to double the system's capacity, said chairman Mr Louis de Waal at a Captour breakfast yesterday.

Addressing tourism and construction industry representatives, Mr De Waal said it would be "madness" to approve a new cableway system before October when the city council will decide whether to expropriate their 10-year lease.

(288) CT 19/5/93

Every 10 years the city council has an option to end the lease, worth R90 000 in levies every year.

Mr De Waal agreed with delegates that six-hour queues were "unacceptable" and said the company hoped to institute computerised booking by the holiday season.

Another priority was to double the size of the Table Mountain restaurant to enable it to cater for private functions.

Cableway company waiting for council

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ARGT 18/5/93

☐ Plans to increase capacity, chop queues

JOHN YELD
Environment Reporter

UPGRADING the Table Mountain cableway is being investigated, but a decision would not be made before the Cape Town City Council decided on its option to expropriate the system, cableway company chairman Mr Louis de Waal said today.

He told a Captour breakfast that queues during the two-month summer season were unacceptable and the directors were determined to do something about it.

A computerised booking system was being planned and could be in operation by the end of the year.

The company was also seriously considering extending the hours of operation.

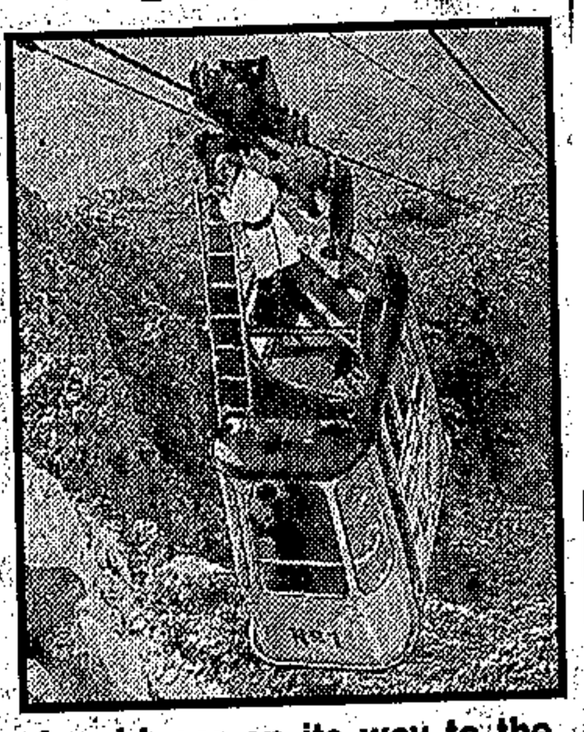
The directors were looking at four possible systems to upgrade the existing cableway, which could increase capacity from the present maximum of 230 an hour to up to 400.

This could reduce waiting to half-an-hour, he suggested.

In terms of the existing lease, the city council has to decide by October whether to expropriate the cableway.

It would be "business madness" for the company to commit itself to an upgrading costing millions pending this decision, Mr De Waal said.

The company was in the process of finalising a master plan for improvements to the entire operation, as demanded by the National Monuments Council, and this would be released to the public for comment as soon as it was ready, he added.



A cablecar on its way to the top of the mountain.

PROPERTY

Upcountry buyers look to the coast

B/OAry 26/5/93 (288)

THE coastal leisure market, hard hit by the recession and unrest, is staging a comeback as many upcountry buyers acquire properties.

Owen Wiggins Trust Transvaal sales manager Dick Gilbee says prospective upcountry second-home buyers are looking for areas of investment offering security.

"The west coast has been largely unaffected by the recent violence.

"More and more local buyers — and a smattering of overseas purchasers — believe in the future of the property market under a changed government and are investing."

Sales at Port Owen Marina and Langebaan Golf Estate were 27% higher in the first quarter this year than in the same period in 1992.

Sales in April topped R1,5m for the Johannesburg office alone.

However, Seeff Projects Cape regional manager Mark Upton says: "Buyers should be very cautious before committing themselves to investing in properties along the west coast.

"The area from Melkbosstrand to Veldrif is awash with vacant plots, ranging from R30 000 to R210 000. It is vital to buy properties that have the potential for future growth, being developed by responsible agents and companies with good track records," he says.

Camdons franchise network chairman Scott McRae says the coastal leisure market has been "the hardest hit" by the recession and the unrest.

PETER GALLI

"But the potential for this sector's recovery is probably the greatest and offers both speculators and long-term investors real opportunities."

There was pent-up demand which would become evident when political and economic problems were overcome.

While many coastal leisure properties had, at one stage, priced themselves out of the market, there was a trend towards affordable projects on prime sites, particularly in Natal.

A major trend in the market was expected to be sales to syndicates.

The number of people who could afford a second home at the coast had shrunk in the last three years, and companies were now promoting sales to syndicates.

"Syndication buying is practical. Because one family does not use the home all year, costs can be shared and the home is constantly occupied on a rotational basis," McRae says.

Cape residential property development company Bellandia MD John Clark says there is still a steady flow of Transvaal and Natal people buying into its Cape projects.

"Upcountry buyers feel there is a shortage of good Cape properties and that this will result in a steady rise in property prices over the next 10 years.

"Our experience has shown that if the home is well built and maintained, prices do appreciate at a rate at least equal to inflation," he says.

Timeshare key to foreign holidays

(288) CT 15/5/93

By AUDREY D'ANGELO

TIMESHARE exchanges combined with lower air fares — and more direct flights to foreign destinations — enabled thousands of South Africans to enjoy holidays overseas last year in spite of the weak rand, Steve Griessel, MD of Resorts Condominium International (RCI) Southern Africa, said yesterday.

Griessel, on a visit to RCI's Cape Town office, said this was shown by an analysis of timeshare exchange figures.

These showed that exchanges to US destinations doubled last year to reach 3 593 — or 299 a month — encouraged by the introduction of a direct flight to Miami.

"Major growth areas among US destinations were South East Florida, which was up by 210%, and the neighbouring region, Orlando, which showed a 134% increase from 817 to 1 911 exchanges."

There was a 38% rise in timeshare exchanges between SA and Europe, to 2 715 compared with 1 960 in 1991.

"Britain has maintained its appeal," said Griessel. "There were 407 exchanges between SA and the UK last year compared with 404 in 1991."

But a high US demand for timeshare accommodation in Britain, combined with a limited supply of available units, make these exchanges more difficult to arrange.

Favourite European destinations were the Alps, with 542 exchanges, the Costa del Sol in Spain with 516, Portugal with 487 and Germany with 308.

Griessel said more than 75% of timeshare owners at the 2 400 RCI-affiliated resorts worldwide now made use of their units to arrange exchanges either in their own countries or abroad, rather than always using them for their own holidays.

This was encouraged by the fact that RCI had sufficient buying power to arrange big discounts for air fares, hotels en route, car hire and other services. One example of this was that it had been able to arrange the hire of a car in Orlando for a week for only $29.

Admitting that the failure of some operators, combined with high pressure sales tactics, had given timeshare a bad image worldwide, Griessel said this was changing as a result of protective legislation and the entry of major developers and hotel groups into the market.

He said there was growing demand for timeshare in the Western Cape, particularly on the West Coast, and any timeshare development at the Waterfront would be guaranteed success.

Griessel said he did not think there would be a foreign tourism boom in SA in the coming season.

Demand for timeshare accommodation in the Western Cape, outstripped supply by 400% in the high season. It had been fully occupied last summer.

He said membership of RCI cost R149 a year. Arranging a local exchange through RCI cost R169,80 per family. An international exchange cost R449 a family.

'Malaria threat to tourism'

GARNER THOMSON, Weekend Argus Foreign Service in London

288 ARG 15/5/93

THE advent of drug-resistant strains of malaria could affect the tourist industry in southern Africa adversely, a leading British political journal has warned.

Africa Analysis reports that the drug-resistant strain of often-lethal cerebral malaria is "sweeping" through Africa.

Already, cases in Zambia are said to have reached "epidemic" proportions, and in Zimbabwe Health Minister Mr Timothy Stamp has described the position as "extremely serious".

Zimbabwe's Health Ministry has reported 76 000 cases of malaria in the first quarter of this year.

Now, with a number of British and South African tourists having contracted cerebral malaria, the problem seems to be moving further south.

Africa Analysis blames severe economic cutbacks for the outbreak. "There has been virtually no spraying for more than a year in either Zambia or Zimbabwe," it points out.

The World Health Organisation says that northern Botswana and Namibia, Angola, Mozambique and parts of South Africa also are affected.

According to specialists in Luanda, the non-lethal, but recurrent, strains of malaria have apparently become resistant to anti-malaria drugs.

News in brief

Bodies unearthed

POLICE in the Northern Cape have found the bodies of a young woman and her five-month-old baby boy in a shallow grave at Middelputs in the Kuruman district.

Police spokesman Captain SM Slingers said yesterday Griet Olyn (22) and her son Jan were from the farm Springbok in the Middelputs district.

New trade links

TRADE links between South Africa and Nigeria moved a step closer to being formalised with the arrival in Johannesburg yesterday of a high-powered delegation representing Nigerian business and government interests. Sowetan 14/5/93

Under the auspices of the recently formed Nigerian-Southern Africa Development Consortium, the delegation proposes to increase economic activity between the oil-rich West African state and Southern Africa with South Africa playing an important role in creating a strong African economy.

Golden handshakes

MEMBERS of the President's Council, which is to be abolished on June 30, will be compensated according to precedents set at the dissolving of the Senate and the provincial councils, President FW de Klerk said yesterday. Sowetan 14/5/93

De Klerk said two considerations valid for the dissolution of the Senate would also apply.

These were that members were prevented from finishing their terms and being elected for another term. Retirement packages would be paid out on June 30 and would not include the five percent salary increase.

Council to make call

CAPE Town householders will be encouraged to run bed-and-breakfast establishments. Sowetan

The Cape Town City Council says residents will benefit financially, tourism will be enhanced and architectural heritage preserved. A pamphlet says more tourists in Europe stay in bed-and-breakfast and self-catering establishments. 14/5/93

SA could be 'top spot'

By ANTHONY JOHNSON (288)

SOUTH AFRICA had the potential to become the number one tourist destination in the world, the Minister of Tourism, Mr Bhadra Ranchod, said yesterday.

The minister, whose budget vote is to be debated in Parliament today, said tourism, if properly managed, could supersede gold as South Africa's largest earner of foreign exchange.

G 14/5/93

However, tourism only contributed two percent of the GNP compared with the international average of six.

Talks had taken place among countries to establish a Southern African Regional Tourism Board, Mr Ranchod said.

The government regarded the Middle East, India, Japan and China as huge potential markets.

SA spearheads bid to set up regional tourism body

BL DM 14/5/93.

TIM COHEN

288

CAPE TOWN — Tourism Minister Bhadra Ranchod yesterday announced further measures to boost tourism, including establishment of a new regional co-ordinating body and possibly a tourism bank.

Ranchod said the Southern African Regional Tourism Council would be phased out to make way for a new body with wider membership and expanded objectives.

He indicated that the council, which is based in Blantyre (Malawi), had limited regional membership. Its current members were SA, Swaziland, Lesotho, and the Comores.

The body was poorly funded and not performing satisfactorily.

He had discussed a new regional body with Zimbabwean officials, who had reacted favourably.

Tunisia had achieved remarkable results after it had established a bank whose specific task was to assist in the establishment of small entrepreneurial enterprises connected with tourism, said Ranchod.

The idea of a bank was still at an embryonic stage but the idea had distinct advantages over the provision of tax breaks which would be limited because of the broad demands on SA's small tax base, said Ranchod.

New areas where SA should focus attempts to attract foreign tourists included the Middle East and the Far East, he said.

He repeated earlier statements that SA achieved only about one third of the international norm in earnings from tourism. Tourism could easily become SA's biggest forex earner.

Our political staff reports that Ranchod, whose budget vote will be debated in Parliament today, told a media briefing that tourism, if properly managed, could soon supersede gold as SA's largest forex earner.

Ranchod said the fact that tourism had for the first time been accorded its own government ministry reflected a recognition that tourism was now the largest industry in the world.

However, tourism currently only contributed 2% of SA's GNP, compared with the international average of 6%.

Ranchod's statement coincided with the publication of the SA Tourism Board's annual report for 1992, which indicated that there has been a steady growth in overseas visitors since 1986.

The total number of overseas visitors had increased from about 297 000 in 1986 to about 56000 last year.

More than 40% of the overseas tourists came from European countries, 27% from the UK and 11% from the US.

Turning to domestic tourism, Ranchod said blacks, who comprised more than 70% of the population, made up only 10% of this market.

The perception that there were certain "no go" areas for black tourists needed to be eradicated, he said.

Ranchod said he believed SA hosting the Olympic Games could serve as an enormous boost to tourism.

"We hope to have a political settlement by next year and if we can bring down the level of violence and attract investment capital, then the Olympics could play an important role in boosting tourism," he said.

CRYING FOR TOURISTS

FM 14/5/93.

President F W de Klerk made sure that everyone attending this week's opening of the Indaba 93 tourism conference in Durban knew that, though apartheid once was the main reason why international tourists didn't come here, the industry's new millstone is political violence. He quoted from the Alan Paton novel *Cry the Beloved Country*, which lovingly describes the grassy hills that are the heart of the now strife-torn Natal.

But despite the turmoil, overseas tourist arrivals in SA rose by 7,4% last year and De Klerk and his newly appointed Tourism Minister, Bhadra Ranchod, were able to reel off a list of statistics designed to bolster confidence in the industry.

(288)

And despite the recession, the tourism marketing show was the biggest ever, with 470 stands and 900 delegates (156 more than last year) from 63 countries.

According to the SA Tourism Board, international tourism is a US$3,5 trillion industry accounting for 6,1% of gross world product. SA tourism, in comparison, generates 2% of GNP, earns R2,8bn and employs 423 000 people (one in 25 of the economically active population).

De Klerk says government plans to boost the industry through the proposed Tourism Act, which will incorporate tourism legislation into one Act and lead to deregulation, including the abolition of the Travel Agents' Board.

Sun targets Cape Town for new upmarket hotel

(288)

ARG 13/5/93

Business Staff

PETER Venison, the man who built Southern Sun into a national chain of luxury hotels, is about to bring Sun International to the major cities.

Initially, Sun International is considering building luxury hotels in Johannesburg and Cape Town.

Sun International is now able to build hotels in South Africa as its restraint agreement with Southern Sun has expired.

It aims to fill a gap left by Southern Sun's decision to reverse Mr Venison's achievement and convert five star hotels such as the Johannesburg Sun and the Maharani, Durban into limited service Holiday Inn Garden Courts.

Mr Venison says the decision by competitors to downgrade their hotels has led to a shortage of five star hotels to cater for the potential boom in international tourism.

"There is a place for service as is demonstrated by the success of the new Palace Hotel at Sun City, which has been running at an 85 percent occupancy since it opened in November. A quarter of the guests are from overseas."

Some guests even turned up without reservations including an Arab sheik and his retinue.

"Our friends in the travel business tell us that many overseas visitors are not prepared to stay in certain hotels since they have downgraded to limited service. Such a move might save money in the short-term but it means that the major centres can't cater for the high spending traveller."

Mr Venison says that if South Africa attracts half the number of long haul visitors that currently go to Australia then 49 hotels the size of the Palace will have to be built.

Sun International will also consider bidding for licences to build at least some of the 10 casinos to operate within the borders of South Africa which have been proposed by the Howard Commission.

No plans can be firmed up at this stage as the governing rules are not yet clear.

"We certainly have the skills and experience to operate such businesses. I think that many operators learnt during the time when illegal casinos operated in South Africa that it is as easy to lose money as to make it in the gaming business."

He says that the Howard Commission, which proposes that all casinos should be at least an hour's drive from a major city, at least levels the playing field with possible competitors to Sun International's casinos in the homelands.

Sun International's listed subsidiaries all reported reduced earnings in the six months to December which Mr Venison attributes partly to the 2 000 illegal gaming clubs which operated during that time and also to the percpetion that it is dangerous to travel to the resorts.

Internationally, the coverage of events such as Chris Hani's assassination have lead to cancelled bookings.

"We calculated that we got R133 million worth of international publicity from coverage of the opening of Lost City and the Miss World pageant. If we could measure the negative publicity from news coverage of South Africa it would be worth considerably more than that."

With the lifting of almost all boycotts against South Africa, Mr Venison is confident that Sun City will attract major sportsmen and musicians again.

He promises that the Million Dollar golf tournament will attract a field as strong as last year, when it had eight of the 10 best players in the world.

A world title fight is planned in a few weeks, the first for several years, and another will follow soon after.

Householders urged to offer B & B

288 ARG 13/5/93

CLIVE SAWYER
Municipal Reporter

HOUSEHOLDERS will be encouraged to run bed-and-breakfast establishments.

The city council says residents will benefit financially, tourism will be enhanced and architectural heritage preserved with the money made.

A pamphlet to be distributed by the town planning branch said more tourists in Europe stayed in bed-and-breakfast and self-catering establishments than in hotels.

Tourism could soon be the biggest income earner for the Western Cape and providing more affordable accommodation was essential. Cape Town's architectural heritage would be conserved.

There were many large Victorian and Edwardian houses in Gardens, Oranjezicht, Rondebosch, Claremont, Kenilworth, Wynberg and Muizenberg which would make excellent bed-and-breakfast establishments.

"Fine, large old buildings will be conserved — and through the additional income, home owners will be in a better position to maintain these properties. Bed and breakfast and more affordable accommodation could help regenerate certain suburbs, such as Muizenberg," the pamphlet said.

The zoning scheme allowed up to five guests in a private home anywhere in the city. As long as it was not the main source of family income, a bed-and-breakfast or self-catering establishment would not mean losing the rates rebate on residential property.

Anyone wanting to accommodate more than five guests could contact the town planning branch at ☎ 400 3588 for advice on how to apply for permission.

P16 BUSINESS — P14, P15 RACING — P18 SPORT — P19, P20

It's back to the city for Sun International

Star 13/5/93

288

By Stephen Cranston

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Peter Venison . . . More top graded hotels needed.

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Karos Hotels in 'intensive negotiations'

B Day 10/5/93

MARCIA KLEIN

KAROS Hotels was looking at concluding a deal with a foreign hotel group or a local investor, market sources said.

On Friday Karos cautioned shareholders that it was involved in negotiations which could affect its share price. Chairman Selwin Hurwitz said at the weekend that he could not comment as the company was in the middle of intensive negotiations.

But sources said Bidvest's Brian Joffe, who has been actively looking for acquisitions, was believed to be interested in Karos. A significant proportion of Bidvest's interests were in supplying equipment to the catering and hotel industry.

Various international hotel groups had shown an interest in coming to SA. One analyst said that these groups would probably be looking at only one hotel to begin with, while Karos had 14. However, a deal with a foreign group was a possibility. Hyatt was showing an active interest and had looked at a site in Rosebank, but it had made no commitments.

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On Friday, Karos's share rose 5c or 3,4% to 150c following the cautionary announcement. The share reached a high of 185c in June and a low of 100c in October last year.

Basil Read under pressure of Time

S/Times CBuss J 9/5/93

288

By TERRY BETTY

THE threatened collapse of Time Holdings and several subsidiaries could put pressure on construction company Basil Read.

Basil Read is suing Time Developments for about R8-million for withholding payments on a development in Jan Smuts Avenue, Rosebank, says Timeprop developments managing director Colin Taylor.

However, Mr Jarvis says the amount is much more than that.

If it succeeds in its action, Basil Read will rank as a concurrent creditor for amounts not covered by payment guarantees, says Basil Read managing director Chris Jarvis.

He says some payment guarantees are in place, but they do not cover the full amount owed.

Timeprop is suing Basil Read for about R8-million in penalties for allegedly not completing the contract on time.

This is the key issue in dispute.

Months

The two parties have been involved in an acrimonious tussle since the beginning of the year.

Mr Jarvis says that for several months Basil Read has been trying to bring the matter to arbitration as stipulated in the contract. He hopes that if Time goes into liquidation, the liquidators will speed up this process.

Basil Read has been hit hard by the recession.

Mr Jarvis says the effect of the recession has been more pronounced on Basil Read than others in the sector because of its large property holdings and exposure to the housing market.

Financial statistics seem to indicate that the company is undercapitalised.

Republic Ratings, which was asked a few months ago by a financial institution to compile a report on Time Holdings and the construction industry, shows Basil Read to be in need of emergency surgery.

Its key ratios are below industry norms — for the year to June 30, 1992, it had a debt:equity ratio of 203,9% and an operating profit margin of 0,1%, which Mr Jarvis says is closer to 1%.

Republic's figures also highlight the extent of the company's negative operating cash flow of more than R40-million last year. This probably accounts for the high finance charges.

Discount

In the year to June 30, 1992, Basil Read showed an attributable loss of R9,1-million. For the six months to December 1992 there was a loss of R14,9-million which includes a R9,5-million provision for write-down of property values.

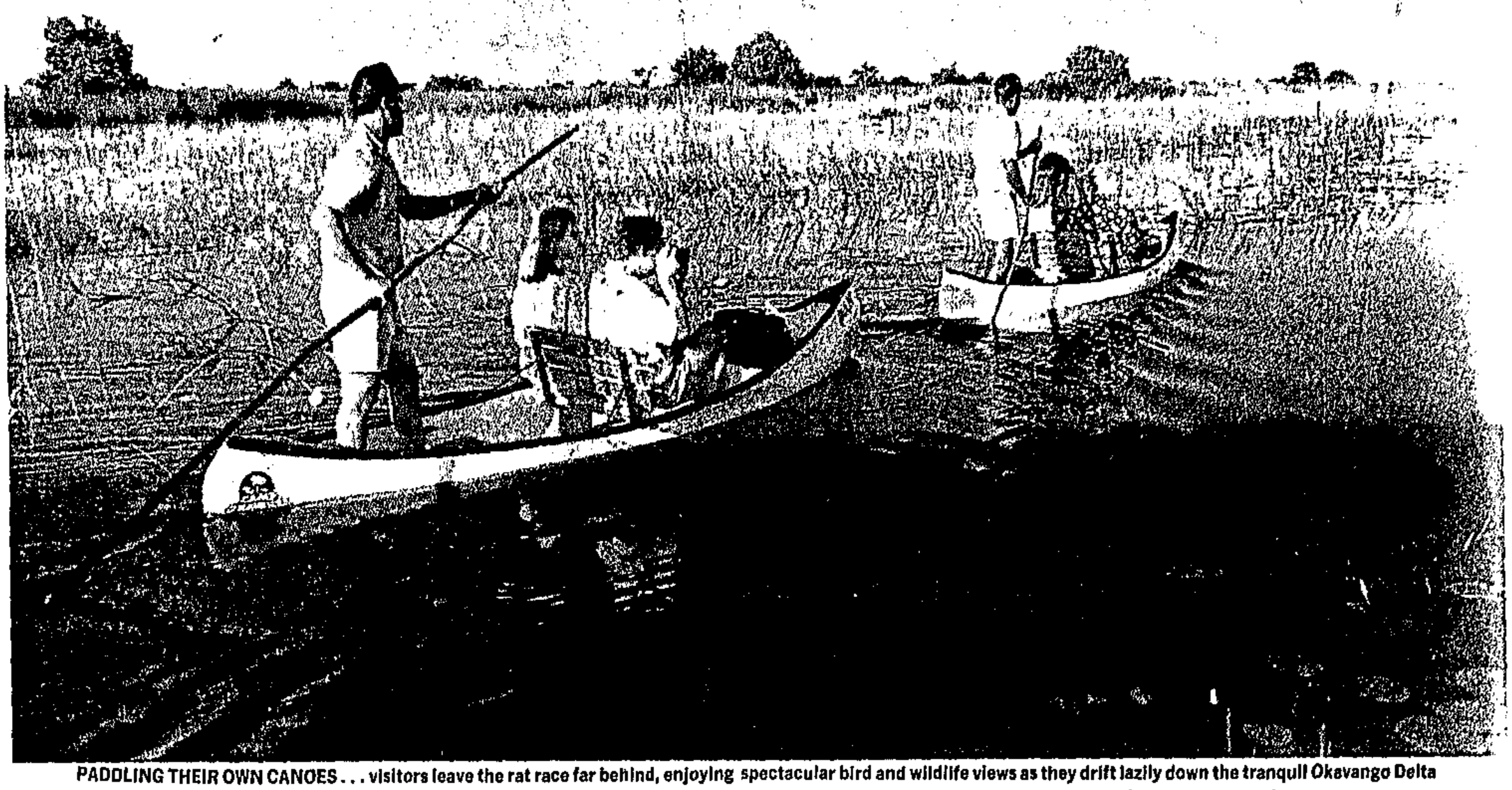
At 60c, Basil Read's share price is trading at a 79% discount to net asset value.

But a rescue could be mounted by French multinational Bouygues.

Bouygues, one of the largest construction firms in Europe, acquired a 25,9% stake in Basil Read in February and is said to be considering taking more.

Analysts say Bougues is unlikely to allow Basil Read to fold.

Basil Read said at the beginning of May that negotiations should be completed by the end of the month.



PADDLING THEIR OWN CANOES . . . visitors leave the rat race far behind, enjoying spectacular bird and wildlife views as they drift lazily down the tranquil Okavango Delta

Eco-travel to generate income boost

ST Times [CC Metro] 9/5/93

288

A RISING star in the tourism industry is eco-tourism — a sector that South Africa is well-equipped to serve.

Eco-tourism is "responsible travel" to natural destinations using tourism income to sustain the environment and the well-being of nearby communities.

According to Phillip Lategan, marketing director of Afro Ventures, bringing tourism to some wilderness areas is the only viable way to sustain them.

"Eco-tourism is a long-term venture. Bringing tourists to a remote, ecologically interesting area generates income and jobs for people, many of whom exist at subsistence level. Apart from the benefits to locals, the wilderness area is retained," he says.

"Take Botswana for example. The north of the country is poorly developed and there's no way to get people economically active other than tourism. It starts at the lowest level with shops that supply the industry with food and perhaps petrol.

"Other employment is available to people who repair tents, or who work as drivers, trackers and even canoe polers. Often the cash income can support a family of seven people.

"In Namibia's Caprivi area there's no industry. The introduction of tourism led local people to recreate a traditional village which visitors are charged to see. Locally-made curios generate income and ex-poachers have become game guides," said Mr Lategan.

"Eco-tourism is the non-consumptive use of a natural resource and has to be well managed. It's not a high density form of tourism and takes place in sensitive areas that require sensitive care. South Africa's natural resources are largely untouched and eco-tourism is a great way of preserving them."

Waynne McLintock, marketing director of the Conservation Corporation, says eco-tourism has a financial benefit for the country.

"First World tourist money filters into the system and comes out at the bottom — the local rural community in wilderness areas. It helps take care of the wildlife and the land too," he says.

"Tourism dollars put the quality of life into rural areas. Clinics, schools, shops and recreation facilities can be built for locals and the people themselves are recruited to staff them. Eco-tourism generates small business development as well — entrepreneurs can use their skills to become drivers, provide entertainment or any number of other services.

"The principal eco-tourism areas in South Africa are the Eastern Transvaal, famous for its game, northern Natal, also a wildlife destination, and the Cape where there are plenty of environmentally interesting regions.

"Eco-tourism will play a major role in South Africa's tourism industry in the future. A wealth of natural resources from game reserves to beaches and mountains will have attracted about two million international travellers by the end of the century.

"Costs are tailored to different markets. On average, accommodation at a private game lodge in the Transvaal will cost between R600 and R700 per person per night. At a national park, the figure drops to about R70 a night, says Mr McLintock.

Clive Walker, chairman of the Wilderness Trust of Southern Africa, sounds a note of caution.

"Eco-tourism is a valuable job creator, a method of rural development and a good way to fund conservation, but it has to be managed properly," he says.

"For example, the desire to view a predator on the move at night is high on any tourist's list of activities but what about the impact to the habitat from off-road driving? If done occasionally it may not have a serious impact, but done every night by a succession of vehicles, it could cause irreparable damage.

Ventures

"One has to take into account the problems of waste disposal, consumption of firewood, noise, general over-use of tourist facilities and harassment of wildlife.

"Eco-tourism is set to become big business in South Africa and people in management positions should pay as much attention to management of the wilderness as they do to the economics of their ventures.

"The 'if it pays — it stays' philosophy should be avoided. There are serious problems ahead in terms of environmental quality of wildlife if urban development techniques are applied to wilderness areas.

"Eco-tourism brings the benefits of jobs, foreign earnings and rural community co-operation, but although wildlife is big business, business can be unscrupulous and it should be realised that tourism could become too much of a good thing," says Mr Walker.



VILLAGE IN THE VALLEY . . . a view of Franschhoek from the pass that overlooks the Boland town, a popular tourist spot

Picturesque Boland town has all visitors could want

ST Times [CC Metro]

9/5/93

288

IF YOU had to draw up a blueprint for what makes a village appealing to visitors and attractive to tourists, what would you say?

That it had to be beautiful, picturesque, historical and offer things to do, interesting items to buy, great places to eat and a couple of points of special interest — like fantastic vineyards and superb wine estates.

If you add to this a touch of French flair, then you could be talking about Franschhoek, the small Boland town, that is fast becoming the gourmet capital of the western Cape and a "must" on the agenda of the thousands of visitors who flock to the winelands each year.

As everyone who did Std 4 history remembers, Franschhoek was where the French Huguenots settled around 300 years ago when they fled to South Africa to escape religious persecution in France. The names they gave their original farms still exist today, and many of the villagers have surnames that date back to the original group that settled there in the 1680s.

Then, in the early 1980s Franschhoek was discovered again.

This time, the influx was of people who recognised the potential of the valley and planted it with new vines, revitalised old, tired estates and restored historic homesteads. The wine farmers, conscious of the valley's French traditions and also the need to promote it and their wines, banded together to form the Vignerons de Franschhoek, a unique association that has done much to put Franschhoek on the map.

Of course, as new people arrived and the town grew, restaurants, auberges and guest houses opened to cater for the increasing number of visitors. The town of Franschhoek guards its history and French traditions jealously, and proposed buildings and restorations are scrutinised with care. The Franschhoek Trust has won wide acclaim for work done in this regard.

Superb

But back to the present, why do people visit Franschhoek?

Well, first there's the food. For a population of little more than 3 000, there are more than 20 restaurants and eateries, ranging from simple country fare to fancy French.

Where wine is made there is usually excellent food — and Franschhoek is no exception. One of the reasons is that there are superb fresh ingredients on the doorstep — including several salmon trout farms.

Being a "foodie" area, local farmers have also gone into sidelines — like wonderful sun-dried tomatoes and home-made ricotta cheese.

Franschhoek has plenty of summer sunshine, much sought-after by sun-starved people from Europe. Winters are seldom too cold.

There is much for visitors to do in Franschhoek — the main street is lined with galleries and small craft stores, plus a good sprinkling of antique shops. Many local potters sell their wares. At the end of the street is the Franschhoek monument, set in beautiful gardens, flanked on one side by the museum which houses fascinating exhibits of the town's history.

In spring, the blossoms are fantastic and, in summer, the fruit sells for prices reminiscent of the mid-80s. Farm stalls and small food shops have interesting selections.

Most visitors to Franschhoek spend a couple of hours wine-tasting at the estates or at the Wine Centre.

The town has become a popular stay-over destination — but it's still less than an hour's drive from Cape Town.

— Penny Gordon

Regulations in Liquor Act to be relaxed

ST Times [C] Metro
9/5/93 (286)

By DINAH WHITE

RELAXATIONS to the Liquor Act could extend bottle-store hours and make licences easier to obtain, the deputy minister of trade and industry Mr David Graaff said this week.

Speaking at the Fedhasa regional congress in Caledon, he said the emphasis in changes proposed in the Liquor Amendment Bill would be on extended licensing hours for stores and possibly amending the prohibition of sales on public holidays.

The government would also review Sunday sales on wine farms, Mr Graaff said.

Standards

Cape Administrator Mr Kobus Meiring said he was looking to Fedhasa for guidance on the issue of no smoking in restaurants and whether this could be implemented by legislation.

Satour's director of standards, Mr Greg McManus, outlined a new voluntary national grading and classification scheme for all registered hotels.

The July 1 introduction of the new grading would bring hotel standards in line with their European counterparts.

Satour will in January next year publish and distribute 150 000 copies of their guide to Southern African accommodation.

Mr McManus advised hotels "not to chase stars, as it will be the providing of service that is so important".

Capacity of cableway may be doubled

(288) CT 8/5/93

By PETER DENNEHY

THE Table Mountain Aerial Cableway Company is considering upgrading the cableway by the end of the decade at a cost of five to 10 million rand to more than double its capacity.

Chairman Mr Louis de Waal and others had an hours-long meeting yesterday with a visiting French cableway expert Mr Denis Creissels, who presented his company's state-of-the-art system, for which approval was expressed.

A brochure of an existing system, similar to that envisaged to Cape Town, showed cable cars suspended from two cables, making them more stable.

Mr De Waal said they would consider a cable car capable of carrying 40 to 45 standing people.

At present the cableway takes about 230 people an hour up the mountain, but the new system could take up to 600.

Mr De Waal confirmed that his company has a 99-year lease on the cableway operation, which expires in the year 2025.

Every 10 years, the city council has an option of ending the lease, and the next such occasion is next year.

Exco chairman Mr Louis Kreiner said ending the lease was a possibility into which the council had yet to look.

"The cableway is a key operation that must be run effectively," he said. "Captour has already opened a cableway booking operation in an attempt to overcome some problems."

The city would have to decide whether a cableway operation was the sort of business the council should run.

● See report — Page 5

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Dad ordered to give up son

'Snatch' case boy sent back to SA

From CHRIS BATEMAN

LONDON. — A "stunned" former Cape Town building inspector, Mr Robert Champ, 50, has been ordered by a British judge to hand back the seven-year-old son he snatched from his former wife and brought to Britain two months ago.

Mr Champ — who faces arrest if he returns to South Africa — was warned by Mr Justice Kirkwood yesterday that he would be arrested in England if he obstructed Mrs Linda Champ's regaining legal custody of their child.

The judge also ordered him to hand his passport to police in Bristol where social welfare



TUG-OF-LOVE SON
Peter Champ



COURT BATTLE
Mrs Linda Champ

Mr Champ — supported by his tearful new wife, Heather — said he had "now tried everything" and intended rushing back to Bristol to bid his son a final fare-

nails — he doesn't want to go back," they claimed.

The couple said they had no plans to return to South Africa and would start a new life at their



Cableway tug-of-war denied

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ARG 8/5/93

Municipal Reporter

THERE is no squabble between the city council and the Table Mountain Aerial Cableway Company, says company chairman Mr Louis de Waal.

Asked to react to a proposal to be considered by Exco to expropriate the lease of the cableway, Mr De Waal said the council had the right to do so in terms of the lease.

The lease, due to expire in 2025, may be reviewed every 10 years. The next review is due next year.

"Does the city want to run a cableway? I do not know.

"But there is no tug-of-war. We're not pulling anything," Mr De Waal said.

There had been no communication between his company and the council on the issue.

He said it was difficult to estimate the cost to the council of expropriating the lease without a formal costing study.

Previous unofficial estimates were that expropriation could cost ratepayers millions of rands.

Here's to the good, old days

Star 8/6/93

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JOE LOUW laments the demise of old-style shebeens, which were centres of creativity where you could find cheer even in the worst of times.

THEY came named after movies or their owners — more often after their girth or temperaments or the kinds of happenings you could expect to find there.

They were celebrated in songs and eulogised in poems: The 39 Steps, Falling Leaves, The Classic and the infamous Whitehouse, which, after the devastation of the Group Areas Act, simply packed up, moved to Soweto and spawned "Whitehouse II".

But most hard-drinking, rough-talking old shebeeners will tell you in no uncertain terms that the old intimate shebeen — the places many black South Africans used to call home from home — are now a thing of the past.

Doc Bikitsha, an old curmudgeon who, with brown bottle firmly in his grasp, used to hold forth with his tipsy philosopher friend — the poet of the shebeen, Can Themba — laments the passing of the venerable institutions.

"Let me tell you, laddie," he says in his inimitable lingo of yesteryear, "these chrome and glass and deep-leather whatchamacallums don't hold a flickering candle to our establishments. They're so ... so industrial," he says with undisguised scorn. "They got no soul."

He especially remembers the smoky soft touch of a place on Gold Street in Sophiatown. It was run by two pretty sisters, Baby and Hilda, one of whom, according to Doc, had a heart of gold.

It was not that he was in love with her or anything like that. She was, disastrously for her, soft on giving credit — a trait found only in the saintliest of saints in those cash-starved days, and never in the more successful shebeen owners.

Shebeens provided safety and often comfort from the tensions of life, both at work and at home. They were a place to socialise and talk and tease and catch up. For many of us, especially young writers, they were initiation centres.

It was there that we received extensions to our education that were not available in anybody's classroom.

"Sonny, do you drink?" asked an indignant Can Themba, Drum's guru-in-chief, as he eyed my innocent be-bop haircut and countrified clothes when I joined Drum.
"No," I replied.

"Do you smoke?" he asked. "No," I replied.

Dog's life

"Sonny, do you f...?" he came back. "Errr ..." I stuttered, and before I could reply, he thundered for all the newsroom to hear: "Sonny, you're living a dog's life."

Fifteen minutes later we were off to the Whitehouse, a sedate little place in a backyard around the corner from 80 Albert Street, the old pass office.

Forthwith he ordered a "ha-ja" (a half-jack, or half-bottle, of hooch) for himself and a "nip" for me. He promptly mixed it with a sickly-sweet cooldrink and offered me what he called a "sangria". It was the last conscious thing I remembered for the rest of the afternoon.

Young musicians abounded in shebeens. Many a time, a jazz giant such as the late Gwigwi Mwerbi would be holding forth on chord changes and progression to a bunch of gaping tyros like Jonas Gwangwa and Kezi Khambule.

The Classic spawned one of South Africa's first black literary journals, Its clients, sequestered to the back of a dry-cleaning shop because of the liquor law, became the artists and poets and short-story writers of later years.

But with the demise of the shebeen, and the rise of the colour TV tavern and the disco-fied inn, came another sad deletion from our culture — the death of conversation, of the jokes and the tall tales, the gossip and the creativity that nurtured language and immortalised the thousand and one characters and their improvisations which brought cheer to life even in the worst of times.

Hey, don't get me wrong. I'm not saying that shebeens as they were then did not lead to broken homes and bring grief to many a hard drinker. People did get mugged, stabbed or even shot. Then, you at least knew the guy who pinned you. At least you might have had an argument or a personal difference, or a known score to settle.

But it was nothing like the senseless mowing down of unrelated people that occurs lately. It has been this growing trend that has forced shebeens and their imitators to shut their doors.

Nor am I glorifying alcohol abuse. All I'm saying is that shebeens were tremendous fun and important in the evolution of our fledgling urban culture.

As James "Sofasonke" Mpanza, the wily old Orlando politician, used to say: "Let any man who is against people drinking in shebeens stand up and say so publicly — and he will surely be stoned to death."

Folks surely love them shebeens.

TIMESHARE FM 7/5/93.

Going green

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In spite of dogged opposition from environmentalists, final approval has been granted for the construction of a 62-unit timeshare resort at Drakensberg Gardens in the southern Berg. Environmental watchdog Bergwatch objected to the scheme on the grounds that Drakensberg Gardens Hotel, established in 1935, had become a sprawling network and should not be further enlarged because it was in a fragile area.

The result of objections, according to developer Alan Gooderson, of Gooderson Leisure Corp, was that it took three years to obtain approval for the scheme.

"These delays have cost the project roughly R100 000," he says. "I'm all in favour of strict controls in environmentally sensitive areas like the Berg, but that should not mean long and costly delays."

Gooderson, who was also behind the Riverbend timeshare development in the Berg (now almost sold out), says great care will be taken to ensure that the scheme's impact on the environment is minimised. "The architect's brief, with this in mind, was to ensure that the scheme blends with its surroundings. The cottages will be thatched and local construction materials are being used wherever possible," he says.

Though the overall development has 62 timeshare units, in 31 semi-detached structures, the R4,5m first phase of seven semi-detached structures (14 units) will, subject to demand, be developed over the next two years.

The timeshare is targeted at A- and B-income group buyers with prices from more than R14 000 for a flexi-week. Land for the development was made available through the subdivision of the 348 ha Drakensberg Gardens Hotel estate.

Among the facilities available to timeshare purchasers will be the only (recently completed) 18-hole golf course in the Berg,

CONT'D

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along with a 7 ha trout lake, tennis courts, bowling greens, grass putt-putt and a nine-hole pitch-and-putt course. ■

OVERSEAS TOURISM

Maybe next year

FM 7/5/93 288

Ever-optimistic tourism officials predict that nearly 1m overseas visitors will land in SA in 1995, almost 75% more than the number now coming. And by 2000, they expect 1,75m tourists.

But SA has a way of confounding the experts. The murder of SA Communist Party general secretary Chris Hani over Easter was the latest in a series of violent episodes that have made wary foreigners think even harder about holidaying here.

SA Airways spokesman Leon Els says there were very few cancellations, "but we don't know how many people would have come to SA and didn't, or how many are now rethinking their choice for a holiday, or waiting for the political situation and the violence to settle down."

The tourist industry does not rate the immediate effects of the Hani murder as seriously as it did the after-shock of the Boipatong and Bisho massacres last year, when there were significantly more cancellations. Tourists started flowing in again normally a week after the Hani incident. But there has been a large drop in forward bookings, which are not looking nearly as good now as they did at this time last year.

Nevertheless, SA Tourism Board (Satour) executive director Spencer Thomas says violence in SA is being put into perspective. "There have been no known attacks on tourists, or incidents in which tourists were involved, that were related to the political situation in SA."

Unlike Kenya and Egypt, which have developed a reputation for violence against

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Continued from page 55

foreigners, and Miami, where six foreign tourists have been murdered since December, very few tourists — maybe five — have been murdered here in the past four years.

The SA Police force's three units established to protect tourists — on the Durban beachfront, in Cape Town and in Johannesburg's CBD — have had remarkable success. In Durban no incidents of crime on tourists have been reported this year. In Cape Town, nine minor incidents, such as pickpocketing, have been reported. In Johannesburg, crime on tourists has been halved.

Last week, Satour estimated that probably 400 overseas tourists had cancelled their trips to SA. It listed "two incentive tours, totalling 300 people, two other groups totalling 69 people and some individual trips." But that seems low. The Southern Sun hotel group says it had 10 000 room-night cancellations from now to December.

"We had 14 000 room-nights cancelled in the week after Easter. If we take out the wash-factor — room-nights that would have been cancelled anyway by operators who book in advance and cancel because they cannot sell the accommodation — we are left with 10 000, which is not good," says group operations manager Chris de Kock. "However, the cancellations stopped on April 19 (the day of Hani's funeral) and we're back to normal now."

Protea Hotels says cancellations overall were negligible but future bookings don't look good.

Lauren de Wet, of Captour, which promotes tourism in the western Cape, says the full impact of the assassination will be revealed only in October, when the area's high season starts. She blames the international TV coverage of mobs rampaging through the streets of Cape Town, breaking shop windows and looting goods, for any downturn in overseas tourism it may experience.

She conducted a spot survey a few days later and found only minor damage to the local tourist trade. Some tourists booked on an SAA flight from Miami cancelled when the American government cautioned its citizens to be wary about coming to SA, but a group did come from Atlanta. "There was no noticeable drop-off in tourists coming in from other countries."

Renata Benka of tour operator Wilson Collins says there were no cancellations, "but we'll never know how many people decided to postpone their visit, or who decided not to come to SA and go elsewhere; I'm sure we lost a lot of business."

Despite Boipatong and Bisho, overseas tourism was up 7,4% last year, to a record of nearly 560 000. No figures are available yet for this year, but the signs are not good for growth. Future bookings from the UK, traditionally SA's main supplier of foreign tourists; France, Israel and the US are extremely slow. Bookings are dismal in Germany and non-existent in the Benelux countries, but in Austria and Switzerland they are up nicely.

Tourism from the East remains buoyant. There isn't a discernible negative trend from Taiwan or Australia and only a slight one from Japan. But, overall, prospects for the September to December period are bleak. ■

Political economy of elephant stomping

W/mail 7/5- 13/5/93. (288)

Three people died recently in wildlife attacks. Were these freak incidents, or part of a trend resulting from man playing God in the wilds?

By **EDDIE KOCH**

FIRST there was the fierce bull elephant that stomped a tourist to death in the Pilanesberg Game Reserve. Then a lion mauled and killed a woman inside a lodge at the Phinda Reserve. This was followed by the death of a game ranger in the Kruger National Park at the feet of a bull elephant.

Are these freak accidents, tragic events that are unlikely to recur — as some conservationists, especially those connected to the game parks where the incidents took place, argue?

Or are they on the increase because the animals are responding in unusual and erratic ways to the practices of this country's burgeoning wildlife industry?

There are no easy answers to the debate that now rages in the conservation fraternity.

Les Carlisle, spokesman for the Phinda Reserve, says the lion attack was a chance occurrence which, statistically, has little chance of repeating itself. Researchers in Pilanesberg found an abscess at the root of one of the elephant's tusks, suggesting that it was a giant toothache that sent the bull into a killing frenzy.

Others see an emerging pattern related to three economic factors:

- The boom in wildlife tourism has resulted in large-scale transportation of potentially dangerous animals from one reserve to another.
- Most translocated elephants are young bulls who have been orphaned during extremely traumatic culls in the Kruger National Park.
- In the process of being handled for commercial purposes, wild animals become accustomed to human contact and lose the wariness that keeps them at a distance from people.

"My concern is that we are beginning to play God too much. We are moving animals around a lot without too much knowledge about the effects this has on their behaviour," says Clive Walker, chairman of the Rhino and Elephant Foundation.

There is a story doing the rounds that the elephant from Pilanesberg, which was shot dead after the attack, had been sold to the reserve after being involved in rogue attacks at a private game lodge in the northern Transvaal. Though some conservationists are taking it seriously, there is as yet no evidence to support the story and it is more likely that the bull came from the Kruger National Park, where adult herds are regularly culled and their offspring sold to other game reserves.

"There is a lack of information about these elephants and we perceived this as a problem some time ago," says Walker. "What are these elephants going through and what are the psychological effects of losing their mothers?

"Translocated elephants get used to humans by virtue of their capture or holding. They can lose their fear or build up a greater fear of humans. One thing is clear: people get killed by elephants that have been harassed by man."

Walker notes that the killer lion at Phinda had been imported into the Natal reserve just three weeks before the attack, from a game farm in the northern Transvaal where lion are either bred for commercial purposes or have experienced extensive human contact. "Any lion that has had the slightest exposure to human beings is a major threat," he says.

At the heart of the problem, at least as far as this school of thought is concerned, is the way in which game ranches and other ecotourism enterprises are mushrooming around the country.

This is a positive development that increases the amount of land used for conservation and that generates rural jobs. And game farming is much less damaging to the environment than cattle farming.

But there is some concern that the growth is taking place without the necessary regulations.

There are now some 800 reserves, excluding those owned by the National Parks Board, ranging from exclusive resorts like Mala Mala and Londolozi to small tribal resource areas in the homelands.

According to the National Game Organisation, in 1990 there were 9 000 game ranches owned by individual farmers, covering some eight million hectares across the country. And the number of new reserves and farms that have been converted to game ranches continues to grow.

A total of R355-million was generated by game farming in 1990: 75 percent came from safari hunting and the rest from tourist visits, game auctions and the sale of venison.

The government, recognising that these kinds of ventures can help kickstart the rural economy, has made made R600-million available in subsidies and plans to increase the amount of land used for ecotourism by 800 000 hectares in the next five years.

"Farmers are selling their cattle, erecting game fences, stocking their land with wild animals and building lodges," says ecologist David Grossman.

To attract the best-paying tourists or safari hunters, these entrepeneurs are under pressure to introduce the "big five" — which include lion, leopard and elephant.

This has resulted in a vibrant wildlife industry, probably the biggest in the world, with animals being purchased at frequent game auctions and transported around the country.

This is why South Africa is the only country in the world which has an insurance company that covers entrepeneurs for the risk involved in transporting game and stocking their land with wild animals.

But if appears that the industry began to thrive in an unregulated way ahead of the kind of research needed to devise the best methods to manage the treatment of these commercialised animals. For this reason, the Rhino and Elephant Foundation decided to sponsor an academic research programme, headed by Marion Garai, on the behavioural effects of culling adult herds of elephants and then putting their offspring on to the market.

Culling operations are extremely traumatic for the young animals. The herd is usually rounded up by helicopter and herded to a nearby road, where the adults are darted with scolene — which merely paralyses them.

Then a team goes in and shoots the adults in the head — although sometimes they suffocate from the scoline.

The young animals smell and sense the slaughter and suffering that takes place around them, according to conservationists.

Garai points out that elephants have a matriarchal social system and that young bulls are put through a stringent process of parental upbringing in their first 12 years.

"The orphaned animals are much more nervous and skittish. The mothers teach them how to react to different experiences and often give them hidings with their trunks to put them in their place. It is possible that without this training they are more likely to misbehave," says Garai.

"It is also possible that incidents in the bush — a particular sound or a smell — could trigger a reaction that stems from the traumatic cull they experienced as youngsters."

Says Rams Ramutla, director of the Bophuthatswana Parks Board, which runs Pilanesberg: "At this stage we can't dispute or confirm that it was the cull and translocation that caused the elephant to react like it did. We believe strong precautions need to be taken and more research needs to be conducted."

Phinda's Carlisle says incidents like the recent lion attack happen sporadically in game reserves all over Africa and that there is not necessarily an emerging pattern which requires game park managers to adapt their methods.

NEWS IN BRIEF

Global link-up

THE Southern Sun Group has signed up with Galileo, making it the first SA hotel chain to be linked up to a truly global computerised reservation system.

Southern Sun's Ron Stringfellow said the group would be linked to the system by August.

SA franchising 'needs strict policing'

B/DAY 6/5/93. (288)

STRICTER regulation of the local franchise market was needed to shelter South Africans from technically unsound or fly-by-night franchise schemes.

Webber Wentzel partner Lawrence Reyburn said South Africans who linked up with franchise chains that were not well organised and soundly managed found themselves "wide open to abuse".

"Widespread overseas franchise interest in SA has made it important to improve the status of franchising in this country. Ground rules need to be established which are clear, comprehensive and fair to the franchisor and franchisee," said Reyburn.

SA Franchise Association (Safa) executive director Jack Barber said self-regulation of the industry would prevent the need for strict legislation.

TRACY SCHNEIDER

In the US, operators had to submit detailed prospectuses to federal and state authorities before setting up business.

Safa had received numerous calls from franchisees who had "been burnt" by chancers, in some cases losing up to R30 000 each.

"There is nothing we can do if the franchisor is not a member of Safa. We have strict membership screening and a code of conduct and warn people to be wary of schemes that are not registered with the association," said Barber.

Safa was looking to submit a code of conduct to the Business Practices Committee.

Business Practices Committee chairman Louise Tager said she would welcome the move: "If a code is approved, it also applies to non-members of the self-regulatory body, and contravention amounts to a harmful business practice."

Reyburn said many US franchisors had shown keen interest in SA. However, many of them were hesitant to enter SA because of the unregulated industry with its patchy reputation.

Reyburn said the local franchise industry had enormous growth potential, with franchise business in the US generating 36% of all retail trade compared to SA's 6%.

Johannesburg gets green light for Civic Spine plans

STEPHANE BOTHMA

JOHANNESBURG has been given the green light to establish restaurants, fast-food outlets and specialist shops at Library Gardens, core of the Civic Spine development.

Tenders would be called within the next two weeks for a variety of facilities to serve the community and attract tourists, Johannesburg management committee vice-chairman Eddy Magid said yesterday.

Rezoning approval by the Township Board followed a second public participation exercise as well as extensive investigation and consultation with experts and objectors after the development project was earlier halted by concerns about the possible effects of trading in the area.

Investigations confirmed that people using the area daily wanted the facilities. They also showed that the project would not prejudice the character of the area between City Hall and the Central Public Library, Magid said.

B|Dm 5|5|93.

The Township Board had rezoned the required spaces above the Harry Hofmeyr underground parking garage as public open space and areas for shops, restaurants and open-air exhibitions.

Magid said he was pleased that the scheme could now go ahead.

He emphasised that the rezoning involved only limited retail activity, but enough to serve the planning and development committee's goal of enlivening the area and meeting the needs of workers and shoppers.

Spaces over the parking garage ramps would be used to create 200m² of ground level trading area and 555m² of upper floor restaurant and outdoor terrace space.

Plans were for facilities such as a juice bar, restaurant with pub facilities, a sandwich bar, ice cream parlour, coffee shop, bookshop, record bar, curio shop, commercial art gallery and a Johannesburg Publicity Association information centre, he said.

The Cenotaph area would retain its traditionally restrained character. Trade would be limited to flower selling and charity bookshops which had been there for many years, Magid said.

B|Dm 5|5|93.

Minister defends govt liquor policy

LINDA ENSOR

CAPE TOWN — The liquor trade should accept government's commitment to a free market economy and not focus its attention on how to protect vested interests, Deputy Trade and Industry Minister David Graaff said yesterday.

Addressing Fedhasa's regional congress in Caledon, Graaff said that together with its commitment to deregulation, government would continue to control the industry as liquor was regarded as a potentially harmful substance.

The unchecked distribution of liquor might negatively affect public interest and therefore the criteria used for assessing licence applications would remain unchanged.

Graaff did not wish to speculate on whether a future government would offer assistance to the liquor industry.

"There can be no doubt, however, that the liquor industry with its excellent potential to create export opportunities and generate increased employment and wealth, should be given every encouragement to develop and grow," he said.

Graaff said government's deregulation policy was intended to facilitate entry into and participation in the economy for all people and to minimise state control over economic and business activities.

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"All of this should be achieved without jeopardising public health and the public interest."

IB JOFFE

Limited

("IB Joffe" or "the company")
(Registration number 66/07844/06)

Disposal of certain non-performing subsidiaries

1. The disposals

Agreement has been reached in terms of which IB Joffe has disposed of its interests in:

— Joffe Saddlery (Pty) Limited, which is the holding company of Telek Manufacturing Company (Pty) Limited ("Telek") and LLB Manufacturing (Pty) Limited ("LLB");

— Telek, which is involved in the manufacture and distribution of kitchen furniture; and

— LLB, which manufactures and sells leisure laze chairs

to Mr Goos Lustig, with effect from 31 January 1993, for R1,75 million in cash, together with the release from certain guarantees, suretyships and undertakings given by IB Joffe. These companies will be under joint management until the implementation of the agreement.

2. Rationale for the disposals

Telek has not performed up to expectations since its acquisition in 1988. This, together with the difficult economic conditions, has resulted in the decision to dispose of Telek and certain non-performing subsidiaries. IB Joffe will be left with its core business of manufacturing and selling leather, camping, backpacking and outdoor products.

3. Conditions precedent

The agreement is subject to the following conditions precedent:

— the purchaser must release IB Joffe and its subsidiaries from certain

R300m revamp at Southern Sun

KELVIN BROWN

SOUTHERN Sun Hotel group would spend R300m on upgrading and expanding its hotel portfolio by year-end, Southern Sun group MD Ron Stringfellow said yesterday. B1DAM 515193,

About R140m would be spent on the new Sandton Sun Towers, R30m on completely rebuilding the Paradise Sun in the Seychelles and R25m on the new Sandton Holiday Inn Garden Court, Stringfellow said.

After restructuring the group's portfolio would consist of five Southern Sun Hotels, 13 Southern Sun resorts, five Holiday Inns, 24 Holiday Inn Garden Courts and five Formule 1 Hotels, said Stringfellow.

The restructuring was an attempt to turn around declining occupancies.

The Garden Courts and Formule 1 hotels had the best occupancies, said Stringfellow. The enjoyed occupancies above 80% while occupancies of hotels converted to Garden Courts had "shown a substantial increase": The occupancy rate at the old Landdrost in Bloemfontein, the first to be converted to a Garden Court, had increased from 30% to 90%. (288

There were short-term expansion plans for the group's economy hotels, said Stringfellow. The group hoped to have 20 Formule 1 hotels open by the end of next year.

In the foreign market expansion would concentrate on Africa, Stringfellow said. Negotiations were currently under way to manage a hotel in Zambia and an announcement would be made soon.

There were no immediate plans for expansion within its other hotel categories. However Stringfellow indicated that this could change if more foreign tourists visited SA. The group was also very interested in opening casinos but no definite plans would be made "until the Cabinet had announced its decision on the matter".

ISG mid-year income and turnover up 9%

B1DAM 515193

DUMA GQUBULE

INFORMATION Services Group, holding company for IBM distributor ISM, reported a 9% increase in attributable income to R25,5m on a similar increase in turnover to R548m (R500,7m) for the half year ended March.

This was equivalent to earnings of 17,2c (15,7c) a share from which an unchanged dividend of 8,5c a share was declared.

The results followed a poor financial 1992 when the country's largest computer group, hit by a loss of market share in the slowing mainframe market, reported a 5% drop in profits.

CE Brian Mehl said all major business units had operated profitably with software, services and networking — high growth areas in the industry — showing the most gains.

There was also good demand for mainframes, PS/2s and the AS/400, the world's top selling mini-computer.

A feature of ISG's interim results was a 19% jump in operating profit to R36,9m as the operating margin rose to 6,7% from 6,2%. Mehl said the achievement was due to tight cost control, a leaner staff structure and better management techniques flowing from the restructuring of the group into 25 business units last year.

The good performance at the operating level was blunted by sharply reduced investment income and lower interest rates.

Investment income fell sharply to R4,1m (R9,8m) as investments and net cash on the balance sheet fell to R29,1m (R49,7m) and R48m (R135m) respectively. Pre-tax profit came to an unchanged R41m.

But a reduced tax charge of R15,3m (R17,8m), because of the new tax legislation and an adjustment of deferred tax, impacted favourably on the bottom line.

After-tax profit was 12% higher and earnings attributable to ISG shareholders came to R25,5m. This compared with the R23,3m achieved in the previous year.

On the balance sheet, stocks and debtors rose sharply to R141,4m (R88m) and R213m (R134m) respectively.

Mehl said the results were the first indication of how the group had been doing since its restructuring last year.

The process, still in its settling down phase, was gathering momentum and ISG was seeing the first signs of the expected benefits.

He said the group had spent R4,6m of last year's restructuring provision, had encouraged new business ventures with outside companies and had disposed of its interests in satellite tracking company Sat-Track.

The emphasis would continue to be on aggressively pursuing profitable market niches and forming mutually beneficial joint ventures with outside companies. Further benefits would be apparent in the next six to 12 months.

Mehl expected the present growth trend to be maintained and promised shareholders a higher final dividend.

Tourism figures plummet

288 CT6/5/98

Staff Reporter

THE violence had led to up to 90% of pre-booked overseas tour groups being cancelled since the beginning of the year at a cost of millions of rands, tour operators revealed yesterday.

Mr Eberhardt Gennrich, chairman of Incoming Tour Operators of the Association of SA Travel Agents (Asata), yesterday said the news of the violence had frightened tourists off and this was a major cause of concern to the tourism industry.

"Overseas tourists feel insecure about coming to this country and there has been a tremendous drop in demand for bookings," he said.

Mr Gennrich said had it not been for the violence, South Africa could have had its best ever season this year.

He said tourists may come once the situation stabilised.

Mr Dale Pretorius of Satour said in the three weeks since Mr Chris Hani's death 15 000 bed nights at hotels had been lost.

"Last week two large groups from Spain, totalling 300 people, cancelled bookings and the country has lost about R8 million since Mr Hani's death."

Mauritius boosts international focus

By ARI JACOBSON (288) US 5/93

THE Mauritian tourist industry is drawing more European and international visitors as South African tourist numbers are dwindling, says Andre Steyn, Protea Hotels regional manager in the Indian Ocean islands.

Steyn says this has created a neat marketing balance between focusing on the SA market and broadening the island's exposure to cater for international demand.

In an interview recently Steyn pointed out that those in search of the ideal island escape were visitors mainly from France, Germany, Italy and Spain.

South African travel agents canvassed on the issue agree that Mauritius has lost some of its aura as "the dream getaway for locals".

This they say has been brought on by "the new SA" with the local tourist now having "the world opening up, with cheap airline flights to faraway destinations".

One travel agent mentions by example "the other day a chap came in wanting to go to the Eastern Transvaal on honeymoon — he ended up in Malaysia for virtually the same price."

Steyn says that flexible marketing has become a necessity for Mauritius and this includes travel packages with added incentives "such as free drinks at the hotel, for the duration of the guests stay".

The Protea Group manages four hotels across the island and plans to have nine by 1994.

The group is also looking to the islands of Madagascar, Comores, Seychelles and Reunion to expand its presence in the region.



Andre Steyn

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Picture: HAROLD KING

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**Van der Velde sentenced
Gillmore to "stretching a
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also thought the ANC had scored a "victory" over the government on ANC representation.

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Battered women: 'Leave'



Staff Reporter

BATTERED women advise others in the same situation to leave their attackers after the first incident, says a Human Sciences Research Council survey of battered women.

CT 5/5/93

According to the survey report, Battered Women Seeking Solutions: A study of women who have taken shelter at the Rape Crisis Centre in Cape Town, a comprehensive policy for dealing with woman battering is urgently needed from legislators.

The full report is available for R35 from Mrs A Tucci at the HSRC. Call (021) 202-2247.

Gamefishing in SA 'has big tourism potential'

(288)

CT 5/5/93

Staff Reporter

DEEP-SEA gamefishing could be developed into a major money-spinning tourist attraction in South Africa, foreign entrants in the Harbour Island Broadbill angling classic said yesterday.

The competition, being fished off Cape Point, started yesterday and boats will return to Gordon's Bay this morning.

Competitors will fish two of the remaining four nights before the tournament ends.

Competitors said South Africa boasts the most diversified and abundent selection of gamefish in the world.

Chairman of the International Federation of Sea Anglers Mr Jack Reece said: "The government should direct its attention to this very valuable resource.

Global temperatures

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Bill to deregulate tourism

CAPE TOWN — Government yesterday tabled a Bill to deregulate aspects of the tourism industry and said the number of foreign visitors should more than double by the end of the century.

Introducing debate on the Tourism Bill, Tourism Minister Bhadra Ranchod told Parliament Satour had mapped out a three-year strategy to promote SA abroad.

"Satour's target is 966 000 overseas visitors in 1995 and 1,75-million visitors in the year 2000," he said.

This would provide an additional 40 000 direct jobs and 80 000 indirect work opportunities by the end of the century.

A Satour spokesman said 560 000 foreign tourists visited SA in 1992.

Ranchod said he hoped to recruit the visitors from traditional markets such as Britain, Germany and the US, as well as from the Middle East, India and Australia.

He tabled a Bill to deregulate the hotel industry and replace the compulsory grading system with a new plan for voluntary rating which would include hotels, guest houses and guest farms.

The Tourism Bill replaced five statutes regulating tourism with consolidated legislation aimed at deregulating the industry and simplifying access for new entrants.

The voluntary grading and classification scheme would replace the present hotel registration and grading system administered by the Tourism Board.

Establishments joining the grading scheme, which comes into operation on July 1, would receive specific marketing benefits, such as inclusion in Satour's accommodation and area guides.

Ranchod said the Bill proposed to scrap a requirement that tour guides should be SA citizens or permanent residents.

He said the Travel Agents' Act would be amended to do away with the fidelity fund to pay for the repatriation of SA tourists stranded abroad by the collapse of an agency. Instead, he proposed to oblige travel agents to help travellers obtain insurance to cover emergency repatriation.

The DP and CP called for the setting up of a tourism department.

North Rand DP MP Louis de Waal said tourism had suffered under the rolling management style of government. It now had its third Minister in four years.

"Tourism now has a full Minister, but he has no department, no bureaucratic infrastructure. In fact, the Minister, as political head of tourism, must double up as his own director-general."

Losberg CP MP Fanie Jacobs said if government was serious about tourism, a fully fledged department should be established. — Sapa-Reuter.

Hotels plan to upgrade security after EL attack

Argus Correspondent

PORT ELIZABETH. — Hotels are taking steps to upgrade security for guests after the Highgate Hotel attack in East London.

Satour regional director Mr Peter Myles said yesterday hotels had a responsiblity to provide security for guests and visitors.

He said people planning to travel would require information on the safety of roads and security at hotels before they made a decision whether to leave their homes.

Mr Myles said hotels mainly depended on business people for trade and should reconsider security if business was to remain unaffected.

"If terrorists continue to hit soft targets, people will require peace of mind. They will need reassurance that hotels are stepping up security.

"Obviously, hotels do not want to create an image of insecurity by policing their premises, but security should be stepped up in such a way that it does not create panic.

"Adequate security is the only alternative until the situation normalises."

This was something hotel owners in London had to take into account after attacks by the Irish Republican Army (IRA) in Britain.

Police regional commissioner Major-General Daan Huggett has said hotels should devise their own security procedures, but advised strict door control at all public places.

This would possibly result in a reduction of soft target attacks.

Liquor licence requests rocket

CAPE TOWN — Applications for liquor licences increased by 44 percent last year compared with 1991, the Liquor Board said in its 1992 annual report tabled in Parliament yesterday.

The report ascribed the increased number of applications to the simplification of application procedures implemented in the new regulations in June last year.

The board received a "flood" of applications without merit, and the percentage refused increased by 7,6 percent compared with 1991.

Of the 2 464 applications received last year, 1 255 were approved. A further 595 were still under consideration.

There were also 185 applications for the removal of liquor licences of which 131 were approved and 27 were still under consideration. — Sapa.

Business Report

Fedhasa: 'People the key'

(288) 4/5/93

By ARI JACOBSON

"PEOPLE is the secret weapon for the hospitality industry," said Philip Krawitz at the Fedhasa regional conference in Caledon yesterday.

He said "people empowerment" was part of the solution in making SA a satisfactory tourist destination.

This Krawitz said, meant training the "front-line" staff to have "frighteningly more autonomy".

Krawitz, CE of Cape Union Mart added that "local hotels were no longer competing with those across the road but rather with those hotels, across the world".

He went on to add that the information left by the guest was priceless as it presented the hotel with "the person's likes and dislikes" — essential data in the hospitality industry.

He said that making more use of this data would allow for a vastly better service.

"Remember," he concluded, "the tourists that visit SA — we want them to come again and again".

● Opening the Fedhasa conference yesterday Administrator of the Cape Kobus Meiring said that SA had enormous potential that could only be realised "with the right attitude".

Great plans for tourism by 2000

Star 4/5/93

288

CAPE TOWN — The South African Tourism Board plans to bring 966 000 foreign tourists to South Africa in 1995 and 1,75 million in the year 2000, Minister of Tourism Dr Bhadra Ranchod said yesterday.

Introducing debate on the Tourism Bill, he said these visitors would come from traditional tourist markets in the United Kingdom, Germany and the US as well as from emerging markets in the Middle East, India, the Far East and Australia.

This would provide an additional 40 000 direct jobs and a further 80 000 indirect work opportunities by 2000.

Ranchod said the majority of South Africans, who had for historical reasons not become involved in the tourism industry, must be drawn in and their expertise developed.

"I would like to see us encourage all South Africans to use available facilities. It is simply not acceptable to bar any tourist on racial grounds. All discriminatory practices must be eliminated."

The Tourism Bill replaces the five existing statutes regulating tourism with consolidated legislation aimed at deregulating the industry and simplifying access to new entrants.

A voluntary grading and classification scheme for all tourist accommodation facilities will replace the present hotel registration and grading system administered by the South African Tourism Board.

Establishments which join the grading scheme, which comes into operation on July 1, will receive specific marketing benefits, such as inclusion in the board's accommodation and area guides. — Sapa.

Spur Ranches beat recession yet again

BDAY 3/5/93 (288)

LINDA ENSOR

CAPE TOWN — Spur Steak Ranches has again beaten the recession, turning in a 41% rise in earnings a share in the year to end-February.

Earnings rose to 43,68c (30,98c) as the restaurant group continued to attract diners to its tables.

A final dividend of 19,5c increased the total payout 35% to 31c (23c). Earnings of Spur Holdings, which has a 64% stake in Spur Steak Ranches, rose 29% to 29,67c (23c). Its final dividend of 15c brought the total to 23,5c (18c).

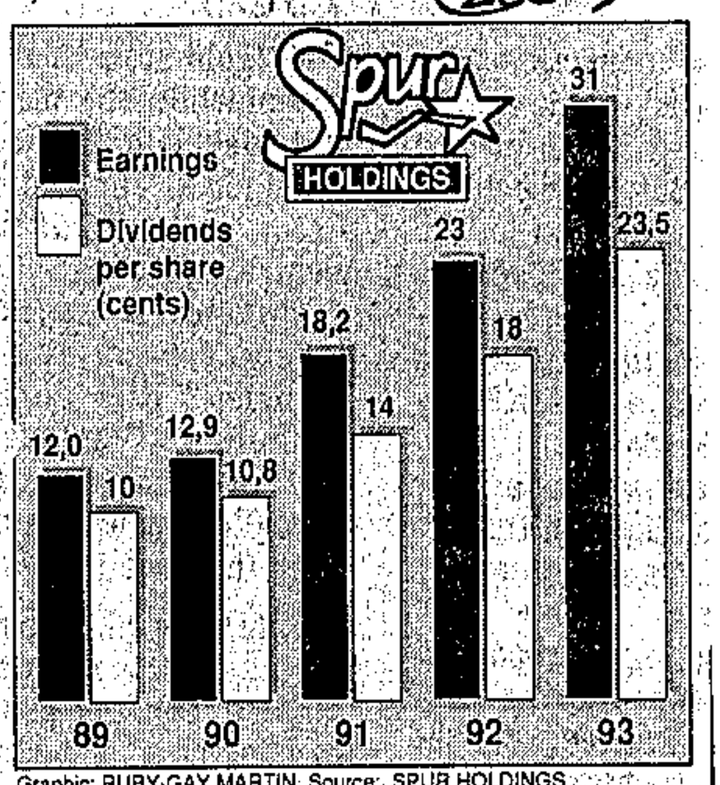
Chairman Allen Ambor said the restaurant chain had gained market share in a shrinking market, adding that Spur was ideally placed to attract cash-strapped customers during a downturn as well as catching the upwardly mobile diner when conditions improved.

He said innovative thinking, selective expansion, and stringent management and operational systems also made up Spurs' successful business recipe.

Strong growth in the pre-tax income margin to 46,3% (43,3%), saw the 33% increase in turnover to R28,6m (R21,5m) translate into a 41% rise in pre-tax income to R13,3m (R9,4m) because of good cost control at the group's 134 outlets.

Also, Ambor said, promotions had been carefully selected in areas where turnovers could be sustained.

Of great benefit to the group was its lack of debt — long-term liabilities fell from R1,9m to R61 000 during the year.



Graphic: RUBY-GAY MARTIN Source: SPUR HOLDINGS

Expansion proceeded with 18 new outlets added to the group which now has 124 Spur Steak Ranches, six Hard Rock Cafes, and four Panarottis Pizza Pasta.

A new outlet selling pizza slices, called Slice Express, had also opened. Ambor noted that most of the major expansion was taking place in shopping centres.

The profit announcement said the 1992 turnover figure had been adjusted to exclude the income derived from franchisees for advertising and promotions which Spur was obliged to disburse in full.

Shares in the group climbed 25c towards its record high of R11 on the JSE on Friday. The stock closed at R10,75 in light trade, valuing the group at R170m.

EXECUTIVE SUITE

Star 3/5/93

SA to join travel body

LUSAKA — South Africa's admission to the Africa Travel Association will be formally recognised at the organisation's annual congress in Lusaka this week.

The ATA says the congress will adopt initiatives ushering in a new era for the association and tourism promotion in Africa.

The association approved South Africa's admission after a reeent directors' meeting in Abidjan. — Sapa.

Protea takes over Midrand's R28m de luxe hotel

S|Times(Buss] 21/93

By CHERILYN IRETON

A R28-MILLION luxury hotel opens in Midrand on June 15 — three months later than planned — under newly appointed operator Protea Hotels.

The 177-room Midrand Protea Hotel, developed and owned by Gold Fields Property Company, was to have been opened by Park Hotels in time for the Kyalami Grand Prix in mid-March.

However, Park's promise of foreign funding was scuppered by political developments in South Africa, says Park Hotels chairman Peter Bold, and the agreement with Gold Fields Property was terminated.

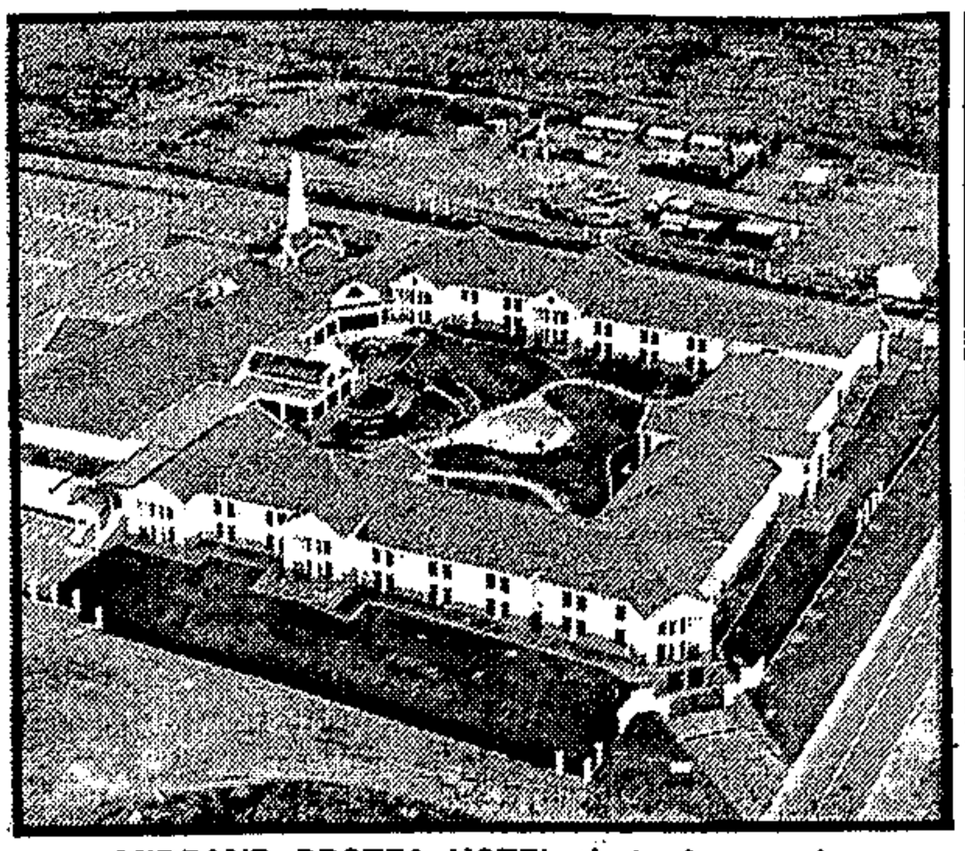
Protea Hotels stepped into the breach as manager and is hiring the 111 people needed to staff the hotel which will apply for a four-star grading.

It is at the Olifantsfontein off-ramp alongside the N1 between Johannesburg and Pretoria.

It is close to the Kyalami racetrack, Grand Central Airport, the Volkswagen conference centre and BMW's headquarters.

Protea managing director Arthur Gillis says the hotel will be mainly for individual business travellers visiting the Midrand CBD and those wishing to use the hotel's conference facilities or those available at the Volkswagen centre.

The hotel will be able to take 120 conference delegates.



MIDRAND PROTEA HOTEL: Late in opening

Terminated

The delay in opening the hotel has cost Gold Fields Properties three or four months of lost rental, says Gold Fields Property chairman Mike Tagg. "But Midrand is a good area and we expect the hotel to do well.

"We didn't want to go into the hotel business per se. Park Hotels, as operator, was to have paid us a flat rental, but it could not fulfil its financial obligations and the agreement was terminated. With Protea our returns will be tied to turnover," says Tagg.

The Midrand Hotel was to have been Park Hotel's pilot venture. Mr Bold says the group, although effectively dormant, still plans to enter the hotel trade. However, each time plans get off the ground there is another political incident that upsets potential funders.

Spur mocks recession with a 41% profit lift

STimes[Buss] 2/5/93

288

SPUR Steak Ranches rides high with yet another set of recession-defying results this time for the year to February 1993.

Turnover at the steak-ranch, pizza and pasta franchising group grew by a third to R28,6-million and profits by 41% to

By JULIE WALKER

43,7c a share. The dividend was raised 35% to 31c.

Another 18 retail outlets were opened in the year, bringing the total to 124. Chairman and founder Allen Ambor notes a trend back to shopping centres and the group is expanding in these areas, often as anchor tenant.

Cape companies had a good week. Pepkor announcing fine results for the year to February in spite of tough times. Group chairman Christo Wiese says Checkers' turnaround was among the highlights. Although not yet achieving a respectable return on investment, progress is beyond what Mr Wiese expected in the first year.

Pepkor has deferred its dividend declaration until the end of May, by which time it will have received its own dividend income and qualify for credits. Mr Wiese sees little room for improvement in trading conditions in the short term, but hopes his group will continue to do well.

African Life's business with a large community group helped it to lift recurring premium income by 42% to R98-million in the year to March, and total premium income by half to more than R100-million.

Managing director Bill Jack says it was a tough year, but the results are pleasing because ideas put into action several years ago are bearing fruit. Certain niche products will be expanded.

Loss

Mr Jack reports that the rate of increase in operating expenses has averaged 11% below growth in recurring premium income in the past seven years. The group is well structured compared with a year ago.

The life assurer's earnings a share grew by 20% to 22,5c and the dividend by 24% to 14,8c, or scrip in the ratio 1,9 new shares for every 100 held.

Of the 15 companies reporting preliminary results this week, none incurred an operating loss, seven did better than previously and Fintech, Autopage, Presmed and Boymans achieved double-digit earnings growth.

First National, Fidbank and Board of Executors were the pick of the 17 interim reporters, only Ocfish, Barprop, Umdoni and Datakor achieving better than the previous comparable figures.

Even before the benefits of lower corporate tax, First National Bank's profits were 22% higher at R421,5-million in the six months to March.

Managing director Barry Swart says there will be some who criticise banks' margins. But his group worked hard to achieve its results, which for the first time include the operations of Henry Ansbacher plc.

Victims

The small print does not actually say what the contribution was: Mr Swart says it was neutral, as expected. "It's a long-term investment."

Being the biggest in instalment credit, First National benefited by R139-million as a result of savings on deferred tax. This was countered by certain long-term project-financing and a tax-equalisation provision of R72-million was made.

The net windfall softened the R89-million extraordinary loss taken on the financial-rand premium paid for Ansbacher and Midlantic (Asia). Mr Swart says other South African banking groups have made similar write-offs.

Bad-debt provisions were R24-million up at R185-million, counting Ansbacher's. "It is the fifth year of recession and many of its victims did nothing wrong," says Mr Swart.

I asked how long ago the loans had been advanced: before or after Mr Swart took over First National and sent all the managers back to credit-advancement school?

His reply: "How long is a piece of string? Things would have been much worse if the bank had carried on as it was a few years ago."

Net of the tax equalisation adjustment, First National's earnings rose 20% to 310c a share and the dividend by 5c to 55c. The share price jumped 350c to R76 after the results. It was R55 six months ago.

Company round-up

PRELIMS	Turnover (Rm)	% change	Profit before tax (Rm)	% change	Earnings a share (c)	% change	Div share (c)	% change
Pep	1366,1	−11	169,1	+7	43,2	+1	19,5	+9
Fintech	602,2	+7	34,3	+16	225,0	+31	60,0	+25
Tradegro	5254,6	N/A	35,9	N/A	74,7	N/A	—	—
Tradehold	5254,6	N/A	31,5	N/A	81,0	N/A	—	—
Mainpro	—	—	—	—	55,33	0	55,33	0
Apex	—	—	—	—	31,42	+3	31,42	+3
Cashbuild □	328,0	+12	8,9	−8	14,1	−25	6,0	N/A
Autopage	39,8	+8	12,6	+19	24,0	+16	9,0	+13
Tongaat	3867,6	−3	192,8	+8	190,9	−5	73,0	0
Presmed	95,8	+19	11,4	+9	23,0	+19	6,25	+25
Boymans #	217,7	+7	2,9	+284	6,4	+611	2,0	N/A
Tafelberg	49,8	+9	1,4	−10	6,0	−14	3,0	−14
Pepkor	7763,9	+70	252,1	+30	71,7	+17	N/A	—
Pepgro	—	—	—	—	84,9	+23	N/A	—
Macadam	37,3	+9	1,0	−16	6,2	−18	—	—
Midas	293,0	+3	0,1	N/A	−16,9	N/A	—	—
INTERIMS								
Barprop	28,4	+8	9,4	−8	7,8	+8	6,34	+4
Randcoal	791,2	+3	92,4	−7	68,0	−28	20,0	−13
Sycom	—	—	—	—	34,49	−10	34,48	−10
Ocfish	181,9	−7	29,6	+78	151,8	+81	42,0	+40
Gencor	—	—	593,0	+6	43,1	−10	16,0	0
Ganbeh	—	—	325,0	+6	39,0	−10	14,3	0
First bank	—	—	421,5	+22	310,1	+20	55,0	+10
Randgold	19,4	N/A	4,4	N/A	9,1	N/A	—	—
PGM Inv	—	—	0,4	N/A	2,2	N/A	—	—
Fidbank	—	—	—	—	47,3	+26	11,0	+24
Adcock	478,6	+12	75,8	+31	160,0	+36	42,0	+27
Decor	10,3	−5	−0,5	N/A	N/A	—	—	—
RM Prop	90,6	−4	1,0	−93	10,0	−82	30,0	0
K H Props	—	—	7,1	+26	26,0	−4	26,0	−4
Umdoni	—	—	9,1	+7	9,65	+7	4,85	+5
Tambotie	—	—	11,8	−8	15,0	−6	15,0	−6
BoE	—	—	9,2	+32	58,8	+35	17,0	+21
Datakor▲	878,8	+22	65,9	−2	28,5	+12	11,6	+5

□ 35 weeks # 13 months

▲ 2nd interim

Immigration to New Zealand

Admark Overseas Services, a subsidiary of a JSE listed company and the South African agent of Dorchester and Smythe Limited of New Zealand, is conducting seminars in Johannesburg, Durban and Cape Town on immigration to New Zealand.

If you are a graduate, under the age of 56 and interested in immigration to New Zealand, **phone Glynis/Desirée on (011) 482-2030 or Colleen (031) 304-4323 or Natachia (021) 419-7704 for details of the seminars.**

Ratel des

STimes [B

deal to in

25

Romania

THE designer, developer and manufacturer of the SA Defence Force Ratel and Buffalo troop carriers is to take on the truck industry with the introduction of a Romanian heavy-duty vehicle.

Ranko Stojakovic established Springfield Engineering several years ago and developed army and police vehicles.

Springfield was one of the largest bodybuilders in SA and prouced the Scania range. Production stopped in 1985. Mr Stojakovic has reopened the company under the name Springfield Roman.

He will begin assembly of Roman trucks in September at a 6 000 square metre site in Isando, Johannesburg.

Other truck manufacturers have indicated they will enter the SA market in spite of declining sales. They include the Dutch DAF, which will be assembled by Associated Automotive Distributors (AAD), and the Italian Iveco, assembled by Truckmakers, a subsid-

Week i

A SUMMARY of the week's co

MONDAY: Maid o' the Mist (P liabilities exceed assets by R94-m be cancelled.

THURSDAY: The 1993 tranche o Absa sells 49% of Amalgamate effective from 1/10/92. Tege

Star 29/7/93

Gambling plan criticised

By Michael Sparks

The Howard Commission Report into gambling and lotteries came under heavy attack yesterday at a seminar at the Johannesburg Country Club.

Karos Hotels chairman Selwin Hurwitz criticised the proposals, saying they meant hotels were being built in the wrong places, for the wrong reasons.

"Hotels must not be built because of their casino facilities but because of guests who want hotel rooms in the area," he said, referring to one proposal which required casinos to be located at least an hour's drive from major metropolitan areas.

He called for all existing and new four- and five-star hotels to be granted a limited casino licence, with 15 gaming tables and a maximum of 75 slot machines. (288)

Human resources development consultant Dr Adele Thomas said state-run lotteries to raise funds for social welfare and development meant that government could then abdicate its responsibility for providing essential welfare services.

Methodist Church representative Rev Demetris Palos said it seemed incredible that a society was prepared to spend 80 cents in every rand on lottery tickets, to get just 20 cents worth of benefit to the community and social welfare projects.

Cableway report slated

288

Staff Reporter

A CITY Council-commissioned consultant's report on the development of Lion's Head and Signal Hill came under sharp criticism from environmentalists and Sea Point residents Tuesday night when they slated it as "slanted".

Residents attending a meeting at which the development report was introduced said although a lot of work had gone into the report, it was biased and all plans by the Table Mountain Cableway Company should be "stopped dead" until a "fully representative government was in place next year" CT 29/7/93

About 90 of the group of about 100 residents and environmentalists present indicated that they were "dead against" the development of a cableway.

An environmentalist and SA Mountain Club member strongly disagreed with the city council that a cableway was necessary to protect and restore Signal Hill. All that was needed was R1 million a year, which could have been donated to the area by the cableway company.

BUSINESS BRIEFS

STimes LBuss

Kill the boer, kiss the tourist



KILL the boer, kill the farmer, kiss the tourist may become the new chant of the ANC Youth League following the appointment of its leader Peter Mokaba as chairman of the National Tourism Forum. 25/7/93

Industry sources say he has his eye set firmly on Spencer Thomas's job as executive director of the SA Tourism Board. Mr Thomas says he is unaware of Mr Mokaba's ambitions but adds wryly, "He's welcome to it."

The recently formed tourism forum includes ANC appointees Albert Maphala, Mr Mokaba and private sector representatives Clive Strugnell, Rupert Lawlor of Rennies and John Rothschild of the SA Safari Association. Sources say Mr Mokaba was appointed by Mr Mandela who is reportedly keen to promote tourism as a vehicle for creating jobs for youths.

The private sector members of the forum were less than enthusiastic about Mr Mokaba's appointment, in particular his calls to "Kill the Boer, kill the farmer."

"We objected to his appointment in the strongest terms," says one forum member. "But the ANC insisted. Yet outside of his political rhetoric, he is quite moderate."

Mr Rothschild refutes suggestions that Mr Mokaba wants to run Satour. "He has his sights set much higher than that. He wants Mr Mandela's job."

(288)

'Hotel room arrest was racist'

South 24/7 - 28/7/93

A TRANSVAAL businessman who was arrested at the Cape Sun hotel for allegedly disturbing the peace claims he is the victim of "blatant discrimination".

Victor Khabo, 46, strategic marketing manager with the Council for Scientific and Industrial Research (CSIR) was held for several hours at Caledon Square police station.

Khabo told SOUTH he returned to the hotel after midnight on Sunday with three friends after listening to Morris Goldberg play jazz at a Waterfront restaurant.

"We had been in my hotel room for about 10 minutes when a security man came and said there'd been a complaint about noise," Khabo said.

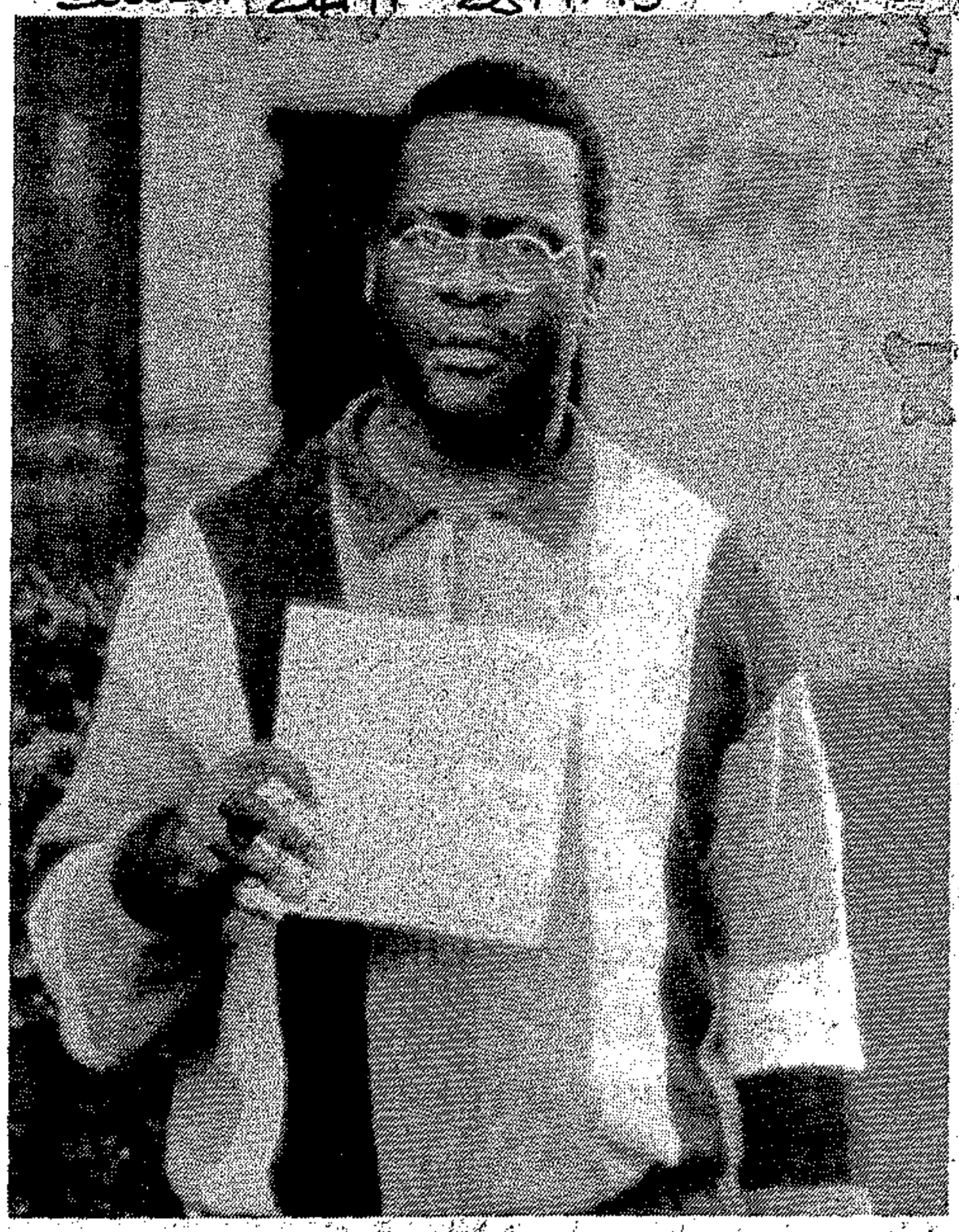
"Before we could finish explaining that we had just arrived and couldn't have been rowdy, about five policemen arrived. It was scary. We tried to explain there was no problem."

Khabo said he was "chucked into a van" and taken to Caledon Square and put in a cell. He refused to sign an admission of guilt form and was later released after receiving a summons to appear in court on August 1.

His friends contacted an attorney, Mr Willie Mangweni, who told SOUTH he telephoned the police station and reached an agreement that Khabo would be released on R300 bail. However, when Mangweni arrived at Caledon Square, he was told no bail would be given.

Khabo said when he returned to the Cape Sun on Monday he was told he could no longer stay there, although he was not yet due to check out. He then booked in to another city hotel.

"I am definitely consulting with my lawyers and will fight this thing to the hilt," said Khabo, who spent 20 years in exile in the United States. "I think it was racist and I don't want it to continue." (288)



NO FUN IN THE SUN: Mr Victor Khabo with the summons issued to him after his arrest at the Cape Sun

Police spokesperson Captain Wikus Holtzhaussen said Khabo was arrested while allegedly drunk in front of the Cape Sun hotel at 4.30am. He was held at Caledon Square until 6.50am.

Cape Sun deputy general manager, Mr Doron Umansky, said a South African Airways pilot complained to Khabo about the noise from his room and was "sworn at" from behind the door. The night manager and then the resident manager both tried to get Khabo to open his door, Umansky said. "By that stage there was noise on the whole floor and the SAP was called," he said.

He had no information that Khabo was arrested and was not aware that Khabo had been told he could not continue to stay at the hotel.

Khabo denied the airline pilot had knocked on his door and said the hotel was making a "fabrication" of the event.

He said he would return to Cape Town to fight the case because what happened to him would not have happened to a white person.

TIME HOUSING

Fm 23/7/93 - (288)

Land holdings up for grabs

Former high-flyer Time Holdings, now in liquidation, has begun to sell off its land but has not been inundated with inquiries.

Provisional liquidator Laurence Pereira says this large portfolio of black township land scattered throughout SA has not attracted the interest he expected. But he believes it has substantial future value.

"Despite the lack of end-user finance, demand for housing land is so acute that over the medium term this land — to which we put a provisional realisable value of R15m — can only rise in price", he says.

Outside SA Housing Trust and FHA Homes, until 1990 Time Housing was the largest private-sector owner of land in black townships. When listed parent Time Holdings hit fatal liquidity problems this April, Time Housing was also affected. Both were provisionally liquidated on May 6. Time Housing's final liquidation is now set for July 27, when its assets will become saleable.

Meanwhile, the Master of the Supreme Court has empowered Pereira to transfer about 70 serviced sites into the hands of their black buyers.

Roughly 70% of housing assets are held directly by Time Holdings' main housing subsidiary, Time Housing, established in 1983, and the remaining 30% by 13 subsidiaries, seven falling under Time Housing and six under Time Holdings. Liquidation of the subsidiaries and disposal of their land holdings, which include many stands in Tokoza, will be decided by the final liquidator.

In January 1992, two management buyouts took place along with the sale of some assets held by the 14 subsidiaries (*Property* May 1992).

The agreement between Time group and management-buyers Norman Jeffrey (in the PWV) and Murray Mackay (the Natal-eastern Cape coast) was that they would buy the bulk of the land designated for affordable housing still owned by the group as demand warranted.

They still operate under the name of Time Housing but as franchisees from separate offices. The Time Housing company, whose MD is Joao Prego, retained half a dozen staff to manage the land holdings.

Jeffrey says his Futuris Homes is not affected by liquidation of the Time Group. If there is an outright sale of group holdings in the PWV, this source of land will no longer be accessible. But Jeffrey maintains he has adequate other sources, including his own land, which is valued at R5m. Futuris has sold and developed a large number of Time Housing stands it bought. To overcome constraints on finance, it has developed projects in areas not considered "over-exposed" by banks and where loan finance is available.

Mackay, who operates as Vision Projects, has had a similar experience.

But Pereira disagrees that the liquidation has no effect on the companies. He points out that a number of stands which Jeffrey and Mackay contend belong to their companies are registered in the name of Time Housing. Both have applied to Pereira for the release of these properties but he is still considering this.

Time Housing's main land holdings are in Weltevreden Valley in Mitchells Plain, outside Cape Town — where most of the title deed transfers are taking place — and Sebokeng near Vanderbijlpark. Most of the rest are in the PWV and Natal.

It will take time to assess Time's land. But continuing liquidations and other problems have resulted in a surplus of serviced land. ■

HOTELS

A key development

Three hotel groups are on the short list to build the Victoria & Alfred Waterfront's most luxurious hotel to date. A four- or five-star will go up at Quay 6, north-east of the Victoria Wharf shopping complex.

About R150m is expected to be spent developing this fifth hotel and complex on the waterfront. It should have about 300 rooms and be designed to cater for international businessmen.

The complex will include a 12 000 m²-15 000 m² retail component and 1 200 parking bays, 600 of them underground. Negotiations between the V&A Waterfront Company and national retailers to decide on the two main tenants are advanced. Woolworths is said to be in the running.

V&A Waterfront MD David Jack says good progress is being made in negotiations with local and international hoteliers on the terms of the operating agreements.

The V&A Waterfront's "partnership" agreements with hoteliers typically require the hotelier to lease the property and share profits. This is contrary to the trend worldwide where hoteliers try to minimise risk and demand management fees for their expertise as well as sometimes a share of profit.

Jack says: "The Waterfront is perceived to be the first location for any new hotel in Cape Town and, as such, interested hotel groups are prepared to look at special conditions."

Occupancies at the Waterfront's other hotels, such as the four-star 68-room Victoria & Alfred Hotel and the 160-room City Lodge, are 80% to more than 90%. The Breakwater Lodge, a budget hotel which forms part of the Cape Town Graduate School of Business complex, is achieving occupancy of 80% throughout the year. A part of the 320-room hotel is used to house students usually pursuing mid-career courses and the remainder is used by the public.

The Waterfront's fourth hotel is being built. A 110-room budget hotel, it will be run by Stocks Budget Hotels and should be completed next year.

The new Quay 6 hotel, retail and parking complex represents the second phase of the Victoria Wharf development. Quay 6 has been occupied by Mapro Fishing Company, which is moving to the Elbow site at the end of South Arm in the Victoria Basin, near the Lawrence Miller port control building.

Mapro will have the Elbow shed converted to mechanical workshops, cold stores and offices.

Quay 6 forms part of the Breakwater Precinct, one of 10 precincts in the Waterfront. The V&A Waterfront Company has proposed limited office development in this area. But Jack says this will be phased in later because there is not enough demand now.

"We see ourselves finalising the hotel and retail negotiations within the next two months," he says. "Completion of the project is planned for the spring of 1995."

Louis Karol is the architect for the Victoria Wharf development. Preliminary drawings have been prepared but Jack does not want to release them because changes could ensue.

Jack says a pension fund has agreed in principle to fund the second phase of Victoria Wharf, subject to the project meeting investment criteria. ■



V&A's David Jack ... *Quay 6 looking good*

Suns may clash over SA entry

CT HL7 19/7/93 288

Own Correspondent

JOHANNESBURG. — Sun International could be set for a clash with Southern Sun if preliminary negotiations for its entry into the SA hotel market are concluded.

The restraint of trade agreement between the two groups, entered into in 1983 when they split into separate entities, expired in March 1991. In terms of the agreement, Sun International was not allowed to operate in SA.

Reports since then said low occupancies, the lack of tax incentives and poor international tourism had been stumbling blocks to its entry.

Sun International said it was now involved in preliminary negotiations to enter SA with new non-casino hotels in Johannesburg and Cape Town — it is believed to be considering a Waterfront site. It was also investigating possible ventures abroad.

MD Peter Venison said last week there were many tourists who came to southern Africa to visit Sun International resorts.

But they spent some time at other hotels as the group was not represented in the major tourist cities. With some competitors rebranding their hotels, there was room at the top end of the market for more hotels.

Clash of two Sun hotels groups looms

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● See Page 5

Sun International on expansion trail

BIDay 19/7/93

MARCIA KLEIN

SUN International is involved in preliminary negotiations for new non-casino hotels in Johannesburg and Cape Town and is considering certain projects offshore, says newly appointed MD Peter Venison.

He said in an interview that Sun International had made a significant effort overseas to bring business to southern Africa.

The company had offices in London, Germany and France, and recently established offices in New York and Hong Kong. It had also hired public relations consultants in the US, France, Italy, Britain and Hong Kong.

Venison said Sun International was one of the few tourism players — along with Satour and the airlines — which spent money overseas and attracted foreign visitors. When tourists visited as a result of its efforts, they spent only part of their time at Sun International resorts, as the company was not represented in the major tourist cities.

Venison said some competitors had been rebranding their hotels, and there was room at the top end of the market. Sun International's hotels had the quality to justify high rates, and he believed people would pay for quality.

If SA expected to do half as well as Australia in terms of tourism, it would need 34 new hotels the size of the Palace at Lost City.

Venison said it was important now for the group to move overseas. For 18 months it had looked at a number of countries, had meetings with governments, examined casino regulations, invited government officials here, and sought partners. "We are working towards a couple of projects," he said.

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Venison was reluctant to give details of the group's fortunes over the past year, as results to end-June will be published shortly, but he did say the Sun City complex had reaped the benefits of the group's marketing effort. Generally, however, it was adversely affected by political events and recessionary conditions.

In the two weeks after Chris Hani's assassination the group had more cancellations than bookings. Other political events had had a similar effect.

At the Sun City complex, all occupancies were up on last year. The Cabanas had not run at less than 90% occupancy this year and the Palace had achieved about 80% occupancy. This was about 10% higher than budget, but the average rate was slightly below expectations. Overall, the Lost City's performance was better than expected.

Venison said there was significant growth in the number of visitors, over and above those expected when additional rooms became available. He attributed this to the investment in publicity, and a broadening of the market through new facilities.

BIDay 19/7/93

Trans Hex to expand

JOHN DLUDLU

HOLDING and investment company Trans Hex was planning to expand its operations and develop opportunities, chairman and MD Francois Hoffman said in the financial statement for the year ended March 1993.

The company, which has interests in diamond and industrial mineral mining, projected capex of R30,1m this year which Hoffmann said demonstrated commitment to expansion.

The proposed ventures would be financed from internal resources.

The Rembrandt-owned group was expecting the past year's market conditions for industrial minerals to remain unchanged.

Improvement in its contribution to group earnings would be determined by cost cutting, improvement in margins and the absence this year of two loss-making activities.

Management was restructured after executive director Frans Mostert retired. He was replaced by Peter Danchin.

The group reported a net income of R35,5m (R28,1m), equivalent to earnings a share of 207,6c (186,3c). A final dividend for the year of 64c (59c) was declared.

total cost of about R14m.

tem would do away with manual

Stewart said.

Drive to boost tourism standards

PRETORIA — A series of regional conferences will be held next month by the SA Tourism Board in a bid to improve the standard of service offered to international tourists.

It was essential to create a service culture in SA to ensure the country remained competitive in the international tourist market, a Satour statement said.

The "Greet the World" conferences, to be held in Midrand, Cape Town and Durban, would feature visiting international delegates. Topics to be discussed would include the quality of service required by the modern global tourist, reconciling sophisticated tourist needs with service levels in developing countries and the implementation of a training strategy for the tourism industry.

ADRIAN HADLAND

Delegates included World Travel and Tourism Council representative John Zeema and Australian Tourism Training executive officer Ron Kemp. (288)

Improved service standards in the local tourism industry would lead to more tourists, an increase in foreign currency earnings and would contribute to the creation of employment opportunities, the statement said.

The regional conferences, which begin on August 20, aim to identify the service needs of the international tourist and define the crucial problems facing the SA tourism industry.

No hope of jobs for 8-million

B1 Bews 19/7/93

ADRIAN HADLAND

PRETORIA — More than 8-million people — 44% of the labour force — would be unemployed by 2000, a study predicts.

Natal University Centre for Social and Development Studies' Prof Valerie Möller says in her recently published Quality of Life in Unemployment that 350 000 jobs will have to be created every year to cope with demand.

The creation of youth unemployment schemes was one of the most urgent of SA's needs.

Positive strategies to combat unemployment include specific programmes to create jobs such as wage subsidies to large employers, assistance to small firms, the promotion of the informal sector and public works and emergency relief programmes.

Defensive strategies could include population and migration control, job sharing, multiple shifts, part-time employment and retraining incentives.

Trade unions could also play a more positive role in supporting the unemployed.

Pik's crash probe complete — police

THE investigation into a car crash involving Foreign Minister Pik Botha on Wednesday last week had been completed, police said yesterday.

Police spokesman Col Johan Mostert said a docket of reckless and negligent driving had not been opened against Botha, but was registered in regard to the government vehicle in accordance with procedural requirements.

MARIANNE MERTEN

The docket was completed in the sense that it would be referred to the attorney-general or the state prosecutor for a decision, he said.

Botha apparently collided with a truck from the toxic waste removal company Wastetech while travelling to Lanseria Airport, north of Johannesburg.

Protea urges use of new car alarm

CAPE Town-based Protea Assurance is encouraging policyholders to instal the new Unicode motor vehicle identification system, which makes it easier to recover stolen cars.

Executive director Jim Brayson said yesterday that any policyholder whose vehicle is recovered through using the new system will be reimbursed for the cost of installation and the "applicable excess".

The Unicode system is a computer network which enables the police to identify a stolen vehicle and trace the owner and insurance company.

A series of electronic tags including full details are attached to the car. When it is reported stolen the computer network is activated and it can be identified when it passes certain points or reaches border posts.

City demand booms for overseas travel

(288) CT 17/7/93

Business Editor

IN spite of the recession and weak rand travel agents are busy, with more Capetonians travelling overseas, says Kay Smith, an executive committee member of Cape Town Travel Women's Club.

The increase in the number of international airlines coming to Cape Town, and lower fares, have contributed to this upsurge in travel.

But they have also meant lower commissions for travel agents, who are having to work harder for less because their commissions are a proportion of the airfare paid.

Kay, of Travel Vision, who handles land arrangements — such as hotel packages, tours and car hire — says some intending travellers waste up to an hour of a busy agent's time by getting all available details and then go on without making a booking to get the same information from other agents.

"It is not worth shopping around in this way," she claimed, "because all agents have the same information and no-one can give a better deal than another.

"The only thing that varies is that sometimes airlines make a special offer and not every agent has kept up with it. But arrangements are being made for every agent to be able to call up details of the latest offers on a computer screen.

"It is not worth buying the ticket directly from the airline because it will not give you the discount which forms the agent's commission. Most travellers still have to go to a travel agent to make other arrangements and, without even a commission on the airline ticket, the profit from making these is very small.

"In the US travel agents charge for a consultation and usually limit these to 20 minutes. Here there is, so far, no charge for a consultation."

Discussing the increase in travel, Kay said she did not think the air routes to Europe were now over-traded. "The airlines are getting competition that was badly needed.

"A lot of people are travelling to the US and the Far East, and we are getting a lot of families going on holiday.

"In some cases I think people are investigating the possibility of moving to another country."

Hotel occupancy 'shrinks 30%'

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ST 17/7/93

By MAGGIE ROWLEY
Deputy Business Editor

SA HOTEL occupancies in the current recession were generally down to about 30%, said Otto Stehlik, executive chairman of Protea Hotels.

At the opening of the groups newest four star, R28m hotel in Midrand between Sandton and Pretoria, Stehlik said that it took courage to build and operate hotels in the current economic climate.

The new hotel was a symbol of Protea's confidence in the future.

Midrand, he said, was one of the fastest growing residential, commercial and industrial areas in the country and was currently home to 1 600 corporate offices.

Protea, was positioning the new 177-roomed hotel as the most "ideal stayover for business travellers to the Reef".

Protea has a 10-year operating lease on the hotel which is owned by Gold Fields Property Company Limited.

Sachs on new era in tourism

ST 17/7/93

THE black tourist market is expected to grow in coming years. ANC executive committee member Albie Sachs will discuss "a human rights approach to tourism" at a breakfast organised by Captour at the Woodstock Holiday Inn on Thursday, July 29. Inquiries to the Herr Organisation, telephone 782-5892.

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New highs

	PRICE	PREV
G F COAL	875	850
TRNS NTL	1200	1075
SALLIES	100	85
STH RDPT	90	85
ABSA	1010	1000
COM FUND	7000	6500
S COMPASS	450	410
AUTOPGE	250	230
HORTORS	180	170
GRESHAM	140	135
LONRAIL	55	50
PUTCO	360	350
SPECLTY	875	825
AVHOLD PP	875	860

R40m plan for Knysna

288 CT 17/7/93

JOHANNESBURG. — An estimated R40m will be spent in developing Transnet land in Knysna, including the construction of a hotel, according to Propnet chief executive Fuzz Loubser.

The scheme makes provision for a hotel on the waterfront, boat launching facilities, a business area, a residential area and a pedestrian plaza and public waterways.

Loubser said plans were well-advanced and investment in the area should amount to about R40m excluding the construction of houses.

Propnet, together with financiers and the local community, intend to develop the stations and land along the historical George-Knysna line to generate income in addition to revenue from steam trains on the line.

The project, dubbed the Golden Thread, would fully utilised the 38 land holdings Propnet had in the Southern Cape and preserve the environment, history and culture in the area, according Mr Loubser.

At Wilderness along the George-Knysna line a R5 million proposal for residential and commercial development was being considered.

Studies were being undertaken by consultants at Mossel Bay to look into the possible R10 million development of a waterfront area, speciality shopping centres, restaurants and a hotel.

He said other sites that could be developed along the route included Belvidere, Rondvlei, Outshoorn, Hartenbos, Klein Brak River, Kamfer and George.

Paper on Kruger Park 'not ANC view'

(288) (55) CT 16/7/93

Staff Reporter

A DOCUMENT compiled by the ANC's agriculture spokesman suggesting that controlled hunting and grazing for cattle be considered in the future management of the Kruger National Park, does not represent the views of the ANC, the author said.

ANC agriculture spokesman Mr Derek Hanekom, who wrote the document with ANC member Mr Louis Liebenberg, said yesterday it was written in their personal capacities. Reports in daily newspapers yesterday suggested the document represented the views of the ANC.

"The document is a contribution to an important debate and is being distributed for comment," he said from Johannesburg yesterday.

He said the Kruger and other national parks had the image of being elitist resorts to which the local people had no access because they could not afford it. To these people, the costs of a national park outweighed the benefits.

"The costs included forced removals and the loss of grazing rights, access to firewood, medicinal plants, thatching grass and hunting. They were never consulted about the land they lost."

He said a new approach was needed to national park management which should consider controlled access.

National Parks Board spokesman Mr Thys Steyn said yesterday the board received a copy of the document. "We will not comment at this stage," he said.

GAMBLING INDUSTRY FM 16/7/93

Let the games begin (288)

Three months after their release, the Howard Commission's recommendations on the future of the gambling industry still have the players seething. They say they are being left to dangle while government, which felt a pressing need last year to come up with regulations for the burgeoning mini-casino and charity-lottery businesses, now goes about its other business.

Government said it expected to respond by mid-May, but never did. Now, it is expected to answer by the end of this month. Justice Minister Kobie Coetsee says the delay is necessary because government wants to err on the side of caution, considering how far-reaching its decisions will be.

But some of the report's detractors fear it may be adopted, warts and all. It called for a single State lottery and a limit of 10 new casinos to be licensed at sites at least one hour from metropolitan areas (*Business & Technology* April 30).

"The Howard Commission screwed up completely," says Gavin Weiman, a Pretoria attorney who represents the Free Market Foundation. "It's contra a Bill of Rights. Who are they to say what we can do with our private property; how we can spend our money; whether we can own a slot machine?"

Selwyn Hurwitz, chairman of Karos Hotels, calls the report a joke. "I'm extremely unhappy with it. It's not a free-market situation." He believes that the recommendations favour Sun International, which has the monopoly on gambling in the homelands and would benefit from a limit on competitors who would also be obliged to operate in far-flung locales. Like Weiman, Hurwitz has made his feelings known to the Cabinet.

In an effort to give its members perhaps one last chance to air their views, the SA Chamber of Business is holding a seminar on July 28 to discuss the report and its implications for business.

Though government is "not actively seeking comment" on the report, Coetsee spokesman Werner Krull says some players have submitted their reactions and those comments "are being looked at." He says there is a possibility that parliament could act on legislation during its extra session in September.

Meanwhile, Games Africa, which runs the Ithuba scratchcard game, plans to go about business as usual, though it won't introduce its computerised lottery game until it gets government approval. "We're pressing ahead," says CEO Mark Hutchinson. "We're holding our Ithuba Day on October 10 and we'll contribute R20m-R25m to charity this year."

He says the company was "really disappointed in the report," especially because it said Games Africa was making an excessive profit. "That was so wrong. We made a loss and we're the biggest contributor to charity. We talked to everybody we could about that mistake and I think, all in all, we got a fair shake in airing our case."

Grant Kaplan, who is joint chairman of the Gaming Association of SA, is not as sanguine, because his members were not allowed to continue doing business while the situation was sorted out. Judge James Howard reserved special venom for the 2 000-odd mini-casinos that formed the association and, in a letter to President F W de Klerk, recommended their closure last January.

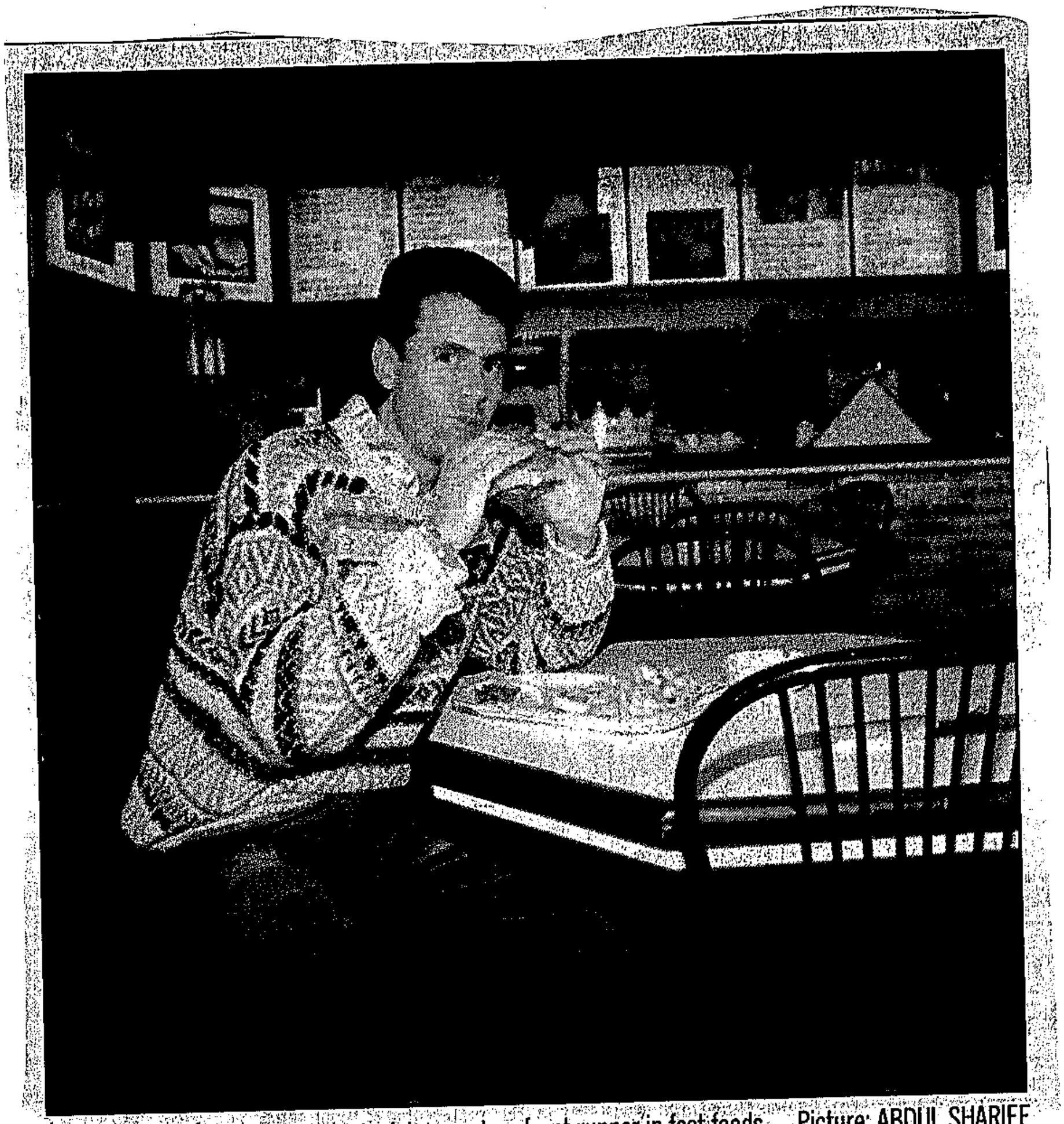
"The recommendations leave the casino operators nowhere," Kaplan says. "They have no prospects of getting one of the 10 licences. We're talking major, major money — R100m for one licence. Possibly one or two of our members could come up with the money but the big international hotel groups such as Hyatt and Sheraton have got their sights set. They are already expressing interest and they would be favoured because they have the know-how, the credentials and the funds."

FM 16/7/93. (288)

Kaplan says the association has found support from the ANC. "It's not a big issue with them," he acknowledges, "and it shouldn't be a big issue with this government."

Perhaps 30 mini-casinos around the country are still doing business through a loophole that Kaplan says allows them to operate as long as they don't pay out in cash. Instead, they are issuing vouchers that allow the winner to return and play again. The vouchers can also be sold to another player or to an independent broker. Kaplan doesn't know how long this will last either. "The police are taking aim," he says.

Indeed, according to a police statement, they plan to arrest a casino owner so the loophole can be tested in court. ■



JOHNNY HALAMANDARIS: From steak houses to a front-runner in fast foods Picture: ABDUL SHARIFF

ST Times Bus J 11/7/93

Steers stalks Europe, plans listing on JSE

By CIARAN RYAN

STEERS, originator of the steakhouse franchise in SA, has opened its first European outlet in Athens and plans three more in Greece before December.

Following in the footsteps of Spur Steak Ranches and Nando's Chickenland, both of which have European branches, Steers plans expansion in Europe, South America, China and Turkey. (288)

Managing director Johnny Halamandaris says the 135-store group expects to be listed on the JSE "within a year" to raise capital to pay for SA expansion.

"The store in Athens has been open for only a few weeks and has exceeded our expectations," says Mr Halamandaris.

"Our studies show excellent growth prospects for Steers in Europe and elsewhere."

The group has moved from steak houses into fast foods. But Mr Halamandaris does not rule out a re-entry, possibly buying a chain of steak houses. Steers owns only two of the 135 shops.

Shrugging off the recession, Steers opened 35 outlets last year and lifted turnover by 45% to more than R110-million. Another 15 outlets will open this year.

Johnny's father George started the Milky Lane franchise in the late 1950s and followed it with the Steers Steak Ranch chain, making it a 50-shop chain by the mid-1970s.

The group came close to collapse when death hit the faimly. First to die was Johnny's brother George. In the 1980s both parents died within a week of each other.

Longhorn, Black Steers and Spurs were spawned when franchisees bought themselves out of Steers. Johnny and the remaining family members picked up the pieces and starting with two shops in 1985.

They revamped the company image and built the chain into South Africa's leading fast-food group in eight years.

Spurs managing director Allen Ambor was a casual worker in one of the Johannesburg outlets before becoming a Steers franchisee. He later bought the store, Golden Spur. He launched the Spurs chain, now 124-strong with six Hard Rock Cafes and four Panarotti Pizza Pastas.

Liquor trade curbs relaxed from today

Star 16/7/93

Own Correspondents

Liquor laws are to be relaxed by the Government across South Africa from today, allowing bottlestores to stay open until 8 pm on weekdays and until 5 pm on Saturdays. (182)

But bottlestores will remain shut on Sundays and tipplers will still have to buy a meal on Sundays and on four religious holidays if they want a drink. (288)

Liquor Board chairman Danie Botha confirmed last night that far-reaching amendments to the Liquor Act would appear in the Government Gazette today.

Restaurants will be allowed to serve liquor without meals any day of the week except Sunday, and on all public holidays except Christmas Day, Good Friday, Ascension Day and the Day of the Vow.

Bottlestore owners now face a R20 000 fine (or six months in jail) if they sell alcohol to people under 18. The previous maximum sentence was a R1 000 fine, or six months' jail.

The SA Liquor Store Association (Salsa) said it did not expect that stores would make "dramatic" changes to opening hours, although several were likely to extend Saturday hours.

However, many small independent stores are fiercely opposed to the changes.

"The longer trading hours make us even more vulnerable to robbery. Security now becomes a major problem," said Salsa Transvaal chairman Manny Passos.



ENDANGERED . . . World of Bird owner Walter Mangold with SA's national bird, the blue crane, yesterday. Some of the flamingos in the backround are being sold to help keep the cash-strapped park open
Picture: JACK LESTRADE

ST Times (CC/Metro)

Birds fall victim to violence

11 1 93

By BRENDAN BOYLE

AFRICA'S biggest bird park is threatened with becoming the latest victim of the right-wing assassin who killed black South African Communist Party leader Chris Hani.

Mr Hani's murder on April 10, and the violence that has followed it, dashed hopes of an early upturn in tourism after four years of economic recession.

(288)

For Walter Mangold, founder of the 20-year-old World of Birds in the Hout Bay valley, it marked the beginning of the end of a dream.

"We've been through many difficult times, but it has never been as critical as now," he said in an interview alongside a pool filled by more than 100 pink flamingos rescued four years ago from a drying Namibian lake.

Mr Mangold had just agreed to sell 48 of the flamingos for about R3 000 each to the Baltimore Zoo in the United States to buy a little more time for his bird park.

"Early this year the picture changed drastically in our favour with overseas airlines starting to fly directly to Cape Town. Suddenly . . . we had a lot of overseas visitors.

"And then came the murder of Chris Hani. Overnight, our attendance dropped to a tenth of what it had been."

Martin van Niekerk, of Satour, confirmed that the number of visitors from overseas — usually about 500 000 a year — had plunged after Mr Hani's death. — Sapa-Reuter

Hotels want tax break to expand

ST Times [Buss]
11/7/95

By CIARAN RYAN

SOUTH Africa will run short of hotel accommodation in three years if political violence ends, says the Tourism Board (Satour).

But world groups, including Sun International, are discouraged by the lack of tax incentives for building hotels.

Satour executive director Spencer Thomas says growth in tourist arrivals could return to 18% once there is relative peace.

"This is the kind of growth we had before the Bisho killings. If there is peace, we will need more hotel rooms quickly." (288)

Forward

Help may be on the way in the form of the ANC-dominated Tourism Forum which advocates tax incentives for tour operators and hotels. The forum, a kind of Satour, includes members of the Tourism Liaison Committee (TLC), a private-sector organisation.

Tourism Forum spokesman John Rothschild says: "Incentives should be in place soon after a new government takes control. Hotels are good at marketing destinations and this needs to be encouraged.

"The present Government is paralysed with inaction. It is time to look forward and step up promotion of tourism."

TLC chairman and co-ordinator of the Tourism Forum Rupert Lawlor says the Government has failed to recognise the importance of tourism.

"Tourism is as much an export industry as manufacturing. There should be a special general export incentive scheme for tourism. We need to put much more money into promoting tourism. The ANC has come to recognise its importance."

Faced with declining occupancies, hotel groups scuppered plans for tax incentives that would have led to more rooms. Critics charge that the hotel trade is being held to ransom by hoteliers.

They say low occupancies are partly a result of poor service and high tariffs which are driving tourists into other accommodation, such as guest houses.

Hotel occupancies have slumped from 50% last year to 42%.

Protea Hotels managing director Arthur Gillis says: "Any tax relief under these conditions would be insanity. People would build non-viable hotels and pass the tax benefit to another company in the group."

Sun International chief executive Peter Venison says SA hotel groups are taking a short-term view.

"There is enormous demand from people wishing to visit Southern Africa. As in SA, we don't have full hotels. If there is any faith in the future, SA needs more hotel rooms.

"We would like to build in SA, but we need clarity about tax. Ideally, we would like a cash grant as applies in other countries."

SA hotel groups say the Sun International casino monopoly in the homelands has siphoned business away from them.

There is a further fear that Sun International's tax write-off of R1-billion — the result of a 120% depreciation allowance on the Lost City and Carousel resorts in Bophuthatswana — will give it an unfair advantage in funding hotels in SA.

Target

Hyatt International recently signed an agreement to manage a hotel in Rosebank, Johannesburg. The R165-million Hyatt Regency is being built by the Iscor Pension Fund and will open in 1995.

Several international groups have expressed interest in taking over the management of hotels, but few are contemplating building.

Eight hotels are planned or under construction. Southern Sun is opening two hotels in Sandton and Protea has opened one in Midrand.

A five-star hotel is planned for the Victoria & Alfred Waterfront in Cape Town and City Lodge and Formule 1 plan to open at least two establishments each this year.

Sun International has targeted Sandton and Cape Town as possibile sites for hotels, but plans are held up by lack of incentives.

Much more to City than office blocks

S/ Times CC1.Mat=D]

11/7/93

DURING daylight hours the city bustles about its business.

Coffeeshops flourish as people take a break from work to read a newspaper and drink a cup of strong coffee in the European fashion. Since St Georges Mall, now the heartbeat of the city, was completed more small coffee shops offering reasonably-priced meals and hot refreshments have opened.

Pedestrians and diners are constantly entertained by a wide variety of buskers — from gumboot dancers, squash-box players, classical violinists, mime artists to guitarists, portrait painters and trick cyclists.

The St Georges Mall was the centre of controversy in recent months as the city council and Cape Provincial Administration battled to free the Mall from hordes of informal traders.

Businesses in the area complained of decreased trade as the informal traders insisted on their right do business where they could. A ceiling was placed on the number of traders allowed to erect stalls on the Mall.

While some preferred the Mall in it less-crowded state; others enjoyed the activity the informal market encouraged. Nevertheless, many of the traders who put in tenders to trade there legitimately sell manufactured goods one can buy in shops, while the craftsmen have been sidelined to less conspicuous spots.

But one can still buy wonderful fresh vegetables and fruit, or flowers, from hawkers in the mall. (~~544~~) (~~1534~~)

Antiques

Historic Greenmarket Square is a major attraction for both locals and tourists. The bazaar atmosphere and the variety of goods on sale beckon many people out of the shops and into the square. (288)

It is fronted by a variety of restaurants boasting Italian dishes, French breakfasts, South African lunches, Bulgarian delights and a host of other cosmopolitan outlets.

Used by C B D workers during the week, Greenmarket Square is chaotic on Saturdays when people leave the safety of the suburbs for the city's attractions.

For lovers of antiques and bric-a-brac, the cosy Church Street antique market — and the numerous antique shops that line it — draws dozens of people searching for unusual items or surreptitious bargains.

It is also a stone's throw away from Long Street, which is gradually being upgraded and restored to its former glory. In keeping with the times, many of the beautiful old buildings, long neglected, are being renovated and given a new lease on life.

Long the habitat of second-hand book and clothes dealers, Long Street is now home to several new high-fashion boutiques, delicatessens and restaurants. It is topped by the recently refurbished Long Street Baths where one can delight in Turkish baths and massages.

And if shopping palls, there are numerous art galleries exhibiting diverse artworks scattered all about the city.



constantly stare death ... the face, they believe their job is to be where

Anger over longer liquor sales hours

Sl Times [C] Metro 11/7/93

By JACOB DLAMINI

ANGRY independent liquor store owners have rejected proposals to extend trading hours of retail stores and have accused the government of insensitivity.

The proposals are part of the Liquor Law Amendment Bill, which went through its second reading in Parliament recently. In terms of the new Bill bottle stores would be allowed to trade from 8 am to 8 pm during weekdays and 8 am to 5 pm on Saturdays. The bill does not make provisions for trading on Sundays.

Bottle store owners claim that only chain stores stand to benefit as they have the resources to make staff adjustments. They say that extended trading hours would lead to an increase in robberies.

Raul Teixeira, executive member of the South African Liquor Store Owners Association, said: "There is no sales advantage for small traders. The law will mean convenient shopping hours for the consumer, but huge security risks for us."

Mr Teixeira said only chain stores would benefit from the new law as most were situated in shopping centres which had extensive security arrangements. "It is not fair that people who only form nine percent of the retail industry should be the only ones to benefit from the law," he said.

Mr Teixeira said his Association made representations to the government which were ignored. "We sent them a letter but our views were not considered. Maybe if we march they will listen to us," Mr Teixeira said.

Major chain stores have welcomed the new proposals but countered allegations made by the independent owners. They said the new bill would lead to staff and labour adjustments which could become costly.

"Small owners stand to benefit the most as they do not have unions to complain about overtime," said Rob Rutter, general manager of Benny Goldberg Liquor stores.

Mr Rutter said: "I will not be making any changes, so this will have no impact on my business."

The proposals were welcomed by Trevor Pearman, a director of Rebel Liquor Group. "We are in favour of the new bill. We want to provide the best possible service to our consumers," Mr Pearman said. He said his company would look at ways of making adjustments suit both the employees and the consumers.

Len Pfister, legal director for Western Province Cellars, also accepted the new bill saying, "The new bill does not prescribe to anybody. It merely provides maximum trading hours which can be ignored



Good Morning Grandma . . . Soweto police greet the elderly with hot soup at the Tladi, Soweto, pension-payout station yesterday. Picture: Peter Mogaki

Boumat man denies fraud and forgery

Staff Reporters

Dr Adam Klein, chief executive officer of Sandton engineering company Boumat, accused of, among other things, fraud and forgery last night denied he had done anything illegal.

In a statement Klein said: "I utterly repudiate all the allegations that I perpetrated any fraud of theft or forgery to the prejudice of Boumat, Saficon (the parent company) or anyone else.

"I intend to defend myself to the hilt and to show, as I indicated at the bail application, that my actions were with the consent and the approval of the company's chairman and not calculated to prejudice the company," he said.

Klein, released on R30 000 bail, was arrested at Jan Smuts Airport on Tuesday when he arrived home with his wife, Lindsay, from a US business trip.

Yesterday he appeared in the Johannesburg Magistrate's Court in connection with charges including forgery, theft and fraud totalling $540 000 (about R1,6 million). He was not asked to plead and the case was postponed to October 5.

In a statement yesterday, Boumat said Klein had been suspended from his position as chief executive officer, a position he has held since joining the company last year. The company will hold a disciplinary hearing.

The statement said Boumat would be unlikely to suffer any financial loss.

"The matter is in the hands of the Attorney-General and, accordingly, sub judice," the statement said.

JSE-listed Boumat controls a portfolio of businesses supplying building and civil engineering materials.

Dismay over arrest — Page 22

SAP shows it has a warm heart

By Happy Nkhoma

Attempts by police to improve their image in the townships is often viewed with scepticism, but their joint feeding venture with a major chain store yesterday was accepted warmly by pensioners in Tladi, Soweto.

Hot soup and bread after hours in the cold came as a welcome relief to Josephine Diketle (70), of Naledi, and many others.

"I got here at six in the morning and I wouldn't have had a meal until I got home at lunchtime," she said.

Timothy Masisi (31), disabled in a train accident, brought his unemployed cousin for protection.

"The police here are different. The food was our first for the day after leaving home at five," Masisi beamed.

Police to swoop on reopened casinos

Star 8/7/93

Police are to take action against casinos which have reopened in spite of tough anti-gambling laws, according to Witwatersrand police spokesman Warrant Officer Andy Pieke.

At least five casinos are believed to be operating in Johannesburg, taking advantage of an apparent loophole in the law. (2-88)

Gamblers who are lucky enough to build up a credit do not receive cash or cheques for their winnings. Instead, they receive a credit note which they later hand to a broker at the casino who hands over the cash.

"That whole process is being investigated," Pieke said yesterday. "We know which casinos are operating, and police envisage making arrests shortly — of the broker involved as well as either the operator or manager of the casino itself."

The matter would then be taken to court as a test case for similar action against other casinos, he said. — Staff Reporter.

Committee set up for Randburg

Star 8/7/93

Randburg Town Council has established a special forum, known as a Section 59 committee, aimed at encouraging public participation on important issues. (2-89)

The committee especially wants to encourage participation by residents of areas newly incorporated into Randburg — including Chartwell, Farmall, Millgate, Lindley, Nooitgedacht and Sandspruit. The committee has four council members. — Staff Reporter.

Veteran sportman found dead

A veteran former Soweto tennis player and businessman, Richard Sitsi Mogoai (68), was found murdered in his Diepkloof home this week.

Mogoai, a father of 11, is believed to have been alone in the house at the time the killers struck and no one knows the circumstances surrounding his death.

No arrests have been made.

Relatives said yesterday they had discovered his body with multiple wounds in a smoke-filled house, giving reason to believe that his killers wanted to burn down the house.

"The way he lay suggests that he had tried to fight back his attackers," said a relative.

He is to be buried at the Avalon cemetery on Saturday. — Staff Reporter.

Sun City workers return

MMABATHO. — Sun City employees returned to work yesterday after striking for three days.

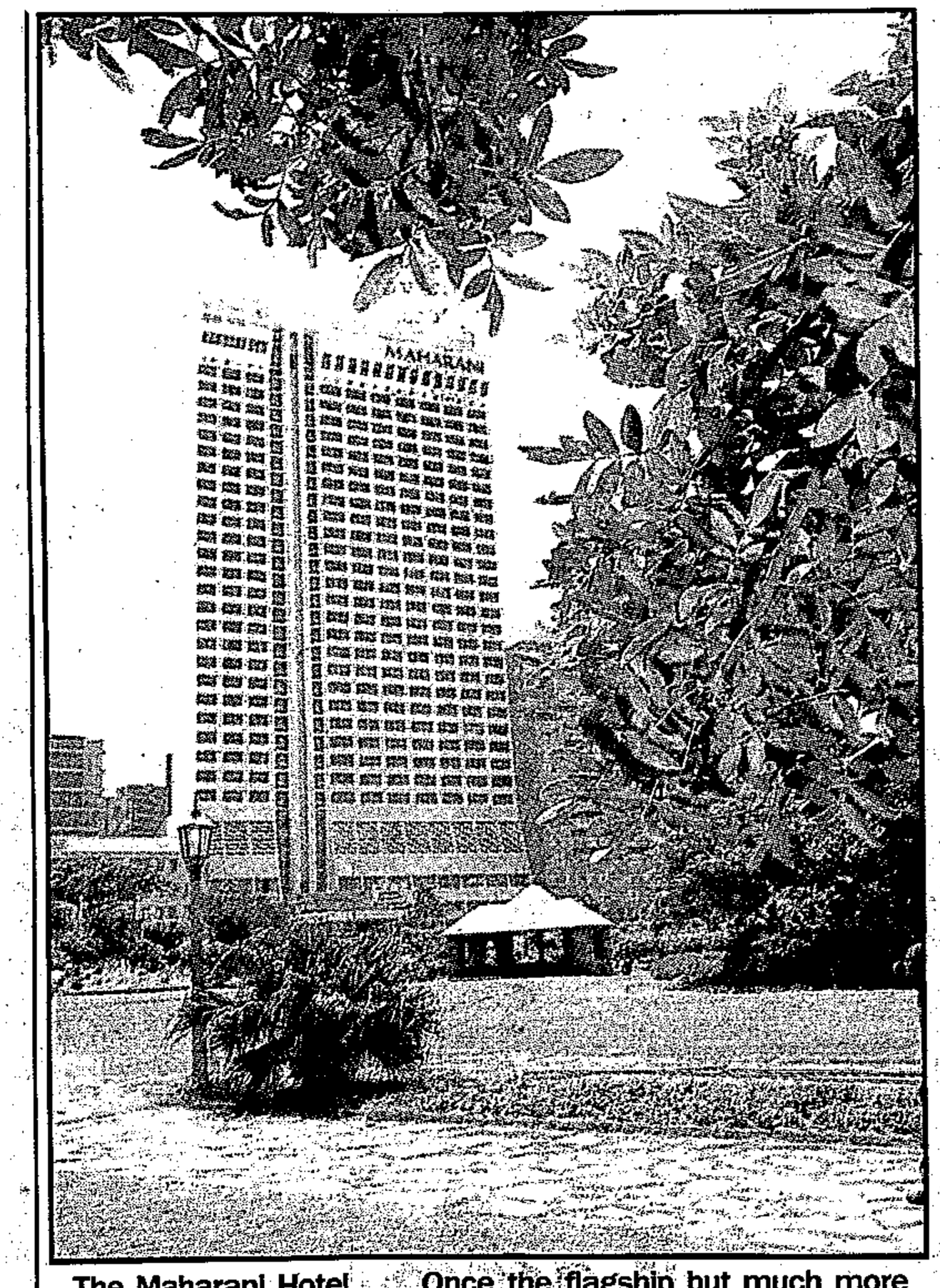
4 die in helicopter crash

CAIRO. — Four people died when a helicopter crashed in the Mediterranean yesterday.

Sub-branding gets Holiday Inn a bigger share of wider market

Star 15/7/93

(288)



The Maharani Hotel . . . Once the flagship but much more profitable now.

By Stephen Cranston

The launching of Garden Court is a further step in the development of the once underdeveloped Holiday Inn brand, says Tim Clarke, MD of Holiday Inn's Europe Middle East and Africa region.

The chain had grown rapidly from its foundation in 1952 to reach 240 000 rooms by the mid-Seventies but hardly grew at all until the late Eighties, prior to its takeover by British brewer Bass.

Holiday Inn had a broad mission to serve the middle market but as its units incorporated more frills with add-on features such as conference centres, it lost sight of its primary focus to deliver a comfortable night's rest and no surprises.

When Holiday Inn moved in to Europe in 1968 and then to South Africa it occupied a niche just below the luxury hotels with prices to match.

A vital goal of Holiday Inn's regional head office in Brussels was to ensure that each hotel was correctly positioned and it has done this through sub-branding.

The Crowne Plaza sub-brand was already created in 1983, which was designed to offer enhanced amenities in key business



MD Ron Stringfellow . . . "We ignored the economy class traveller."

areas of major cities. There are now 74 of these with new units opening in Istanbul, Tel Aviv and Dubai and Amsterdam's Schiphol Airport this year.

Of more significance to the South African market was the formation of Holiday Inn Garden Court in 1989. This brought a format which was much closer to the original Holiday Inn concept in Europe.

This year four Garden Courts will open in France, two in Germany and two in the UK.

Three other Holiday Inn formats have not yet crossed over from the Americas. They are the Express hotels, introduced in 1990, which have an uncanny resemblance to the South African City Lodge chain, started by defectors from Holiday Inn a few years back.

The Sunspree Resort hotels, of which the first opened in Florida last year, are casual, family-orientated resort hotels which arrange recreational activities in the area.

Crowne Plaza Resorts were also introduced last year and they offer a variety of restaurants and shops, fitness facilities, tennis courts and a pro shop.

Clarke says there was some resistance to sub-branding in the region as they were not used to sub-branding, but to Southern Sun, which is the largest Holiday Inn franchisee in the area, the launch of the Garden Court was manna from heaven.

As Southern Sun MD Ron Stringfellow explains: "We were servicing the first and business class travellers but had ignored the economy class travellers who make up the bulk of tourists."

This meant that occupancies in many hotels went as low as 35 percent. There were limited opportunities to discount rates because of the overheads on which these hotels ran.

Southern Sun desperately needed a concept with which to take on City Lodge and by adopting an internationally proven format could present it as a progressive rather than reactive move.

One of the great advantages of Garden Court has been that the group gets a 97 percent yield on its quoted rates, whereas other hotels have to discount on their quoted "rack rates" and normally receive 60 percent of their published rates.

There was some sadness at the conversions. The five-star Maharani will see its famous Pappadum restaurant become a Spur and its Raffles nightspot a Hard Rock Cafe but by bringing its rates down from over R300 to R179 occupancies have doubled.

Charging per room rather than per person the Garden Courts have tapped into a leisure market which they were not attracting as Sun hotels or Holiday Inns.

'We must get to know our country'

(288)
ARG 29/7/93

JOHN YELD
Environment Reporter

CONSTITUTIONAL negotiations for a new South Africa are on track, ANC adviser Professor Albie Sachs said today.

Addressing a Captour breakfast on "A human rights approach to tourism", Professor Sachs said the negotiating process had been "very hard".

"We've had three painful years with lots of setbacks, but we're getting there. We've established the foundations of a dignified, just society."

Most South Africans had a natural warmth and openness, an eagerness to meet people and a pride in their surroundings, Professor Sachs said.

This was an important potential asset for tourism but had not been fully realised in the past.

If apartheid and violence were "turned around", South Africa could become an international symbol of tolerance and mutual self-respect.

"I sincerely believe we can achieve that, and that will give South Africa a special significance in addition to its beaches and animals and mountains and sun."

The key to unlocking the full tourism potential was to ensure that all South Africans got to know and appreciate their own country.

"The first kind of tourism one would like to see opened up is internal, local tourism.

"The invisible barriers have to be removed so people feel free and comfortable in their own cities.

"The more people feel the whole city belongs to them, the more emotional their attachment, the more they become natural agents of tourism."

Professor Sachs, answering a question, said he was "very happy" to be associated with South Africa's bid to host the Olympic Games in 2004.

"I think in terms of the symbolism, the healing, it would be wonderful anywhere in South Africa, but especially in Cape Town."

The ANC wanted "organs of civil societies" — such as trade unions, civic associations and religious groups — to be involved in the bid for the Games, Professor Sachs said.

CITY LODGE FM 24/12/93

Profitable circle

288

Kersaf has returned to the SA hotel business with a bang, buying effective control of the City Lodge chain from the Mine Employees and Mine Officials Pension Funds (MPF).

MPF has transferred its 44% of City Lodge to Kersaf in exchange for 4,4m new Kersaf ords. With Kersaf trading at R36,50, this values the deal at R161m and brings



City Lodge's Enderle ...
back to the source

FM 24/12/93

MPF a stake of 5,3% in Kersaf. From the perspective of City Lodge shareholders, the deal values the hotel group at R366m compared with the current market cap of R298m — a premium of R2,74 a share.

Kersaf must make a similar offer to minorities, which City Lodge founder Hans Enderle (who still owns 26% of the equity) says he won't accept. It's intended to retain the JSE listing. (288)

And City Lodge's share price has shot up from R7,25 a little more than a month ago (*Companies* November 5) to R10,50 as the *FM* went to press. On the day of the announcement, it actually lost 10c and an increase of 45% in six weeks certainly raises eyebrows. MPF investment manager Graham Dickason says discussions with Kersaf, which began on November 9, coincided with the political agreements at Kempton Park which presaged the latest JSE boom.

By comparison, SA Brew has moved 26% and Kersaf, muted by concerns relating to gambling regulations, by only 9%.

Kersaf's main business centres on Sun International, whose hotel and casino resorts are concentrated in the TBVC countries. Once these are re-incorporated, Kersaf will be a major player in the SA hotel trade.

The latest development brings Enderle full circle. Budget hotels were given their impetus through a joint venture between MPF and Rennies in the early Eighties when they established property company Renhil to develop new Holiday Inns. Early successes included the Durban Marine Parade Inn and the Pretoria Inn. Subsequently, it was decided to develop budget hotels on US lines, the prototype being Randburg City Lodge.

The project was half completed when Sol Kerzner split from the Southern Sun hotel group to found Sun International and Rennies disposed of Holiday Inns. Enderle and MPF then joined forces to found the City Lodge group, with MPF taking two-thirds, watered down to 44% on the listing last year.

Enderle, who worked originally for Kersaf chairman Buddy Hawton as MD of Holiday Inns, now finds himself CE and chairman of a company effectively controlled by the remnants of the group he left eight years ago.

Meanwhile, it's been a satisfactory investment for MPF — Dickason says an actuarial evaluation (necessary because the investment is complicated by property holdings) shows an annual return from August 1985 of 35% compound. This is a startling example of wealth creation. (288)

David Gleason

City is dirty says ex-mayor

CT 21/12/93 (28)

CAPE TOWN is dirty and embarrassed city fathers have promised to do something about it.

This emerged yesterday after former mayor and Captour head Mr Gordon Oliver wrote to the city engineer, Mr Arthur Clayton, requesting that a group of senior city officials join him on a walk around the city to see the problem for themselves.

"Perhaps after a walking tour of the main streets of the city we may get some action."

Mr Oliver said anti-litter advertising programmes initiated by the City Council were non-existent or "not visible" and refuse containers were not available to hawkers and vendors.

"My walks around the city have led me to believe that the cleansing supervisors in the city area spend most of their time somewhere else instead of where the problems are," he said.

On a walkabout with the Cape Times yesterday hawkers showed Mr Oliver stacks of cardboard boxes which they were unable to dump and heaps of rotten fruit and vegetables.

They said their needs would be properly served if containers were provided for them to dump their rubbish.

Mr Oliver said he was angry because he had been talking about cleaning the city for two years.

Chairman of the amenities and health committee Mr Chris Joubert said he agreed with Mr Oliver and was making it his objective to do something and would table a motion to that effect within the first week of the new year.

"I feel ashamed of the city and of the parks and forest department. I am not blaming the parks and forests director, his hands are tied by financial constraints.

"It is our task to do something. We must get our act together," Mr Joubert said.

However Mr Clayton denied the city was dirty. It was in fact cleaner than two years ago.

"There are times when the wind blows strongly that it's impossible to control the dirt."

Mr Clayton denied the anti-litter campaign was a failure, saying it was getting considerable publicity in newspapers and on the radio.

Trouble spots identified by Mr Clayton were Adderley Street and Strand Street because of the taxi ranks.



CLEANING UP ... Former mayor Mr Gordon Oliver and a local street vendor help to clean up the bus terminus area of Cape Town yesterday to highlight the city's serious litter problem.

Picture: BENNY GOOL

Kersaf buys 42% stake in City Lodge

CT 20/12/93 (288)

Own Correspondent

JOHANNESBURG. — Kersaf would invest R163m to acquire an effective 42% stake in hotel chain City Lodge, it announced at the weekend.

Kersaf, whose interests include resorts group Sun International and leisure and entertainment group Interleisure, is to acquire the entire investment of the Mine Officials' Pension Fund and Mine Employees' Pension Fund (MPF) in City Lodge.

The acquisition, effective from January 1, 1994, will be settled by the issuing to MPF of R4,4m new Kersaf shares.

Kersaf will receive 10,9-million ordinary shares and 5-million debentures in City Lodge, amounting to 43,9% of the issued shares and 37,2% of the issued debentures. Assuming conversion of the debentures, its effective stake will be 42%.

City Lodge MD Hans Enderle, who started the chain in 1985, will control City Lodge jointly with Kersaf. He will become chairman and CE of City Lodge, and a Kersaf director. Kersaf chairman Buddy Hawton and financial director Alan van Biljon will join the City Lodge board.

Kersaf said it would make an offer to minorities. Enderle, who holds 26,15% of City Lodge, said he would not take it up.

Hawton said although most of the short-term to medium-term growth would come from the focused activities of City Lodge in Southern Africa, "the expertise that exists in the company together with the financial resources of Kersaf should provide the stimulus for international expansion".

City Lodge, listed on the JSE in November last year, will remain listed.

Recently Sun International announced it would acquire 60% of Paradise Island Resort and casino complex in the Bahamas for $75m, with $100m added for upgrading.

The latest deal represents Kersaf's entry into the SA hotel market.

Kersaf to buy 42% City Lodge stake

B/Day 20/12/93

MARCIA KLEIN

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Kersaf will receive 10,9-million ordinary shares and 5-million debentures in City Lodge, amounting to 43,9% of the issued shares and 37,2% of the issued debentures. Assuming conversion of the debentures, its effective stake will be 42% (252)

City Lodge MD Hans Enderle, who started the chain in 1985, will control City Lodge jointly with Kersaf. He will become chairman and CE of City Lodge, and a Kersaf director. Kersaf chairman Buddy Hawton and financial director Alan van Biljon will join the City Lodge board.

Kersaf said it would make an offer to minorities. Enderle, who holds 26,15% of City Lodge, said he would not take it up.

Enderle said the deal "could open up wider career opportunities for City Lodge management and staff".

Hawton said although most of the short-term to medium-term growth would come from the focused activities of City Lodge in southern Africa, "the expertise that exists in the company together with the financial resources of Kersaf should provide the stimulus for international expansion".

City Lodge, listed on the JSE in November last year, will remain listed.

Kersaf said City Lodge's high-quality economy hotels were a "logical extension to Kersaf's hotel and leisure interests".

Kersaf's resorts include Sun City and others in the TBVC and neighbouring states, and it has an interest in three resorts in Mauritius and one in the Comores.

Recently Sun International announced it would acquire 60% of Paradise Island Resort and casino complex in the Bahamas for $75m, with $100m added for upgrading.

The latest deal represents Kersaf's entry into the SA hotel market, and places it in competition with Southern Sun, from which it broke away several years ago.

Kersaf said its investment would give City Lodge access to a wider base of management skills and "broaden City Lodge's horizons as regards expansion".

MPF GM investments and City Lodge chairman Graham Dickason said the deal was in line with the MPF's policy of being a portfolio investor and not a controlling shareholder in a listed company.

Kersaf books into City Lodge hotels

SI Times [Buss]

288

19/12/93

By CIARAN RYAN

KERSAF re-entered the SA hotel market this week when it acquired 44% of hotel group City Lodge in a R163-million share swap with the Mine Pension Funds.

The deal gives Kersaf a majority stake in the fastest-growing hotel group in SA and gives City Lodge access to Sun International's local and overseas marketing arms, opening the door to international expansion.

Kersaf owns 76% of Sun International and both had been prevented from entering the SA hotel market because of a restraint of trade agreement with Southern Sun, which has since expired.

City Lodge managing director Hans Enderle and Kersaf will exercise joint control over the hotel group. Executive chairman of Kersaf and Safren, Buddy Hawton, says the acquisition fits comfortably with the group's hotel and leisure interests.

"This partnership with Mr Enderle opens new opportunities for growth," says Mr Hawton.

"Although most of City Lodge's short-to-medium growth will continue to come from southern Africa, the expertise that exists in the company together with the financial resources of Kersaf should provide the stimulus for international expansion."

City Lodge now returns to the group where it originated. The limited service hotel chain was first conceived by Holiday Inn, then part of Rennies Consolidated Holdings, before Holiday Inn was taken over by Southern Sun. The latter's gaming interests were floated off under Sun International. Both hotel groups retained a cross-holding in each other, but Sun International sold its stake in 1990.

Mr Enderle left Holiday Inn with the City Lodge blueprint as a golden handshake. Eight years later his 26% stake in City Lodge is worth nearly R65-million. He is also one of Business Times' Top Five Businessmen of the Year for 1993.

"Being part of a wider group gives us access to a broad pool of skills, particularly as far as management succession and marketing are concerned," says Mr Enderle.

"The next few years will be good for growth. If we have peace, tourism will pick up and this will impact on our bottom line. By raising our room tariffs by just R2 on existing occupancy levels, we add R1-million to pre-tax earnings."

There is no plan to use City Lodge as a springboard into gaming in SA, says Mr Hawton.

Kersaf will receive 10,9-million ordinary shares and 5-million compulsory convertible debentures in City Lodge, representing 43,9% of issued shares and 37,2% of debentures. The purchase price of R163-million will be satisfied through the issue to MPF of 4,4-million new Kersaf shares. The deal was struck at R10 a City Lodge share and R10,61 a convertible debenture. Minorities will be made a similar offer, although Mr Enderle says he will not participate in the offer. The current share price is R10,60.

Mr Hawton says the price paid by Kersaf is fair: "We pick up a majority interest in a very attractive group paying an insignificant amount of goodwill. This deal dilutes Kersaf's earnings per share by 1,4% and net worth per share by just 1,6%. We are selling Kersaf at a high price-earnings multiple and buying City Lodge also on a high multiple."

Goodwill paid is R17-million after netting off the premium to net worth in the share swap.

MPF more than doubled its investment in City Lodge since the hotel group was listed in November 1992. It bankrolled the group's hotel developments, netting a 35% compound annual return over the last eight years. MPF general manager Graham Dickason says the fund decided to relinquish control of City Lodge because of its policy to be a portfolio investor and not a controlling shareholder in listed public companies.

"We have developed City Lodge to the best of our abilities but we cannot offer the broader horizons and realise the potential inherent in such a major group operating on a local and possibly an international basis."

Mr Dickason says the MPF will retain an indirect interest in City Lodge through its Kersaf shareholding.

City Lodge comprises 13 hotels and 1 800 rooms throughout the country. Last year it opened two new City Lodges and one Town Lodge, adding 460 rooms to the total.

THE STAR / THURSDAY DECEMBER 16 1993

Applications for licences prepared

Hotel groups bid to run casinos

Star 16/12/93

288

■ BY ZINGISA MKHUMA

Two major hotel groups have said they intend operating casinos and would apply for licences following last weeks's tabling of the Gambling Board Bill.

Justice Minister Kobie Coetsee put the Bill before Parliament. It provides for the establishment of a controlling body that would look into the Howard Commission recommendations on the Gambling Act.

The controlling body would also set the framework for the regulation of a State lottery, sports pool, bingo and betting on sports events.

Protea Hotel Group executive chairman Otto Stehlik said the

GOVERNMENT might not insist that casinos should be at least an hour's drive from city centres

group was preparing applications for a licence and had already identified some hotels which would be suitable for such ventures.

Southern Sun group managing director Ron Stringfellow told The Star in an interview, a week before the Bill was tabled, that the group would certainly be a big investor in casinos if permitted to do so.

Stringfellow said the Government might not insist that casinos should be at least an hour's drive from central business districts. However, he also believed that they would not allow casinos to operate right in the centre of a CBD.

The African Development Corporation (Afcor), which is involved in widespread economic and social development programmes, said it had applied for several casino licences.

The casinos are expected to generate profits of around R200 million a year, Afcor executive chairman Tiny Naidoo said. "These profits will be used for funding our reconstruction and development programme."

Spur's push into Transvaal has brought rich rewards

Star 15/12/93

288

■ BUSINESS STAFF

The hugely successful Spur group is making substantial inroads into the Transvaal.

Spur Steak Ranches went on a major expansion drive in the Transvaal in 1993, opening 26 new outlets in metropolitan and country locations.

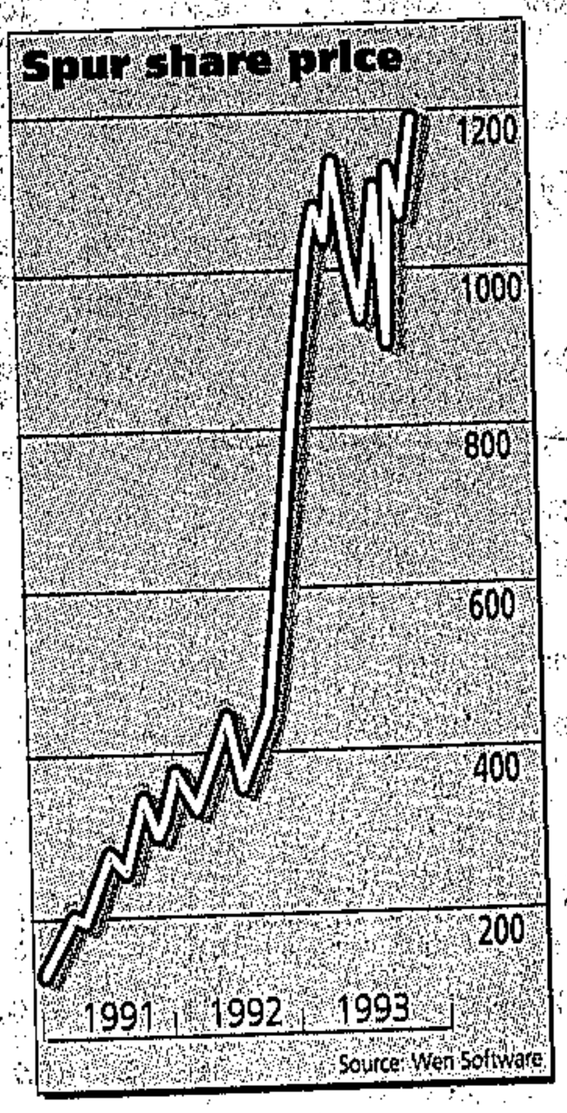
Regional director Pierre van Tonder says five years ago Spur had only 28 outlets in the Transvaal. It now has 63, representing 62 percent of the national total.

"The group has realised that the major spending power is in the Transvaal. Spur is still substantially under-rated in this region and will continue to make inroads."

In addition to small and medium-sized towns, Spur has been focusing on light industrial areas.

"The outlets have been very active on the business lunch front. The time of long indulgent lunches is over. Spur offers quick service and value for money."

Why has Spur done so well during a period of economic recession?



"We are well positioned to take advantage of cycles in the economy. In a recession, customers rely on basic, value-for-money items and on the up swing we sell more luxury-type items."

Van Tonder says Spur is seeing a a trend back to shopping centres.

"In many cases we are anchor tenants who also provide impetus for evening activity, encouraging other traders to lengthen their shopping hours."

Another factor in Spur's success is its well-managed franchising system.

"During the recession we were approached by many prospective franchisees, who were forced by the economic climate to become self-starters.

"They're now well-motivated owner-operators because they have to earn a return on their capital investment.

"You can delegate responsibility, but you can't delegate pride of ownership.

"The advantage to these new entrepreneurs is that the risk-taking has been largely eliminated for them, since they are backed by proven management and, most importantly, by a well-oiled machine."

Lusaka deal for Suthsun

■ BUSINESS STAFF

Southern Sun has signed a management contract for the Ridgeway Hotel in Lusaka, Zambia. Star

The hotel will be the first Southern African Holiday Inn Garden Court outside South Africa, and will include a casino. 15/12/93

Owners, Anglo American Corporation Central Africa, will invest US$6,5 million in the hotel to ensure that it meets the international standards set by Holiday Inn Garden Court.

It will be entirely refurbished. (288)

Commenting on the contract, Southern Sun Group MD, Ron Stringfellow, said yesterday: "We believe this will be the beginning of the group becoming a major player on the African continent."

Stringfellow said the group was investigating a number of other management contracts and franchises in neighbouring countries.

He said the group offered potential investors instant worldwide distribution through its Holiday Inn and Formule 1 brands.

Southern Sun sees rich pickings in '95

Star 14/12/93

■ BY JOHN SPIRA

South African Breweries' Southern Sun Hotel Group has geared itself up to generate huge profits in 1995.

That's the word from Southern Sun managing director Ron Stringfellow, whose calculations reveal that a 15 percent increase in average room rate achieved would translate into R40 million for Southern Sun's bottom line.

And a one percentage point increase in occupancy would be worth R6 million.

"We're looking at prospective profits that would make a meaningful impact on the earnings of a giant like SAB."

SAB owns 100 percent of Southern Sun.

"All we need is for the ball to bounce right a few times.

"As soon as political stability is restored, all of a sudden this industry becomes highly lucrative."

Demand

Demand for hotel accommodation had been weak for some years owing to the domestic recession and the virtual disappearance of foreign visitors as a result of the high level of violence.

However, Stringfellow expects that by 1995 these negative factors will have turned around.

"When that happens, occupancies will start picking up, in the process increasing room rates,



Ron Stringfellow. .. occupancies will start picking up.

some of which are lower than they were 10 years ago.

"Although the international market will help bolster growth, the really big booster that will turn our industry around is the local economy, because 80 percent of our market is South African."

What of next year?

"Stability is crucial. If violence surrounds the election, the hotel industry will have its worst ever year.

"But if things go reasonably smoothly, we'll do better than in the recent past.

"Since we're seeing growth in the international market, we'll have good business around the elections. We're getting more and more sporting groups coming in and the economy has turned."

Stringfellow sees 1995 as a great year because the rugby World Cup will be a big boost — and it will come in June, a valley period for the industry.

Also, international tourists will be coming back and, hopefully, the recovery will be in full swing.

"That's why we've been spending a lot of money."

He believes that, relative to its competitors, Southern Sun's product is getting better and better because it is spending money.

Customers

"It's going to pay off when, ultimately, the market is not price driven and customers seek a quality, value-for-money product.

"When there's more money around, people will be able to afford a better product.

"At the moment, we're all chasing the customer looking for rock-bottom prices.

"That will change as the economy turns and foreign tourists start coming back in big numbers."

How has Southern Sun prepared itself for the anticipated 1995 boom?

"We've opened seven hotels this year at a cost of R300 million and put a lot of money into training.

"We've been repositioning via a formula that's proved to be exactly right. Occupancies at our Garden Courts are spectacular."

Of the R300 million spent, R157 million is accounted for by the Southern Sun Hotel portfolio, R58 million by Southern Sun resorts, R16 million by the core Holiday Inns, R44 million by Garden Courts and R25 million by Formule 1 units.

"For an industry which has been going through very difficult times, that's a lot of money to be putting into the product.

"It's a brave commitment; a calculated risk."

How will the industry accommodate the heightened demand which Stringfellow expects to materialise in 1995?

Two things would have to happen:

■ The whole industry has been pricing itself too low at present, because everyone's been fighting for a cake that's too small.

Prices are probably 15 to 20 percent below what they should be.

■ More hotels would have to built.

Quality

"We're confident that Garden Court will be a big volume chain based on quality and economy.

The Garden Court is aimed at finding ways to give the customer all he needs, but on a lean production basis — multi-skilling, levelling out the organisational structure.

"So even if the industry stays relatively static, we'll gain market share all the time, which means we'll have to provide more product."

Stringfellow notes that South Africa gets only 300 000 genuine international tourists a year.

"The number of total overseas visitors has gone up to 600 000, but a lot of that is friends and relatives and businessmen.

"The pure tourist number could easily double. It should be four times that number.

"But if it just doubles, we'll be under-sourced with hotels and a lot of new units will have to be developed.

"Unusual in our industry is that a large portion of our costs (capital and labour) are fixed.

"Until you can come up with lean production methods like we've done at Garden Court, if occupancies don't go up, it all goes to the bottom line.

"That's why, when demand revives, we're going to make huge profits."

No-frills chain opens new hotel

Business Staff 288 ARG 14/12/93

FAST-growing budget hotel chain, Formula 1, opened its fifth hotel in less than two years with the opening of the 52-room site in Alberton, Johannesburg this month.

Formula 1 is a joint venture between the Southern Sun Group and Accor, a major French company which owns over 2 000 hotels throughout Europe and the USA.

Roland du Trevou, managing director of Formula 1 said the group aimed to have 30 hotels nationwide within the next five years to "service the growing need for quality, budget accommodation in prime business and industrial areas".

Built by Ribco ahead of the four month construction period, the hotel is adjacent to an existing shopping centre complex, recently expanded to include restaurants and other retail outlets.

Site selection is based on proximity to major highways, transport nodes and commercial or industrial areas.

Convenient access to nearby restaurants and good visibility is also a prerequisite.

Mr Du Trevou said early response to the hotel was favourable.

"December bookings are encouraging — not only from the business sector, but from the holiday and sporting trade as well."

Southern Sun aims for huge profits

(288)

JOHN SPIRA

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Govt to ride out Miss World storm

By ANTHONY JOHNSON
Political Correspondent

THE government has resolved to ride out the storm over the R4,5 million of taxpayers money earmarked for Sun International for staging the Miss World beauty contest at Sun City for the past two years.

The government forked out R2,5 million "for the promotion of South African tourism" to Sun Internation during the staging of the 1992 pageant, while a further R2 million has been approved for this year's event.

The Minister of Tourism, Mr Badrah Ranchod, told a press conference yesterday that the 1992 amount was used "to introduce international journalists to the attractions of the country and to produce and broadcast an insert about South Africa called 'Gateway to South Africa' during the worldwide screening of the event."

He said the estimated commercial value for tourism flowing from this year's event was R70 million.

Mr Ranchod said it was a misconception the the money was promoting Mr Sol Kerzner's Sun International company.

However, he was not able to give any guarantees that the subsidies would be used to promote the South African tourist industry as a whole without favouring Sun International resorts.

Earlier DP MP for Pinelands Mr Roger Burrows questioned why taxpayers were funding Sun International and not the pageant organisers directly. (288) CT3/12/93

PROTEA HOTELS

Fm 10/12/93

Moving into Africa

Where trade goes, services follow. SA's thawing of relations with the rest of Africa, combined with a fresh approach to tourism elsewhere on the continent, has opened up opportunities for local hotel chains to follow their customers into Africa. Protea Hotels has been the most aggressive in pursuing this new market and now has 19 hotels and lodges outside SA. (288)

The company manages hotels in Zimbabwe, Mozambique, Kenya, Swaziland and Mauritius, and will soon add several in Malawi. Protea Hospitality Corp executive chairman Otto Stehlik says there's considerable potential for growth in Zimbabwe, Kenya and Malawi.

In the latest deal, Protea won a contract

Fm 10/12/93

from the Malawi Development Corp to upgrade and operate seven hotels and help develop and operate additional tourism infrastructure in the country.

Stehlik says there is a possibility of clinching more deals soon in Nigeria, Senegal, Tanzania and Ghana. He initially envisaged entering Africa in joint ventures with international hotel operators but changed his strategy when he realised Protea had a better understanding of the market and could offer a cheaper and more efficient service than foreign competitors — which it has subsequently taken on and beaten in bids for contracts in several countries.

But finding the funds for upgrading and developing foreign hotels is a problem because SA Reserve Bank curbs prevent Protea from moving virtually any capital into Africa. African governments, newly committed to tourism, are pitching in with substantial capital-spending plans and help in raising finance. (288)

Stehlik sees the emerging African market as divided into two broad segments: a north-eastern tourism axis incorporating SA, Zimbabwe, Mozambique, Malawi, Kenya and Tanzania; and a north-western business axis linking SA to Nigeria along the west African coast.

The traffic is not all one-way. SA's re-acceptance into Africa has opened the gates to a flood of African visitors. Stehlik says the visitors have represented Protea's fastest-growing market segment for the past two years. A significant new market for SA has been wealthy Africans who previously travelled to Europe once a year or more for shopping, leisure and medical care.

The number of visitors from Africa between January and August — excluding neighbouring states — increased 31% to 82 500 compared with the corresponding period last year, according to the Central Statistical Service. About 40% gave business as the reason for their visit.

"This won't necessarily be the trend for the next few years but had it not been for the African market, the SA hotel industry would have been in a worse state," Stehlik says, referring to the fall in domestic tourism that has hurt local chains.

In the longer term, he sees the tourism axis as a big attraction. He foresees a trip starting in Egypt, moving to Kenya, Tanzania, Malawi, Zimbabwe and ending in SA. "If the infrastructure is in place along the way — including a network of branded hotels in which tourists can have confidence — it will be the trip of a lifetime." ■

More visitors from abroad

THEO RAWANA

THE number of bed nights sold to foreign tourists in September this year was higher than the previous month, although it was lower than the same month last year, the latest Central Statistical Service figures show. B/Day

A total of 87 241 bed nights were sold in September, compared with August's 81 699. The figure for September last year was 111 119. 6/12/93

Two-star hotels, with a market share of 26,8%, sold the largest number of bed nights to foreign tourists. The most popular spot was Johannesburg, with a market share of 37,4%. (288)

Liquidators move to set standards

B/Day 6/12/93

INSOLVENCY practitioners — liquidators, curators and sequestrators — plan to begin moves from 1994 to form a statutory body with powers similar to those exercised by the legal and accounting professional boards.

CHARLOTTE MATHEWS

Newly elected Council for the Association of Insolvency Practitioners of Southern Africa chairman Laurie Pereira said in an interview the benefits of a statutory body would be stricter discipline and control over insolvency practitioners and the improvement of professional standards.

There were about 230 insolvency practitioners in SA, of which about 200 were members of the association. (288)

Most insolvency practitioners were accountants, but it was also possible to become a member of the association by writing its exam, leading to the Insolvency Diploma. From 1995 the one-year course would be extended to two years, and Pereira said it was hoped eventually to make it a three-year course.

Two accusations often levelled at liquidators concern the length of time taken to wind up a company or the sequestration of an individual, and occasional instances of dishonesty. The most recent case was that of Golden Trust Services MD Neville Jessop, who has been charged with fraud totalling about R65m.

Pereira said the liquidator usually moved as quickly as possible on a winding up because no fees were paid until the liquidation process had been completed. However, the conclusion was frequently delayed by litigation which, if it went to the Appeal Court, could take up to five years to resolve.

He acknowledged that dishonesty occurred, but said it was not confined to liquidators. The establishment of a statutory body would also help counteract dishonesty as the board would have the power to discipline and disbar any member found guilty of serious contraventions of its code of ethics.

Commenting on the recent trend in insolvencies, Pereira said they tended to track the economy by nine to 12 months.

In the case of company liquidations there had been a flattening out of the upward trend but personal sequestrations had declined. As well as indicating a recovery in the economy, the trend reflected increasing attempts by banks to save debtors rather than hasten them into insolvency, Pereira said.

Kuwait sends shipment of oil to SA

EDWARD WEST

KUWAIT has backed up its lifting of sanctions by sending its first official delegation and oil shipment to SA in 30 years.

Kuwaiti oil minister Ali Ahmed al-Baghli said last week the delegation had met political and business leaders on a fact finding mission. Future ties between the two countries and possible avenues of investment were discussed, he said.

There had been no oil or other trade relations between the two countries during the past 30 years. But Al-Baghli said that with sanctions lifted last month, the first shipment of oil had been delivered to coincide with the delegation's visit.

He said trade between the countries should be reciprocal, and that the cornerstone of any investment was political stability.

Kuwait had to import most commodities which created great potential for SA exporters, he said.

Kuwait was also the world's leading lender and provider per capita of development aid. About $6bn was granted annually for development projects — 60% of which was destined for African countries. Al-Baghli said SA could now gain loans and aid from Kuwait provided it followed development funds criteria.

Kuwait's oil production capacity was 2,5-million barrels a day, but it was currently producing only 2-million barrels a day, in line with Opec quotas.

Approximately $30bn was being spent in rebuilding Kuwait's oil industry — already about 80% complete. Most of the work was funded by the country's Future Generation Fund. He said 10% of Kuwait's annual oil revenue had been set aside for the fund over the past 40 years.

Drop in unemployment

B/Day

ERICA JANKOWITZ

THE number of unemployed workers registered with the Manpower Department fell for the second consecutive month in August, the department reported in its latest Labour Focus. 6/12/93

The department said there were 318 680 beneficiaries of unemployment insurance and bona fide work seekers in August — almost 11 000 fewer than the July total.

A spokesman said the upward trend earlier in the year had abated slightly in July, and the August decline seemed significant.

"Although this figure cannot be seen as a true reflection of the actual extent of total unemployment, the trends in these data are a sensitive indicator of short-term economic fluctuations," the department said.

Another indication of falling unemployment levels was Seifsa's recent retrenchment figures.

Seifsa economist Michael McDonald said there had been a definite downward trend in retrenchments by Seifsa members since the beginning of the year.

"Figures are still bad, but have started falling off," he said.

From shedding a total of 32 284 jobs last year — more than 2 000 a month — Seifsa member companies retrenched 17 267 to end-September 1993.

McDonald said the July 1993 figure of 1 321 was the lowest since February 1990. But he believed companies would employ temporary labour in the early stages of the economic recovery, so permanent employment levels were unlikely to improve dramatically in the short term.

js Limited

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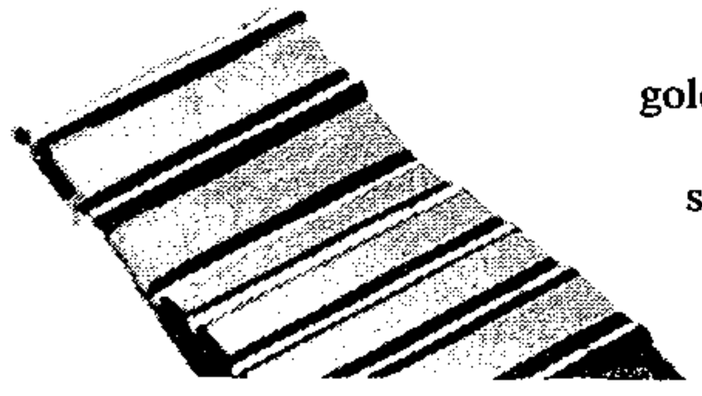
audited months 09.1993 R000's	Unaudited 6 months 30.09.1992 R000's	Audited Year ended 31.03.1993 R000's
12 064	8 800	8 723
36	36	36
3 791	–	4 148
15 891	8 836	12 907
15 794	4 861	10 298
3 931	2 545	3 025
503	1 607	1 147
20 228	9 013	14 470
(1 368)	(68)	(1 214)



Omega Constellation
gold/steel gent's watch with date.
Scratch-resistant
sapphire crystal. Water resistant.
Swiss made since 1848.

Fm 3/12/93

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CHRISTMAS TOURISM

How many will come?

Christmas is only three weeks away but there's no clear trend yet on whether this will be a good or bad season for tourism. The regional organisations that promote tourism feel that this season will be better than last year's. But those at the coalface, whose fortunes depend on the number of tourists who pass through their doors, say that if they don't get a last-minute rush it will be a worse season.

Most foreign tourists have already made bookings — they're expected to arrive in about the same numbers as last year — so the success of the holiday season depends on undecided domestic travellers. "I have a gut feeling we'll have a slightly better season this year than last," says Gordon Oliver, CEO of Captour, which promotes tourism in and around Cape Town. "We had 50 000 people coming to our tourist information office last December, we're expecting 60 000 this December. Feedback from hotels is lousy but they are expecting the trend of last-minute bookings and walk-ins that has been developing for the past few years to continue."

Spoornet and SA Airways are not as optimistic. Spoornet has halved the number of extra passenger trains it will put on over Christmas, to 150 this year, says Matti Geldenhuys, manager of mainline passenger services. "Last year we had to cancel some special trains because of lack of demand. If there is demand this year we can either make up longer trains or put on more trains."

SAA is putting on only a few extra flights, says spokesman Annelda Duvenage. But it can use larger aircraft and turn them around faster if needed.

The wait-and-see game that tourists now play, and the cheap overseas holidays available, are also affecting bookings on the Blue Train, says manager Hennie Hartman. "At this stage accommodation is still available for December."

However, Durban expects a boom. Durban Unlimited tourism director Ted Hurst says surveys indicate that the city's hotel occupancies will be 70%-plus this Christmas, roughly 10 percentage points up on last year.

Hotels in Durban and elsewhere, however, are keeping rooms full partly through discounts. Says Hurst: "The bed-and-breakfast rate at several Durban three-star hotels is R89 per person per night, sharing." Protea Hotels' Debbie Reynecke says bookings are down on last year, "so we're offering special packages." In Cape Town the group is offering families of four five nights in either of its two four-star hotels, the Capetonian and the Ritz, for R899. On the Garden Route that package costs R799. In Natal it's offering two people sharing two nights, including breakfast, for R229.

The Sabi Sabi Game Reserve is offering accommodation at R670 per person per night until December 20, but between December 21 and January 15, "when it's the busiest time of the year, the charge goes up to R1 275," says the reserve's Sharon Joss.

Mala Mala is taking a tough line on discounts. "We don't offer specials," says GM Kian Barker. "We stick to our rates — R1 475/person to December 15, after which it goes up to R1 575/person, where it remains until December 15 next year because we won't compromise the product."

The vacancies at Cape Town's hotels could be partly due to the development of more hotels and good informal accommodation, such as guest houses and bed and breakfasts in nearby towns such as Paarl and Stellenbosch. Paarl Publicity Association manager Delene Smuts says: "Three years ago we had nothing. Now we have the five-star Grande Roche and we can offer 650 beds. The owners of Mooikelder, an old farm just outside Paarl, dropped their prices from R165 per person per night to R100 and drinks are free."

The car-hire industry is giving off differing signals. Budget Rent-A-Car MD Tony Langley does not see any major change this season. "We could get walk-ups, which will boost business, but Christmas day and New Year's day both fall on Saturdays, which shortens our season."

Imperial Car Rental MD Carol Scott has another view. "We're over the moon. Judging by November, which was our best month yet, we'll have a bumper Christmas. Advance bookings in Cape Town already exceed those for last year."

With the end of SA's isolation, domestic tourism has probably changed forever. One beneficiary is Zimbabwe. There has been a surge in SA tourists going to Zimbabwe, says Zambezi Adventures co-MD Margriet Luchs. "Everyone seems to want to go there. We're much busier than last year, taking them to Victoria Falls and chartering houseboats for them." ■

GET ON BOARD FOR THE CHINA TRADE SHOW

With just about a month left before the China Ocean Shipping Co (Cosco) starts loading samples for free transport to Beijing, time is running out for SA exporters who want to sign up for the March 22-25 SA-Chinese Exhibition (Sacex). The trade show will take place at Beijing's World Trade Centre.

"Renfreight will close its Cosco bookings on January 6 and loading will then take place at Durban harbour until about the 14th for shipping to China," says Joe Brady of Times Media Exhibitions, the show's organiser. "So anyone still wishing to get on board must now act fast."

Brady says the exhibition represents a great opportunity for companies to get a foot into the vast Chinese market at top level. China was the world's fastest-growing economy last year, expanding by 12,8%.

The US$10 000 show fee includes the airfare, exhibition costs, translation and matchmaking services, and seven nights at the four-star Beijing Sheraton hotel. A lower, group-participation fee is available to smaller exhibitors.

Brady says the show will be getting wide publicity with advertisements in the 10m circulation *People's Daily* newspaper, in the 2,5m circulation *Economics Daily*, and in 19 Chinese trade and technical journals. A press conference in Beijing a week before the show will highlight the event for the local media. Posters and banners will be put up throughout Beijing to promote the show.

Brady says that with the strong interest in the show, he expects to meet his target for exhibitors. "We are looking for 150-200 exhibitors to make the show worthwhile for both the SA companies and prospective Chinese buyers.

"SA's departments of Trade & Industry and Foreign Affairs will have stands, while SA Airways and Satour will be backed up by major hotel groups such as Sun International, which see big potential in the vast Chinese market. SA foods will be prepared by top hotel chefs and the Soweto String Quartet will perform."

ANC Department of International Affairs deputy head Aziz Pahad says: "We believe that this is an important initiative which should get the co-operation and support of all South Africans. We will therefore ensure that a senior member of our organisation represents us at the exhibition."

Project manager Jo Melville says Sacex will, in fact, involve four different exhibitions: business, travel & tourism; mining, heavy industry, construction & plant; light industry, technology, medical & scientific; and commodities. "Any company prepared to give up one business lunch a week for four people for one year can afford to be at Sacex and experience the opportunities offered by the world's most dynamic market."

OIL INDUSTRY

Ready for investment?

This week's showcase conference in Cape Town for the sub-Saharan oil and mining sectors was unprecedented in both size and scope.

It drew about 450 delegates from 38 countries, including 21 in Africa. VIPs who registered included at least 11 Ministers and deputy Ministers and an army of bureau-

Miss World payment 'an investment'

ARG 2/12/93

□ Tourism aided — minister

Political Staff and Sapa

THE R2 million voted by the government for the production and screening of features on South Africa as a tourism destination during the Miss World pageant was regarded as a investment in tourism which would have a positive return, the Minister of Tourism, Dr Bahdra Ranchod, said today.

"The world regards Bophuthatswana as part of South Africa and the live television broadcast of the Miss World pageant as emanating from South Africa," he said at a media briefing.

Last year the government voted R2,5 million for the same event.

Dr Ranchod said no money for this year's pageant had yet been given to Sun City. The money would only be paid over once accounts had been submitted and scrutinised by the Department of State Expenditure.

Last year tourism was one of the few sectors in the South African economy that had shown growth. This year, so far, the industry had grown by 11 percent and hopefully the target of 15 percent would be reached.

Dr Ranchod said it was an industry important to economic recovery.

The government's association with the Miss World pageant presented an opportunity for maximum exposure as to what South Africa offered tourists.

"The televised insert on South Africa this year was seen by 1,3 billion people around the world. We feel this is a modest amount when you consider the costs of broadcasting to such an audience."

Roger Burrows, DP MP for Pinetown, said last night that "there are a number of serious questions that are as yet unanswered".

"Among these is the curious situation of the South African government paying a private company which is promoting a commercial enterprise."

There appeared to be "little justification" for this and "one wonders why South Africa is funding Sun International and not the pageant organisers directly".



SAFER SHOPPING . . . Nadia van Heerden, 4, from Thabazimbi met Constable Samuel Martin at the newly opened police kiosk in the Golden Acre Centre yesterday.

Picture: CLIVE SMITH

SAP kiosk for CBD shoppers

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CT 2/12/93

A PERMANENT police kiosk began operating in the Golden Acre Centre yesterday to augment the inner city's business and tourist watch patrols in preparation for the busy festive season.

The mini charge office, situated on the Adderley Street level and manned during normal shopping hours, will take statements and complaints, certify documents, act as a commissioner of oaths and even take reports of missing persons.

The SAP's deputy regional commissioner, Brigadier Mattie Beukes, said the kiosk would serve as the control point for the CBD tourist and business watch patrols.

The SAP had approached the centre's owners, Sanlam, to fund the erection of the R10 000 kiosk following the dramatic reduction in pickpocketing in other suburban shopping centres where such booths had been established, he said.

He said that tourists in the CBD were popular targets for bag-snatchers and more visible policing could help reduce this problem.

In the past two months the CBD business watch patrol had facilitated 46 arrests for shoplifting and several other arrests for theft, fraud, and possession of unlicensed firearms and stolen property.

SA broker opens US office

JOHANNESBURG. — Stockbroker Frankel, Pollak, Vinderine is to open a New York office in an attempt to attract foreign investment to SA.

CE Sidney Frankel said yesterday the branch was already talking to two major US groups.

"One is considering a $150m investment with a company listed on the JSE while the other is looking at starting a grassroots operation worth about $20m," Frankel said.

The branch would be headed by Errol Glasser, formerly with mergers and acquisitions at US firm Kidder Peabody, who would be joined by Natalie Heerdt Fitgerald, a non-broking member of the JSE.

Frankel, Pollak, Vinderine had also appointed two black advisers in executive positions to help get two affirmative action projects off the ground.

The advisers — Sunday Nation editor Zwelakhe Sisulu, who would chair the panel of advisers, and George Negota, of attorneys Edward Nathan & Friedland — would promote training and set up opportunities for broader participation in the stock exchange, Frankel said.

Two black financial journalists would be trained as part of plans by Sunday Nation to upgrade its financial pages and start an educational programme for its readers.

The other project was to form an endowment fund to attract black stockbrokers by sponsoring university studies.



CLINCHED ... Shaking on the renewed agreement were from left, Mike Pnematicatos MD of The Leisure Corporation (TLC), Kevin Rawnsley, marketing director of RCI, Steve Griessle, MD of RCI and Ross van Reenen, chairman of TLC.

RCI to the rescue with 10-year plan

(288)

Property Editor CT 30/11/93

Resorts Condominium International (RCI) Southern Africa has announced a 10-year plan to help the more than 3 500 owners stranded by the liquidation of three South African timeshare resort.

MD Steve Griessel said the accommodating guarantee plan was a gesture of goodwill to reduce the affected owners' lossess.

The liquidated resorts are Cabanas del Mar and Cabanas del Sol both on the Natal South Coast and Hazyview Cabanas in the Eastern Transvaal.

Griessel said RCI had offered to provide the affected owners with accommodation in similar units at other RCI affiliated resorts in the same seasons for the 10 years in return for a one-off payment of R1 000 for each timeshare week owned.

Meanwhile, RCI has renewed its agreement with TLC to administer the Multi Resort Ownership points system.

Cape Town ready for tourist influx

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LIBBY PEACOCK
Weekend Argus Reporter

SUMMERTIME ... and the Mother City can expect to host more than 90 000 visitors this holiday season.

Captour spokesman Lauren de Wet said although a major tourism boom was not expected, the city was geared towards an extended season, with international peacekeepers and media starting to arive for the April elections as early as February.

"The latter half of December is looking good and in November we had more tourists than at the same time last year.

A lot more backpackers were arriving in Cape Town than in previous years and guest houses and youth hostels were doing good business.

"Hotels have a lot of bookings and we are also expecting a lot of last-minute bookings."

A five percent increase in overseas visitors had been forecast for this year, but it was now expected that the increase would be between 12 and 15 percent.

Satour assistant regional director Theuns Vivian said more than 10 million people had visited the Victoria and Alfred Waterfront between January and October — more than in the whole of last year. An estimated 600 000 foreign tourists visited the country this year.

Waterfront spokesman Maureen Thompson said the popular venue was fully prepared for the festive season.

"We deal on average with a million visitors a month.

"With the additional visitors for the holiday season we've extended our shopping hours until 9 pm. We now have the longest trading hours in Cape Town."

A new parking area on Dock Road, with space for about 800 cars, would help to alleviate the parking problem, she said.

Visitors galore on the way

(288) ARGT 27/11/90

This summer Cape Town
ll host a predicted
00 000 upcountry visitors
nd 436 000 foreign
ourists — a mere fraction
f the influx of tourists that
vill follow South Africa's
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nternational tourism
narket, says Captour
chairman Dennis Fletcher.

TYRONE SEALE
Weekend Argus Reporter

TOURISM in South Africa is in for a back-breaking, money-raking surprise, says Captour chairman and former Caltex chairman and managing director Dennis Fletcher.

South Africa's reinstatement, or in many cases introduction, of diplomatic ties with foreign countries — particularly in the southern hemisphere — is bound to bring a whole new international generation of tourists flocking to the tip of Africa.

"The flow of tourists to South Africa and Cape Town in the future is going to be very, very extensive. Short of putting a clamp on the number of tourists, the country or Cape Town will have no say about the numbers.

"This will be a terrific injection into the economy. More jobs will be created and more service industries will have to be created to meet the influx. For many people, decent living standards will flow back," said Mr Fletcher.

Interviewed at his Claremont home, with Captour chief executive Gordon Oliver in attendance, Captour's newly appointed chairman was equally quick to spell out the price the hospitality industry will have to pay to see the benefits of high-volume tourism.

"Assuming this influx happens, we will have to upgrade our standards considerably. I'm in no way criticising present service levels, but am simply saying we have to raise these dramatically.

"For example, around the world visitors rely heavily on cab taxis. They obtain a certain guidance from taxi drivers and enjoy certain comforts. In our situation, we can do with a lot more taxis and once we have them, we will have to match overseas standards, which are very high."

Turning to hotels, Mr Fletcher cited the service he enjoyed on a recent Far East trip as a yardstick for local performance.

"I arrived at a Singapore hotel one night, late and tired and with a caseload of dirty laundry, for a meeting in the morning. I had to leave again at lunchtime, but I needed to have the washing done.

"By 8.30 that morning, the laundry arrived, beautifully laundered and wrapped in cellophane. If I had wanted it, I could have had a *cordon bleu* meal within 30 minutes of placing my order, and that would have been available throughout the night.

"That's the standard that's been set, and it's the standard the industry here will have to follow. The Far East has set a high standard, and we are not going to be permitted to set our own, inferior standards.

"There will always be an element of defaulters, but they will be whipped into line by competition."

Mr Fletcher said another source of growth would be long-alienated black South Africans.

"There's a very large section of the black community who are very interested in getting into the tourism business, either through the service industries or as tourists themselves."

Black South African tourists would not only bring more revenue to the industry, but would necessitate massive changes in the way black history and lifestyles had been portrayed to date, said Mr Oliver.

This revision in itself would set off a new chain of sub-industries and create wealth across a broader spectrum.

Mr Oliver said all South Africans needed to be encouraged in any event to explore the country of their birth.

This summer Captour is bracing its resources for 600 000 upcountry visitors and 436 000 overseas tourists.

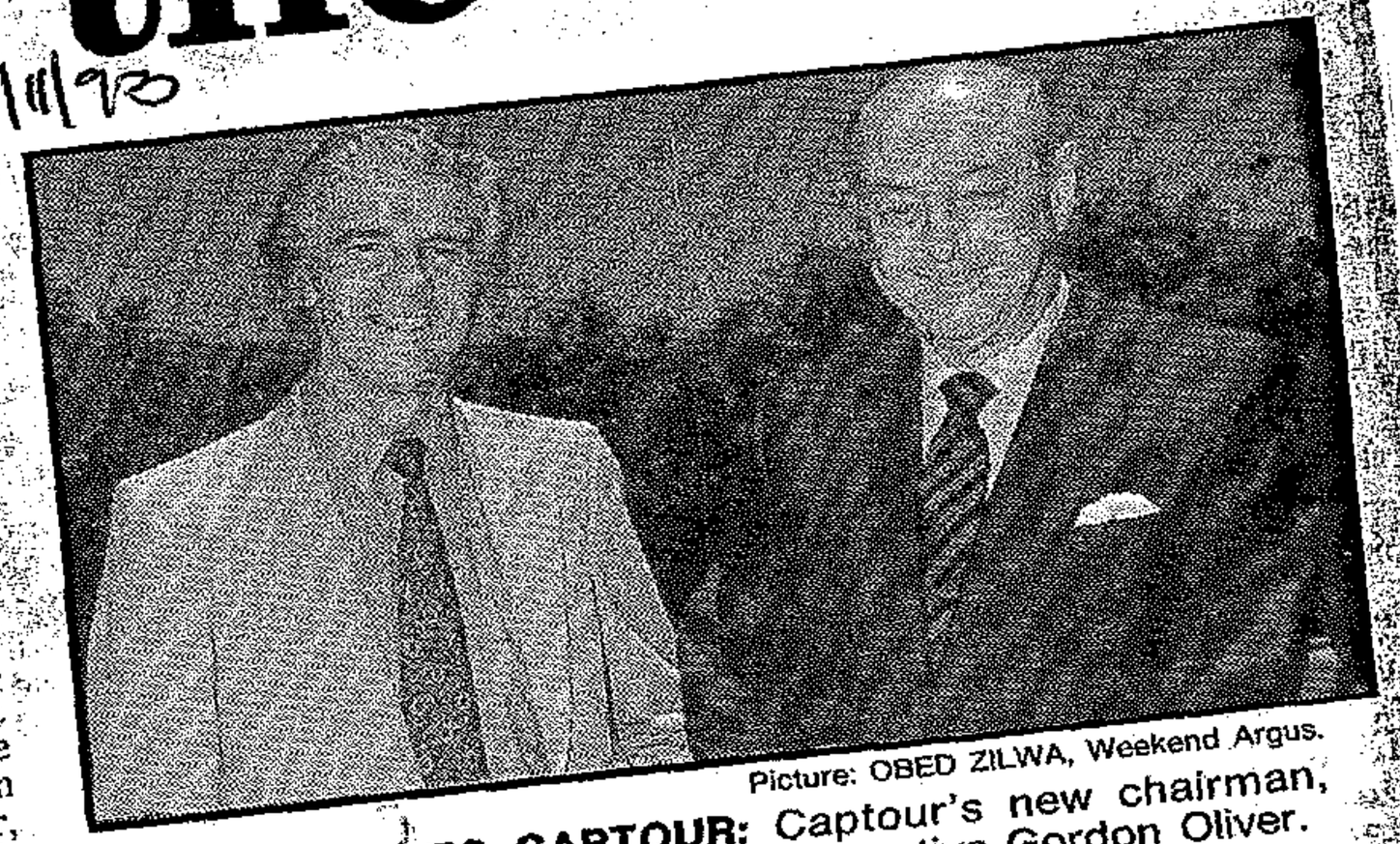
What about the cultural and environmental impact that will result from the predicted tourism growth? What will "houseproud" Cape Town people say about greater numbers of out-of-town cars, overcrowded beaches and longer queues at Table Mountain's lower cable station?

The answer, says Mr Fletcher, lies in a co-operative operation involving tour operators, hoteliers, municipalities, regional authorities and central government.

"To date the government has not adequately addressed the question of tourism. In their estimation, they did the best they could, but because of their policies, they were never able to attract large volumes of visitors to this country.

"The time has come for wide, strategic planning."

Mr Fletcher said Captour would strengthen its role in planning tourism in the Cape and while it could not police the industry, it would engender standards and values that would bring out the best in the hospitality trade.



Picture: OBED ZILWA, Weekend Argus.

□ **WELCOME TO CAPTOUR:** Captour's new chairman, Dennis Fletcher, left, with chief executive Gordon Oliver.

Timeshare watchdog gets fiercer

Star 26/11/93

■ BY FRANK JEANS

The Timeshare Institute of South Africa (Tisa) is tightening up its consumer protection mechanism by turning itself into the financial watchdog of resorts.

At a press briefing in Sandton recently it was announced that Tisa now required from timeshare members a certificate from an auditor giving all details of the financial standing of a resort.

The audit certificate must be issued every six months.

It should show that a bond, if there was one, was being paid off and that the developer had paid up his share of all the levies.

The updating of trust funds, if applicable, would also be required to be verified.

Buyers should now insist on checking the audit certificate of a resort where they might be interested in buying.

Peter Foaden, managing director of Stocks Leisure and Tisa chairman, told the meeting that the South African timeshare industry was now highly disciplined in its operation.

"Crashes and liquidations in our industry occur seldom and those there are should be weighed against the satisfaction with their investment of the thousands of timeshare owners in South Africa.

"In the past 10 years, out of a total of 160 resorts, only 29 (including 13 shareblock schemes) ran into financial trouble," he said.

"Most of these were saved, however.

"Of the 29 schemes in question, only seven collapsed completely," he pointed out.

Foaden emphasised, however, that the new audit requirement would ensure that the chance of resort liquidations would now be remote, if not a thing of the past. 288

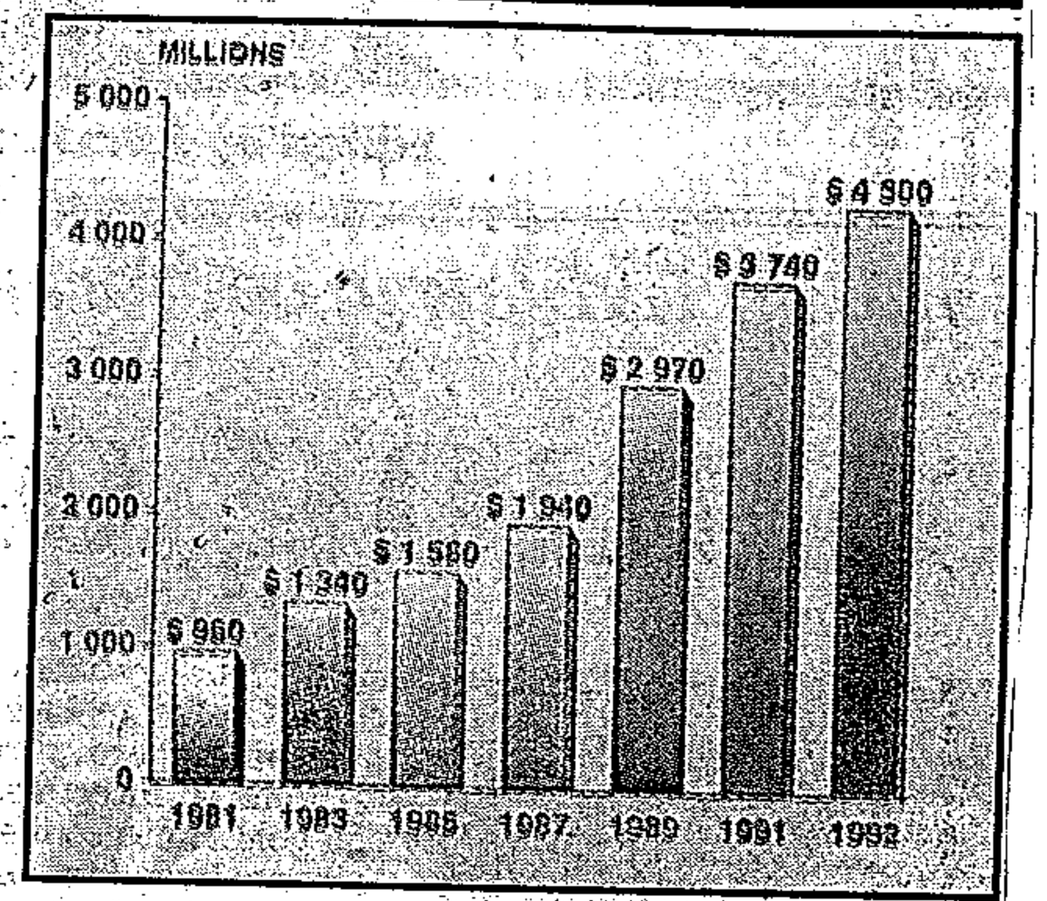
Swop system

The Southern Africa arm of world timeshare exchange organisation Resort Condominiums International (RCI) has introduced a first in the business — Exchange Plus which, it says, is designed to give timeshare owners flexibility on a hitherto unprecedented scale.

From January next year, owners will be in a position to be able to vary the length and season of their holiday as well as the unit size.

Steve Griessel, managing director of RCI Southern Africa, told the conference: "Worldwide research indicates that people prefer to take two or more shorter breaks during the year, rather than one long holiday.

"Through Exchange Plus, ownership of timeshare now becomes the springboard for this flexibility."



Escalating . . . the graph shows how worldwide timeshare sales have grown.

SA firms poised to invest in Abidjan

S.Times (Bus)

By ZILLA EFRAT: Abidjan

SOUTH Africa looks set to play a major role in the development of the Ivory Coast's tourism industry.

A SA merchant bank is negotiating a $45-million loan to help upgrade the Hotel Ivoire in Abidjan, the country's economic capital.

Inter-Continental Hotels West Africa regional vice president of operations Roger Kacou says the deal is likely to be backed by Credit Guarantee. It is possible that the agreement could be structured in a way that ensures that 70% of the goods and sevices needed for the hotel's refurbishment are supplied by SA companies. The Hotel Ivoire, which is 40 years old, is owned by the Ivorian government and managed by Inter-Continental Hotels.

Ivory Coast minister of industry and commerce Kacou Angor says he has invited Sol Kerzner to visit his country in December or January. Mr Kerzner is said to be particularly interested in the development of another Lost Palace.

Mr Angor says talks are under way with SA companies which could lead to joint ventures aimed at developing the Ivory Coast's mining industry (288)

The Ivory Coast is also looking for SA companies to help it develop its paper and pulp industries, says John Thomson, the organiser of this week's Contact West Africa at the Hotel Ivoire. 21/11/93

The trade show, SA's first in West Africa, features 85 companies displaying goods ranging from wines and hairbrushes to machinery and mining equipment. Chamber of commerce delegations from Benin, Nigeria and Burkina Faso travelled to Abidjan for the exhibition.

For many it was their first contact with SA companies. They said SA products and services were significantly cheaper than those from the region's traditional suppliers.

Tourism 'deserves more state support'

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Staff Reporter

TOURISM marketing and development deserves far more government assistance, says supermarket executive Gareth Ackerman. ARG 16/11/93

He told Captour's annual meeting in Camps Bay last night that tax incentives for capital development and international marketing were essential if the tourism industry was to exploit opportunities.

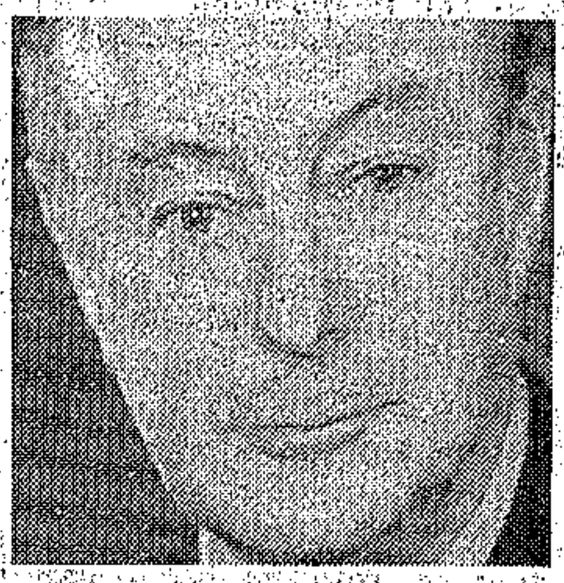
The Bophuthatswana government had given hotelier Sol Kerzner "wonderful incentives" to build Sun City and the Lost City, he said.

He criticised excessive regulation, which reflected an attitude to tourism out-of-step with the demands, lifestyle and expectations of modern international travellers.

These outmoded restrictions varied from limitations on the sale of beer in supermarkets to shopping hours, Mr Ackerman said.

Cape Town should strive for a reputation as a value-for-money city and promote its beaches to entice foreign visitors to stay longer than the average of just three days.

Captour chief executive Gordon Oliver said the number of overseas visitors to South Africa had increased by 11 percent in the first eight months of the year.



Dennis Fletcher

The business market contributed slightly more to this growth than holidaymakers.

The biggest increase was visitors from Asia — up 34 percent — and there was a significant growth of 24 percent in the number of German visitors.

Assuming that "nothing unforseen" happened, an overall growth in foreign visitors of between 12 and 15 percent was projected for the year, he said.

Captour chairman Louis Kreiner is stepping down and Dennis Fletcher, former chairman and managing director of Caltex SA, has accepted an invitation from the Captour board to make himself available for election as chairman.

The board will ratify the invitation when it meets early next month.

R150m facelift for Sun City, Cascades

ST Times 14/11/93

SUN International (SI) plans a R150-million refurbishment of Sun City and the Cascades next year, possibly its last opportunity to take advantage of Bophuthatswana's 120% tax write-off for hotel developers.

Next year's election could herald a new tax regime for the homeland which has been the focus of most hotel investment south of the Limpopo for the past 14 years.

SA developers receive a depreciation allowance of only 5% for new hotels and 20% for refurbishments.

Sun International, which has a gaming monopoly, will pay no tax for the next four years as a result of its R1,1-billion investment in the Lost City and Carousel resorts, both of which opened last year.

SI chairman Sol Kerzner says the group hopes to receive "a few" of the 10 casino resort licences recommended by the Howard Commission, which urged the legalisation of gambling in SA.

But the focus of SI's expansion moves abroad with a R350-million redevelopment of Paradise Island in the Bahamas, a 200-room extension of La Galawa Beach Hotel in the Comoros and a new 300-room hotel in Mauritius.

SI's 25,5% associate Sun Resorts has completed a R80-million refurbishment of Le Touessrok in Mauritius, positioning it alongside Le Saint Geran as one of the world's best resort hotels.

(Sun Resorts owns and manages three hotels in Mauritius — La Pirogue, Le Touessrok and Le Saint Geran — and La Galawa Beach Hotel in the Comoros.

"I expect Sun International to become the major resort operator in the world," says Mr Kerzner. "We have a foot in the American market with the Paradise Island resort and are looking at developments, including the Seychelles, Polynesia and the Far East, which is a huge and growing market.

The benefit for SI shareholders will be diluted, however. The Bahamas development will be a three-way partnership among SI, UK-based Caledonian Investments and Mr Kerzner's own company, World Leisure. Each will own a third of a new company, Sun International Investments, which will acquire 60% of Paradise Island for $75-million.

A further $100-million, three-quarters of it bank finance, is required to refurbish the resort, which has an 18-hole golf course and 1 300 hotel rooms on 800 acres.

Mr Kerzner says the resort has the potential to attract holidaymakers from North and South America and opens the door to further developments in the region.

"Our expansion will be by way of acquisitions and new developments. We are well positioned for expansion in several parts of the world."

The group's tried and tested formula of luxury accommodation and casinos in idyllic settings — a concept it pioneered in Mauritius — will form the basis of its global expansion. But it is doubtful whether SI will receive similar tax breaks to Bophuthatswana's.

Mr Kerzner dismisses suggestions that Lost City has failed to meet expectations, saying: "Occupancies are in the high 70s and roughly half the visitors to the resort are from abroad. This is encouraging given the difficult times in SA's tourism trade."

The proliferation of illegal casinos last year hit SI's gaming revenue. The Government closed illegal gaming houses, a move which is expected to be reflected in SI's results this year. In spite of a 17% increase in turnover to R1,17-billion in the year to June 1993, pre-tax income fell 1%. But a sharply lower tax bill because of large capital expenditure lifted net income by 6%.

The share price shows investor concern about the future of the group's gaming revenue because of the proposed legalisation of gambling in SA. SunBop's share price fell to 2 525c in September, recovering to 2 800c this week, but still off its 1992 high of 4250c.

Mr Kerzner says the market has over-reacted to concern about the group's future and will be pleasantly surprised with the latest results.

The decision to go ahead with the expansion of La Galawa Resort Hotel in the Comoros was given a shot in the arm by the arrival of the first Condor aircraft to the island this week. Condor, a German-based charter company, is the only European airline other than Air France to serve the island.

By CIARAN RYAN



SOL KERZNER: A foot in Paradise — Picture: JOHN HOGG

Malawi investment takes Protea deeper into Africa

ST Times 14/11/93

By CHERILYN IRETON

PROTEA Hotels has made further advances into Africa, winning a contract to operate seven hotels in Malawi and to help the government with tourist development and airport catering.

Several international and SA operators sought the contract from the Malawi Development Corporation. The previous Tourism & Investment Company contract, held by Britain's Tourism International, expired.

Apart from operating the seven hotels which together have almost 600 rooms, Protea will run State-owned travel agency Soche Tours & Travel and manage the airport, airline and industrial catering services. It will provide additional tourist facilities.

Fedics Group, which holds 40% of Protea, will be drawn in to the airport, airline and industrial catering contracts. Its subsidiary, Caterexpress, will buy and supply food and beverages.

Phase One, a subsidiary of Protea Hospitality, will establish tourist facilities.

Protea operates hotels in Zimbabwe, Swaziland, Mozambique, Kenya and Mauritius.

It has appointed Barry Noble, an experienced hotelier, as regional manager, Malawi.

Otto Stehlik, executive chairman of Protea Hospitality — owner of Protea Hotels — believes his group won the contract for these reasons because: "We have the largest and widest spread hotel network in Africa, a proven record and a sophisticated Southern African infrastructure in terms of administration, operations and marketing.

"We also understand the African market, unlike certain international operators who burnt their fingers."

Mr Stehlik says three short-term objectives are a training programme to stress natural friendliness and professionalism; to improve the overall product; and to become engaged in focused marketing.

He says tourism in Africa will reach its true potential only when its attractions are combined.

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"Now, for the first time, this amazing axis is within the reach of many."

The Malawian hotels Protea will manage are the Capital, the Lilongwe and Lingadzi Inn in Lilongwe; Mount Soche, Blantyre; Mzuzu; Nkopola Lodge and Leisure Centre on Lake Malawi; and the Ku Chawe Inn on the Zomba plateau.

In 1991 Malawi drew 125 444 visitors. Almost 14 000 of them were from South Africa. The total was slightly down on the 129 912 who stopped there in 1990.

But the number of South African visitors has been climbing steadily for four years, says the Malawi Department of Tourism.

TOURISM Fm 12/11/93

Taking a knock

Cape Town's R1bn-a-year tourist industry will need an overhaul if the city hopes to host the 2004 Olympic Games and attract a bigger share of the international tourist market.

Cape Town's image as SA's tourist mecca has been knocked by a city council survey that exposes shortcomings in service and infrastructure. It also shows that the cost of tourist-orientated merchandise and accommodation is high, despite the favourable currency exchange rates for foreign visitors.

The survey comprises extensive interviews with 18 leading players in the city's tourism sector, including airlines, tour operators, hoteliers, travel agents, restaurateurs and tourism promoters. (288)

Apart from political issues over which Cape Town has no control, the main constraints on developing the city's tourism potential are regarded as the lack of promotional co-ordination, inadequate air and ground transport, the high cost of tourist goods and services, low standards of service and the lack of investment in hotels and other infrastructure. Respondents say coastal cities in the US, Australia and the Far East are the main competitors abroad.

Captour CE Gordon Oliver says the survey highlights the need to address key issues. A number are already being considered by a subcouncil of the recently formed Western Cape Economic Development Forum.

He adds that the survey should be seen as a state-of-play report rather than "a new wave of discontent" among visiting tourists. "The report reflects the reality of the tourism industry in SA amid political and economic changes being implemented. Every tourist destination in SA is struggling with this."

Most respondents say Captour is performing well but promotional efforts are in general seen as fragmented, duplicated and expensive. Oliver concedes that the city's promotion of tourism is not well co-ordinated but says efforts are being made to fix that.

Air transport, especially the domestic service, is described as restrictive and expensive. Road and rail transport is considered inefficient, expensive and not as safe as similar systems overseas. Sedan taxis (not minibuses) are identified by nearly all respondents as unco-ordinated, expensive and substandard.

Service is deemed below international standards, with Capetonians lacking a tourist culture and an understanding of the role of tourism in the city's economy. Shopping hours do not suit tourists, CBD night life virtually does not exist, and litter and pollution abound, complain respondents. (288)

Proceeding with long-discussed projects such as building a big conference centre, and upgrading the airport and the Table Mountain cable car are suggested solutions.

Many people say more regulation will somehow correct the shortcomings. Tour operator Hylton Ross says Cape Town's long-term goal should be to establish a powerful directorate of tourism authorised to regulate aspects of the industry where necessary.

Proposed areas of regulation include taxi and air fares as well as accommodation, goods and services aimed at tourists. Perhaps a Curio Board is the answer. Tourists won't have to waste time looking for the best price on Zulu beads or copper clocks shaped like Africa. ■

Fm 12/11/93

Confusion stalls IDC ecotourism

BDay 11/11/93

THE R600m Industrial Development Corporation (IDC) ecotourism initiative had stalled largely because the country's tourism industry misunderstood how concessionary IDC finance worked, MD Carel van der Merwe said yesterday.

He said this had been exacerbated by uncertainty about regional political boundaries, which had made parks boards nervous of investment, while the level of violence had put off many foreign visitors.

Parks boards and businesses had complained that short-term bank finance was cheaper to find than some IDC loans, but Van der Merwe said such a view ignored the genuinely concessionary terms of its overall development packages.

He called on government to give tourism a higher priority. "Obstacles to the development of SA's unique selling features in the international market relate mainly to inadequate co-ordination and bureaucratic impediments," he said.

Although the IDC had identified projects worth R400m, mostly related to providing accommodation to service the Kruger Park, conservation authorities "lacked the guts" to come forward with concrete long-term projects after showing initial enthusiasm last year.

He said only 200 new hotel beds of the 3 000 IDC studies had shown were necessary to cater for bottlenecks building up in the hotel trade had been provided since the tourism facility was launched in 1992. In the year to end-June only R42m of finance had been authorised.

Van der Merwe said government had unfortunately created the mistaken impression that it had given a R600m grant to the IDC which would be passed on to the tourism industry, when the corporation was in fact offering financial backing on similar terms to those on offer for other industrial projects. The IDC could only be a catalyst in promoting tourism.

There was little chance of progress on the ecotourism front before the middle of next year, although he was confident that once the April elections were out of the way, the number of tourists would accelerate and investment in the sector might take off.

● See Page 8

Locals blamed for scaring away visitors

B/Day 11/11/93

THEO RAWANA

SOUTH Africans were harming tourism by telling friends and relatives in the UK, the Netherlands and Israel that SA was an unsafe country to visit, the SA Tourism Board (Satour) said yesterday.

This was reflected in the low arrival figures from these "traditional" SA markets, a spokesman said. Between January and August these figures showed only a 1,8% increase in visitors from the UK, a drop of 4,8% from the Netherlands and a drop of 13,9% from Israel over last year.

This was seen against the overall overseas arrivals growth of 11%, Asia's showing of a 34,2% growth and South America's 28%. (288)

The spokesman said Satour had information that South Africans were giving the impression that the country was unsafe to visit. "We appeal to them to stop doing this."

Satour's latest figures show that Europeans, who represented about 66% of overseas arrivals to SA, reflected a cumulative growth rate of 7%, or an additional 16 769 visitors.

Growth of 24,7% was recorded from Germany. "This is the result of advertising campaigns between Satour, SAA and Lufthansa, together with the rest of the tourism trade," Satour said.

France reflected an overall increase of 6,5% for the eight-month period, although it had dropped in during August.

The US maintained its growth rate of 20,5%.

Man in R3-bn projects comes forward

By MAGGIE ROWLEY
Property Editor

THE man behind the controversial R3-bn development proposals for Cape Town, former mercenary leader Mr Georg Schroeder, came forward last night to introduce his chief architect, Belgrade-based Mr Dragolub Bakic of Energoprojekt.



● Mr Georg Schroeder

After previously declining to be photographed, Mr Schroeder proudly posed with Mr Bakic and a model of a competing development proposal for the City Council's power station site bordering Devland's ICS site.

Mr Bakic, a senior architect and a main board director of construction company Energoprojekt, flew into Cape Town last night. He brought with him revised models for two proposed Glocor projects — the power station site and a proposed R800-m development for the Gateway precinct to the Waterfront.

Glocor intends tendering for the power station site which has been the subject of intense negotiations between Devland and the City Council in recent years. The City Council recently decided to put the site out to tender.

Largest

Mr Schroeder said that at the suggestion of City Planner Mr Neville Riley, they had amended their proposals to include the Devland site.

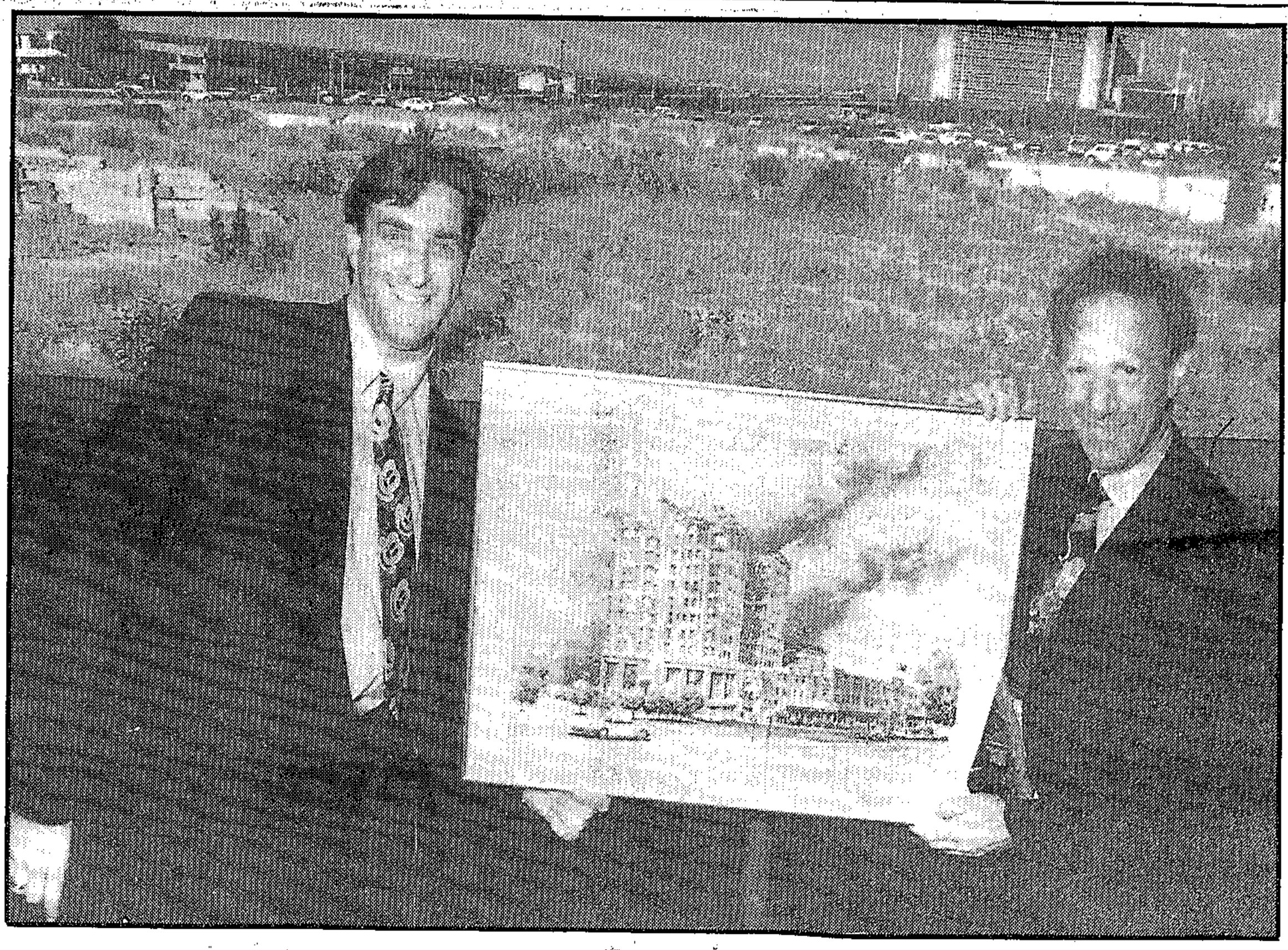
Mr Schroeder said Devland's announcement that it would proceed with its development "made little difference as our development for the Council sites can fly without it".

Mr Bakic said initial design work for two Cape Town projects had been done out of the Belgrade office.

He said Energoprojekt was noted to be one of the 20 largest construction companies in the world and would put money into the projects. "We have already done so to date," he said.

"We are now waiting for the green light from Mr Schroeder to proceed with further development design."

● Picture — Page 5



Picture: OBED ZILWA, The Argus.

CHANGING SKYLINE: Neil Bernstein and Ian Eichner with a sketch of the proposed office block and the land.

R500-m proposal unveiled for site near Waterfront

288

ART 10/11/93

ROGER FRIEDMAN
Staff Reporter

INTERNATIONAL Cape-based consortium Devland has unveiled a R500 million proposal for its Imperial Cold Storage site near the Waterfront and the city council-owned old power station land.

Construction of the first phase of the development, an office block to be called North Wharf, is due to start in January.

At a function yesterday, Devland announced a trump card — the signing of top Manhattan property developer Ian Eichner of Eichner Enterprises.

Mr Eichner has taken a five-year lease on 30 percent of the office space in the proposed new block — at about R1,5 million a year — and is a member of the Devland consortium which has presented plans for a shopping and entertainment complex, a 250-room hotel and residential units on adjacent sites.

The ICS land is owned by Devland Construction's Neil Bernstein and Lohnro's Dieter Bock.

Final plans for the development will be submitted to the city council this month.

The site is already being cleared and a R70 million contract has been signed with the construction company Ovcon.

"We are securing the site and getting it ready for construction so that the cranes can move in early in the new year," said Mr Bernstein.

The site is of crucial importance to link the Waterfront with the central business district and its future has been debated with the city council since Devland bought it in 1989.

The council owns the adjacent site and has indicated it intends to sell it by public tender.

Mr Eichner, behind the ambitious simultaneous development a few years ago of three major high-rise projects on prime Manhattan sites — including the Cityspire Tower, the second tallest concrete building in North America — sees the Cape Town development as a "great ... and very exciting opportunity".

"It's unusual to find a piece of vacant property downtown and adjacent to a waterfront.

"I anticipate there are a significant number of US businessmen who are following the elections and intend to use South Africa — and Cape Town in particular — as a base for multi-nationals to pursue their goals and objectives in sub-Saharan Africa," he said.

He envisaged sub-letting some of his office space and said he was optimistic about the political future of South Africa.

Mr Bernstein said the office block would be "better than anything in the Cape" and, at similar rentals to the central business district, he hoped to attract new tenants to the city and others from the CBD.

He dismissed Georg August Schroeder's R3 billion development proposal for the same land as "unfeasible and premature".

"His scheme is impossible without consolidating the two sites — and he certainly hasn't spoken to us."

Cash crisis threat to Cape's tourist status

ARGT 10/11/93 (288)

JOHN YELD
Staff Reporter

THE Western Cape's "most-favoured" status as a tourist destination could be in jeopardy unless there is an increased financial commitment from the public and private sectors, Captour chairman Louis Kreiner has warned.

In a message in the Captour annual report for 1992/93, Mr Kreiner said times had never been tougher and it had been a "frustrating and worrying year".

"It takes just one act of mindless violence to destroy the good work our staff does."

A major problem was the serious lack of funding, which restricted Captour's marketing.

"Other regions have far greater financial resources available to them for marketing and the Western Cape's most-favoured status as a tourist destination could be placed in jeopardy without an increased financial commitment from the local public and private sectors."

But Mr Kreiner predicted progress for the Western Cape tourism industry this year.

Most of the major tourist attractions in the region reported a decrease in visitor numbers last year, the report noted.

It said the overall growth in the number of overseas visitors to South Africa — a 10,2 percent increase from January to May — had begun to decline during June and July, and this trend was expected to continue for the rest of the year.

It cited "intensified attention on the political events and the continuous reporting on the security situation" as reasons for the fall.

The report also noted Satour had predicted an overall increase in the number of overseas visitors in 1993 of about 5 percent.

Local (South African) visitors to the Western Cape decreased sharply from 655 132 in 1991 to 602 971 last year, but there was an increase in foreign visitors from 337 000 to 436 000.

"Domestic business and leisure visitor figures were down in 1992, probably attributable to the prevailing negative economic conditions.

"However, mainly as a result of the increased number of overseas visitors to greater Cape Town during 1992, the region showed a net gain of 57 242 visitors in 1992, which represents a 5,8 percent increase over 1991."

Chief executive Gordon Oliver said much of the past two years had been spent restructuring Captour to "reposition" it more agressively and confidently.

Its standing in the community had been much improved.

"(But) these decisions have been at great cost to our organisation financially and we now have an urgent need to increase our income dramatically and decrease certain costs."

Members and potential supporters had to view their financial contribution as an investment in tourism marketing, aimed at raising the general economic well-being in the region.

"Job creation is the essential objective,' Mr Oliver said.

The region's prime tourist attraction — the Victoria and Alfred Waterfront — drew 9 million visitors last year, mostly from Cape Town, the report stated.

The other major facilities — the Table Mountain cableway, the Cape of Good Hope Nature Reserve at Cape Point and Kirstenbosch — had "more or less" the same number of paying visitors as the previous year.

These were followed in popularity by the South African Museum, Groot Constantia, Silvermine nature reserve, the World of Birds, the Castle and the South African Cultural History Museum as tourist attractions.

Man in R3-bn projects comes forward

By MAGGIE ROWLEY
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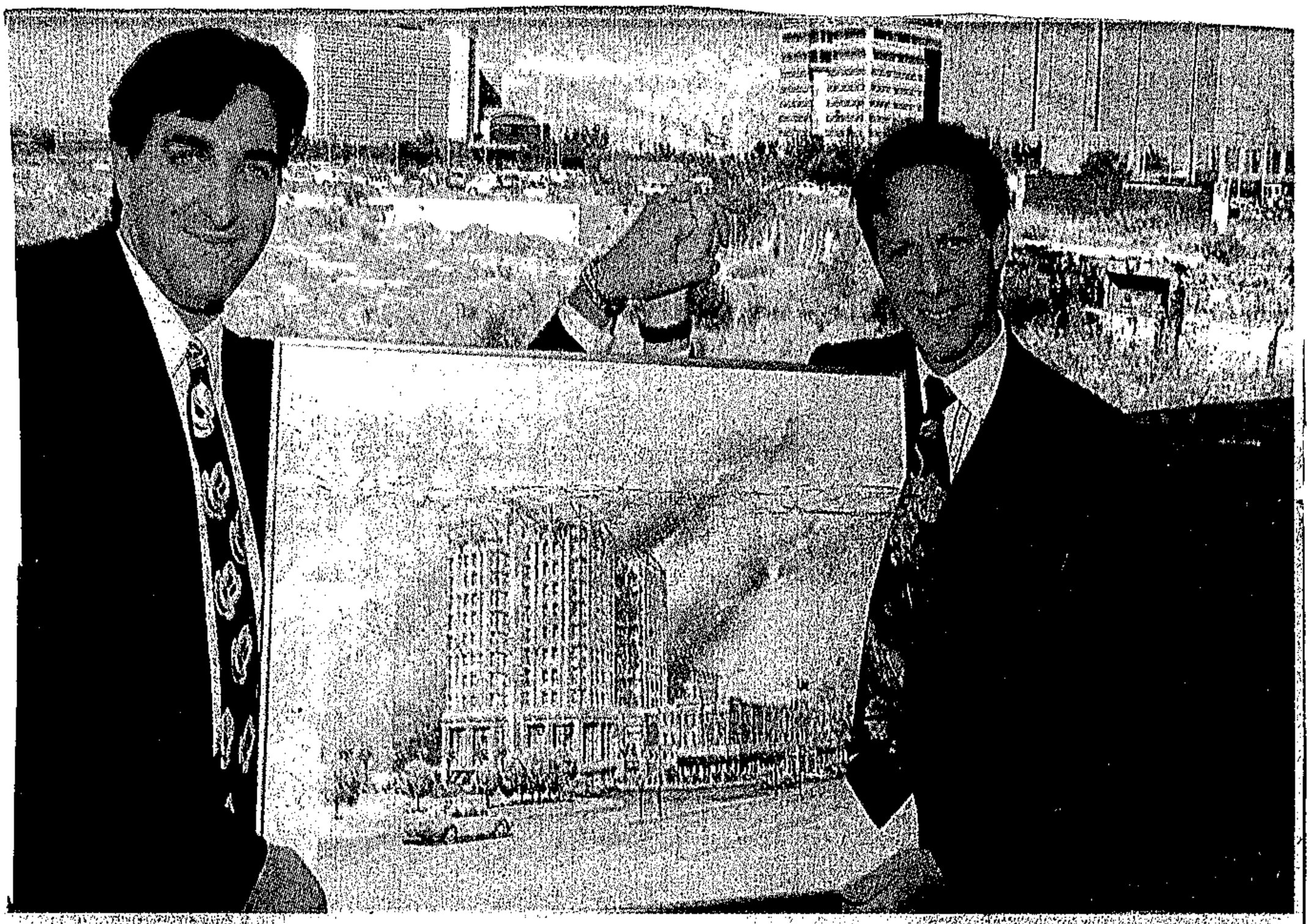
"We are now waiting for the green light from Mr Schroeder to proceed with further development design."

● Picture — Page 5



PLANS UNVEILED . . . Mr Neill Bernstein, left, of Devland Consortium, and New York developer Mr Ian Bruce Eichner stand near the Imperial Cold Storage site with an artist's impression of the R70-million office block they hope to build.

Picture: BENNY GOOL

R70m plan for Foreshore

By MAGGIE ROWLEY
Property Editor

DEVLAND Consortium has unveiled plans for a R70 million office block on the Imperial Cold Storage site adjoining the City Council's power station site on the Foreshore.

At the launch yesterday, managing director Mr Neill Bernstein said 4 000m² or 30% of the space in the building, which constitutes phase two of Devland's development, had been let to a leading Manhattan real estate developer, Mr Ian Bruce Eichner, who forms part of the consortium.

Mr Eichner, president of Eichner Enterprises, said while he was not putting equity into the development, the five-year lease constituted a commitment of R1,5m a year.

He said he was pursuing further joint ventures with Devland and the amount of space he and his staff would occupy would depend on the rapidity of these getting off the ground.

It was possible that some of the space would be sublet to other American companies and multinationals looking to South Africa, and Cape Town in particular, for a gateway to operations in sub-Saharan Africa.

Mr Eichner said he anticipated significant US business interest in South Africa following next year's election.

He said he had had extensive experience in luxury and middle-income housing developments and office blocks.

Mr Bernstein said construction of Devland's new office block, designed by Louis Karol Architects and to be called Number One North Wharf, is expected to start early next year once final plans had been lodged and passed by the council. Conceptual plans for the development have already been approved by the council, he said. (288)

The first crane has arrived on the site which is now being cleared and a construction contract has been signed with Ovcon. CT 10/11/93

Mr Bernstein said the council, which owns the adjacent site had indicated that it intends to sell it by public tender.

"We have decided to go ahead with the first phase of our development in keeping with the overall urban plan for the area."

the release of the October Business Confidence Index yesterday. Picture: ABDUL SHARIFF

Overseas holidays becoming cheaper

B/Day 9/11/93

STEPHANE BOTHMA

OVERSEAS holidays will become more affordable to South Africans next year because of weakening European currencies and the effects of the worldwide recession on the international hospitality industry.

Prices had already fallen in rand terms, Insight International Tours international marketing director Chris Newman, currently visiting SA, said yesterday.

Portugal, Spain, Italy, Britain and Ireland had been hardest hit by currency fluctuations, making tours to those countries more affordable for South Africans.

"In the US the dollar has strengthened against the rand, but this has been offset by the effects of the recession. Hotel prices have tumbled and operators have been able to negotiate extremely reasonable rates," Newman said.

Insight SA GM Ockie Fourie said travel agents had reported massive growth in the number of South Africans travelling overseas this year. Sales were up 60% off an already sizeable base, he said.

"This is partly attributable to increased competition between airlines seeking to break into the SA market following the lifting of sanctions. This has seen air fares tumble to 1986 levels, making travel a lot cheaper."

Despite the tough economy, the first-class travel market had been firm, although growth had been limited. There was strong growth in the lower cost sector.

IMF satisfied with SA economic consensus

B/Day 9/11/93

GRETA STEYN

THE IMF was satisfied that enough consensus existed between the key political parties and Cosatu on sound economic policies to go ahead with granting the Contingency and Compensatory Financing Facility, assistant director for Africa Leslie Lipschitz said yesterday.

Speaking in a Worldnet satellite link-up arranged by the US Information Services yesterday, he said there was "little to suggest" that anything would go wrong when the IMF board met at the end of the year. There was agreement between the different groupings on the bottom line on government spending, although of course there was disagreement on priorities.

The IMF had had talks with government, parliamentary parties, the ANC, PAC, Inkatha and Cosatu. The groups had then been brought together in a multilateral forum and, individually and together, had agreed on the need to avoid a debt trap.

On SA's economic outlook, he said the IMF believed SA had the potential for an economic miracle of southeast Asian proportions. However, structural change would be necessary on several fronts. On the fiscal front, SA's deficit of 7% of GDP could be reduced only by two percentage points as a result of a cyclical upswing, while the effect on unemployment would also be small. "The SA economy is not amenable to expansionary stimulus from fiscal and monetary policy," he said.

World Bank vice-president for Africa Edward Jaycox said he wanted to "plead for an early involvement in SA by the bank. The sooner the better". SA had to identify projects and ask for funds.

Jaycox noted the ownership of major productive assets was closely held and probably not politically sustainable. The bank was looking at mechanisms to ensure a more equal ownership of productive assets. Land reform and anti-trust policy could be part of the policy package. Anti-trust policy would have to be studied with a view to arriving at a less concentrated ownership structure.

Jaycox was emphatic SA would not have access to "soft" finance from the bank. The criterion was an income per capita of less than $700, while SA's was $2 500.

Questioned on conditions attached to loans, Jaycox said conditionality was usually a problem only in countries whose economies had been "run into the ground". Lipschitz added it was often a case of "shooting the messenger" but said policy programmes had to be designed and owned by a country, otherwise they fizzled out.

● See Page 10

Swedish models for SA — via Volvo

EDWARD WEST

VOLVO Car Corp is to resume sales of its cars in SA early next year through an agreement with Combined Motor Holdings (CMH), CMH chairman Maldwyn Zimmerman said yesterday.

The Swedish car maker has decided to re-enter the local market with two top-of-the-range Volvos, the 960 and 850, after quitting SA in the 70's for political reasons, he said. B/Day

CMH, which has motor dealerships with Nissan, MMI, Delta, Mercedes-Benz and Toyota franchises, would form a wholly owned subsidiary to distribute the fully built imported cars in Johannesburg, Pretoria, Durban and Cape Town. 9/11/93

Although the prices of the cars had not yet been determined, they would be competitively priced compared with other models of similar specifications.

Volvo Cars intercontinental president Helge Alten said initial sales volumes were expected to be low by European standards, but longer-term sales prospects were good.

Zimmerman said initial sales targets had not been established. The decision to import only top of the range Volvo cars was taken because high tax and import duties precluded the viability of importing fully built vehicles of lower specification, he said.

Cape Point plan causes 'concern'

(288)

9/11/93

'Public must be fully involved'

Staff Reporter

THE Wildlife Society is "deeply concerned at the lack of public involvement" in the proposal to upgrade the Cape of Good Hope Nature Reserve's tourist facilities at Cape Point.

Mr Andy Gubb of the Wildlife Society yesterday said the public must be fully consulted about the proposed developments before any decision is taken.

A facilitator needed to be appointed to guide the public participation process and see that all information about the proposed development be released by the Western Cape Regional Services Council (RSC).

"I agree the facilities at the reserve are inadequate and unattractive but we are deeply concerned at the lack of public involvement at the conceptual stage," he said.

The RSC, which manages the reserve, has accepted a proposal from Concor Holdings to redevelop the facilities and a presentation was given to interested parties at the Rondvlei Nature Reserve at Zeekoevlei yesterday.

Mr Sas van Tonder of the RSC said many interest groups had been consulted in 1990 when a development and management plan for the reserve had been drawn up and he agreed the public should be involved in future developments.

Mr Howard Langley, chief nature conservation officer of the RSC, said the reserve costs R5 million a year to maintain and income only amounted to R2m a year.

Cape Point had about 400 000 visitors annually. Facilities needed to be upgraded at Cape Point but the rest of the reserve should remain undisturbed, he said.

Funicular

Concor's proposals include a funicular running to the peak and a 200-seat restaurant on the north side below the existing parking area with both indoor and outdoor seating.

Other developments include a curio shop next to the restaurant and a takeaway facility and information kiosk between the curio shop and the parking area.

Minister puts tourism's case for subsidies

Bisday 9/11/93

ADRIAN HADLAND

PRETORIA — Preferential credit or subsidies should be provided to stimulate the tourism industry, says Tourism Minister Bhadra Ranchod.

Speaking at a Unisa Faculty of Economic and Management Sciences day at the weekend, Ranchod said the availability of subsidies and government-funded promotional campaigns would help expand the industry, which would earn foreign currency and create jobs.

The subsidies would be over and above those already available from bodies such as the Industrial Development Corporation.

Major international hotel chains were a particular target and efforts should be made to ensure their future participation in the SA market, the Minister said. (288)

The tourism industry in SA had expanded 12,7% in the first six months of this year, Ranchod said.

A concept that could help lure tourists to SA was "theme years". He said a "Visit SA" campaign was planned for 1995, while a "Year of Eco-Tourism" had been proposed for 1996 and a "Year of Cultural Experiences" for 1997.

The theme years would involve all tourism related bodies including commerce, the airline industry, Satour and community based organisations. "I believe they would generate wide support and enthusiasm and set us on a course leading to success and international recognition'," he said.

Recent government-initiated measures which had given a boost to the tourism industry included:

- ☐ Government's 1992 White Paper on tourism with its broad guidelines for development of the industry;
- ☐ Introduction of a new national hotel grading and classification scheme this year as well as a new tourism Act deregulating the industry;
- ☐ Allocation of R12m to provincial administrations to develop tourism resources in the regions.

Landowner shoots down development

By MAGGIE ROWLEY
Property Editor

PROPOSALS by an international consortium for the power station site have been shot down by the adjoining landowner, Devland, as "unfeasible", and a "red herring".

Devland, an international consortium with backing from Lonrho's Mr Dieter Bock are owners of the ICS site.

Managing director Mr Neill Bernstein said last night that proposals unveiled at the weekend by the other consortium, Glocor, did not conform to the council's urban design guidelines and exceeded the bulk utilisation capacity of the existing council property by more than 100%.

This has been vehemently denied by Glocor's executive controller, Mr Georg Schroeder, who said they had complied totally.

"We were asked by the City Planner to revise our drawings to include the Devland sites and our new drawings and models will be here next week," he said.

Mr Bernstein said Devland had been negotiating with the Cape Town Council for the past five years to develop the adjoining sites as an integrated development and Devland was going ahead with phase two of development on their site in January.

"Site work will begin within weeks and final plans will be put before council — which has already approved conceptual plans for the site — later this month.

Urban design

"Development on our site has naturally been planned to integrate into the overall urban design for the two sites.

"We have been working hand in glove with council on all issues relating to this site, including planning densities, traffic flow and all the attendant details required for a development of this complexity.

"We have presented our credentials to council and submitted our financial details for scrutiny. In addition, Devland has undertaken enormously expensive urban design and planning work for the proposed development."

Mr Bernstein said he found it impossible to believe international companies would endorse "a plan for a 220 000m² bulk project as proposed by Glocor on council land which "can only accommodate 90 000m² of bulk".

"Glocor's proposal to provide underground parking for 6 000 cars on the site is also financially unfeasible given the underground structures and landfill."

Mr Schroeder said: "We are fully aware of the underground status of the land. This would have to be cleared anyway to make way for the channels and in any event it will be more environmentally friendly.

"By putting the parking underground one does not use up unnecessary bulk. And there are people who will pay you to dump your landfill, such as the V&A Marina development and some old quarries," he said.

Mr Bernstein said that Devland as the adjoining land owners had to be involved in any major developments on the site and had "certainly not been contacted by them".



CRITICAL . . . Devland managing director Mr Neill Bernstein relaxing at his Constantia home this week.

"What developers like this do by going public on plans before all the groundwork is confirmed is to create scepticism and elicit criticism, not to mention the confusion it creates in the minds of the public and our clients."

Mr Bernstein also hit out at City Planner Mr Neville Riley, who announced at a property function in Sea Point last Thursday night that a second major overseas group (Glocor) had approached the council to purchase their site and had put plans for development proposals, amounting to more than R2 billion on the table.

"It was irresponsible of him to publicly allude to international investment when members of his own staff had had no sight of the plans."

Devland has planned a major development for both sites, including a downtown speciality shopping centre in conjunction with a major retail developer, Retail International, an entertainment centre, residential apartments, an international hotel and office blocks linked to the waterfront by canal," he said.

'Upset'

Responding to Mr Bernstein's criticism, Mr Schroeder said "everyone, including Mr Riley has been checking us out. Devland is understandably upset that the site is now going out to tender, but we have not excluded the possibility of working with others, Devland included.

"I have always been a creator of beautiful things. It is the way I live my life and I believe in the end the best man always wins.

"We expect to be registered in SA as limited company within 10 days. Do you think we would have ploughed so much effort, time and money — costs of documentation and plans to date have totalled more than R450 000 — if we were not serious?"

Mr Riley said Mr Schroeder and Energoprojekt had laid a number of "fanciful" plans on the table "to myself and some of my colleagues".

"But there are no commitments from the Council, they will have to tender with everyone else, and hopefully other international developers, when we put the site out to tender in the first quarter of 1994."

From page 1

Speaking from Energoprojekt's headquarters in Belgrade, Mr Bakic said his plans "in downtown Cape Town" involved two major open spaces, each of between 250 000m² and 3 000m² (one was a parking lot).

"We've finished the sketches, the design and have a model — this is what I'm taking with me," he said.

He said his company was working directly for Glocor's Mr Schroeder, who had an "offer to develop" on both sites.

"I expect some kind of competition for the location among developers but the Cape Town City Council have already accepted our designs," Mr Bakic said.

He expressed concern at the effect publicity might have on UN sanctions imposed on the former Yugoslavia and said Energoprojekt had 10 other projects planned for other centres in South Africa, including "dwellings, industrial areas and airports".

He described the current status of the foreshore development as a "marketing project, part of which is in the pre-design phase".

Energoprojekt is acknowledged as one of the top 20 construction companies in the world and has built several high-wall dams in Europe, according to Mr Ron Marsh, business development manager for Ove Arup in London.

Mr Marsh said he first came across Mr Schroeder and Glocor about six months ago when Mr Schroeder cited several top European companies in connection with a Cape Town project.

"I had to do some cross-world phoning to check the relationships," he said.

"It's tenuous at best. We had discussions with him and if he genuinely gets funds . . . but our Cape Town practice was talking to him. We understand the project is valid," Mr Marsh said.

Locally, Mr Schroeder's proposals, on which he had approached the town planner, Mr Neville Riley, and former mayor Mr Frank van der Velde, among others, have met with a mixed response — with competitor Devland attacking them as "unfeasible".

Fm 5/11/93 (288)

CITY LODGE HOTELS

Fm 5/11/93

Beating the forecast

Activities: *Owns and operates 11 "no-frills" City Lodge and Town Lodge hotels with 1 604 rooms in the major metropolitan areas.*
Control: *Mine pension funds (42,8%) and Enderle family (33,4%).* (288)
Chairman: *G B Dickason; MD: H R Enderle.*
Capital structure: *24,8m ords. Market capitalisation: R180m.*
Share market: *Price: 725c. Yields: 3,7% on dividend; 6,7% on earnings; p:e ratio, 15,5; cover, 1,8. 12-month high, 800c; low, 500c. Trading volume last quarter, 936 000 shares.*

Year to July 31	*'90	*'91	'92	'93
LT debt (Rm)	n/a	n/a	71,9	39,2
Shareholders' interest	n/a	n/a	0,26	0,69
Int & leasing cover	2,11	2,49	3,31	3,12
Return on cap (%)	n/a	n/a	19,0	19,6
Turnover (Rm)	32,0	38,7	46,5	58,2
Pre-int profit (Rm)	7,9	10,6	21,5	26,4
Pre-int margin (%)	24,7	27,4	46,2	45,3
Earnings (c)	23,9	26,0	35,5	48,4
Dividends (c)	14,6	17,5	21	27
Tangible NAV (c)	n/a	43	54	74

* Pro forma figures from prelisting statement.

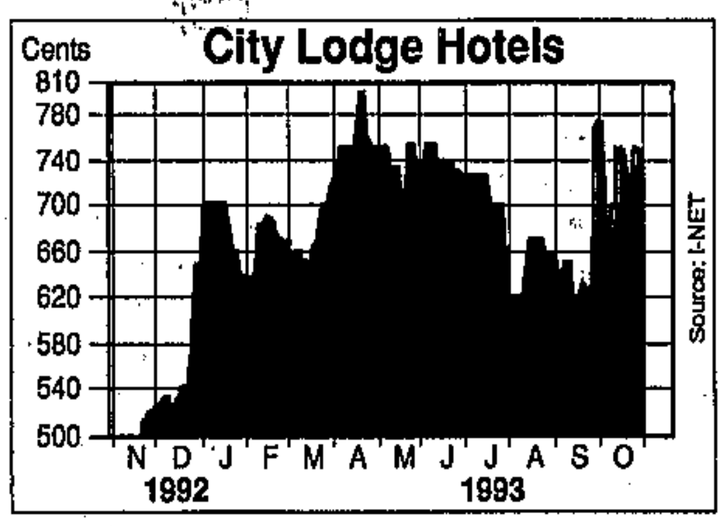
The first year since the listing last November topped expectations at the bottom line, with EPS of 45,3c against the forecast 43,5c, and dividends 1c above forecast. But at operating level there were modest shortfalls on forecast: turnover was R900 000 down and room occupancy (though well above the sector average of 47%) 2% below the forecast 80%.

A slightly below-target operating profit was cancelled out by a below-expectations interest bill, in turn the result of drawings on the mines pension fund facility running later than planned because of building delays.

There is also a small contribution from the capitalisation of R1,01m of interest, against only R111 000 in 1992.

MD Hans Enderle finds performance particularly pleasing in view of rebranding and refocusing by other operators and competition that kept tariff increases at their lowest in many years. Room numbers rose by 40% with the opening of the V&A and Sandton City Lodges and Jan Smuts Town Lodge: land and buildings cost R37m, mainly financed through the issue of debentures, while equipment and refurbishment cost R11m, met from internal cash flow.

Two Town Lodges are being built in Nelspruit and Midrand, which should add another 224 rooms early in calendar 1994. They represent the year-end capital commitments of R22m, for which the report says finance has been arranged.



The prelisting issue comprised not only R24m in equity (which did not accrue to the company) but R75m in convertible debentures, of which R49,5m went to replace other borrowings. The debentures will be converted one-for-one at the beginning of the financial year after that in which ordinary dividends reach 60,5c — equal to the annual interest in cents paid on each debenture. Diluted 1993 EPS would be 40,9c.

Enderle is confident occupancy will remain high and profitability will at least match inflation, though he adds ambiguously that "considerably higher earnings could result from full-year contributions from the three new hotels opened in 1993 and an improvement in trading conditions." The two new Town Lodges will presumably not contribute much until financial 1995.

The broad long-term objective is to open two hotels a year, which would entail capex of R150m at current values by 1998, R115m on land and buildings and R35m on equipment. The latter would be financed by cash flow and Enderle sees no difficulty in arranging finance for the former.

The debenture issue transformed some balance sheet ratios but does not affect the amazingly high returns in relation to equity and turnover. Despite the group's proven ability, there may be an element of innovative profit difficult to sustain as others (notably Holiday Inn Garden Courts) penetrate the budget hotel market.

Believers in fundamental value theory may also jib at paying almost 10 times stated NAV, even in a service industry. Assuming conversion of the dedentures, NAV would be 242c a share, which would give a less extravagant but still substantial premium.

The share has rewarded those who took it up at 480c in the prelisting placing and even more richly the original shareholders who were allotted 23,5m at 10c in March 1990. But even if this year's earnings maintain the recent compound growth rate of 26% — which, with lower inflation and the growing size of the company's base, will become progressively harder — the share price may find it difficult to keep pace. *Michael Coulson*



Victoria & Alfred City Lodge ... *new flagship*

Some sinking at Waterfront?

ST 4/11/93

288

Staff Reporter

FALTERING businesses at the Victoria and Alfred Waterfront, some of which are trying to hold on till the life-saving festive season, yesterday accused the management of failing in its duty.

Afro Dizzy owner Mr Peter Hodgskin said "a lot of people are in trouble". He blamed management for discarding the marketing of the original venues once the Victoria Wharf opened.

Mr Don Titmus, owner of Peers and Pier Edge, said the Waterfront was "dead during the week". He believes its novelty has worn off.

Several tenants said there was widespread unhappiness over marketing, which Markhams area manager Mr Chum Edwards described as not being aimed at the average year-round shopper.

"There are thousands of people walking around going to movies and restaurants and giving the impression that the Victoria Wharf is doing well, but many of them are only window shopping," he said.

The popular venue is not performing as well as its Durban and Johannesburg counterparts, councillor Mr Leon Markowitz, who owns Sports Cafe, said.

However, Cape Union Mart and the Pick'n Pay Pantry are both overwhelmed by their Waterfront sales, which are among their best in the province.

Their spokesmen stress that hey rely on their own promotions to attract business.

Sacks Butchery and the V & A Pharmacy are also satisfied with their performance, and pubs Quay Four and Mortons continue to pack in customers.

Mortons part-owner Mr Hugh von Zahn attributed failure elsewhere to catering for the wrong market — a belief also held by Victoria and Alfred Waterfront Company managing director Mr David Jack.

"The family restaurants are doing very well, but fine restaurants are suffering in the recession. This is as true for Peers and others in the Waterfront as it is across the city," he said.

Commenting on the complaints from unhappy tenants, he said the Waterfront had been marketed as a family destination, not a glitsy tourist venue. This year, he said, management had managed to attract "an average of a million visitors a month".

He added that a recent survey had shown that 80% of southern suburbs and Atlantic seaboard residents visit the Waterfront three times a month.

The Mother — untidy, violent, costly

(288) CT 4/11/93

Staff Reporter

TOURISTS see Cape Town as unkempt, expensive for accommodation, unsatisfactory for public transport and without a tourist culture, according to a report from the City Council.

The planning department survey of key tour operators was compiled through interviews with representatives of major airlines and hotel and guide groups, among others.

A department spokesman said the common thread in the responses was violence. If there was no violence, however, the city would have been in "chaos" with tourists flooding to an unprepared host.

International airlines, including South African Airways, cited inadequate local transport, excessive hotel and car hire costs, service which was not up to international standards, and an absence of night life.

The government's lack of attention to the tourist industry was identified by Hylton Ross, and Sun Hotels complained of the excessive taxes.

Other problems identified were poor marketing of South Africa abroad; the high cost of domestic flights and "squatter areas", which according to the Restaurant Guild, "damage tourist perceptions".

Suggested strategies by the respondents, apart from reducing violence, included the building of a convention centre, the hosting of more sports events, educating the locals to welcome visitors, cleaning up the city and pressuring the government to take tourism seriously.

Tourism industry winces over violence

B/Day 30/8/93 288

THEO RAWANA

THE tourism industry fears the current wave of violence and likelihood of an intensified political climate will keep away overseas visitors and reverse the unexpected growth in tourist numbers enjoyed in the first half of the year.

The murder of postgraduate American exchange student Amy Biehl in Guguletu last week by township youths would have a devastating impact on tourism in the western Cape, Captour said at the weekend.

Industry sources said continuing violence on the East Rand and the ambush of a luxury bus outside Beaufort West last week would also deal tourism a heavy blow. They said there was great despondency in the industry regarding the effects of violence.

According to the Human Rights Commission, a total of 259 people died in April this year, compared with 356 in the same month last year.

The commission's breakdown of deaths through violence in the period March to July this year is:

- 181 in March,
- 259 in April;
- 343 in May;
- 267 in June; and
- 580 in July.

Captour executive officer Gordon Oliver said tourism was the bread and butter of the western Cape and that hundreds of thousands of jobs would flow from tourism in the region if the industry was truly allowed to flourish.

Satour said there had been an increase in overseas tourism during April this year, despite the continuing violence. Numbers had been up 12,4% on last year, even though SACP leader Chris Hani had been assassinated during April.

The organisation explained that the effects of violence were not immediately felt in SA because overseas travellers booked holidays in advance.

The number of visitors from Europe rose from 32 527 in April last year to 33 916 in the same month this year.

Visitors from outside Europe increased in April this year by 5 638. The number of tourists rose to 50 945 from 45 307 in the same month last year.

The number of overseas visitors rose to 222 662 for the period January to April this year, from 200 717 in the same period last year.

Focusing on March and April figures, Satour reported that the combined figure for visitors from the UK, Germany and America dropped from 18 257 in March to 17 092 in April.

The UK, SA's top tourism market, showed a drop in figures from 12 945 in March to 11 789 in April. German tourist numbers decreased marginally from 1 1040 in March to 1 001 in April, while US tourist numbers rose marginally from 4 272 in March to 4 302 in April.

ST Times (Buss)

A bite out of McDonald's

29/8/93

BIG Macs may soon be eaten all over South Africa, but not because American hamburger giant McDonald's is entering the market.

Nor will they be on sale before judgment in what could be SA's biggest trademark battle.

Chicken Licken franchise owner George Sombonos plans to start his own national McDonald's hamburger chain. Sites have been chosen and an advertising campaign is being prepared.

Mr Sombonos's lawyer, Shaun Ryan of Ryans Attorneys, says the first restaurant will open in Johannesburg "as soon as physically possible".

The chain will serve McMuffins and Big Mac burgers. Resturants will also be decorated with a large M device similar to two joined arches.

One of Mr Sombonos's companies, Joburgers Drive-Inn Restaurant, has asked for the

By ZILLA EFRAT

removal of all the US-based McDonald's Corporation trademarks from the SA register.

The case will come before a Registrar of Trademarks tribunal which has the same powers as the Supreme Court in trademark matters.

McDonald's Corporation will be represented by trademark attorneys Spoor & Fisher.

Mr Ryan says McDonald's registrations are open to attack because they have not been used in SA before.

McDonald's registered its trademarks in SA at various times between 1968 and 1985. It refiled several this year, but Mr Ryan says this was in response to his client's application to have them removed.

Spoor & Fisher partner Jean McIvor believes these new filings are likely to block Joburgers' attempt to register the trademark in its name.

"Because McDonald's trademarks enjoy a global reputation, its superior entitlement to them will be ultimately recognised by the court," she says.

"Attempts to appropriate other people's trademarks, especially those as famous as McDonald's, are dubious business practice because the question is why does the company want to use the trademark.

(288)

"One answer is that it wants to ride on the back of the trademark's reputation."

Mrs McIvor says one must also consider the potential damage to the true owner of a trademark whose claim is denied.

The foreign company cannot control the quality of the goods and services on which its trademark is used in SA.

Mr Ryan says Joburgers will also apply to have McDonald's trademarks expunged from the registers in Transkei, Bophuthatswana and Venda.

He says expansion of the SA McDonald's chain will depend on market acceptance and how successful the first retaurant is.

Growth is expected to follow a similar pattern to Mr Sombonos' Chicken Licken franchise, which is held through his company Golden Fried Chicken.

Mr Sombonos says Chicken Licken is the fastest-growing food franchise in SA and the largest non-American fried-chicken chain in the world.

It has 181 stores and ranks among the the top three food chains in SA with Kentucky Fried Chicken and Wimpy.

Mr Sombonos claims he was the first franchiser in SA to give blacks a chance to open their own stores.

ST Times (Buss)

Swedes poach SA trademarks

29/8/93

A LEGAL battle has been raging since the discovery that well-known trademarks of South African food and wine companies are being copied in Scandinavia.

The fight centres on the application by two Swedish businessmen to register about 120 SA brands in Finland, Norway, Sweden and Denmark.

(288)

The brands include Koo, Langeberg, Rooibos, Outspan, All Gold, Donald Cook's Food, Gant's and Jungle Tiger Oats. Among the wines are Douglas Green, Twee Jongegezellen, Bellingham, Lanzerac, Kanonkop and Simonsig.

Applications to register SA Breweries, Castle, Lion, Ohlsson's Lager, Windhoek Lager, Oude Meester and Kaap Brandy were also made.

Spoor & Fisher partner Louis van Wyk says many applications were noticed

By ZILLA EFRAT

about the end of last year. SA firms joined forces to fight back and several cases have been settled.

Mr van Wyk, an attorney who represents some of the companies, believes the reason for trying to steal these trademarks may be to hold SA exporters to ransom if they try to do business in the four countries.

He says the difficulty faced by SA companies in objecting to the applications is that they have no, or little, goodwill in the trademarks in Scandinavia as a result of sanctions.

The two Swedes have not gone ahead with some applications in Sweden because the law there provides for "bad faith". This argument is used by the South Africans in objecting to trademark registration applications.

The provision may not, however, apply in Finland. Proceedings have been instituted there on behalf of a wine producer against an application to register its best-known trademark.

Mr van Wyk says the action could become a test case.

The company does not wish to be named.

Mr van Wyk says some Scandinavian trademark law, like SA's, is based on a territorial concept. Anyone can register a trademark if nobody else has done so or used it in the country.

Scandinavian law is, however, changing with the unification in Europe.

Once a trademark is registered in a Scandinavian country, the SA exporter is unable to sell his product there under his own mark.

Hani's death did not dent tourism

Star 28/8/93

INTERNATIONAL tourism to South Africa in April, the month of SA Communist Party leader Chris Hani's assassination, showed an increase of 12,4 percent — contrary to expectations.

However, the South African Tourism Board (SATOUR) said April visits from the traditional tourism market — Britain, the Netherlands and Israel — declined following the Hani assassination, which appeared to have had more impact on these markets than others. (288)

"This is particularly significant, since large sections of these markets are family and friends of South African citizens who no longer give reassurances to potential visitors."

SATOUR, however, had identified new tourism markets through the April figures, with visitors from Pakistan having grown 138,6 percent and India 44 percent.

"Tourism from the Scandinavian countries also increased significantly in April, with a growth of 37,3 percent recorded from Denmark, Norway 38,3 percent and Sweden 58,1 percent."

Marketing

SATOUR said markets in south-east Asia continued their positive growth rate in April with arrivals from Malaysia having increased by 171,5 percent, Singapore 79,5 percent and Taiwan 5,4 percent.

April also brought an increase of 34,8 percent in tourism from France, following co-operative marketing by SATOUR, SAA and Air France.

New direct flights to New York and Miami were seen to have brought a 32,9 percent increase in US tourists while new competitive air fares brought a 30,7 percent increase in Australian and 71,8 percent increase in New Zealand visitors.

International sporting events in Australia and South Africa had also been a positive factor.

Visitors from Africa increased by 12,6 percent in April.

Expected growth in tourism from Japan, however, had not materialised, April visitors decreasing 7,2 percent.

— Sapa.

Decrease in visitors expected

(288) CT 28/8/93

By IVOR CREWS

HARD on the heels of a bullish statement that tourism to South Africa has exceeded expectations, Captour yesterday warned the murder of American exchange student Miss Amy Biehl is expected to have a devastating impact on tourism in the Western Cape.

Mr Martin van Niekerk, spokesman for SA Tourism Board (Satour), said that contrary to expectations tourism during April this year showed an increase of 12,4% compared to April 1992.

But the attack on a luxury bus at Beaufort West yesterday, the tragic killing of Miss Biehl, last month's St James Church massacre and the murder of Mr Chris Hani would be a major blow to tourism, he said.

"Because of the ongoing violence and the intensified attention of the political events in South Africa it's our view that the encouraging growth rate will not be sustained in the second half of the year."

Executive officer for Captour Mr Gordon Oliver said feedback from the travel trade and visa applications indicate that July and August would reflect very little tourist activity.

"There is great despondency in the tourism industry due to the devastating effects of violence," he said.

Mr Van Niekerk said South Africa's traditional tourist markets, the UK, the Netherlands and Israel, reflected a negative growth of 14,6%, 11,9% and 33,7% respectively which could be attributed to the negative publicity after the assassination of Mr Chris Hani.

"This is particularly significant since large sections of these markets are constituted by family and friends of SA citizens who no longer give reassurance to potential visitors," he said.

US not upgrading its travel advisory warning

Staff Reporter

THE US government is monitoring violence closely in South Africa but is not taking any action to change its travel advisory warning to its citizens.

Yesterday US consulate representative Ms Kyra Eberle denied reports that she had said the US government was considering upgrading its travel advisory because of recent incidents.

She said whenever there were upsurges in violence in any country the trends were followed closely but there were no immediate plans to change the existing travel advisory. However, the warning could be put under review at any time.

SA hotel groups lock horns over expansion

DT 31/12/93 (288)

From MADDEN COLE

JOHANNESBURG. — The hotel industry could see fireworks next year as major groups take up positions to capture their slice of the expected buoyant market.

Kersaf fired the first salvo, in what some sources say could become the battle of the Suns, with its recent re-entry into the SA hotel market after buying a 42% share in the City Lodge group in a R163m share swap with the Mine Pension Fund.

The deal gives Kersaf a majority stake and gives City Lodge access to Sun International's local and overseas marketing. Kersaf has a 76% stake in Sun International.

The move places Kersaf in competition with Southern Sun, from which it broke away several years ago. The group was kept out of the SA hotel market by a now-expired restraint of trade agreement with Southern Sun.

Southern Sun group operations director Helder Pereira said: "Much will depend on how aggressively Kersaf pursues its interests in the domestic market."

The group was waiting for the finalisation of the Gambling Act before taking a decision on casinos.

Pereira expected occupancy rates to be boosted next year by what he termed political, media and business tourists observing the run-up to the general election.

Southern Sun had invested R300m in the past two-and-a-half years in refurbishing existing hotels and building new ones. It planned to open 20 new Formule 1 hotels, and upgrade other hotels.

"We are also looking at expanding northwards into Africa in either franchising or management contracts, and have already signed Lusaka."

Protea Hotels regional director William Ford foresees a bullish trend in occupancy trends next year.

"I expect an upsurge in tourism in the latter half of 1994, and it all bodes well for the hotel industry."

Protea Hotels was well placed to take advantage of any change in SA gambling laws. Ford said his group was the only hotel chain apart from Sun International which was involved in a legitimate casino/hotel operation in southern Africa at Piggs Peak.

The group manages hotels in Zimbabwe, Mozambique, Kenya, Swaziland and Mauritius. In a recent deal, the company won a contract from the Malawi Development Corporation to upgrade and run seven hotels.

Potential tourists 'are watching SA progress'

GERALD REILLY

PRETORIA — Violence was the only factor hindering an overseas tourist boom which could see 750 000 foreign arrivals next year, said Satour director-general Spencer Thomas. BIDON

Despite this year's wide media coverage of the violence in SA, the number of overseas visitors was expected to be up 12%. 27/12/93

Thomas said much of the additional R25m allocated to Satour in the current budget would be rolled over into the new financial year and used for the big "1995" promotion.

He said there was a large pool of potential tourists waiting to assess the post-election environment and violence before making decisions about where to spend their money.

Thomas said he had reports that group tours and business travel had fallen off steeply and hotel occupancy figures were significantly down.

He stressed prospects for the industry next year rested firmly on an acceptance by all parties of the results of next April's election and a reduction in violence. (288)

"Given this scenario not only overseas tourism but local tourism could take off, giving the hotel industry the boost it desperately needs and increasing employment."

Thomas said Satour would go ahead with its international Indaba Tourism Trade Fair in May and with its planning for the International "visit SA 1995" promotion campaign.

Meanwhile, Fedhasa acting secretary general Wynand Pretorius said indications were that room occupancies this year would be down by 5% compared with 1992.

"We hear much about the recovery of the economy but this certainly does not apply to the hotel industry at this stage," Pretorius said.

Kersaf's return heralds hotel industry fireworks

BIDEM 31/12/93

THE HOTEL industry could see fireworks next year as major groups take up positions to capture their slice of the expected buoyant market.

Kersaf fired the first salvo, in what some sources say could become the battle of the Suns, with its recent re-entry into the SA hotel market after buying a 42% share in the City Lodge group in a R163m share swap with the Mine Pension Fund. Kersaf's re-appearance, after a long absence, is not expected to go unchallenged.

The deal gives Kersaf a majority stake in one of the fastest-growing groups and gives City Lodge access to Sun International's local and overseas marketing. Kersaf has a 76% stake in Sun International.

The move places Kersaf in competition with Southern Sun, from which it broke away several years ago. The group was kept out of the SA hotel market by a now-expired restraint of trade agreement with Southern Sun.

Southern Sun group operations director Helder Pereira said it did not matter who controlled City Lodge. "But there's already a war going on in the industry, and much will depend on how aggressively Kersaf pursues its interests in the domestic market."

The group was waiting for the finalisation of the Gambling Act before taking a decision on entering the casino business.

MADDEN COLE

"We've had experience of running casinos before, we have access to the capital and expertise required and we are looking at entering this market," Pereira confirmed. (288)

The decision on whether to build new properties or to add casinos to existing properties would depend on the requirements of the new Act.

Pereira expected occupancy rates to be boosted next year by what he termed political, media and business tourists observing the run-up to the general election. This should give the industry "an excellent first five months", he said. (288)

"If the election goes smoothly and violence is controlled, the overseas leisure tourist will return, and as the economy improves there will be an increase in domestic tourism.

"But an escalation of violence after the election could find the hotel industry in a trough."

Southern Sun had invested R300m in the past two-and-a-half years in refurbishing existing hotels and building new ones. It planned to open 20 new Formule 1 hotels, and upgrade other hotels, including the Elangeni and Sunnyside Park.

"We are also looking at expanding northwards into Africa in either franchising or management contracts, and have already signed Lusaka."

Protea Hotels regional director for Transvaal, Free State, Swaziland, Zimbabwe and Malawi William Ford foresees a bullish trend in occupancy trends next year.

"I expect an upsurge in tourism in the latter half of 1994, and it all bodes well for the hotel industry."

Group capital expenditure for next year would continue in keeping with the expected rise in hotel revenues. Expansion requirements would be met as the need arose.

Protea Hotels was well placed to take advantage of any change in SA gambling laws. Ford said his group was the only hotel chain apart from Sun International which was involved in a currently legitimate casino/hotel operation in southern Africa.

"The casino operating at our Pigg's Peak Hotel has given us a degree of expertise in this field. We are looking at options and, given a suitable product and suitable location, we will consider further participation in the casino business."

The group has been active in expanding into Africa and the company manages hotels in Zimbabwe, Mozambique, Kenya, Swaziland and Mauritius. In a recent deal, the company won a contract from the Malawi Development Corporation to upgrade and run seven hotels.

"We are also considering opportunities in a number of other African countries, including Tanzania, Nigeria and Uganda," Ford said.

Scant room for tourists at city's hotels

CAPE TOWN has lost three hotels in recent years with more now up for sale and few new hotels coming on stream. CT 26/8/93

This would make the city hard pressed to cope with the hoped for influx in tourism, says John Pistorius, MD of the commercial division of Pam Golding Properties.

In recent years the 80-room Don Hotel in Sea Point had been converted into an old age home, the St James into a retirement home, and more recently the Robin Gordon Hotel had been sold to Group Five for R2,2m to be demolished to make room for a 50-unit town house complex. 288

He said they now also had the Metropole Hotel on their books and it was possible a buyer would find a new use for the building.

Pistorius pointed out that if SA was to get only half of the long haul tourists that Australia had, the country would require a further 40 five star hotels to cope.

He said since the Hani assassination overseas buyers had become extremely "risk adversive".

Star 23/8/93

Kersaf hit by ebbing consumer confidence, rise in violence

■ BY STEPHEN CRANSTON

Kersaf was hit by increased violence and reduced consumer confidence in the year to June.

But despite a 12 percent fall in earnings per share to 211c, the dividend has been maintained at 147c.

Chairman Buddy Hawton says he is pleased the group was able to increase operating profit by two percent to R427,8 million, despite stonings and security checks on the road to the Wild Coast Sun, unrest in Ciskei, cancellations by foreign tourists at Sun City, the problems of the sports division and the decline in the wine and spirits market, which has hit Douglas Green Bellingham.

Kersaf's interest paid doubled to R48,8 million, with interest-bearing debt up R171 million to R537 million.

Hawton says with the completion of Lost City, borrowings are likely to go down this year. Gearing is still a comfortable 25 percent (19 percent a year before).

Turnover rose by just 10 percent to R2,027 billion, indicative of the trading conditions faced by all operations.

Sun International competed with illegal casinos for the first seven months of the financial year. Hawton says that some of them have resumed activities.

Occupancies fell by three percentage points to 60 percent.

Interleisure's earnings fell by eight percent, with strong revenue from the cinema division, which saw a 24 percent rise in attendances, helped by Sunday trading and the opening of 32 more screens.

But the sports distribution businesses were poor performers and all have been sold except the Pro Shop, which is on the market.

Violence takes toll on Kersaf earnings

BIDay 23/8/93

MARCIA KLEIN

LOWER contributions from most of its leisure-related subsidiaries saw Kersaf Investments report a 9% decline in attributable earnings to R164,3m (R181,4m) in the year ending June.

The group, whose major interests are Sun International, Interleisure, offshore division Royale Resorts and Douglas Green Bellingham, increased its turnover by 10% to R2bn from R1,8bn. Executive chairman Buddy Hawton said the "relatively modest rate of increase" reflected trading conditions. (288)

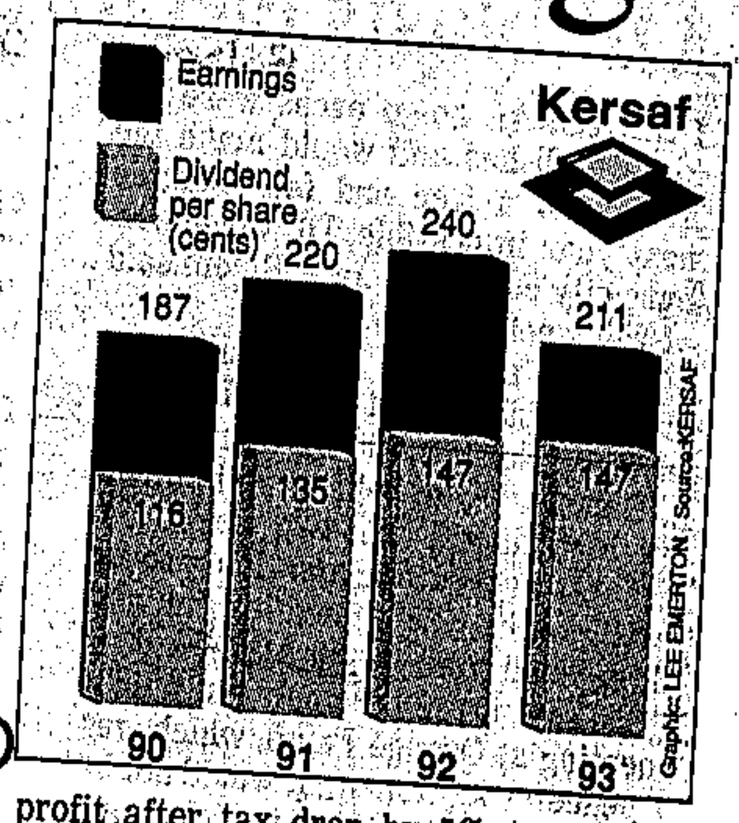
Operating income was just 2% higher at R427,8m (R418,1m), with margins affected by the tight market conditions (288)

The increase in borrowing costs associated with Sun International's major capital projects contributed to a 6% decline in pre-tax profit to R395,4m (R422,6m).

Profit after tax was 3% down at R312,6m (R322,2m). But a 15% drop in income from associates — reflecting lower earnings from Royale Resorts — saw total profit after tax drop by 5% to R386,8m (R409m). Earnings were down 12% at 211c (240c) a share because of more shares in issue following the previous scrip dividend.

A final dividend of 81c a share was declared, and the full year dividend was

☐ To Page 2



Kersaf

BIDay 23/8/93

☐ From Page 1

maintained at 147c a share.

Royale, which had made a significant contribution to group profits in the previous year, was affected by the international downturn. Hawton said Mauritius was overtraded and business was slow.

The group was still not in a position to give details of Royale Resorts, and would wait until sanctions were removed, Hawton said. Royale was negotiating for a development in the Caribbean, and was investigating other areas. He said there was a good chance the group could make another investment offshore soon.

Results were satisfactory against the background of a deteriorating economic situation and violence, which "had a markedly detrimental effect on business and consumer confidence and activity". (288)

Sun International's results were "commendable", Hawton said. Activities of unregulated casinos had been cause for concern for most of the year. After the legal closure of these operations at end-Janaury, many had reopened. (288)

The hotel industry generally had another difficult year, and overseas tourism was severely affected by the violence. The group's resorts recorded an average occupancy of 60%, three percentage points lower than the previous year.

Interleisure traded acceptably in overall terms, with revenues 6% higher and attributable earnings 8% down.

Douglas Green Bellingham did not have a good year because of restructuring costs from the merger of Douglas Green and Bellingham, severe competition and the downturn in the liquor industry.

Hawton said Kersaf was not expecting a substantial improvement in trading conditions in the coming year. The run-up to the elections was also likely to be a period of tension which could affect business and consumer confidence and activity. But the considerable investment made in the group's facilities should enable it to show acceptable earnings in financial 1994.

Hawton said Kersaf would like to see more clarity on the future of gaming in a new constitution. It was concerned that regional authorities could be empowered to allow unlimited gambling. Kersaf stood by its assertion that gambling should be linked to an investment which would encourage tourism.

Tourism leaders rapped for being really out of touch

(288) ARG 20/8/93

☐ Involve blacks in strategy — consultant

HENRIËTTE GELDENHUYS
Staff Reporter

A TOP Johannesburg business consultant has rapped leaders of the Cape Town tourism industry for not understanding their black workers and not catering for the needs of black tourists.

Addressing 180 delegates at a South African Tourism Board conference on service excellence in Parow, chief executive officer of W R Business Consultants Willie Ramoshaba said he questioned the Cape's commitment to serve "if all the delegates here today are white".

At a similar conference in Midrand this week, at least half the delegates were black, he said.

"It's the same country, the same speakers, the same conference. Are we really serious?" he asked.

"Let's colour the audience first, please," he said in reply to a question as to why black university students were reluctant to serve customers.

He said black workers were completely at ease talking among themselves, but became quiet in front of "bosses" who felt comfortable only if they gave the orders, took the lead and told others how to behave.

"That's the problem. Can't we sit down with our staff members and ask them how they think we should run the business?"

White people in Cape Town might regard a black Crossroads worker as a "stonethrower", but forget to consider that the worker might not have slept for three days and had to get up at 5am to catch a taxi to be in time for work.

"I want to talk to you about that Crossroads employee, because he is lower down and more likely to be aggressive than the so-called coloured employee.

"He could have matric, but that black matric could be worth only Standard 2 in your terms, considering the problems black education has faced."

Black staff members who spoke loudly might be considered "rowdy" by their white counterparts, but he asked delegates what they would have done if they had to shout for 20 years to get anything done.

He suggested that the hotel industry did not know what food black people enjoyed.

"Ask your staff to cook something for themselves the way they want it. See how it relates to what you're serving the black customer.



Willie Ramoshaba



Robert Rimmer

"This is Africa. Our most important customer is from Africa."

Mr Ramoshaba said he could eat foreign food for a while, "but if I don't have my pap within five days there is no peace in my home".

It would be futile to try to recruit black tourist guides to take customers to Guguletu "because we have to train blacks to be tourist guides for the whole of Cape Town, everything".

Director of group human resources for Sun International Robert Rimmer told delegates there could be "no compromise" between sophisticated needs and service levels in a third world country.

Showing slides of the palace at the Lost City to illustrate his point, he said: "We have to establish service levels which are completely adequate to meet the needs of the sophisticated tourist. Tourists are unlikely to lower their standards."

Top-rate overseas consultants had trained 15 000 Sun International employees since the beginning of the year to bring about lasting and radical changes in behaviour, so that staff would be keen to provide excellent personal service, respect customers and give them undivided attention.

The Wild Coast Sun in Transkei had reported a 30 percent rise in customer appreciation and a 30 percent drop in complaints since the implementation of the programme.

Fm 20/8/93 (288)

MIDDLING

TranSun

Year to June 30	1992	1993
Turnover (Rm)	209	203
Operating income (Rm)	66,3	56,5
Attributable (Rm)	53,6	43,6
Earnings (c)	37,0	30,1
Dividends (c)	27,25	23,0

It's hard to deny the considerable potential of the group and extended declines in share prices could attract investors. Weighing against this is a fair amount of risk, with the possibility of more violence in the run-up to the elections continuing to keep visitors away, as well as uncertainty about the future status of the homelands (and the attractive tax benefits they offer) and gambling policy.

SunBop chairman Sol Kerzner lists all the above reasons for static results from the Bophuthatswana operations, though turnover rose by a creditable 18%, thanks largely to the opening of the Lost City at the end of last year and the inclusion of the first full year from The Carousel, north of Pretoria.

But the R850m Lost City development hit the interest charge, up from virtually nothing to a massive R30,3m on long-term debt, which leapt 127% to R353m. That was partly offset by a reduced tax bill of R40m, due to Bophuthatswana's generous 120% building allowance.

Accordingly, SunBop's effective tax rate fell to 15% and Kerzner expects it to stay low for a few years while capital allowances are brought to account.

TranSun's tax bill also nearly halved to R10,4m, thanks to capital allowances on extensions to the Wild Coast Sun. The extensions also used up cash resources and pushed debt up by nearly R7m to R45m.

Transkei is an example of where Sun International's homelands policy, which earned handsome profits in the start-up days, has gone wrong. Sycophantic homeland leaders have been replaced by a less sympathetic military regime and while they no doubt realise the employment benefits (and enjoy the 10% tax on gambling revenue) TranSun brings to the region, they won't offer unconditional protection. Transkei may also be the first homeland reincorporated into SA, which could unleash a number of problems on gambling legislation.

If anything, political violence was even worse in the Ciskei. Against that, **SunCisk's** 20% drop in profits is probably not too bad. Apart from violence keeping visitors away, the eastern Cape economy has been one of the worst hit by economic downturn — even gamblers feel the effects of recession.

Still, investors can't be unhappy with a dividend of 21,5c on EPS of 30,8c, for a share which cost 140c a year ago and now trades at R1. This is in line with SunCisk's policy of distributing 70% of earnings.

Not surprisingly, management of all three groups are reluctant to forecast earnings for this year. Investors face the same problem, particularly with the uncertainty over gambling legislation and homelands status.

Still, Sun International has spent about R1,7bn on resorts in the past couple of years, a substantial commitment during a recession. This gives considerable earnings potential when the economy picks up and the political future is clearer.

But short-term prospects remain depressed and it's unlikely the shares, on yields ranging from 4% (SunBop) to 18,3% (SunCisk), against the sector's 3,1%, will go anywhere in a hurry. Investors have time to consider prospects — interim results may offer a clearer view.

Shaun Harris

SUN INTERNATIONAL
Fm 20/8/93

Gambling on gambling

Considering the political uncertainty and violence in the homelands, particularly Transkei and Ciskei, and their effect on hotel visitors and all-important day trippers, the gradual slide in share prices of Kersaf and its stable of hotel groups was not unexpected.

With the possible exception of SunBop, prices will probably fall further on the preliminary results. These show SunBop recording marginal EPS growth of 1%, while TranSun shed 19% and SunCisk 20%

(288)

FAIR

SunBop

Year to June 30	1992	1993
Turnover (Rm)	1 000	1 177
Operating income (Rm)	270	299
Attributable (Rm)	216	228
Earnings (c)	191	192
Dividends (c)	132	132

Fm 2018/93 (288)

SPUR STEAK RANCHES

Getting the recipe right

Perhaps it's the buffalo wings with Durky sauce (a new item on the menu) that has kept Spur among the high fliers in EPS growth stakes. Whatever the reason for its success, chairman Allen Ambor's formula for fast food retailing is flourishing beyond his (and many of his franchisees') dreams.

A notable aspect of the results is the high pre-interest margin. This raises the question: how do prices on the menu at Spur Steak Ranches appear so reasonable if the margin — and perhaps the mark-up — is so high? The answer is that the published turnover does not represent the aggregated turnover of all the 134 steak ranches throughout the country. Nor does it indicate the mark-up made by franchisees at the restaurants.



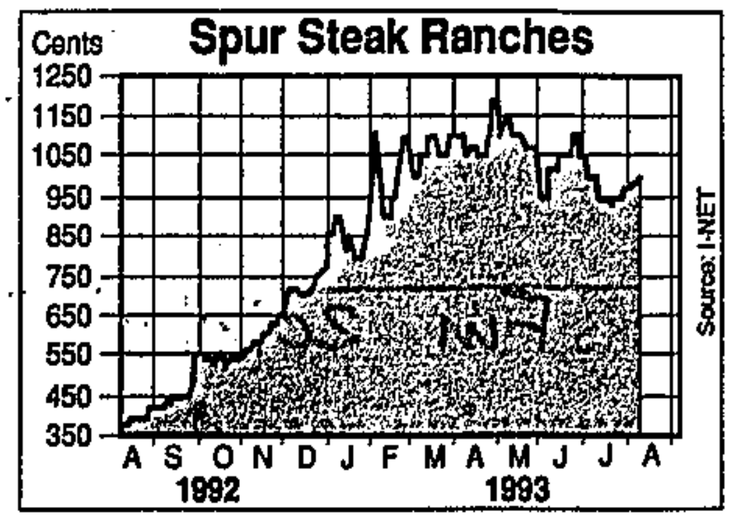
Spur's Ambor ... *looking confident*

Instead, the disclosed turnover is the sum of all franchise fees received from franchisees (the franchise fee is a percentage of outlet sales) plus the sales of restaurant supplies to Spur outlets. The pre-interest margin is the difference between published turnover and cost of goods and services sold to Spur outlets.

Because continuous service from Ambor's head office to help franchisees adhere to the franchise formula is essential, it forms the greater part of the costs of the business.

The business is not capital intensive. All stores are run by owner-operators, who provide most of the in-store development capital themselves. For this reason, the group can continue to increase profits without coming to the market for further capital. It also accounts for the low gearing.

Evidently, 1993 was again a year when consumers patronised Spur outlets in growing numbers because of the perceived value obtainable. Turnover at the outlets grew at the same rate (36%) as group turnover, and it's commendable that operating profit rose by an even greater 41%. It means MD Gert Topat and his team ran faster and worked more efficiently than before.



Ambor reports that Panarottis Pizza Pasta "is looking confident," and franchisee applications to join that group are increasing.

As little as three-and-a-half years ago, Spur's share price was R1 (where was I then?). Earlier this year, it traded at R12. It has since topped out and, at 975c, appears reasonably priced. However, there is reason to believe its earnings growth can continue and if a rate of 30% is assumed, the prospective p:e declines to 17 — reasonable for a share with its potential. That's food for thought, isn't it?

Gerald Hirshon

Activities: *Franchisor of Spur, Panarottis and Hard Rock eateries.*
Control: *Spur Holdings 64%.*
Chairman: *A J Ameor; MD: G Topat.*
Capital structure: *15,8m ords. Market capitalisation: R155m.*
Share market: *Price: 975c. Yields: 3,2% on dividend; 4,5% on earnings; p:e ratio, 22,3; cover, 1,4. 12-month high, 1 200c; low, 350c. Trading volume last quarter, 206 000 shares.*

Year to February 28	'90	'91	'92	'93
ST debt (Rm)	0,6	0,2	0,1	1,4
LT debt (Rm)	0,7	0,8	1,9	—
Debt:equity ratio	0,09	0,09	0,3	0,19
Shareholders' interest	0,6	0,6	0,5	0,4
Int & leasing cover	n/a	n/a	n/a	n/a
Return on cap (%)	47	57	52	59
Turnover (Rm)	13,4	17,7	26,6	36,1
Pre-int profit (Rm)	4,6	6,8	8,8	13,2
Pre-int margin (%)	34	88	33	36
Earnings (c)	14,8	22,0	31,0	43,7
Dividends (c)	12,75	17,0	23,0	31,0
Tangible NAV (c)	39	44	53	63

Big stake for Marvol in Karos rights offer

KAROS Hotels is to raise about R40m in a rights offer which will see offshore trading group Marvol Holdings SA emerge as a major shareholder.

Karos, which owns 14 hotels including a significant stake in the Polana Hotel in Mozambique, announced that certain existing shareholders would renounce their rights in favour of Marvol, which would emerge with 22% of the ordinary shares.

Marvol, which is involved in manufacturing, international trade, marketing and consulting businesses, already has some interests in SA.

The Luxembourg-based group last year bought a 51% stake in JSE-listed Concorde Travel. Another SA holding is the Helios solar panel factory near Pretoria.

Karos said Momentum Life would have about 15% after the rights offer. According to McGregor's Who Owns

MARCIA KLEIN

Whom, it currently has a 26,1% stake. Sanlam and Nedcor would retain their stakes. B/Day

Apart from Marvol, the balance of the rights offer would be underwritten by Finansbank. 20/8/93

Executive chairman and joint MD Selwin Hurwitz and joint MD Stanley Hoffmann would retain their major shareholdings, together with the existing founding families.

McGregor's estimates directors' control at 40%. (288)

Executive management would remain intact, and the board would be extended to include Marvol chairman Mark Voloshin and financial director Lou Wolf.

Hurwitz said the rights issue would see gearing drop to 25% (56,8% at the March year-end). He believed this level of gearing was reasonable given that Karos was "as much a hotel operating company as a property owning company".

The rights offer would also allow Karos "to take advantage of opportunities presented in southern Africa and SA in anticipation of a tourism boom expected from 1995".

Hurwitz said the alliance with an international organisation meant Karos "could commence international operations imminently". It would immediately extend the Karos Indaba Hotel in Sandton by adding a conference and function facility.

Details of the rights offer would be published within two weeks.

In the year to end March, Karos reported an attributable profit of R82 000 after a loss of R3,9m in financial 1992.

Star 17/8/93

'Upgrade SA tourism industry'

288

■ STAFF REPORTER

South Africa needs to focus on quality service to make tourism the large-scale industry and foreign-exchange earner that it is in the rest of the world.

This was the message of the "Greet the World" conference on tourism organised by the SA Tourism Board in Midrand yesterday.

SA Breweries group advancement manager Jabu Mabuza described South Africa's tourism resources as disappointingly under-utilised, with tourism contributing only 2 percent of the country's gross domestic product, compared to the 6 percent average of Western countries.

He pointed out that a small country like Spain earned more from tourism than South Africa did from minerals.

The World Travel and Tourism Council's John Zeeman emphasised the need to employ committed and capable people in the tourist industry.

Industry has high hopes for SA's place in world tourism

ADRIAN HADLAND

PRETORIA — The international tourism industry had high hopes of southern Africa becoming a leading tourist destination, World Travel and Tourism Council representative John Zeeman said yesterday.

He told delegates at a Satour organised conference in Midrand on service excellence in the tourism industry: "There is a tremendous appetite among people throughout the northern hemisphere to see all that your region has to offer." But Zeeman warned that preparations for a tourist influx needed to be carefully planned and executed.

"Do it right and you will reap the rewards of the world's leading industry. Do it wrong and you'll learn that sophisticated travellers have extremely long memories."

Consistent quality was essential to attaining consistent profitability in the service industry.

Investment in people should equal if not surpass investment in machines. Technology should be used to support the efforts of employees and not just to monitor and replace them.

Recruitment and training should be as important for sales clerks and housekeepers as for managers and senior executives. Compensation should be linked to performance at every level.

"An organisation's reputation for quality service is built one customer and one contact at a time," he said.

Zeeman said travel and tourism, which supplied one in 15 of the world's jobs and accounted for 7% of global capital investment was the world's largest industry.

Projections were that the industry's output would double between 1990 and 2005, jobs provided would increase by 33% and capital investment would grow by 80%, Zeeman said.

"It's vitally important that government leaders understand the economic significance of travel and tourism ... the consumption, trade, investment, employment and multiplier effect that travellers' dollars generate through the economy."

SA Breweries group advance manager Jabu Mabuza told delegates the black community was an untapped travel market that should be explored and developed.

Domestic marketing offered a golden opportunity to refocus on emerging markets and stimulate local travel and tourism, he said.

Mabuza said that while tourism was SA's fifth highest foreign exchange earner in 1990, contributing R2,6bn to the economy, the country's resources were disappointingly underutilised. SA secured only 0,2% of the world tourism market and this comprised only 2% of SA's GDP, compared with 6% in most Western countries, he said.

Tourist world has high hopes for SA

CT 17/8/93 (288)

PRETORIA. — The international tourism industry had high hopes of Southern Africa becoming a leading tourist destination, World Travel and Tourism Council representative John Zeeman said yesterday.

He told delegates at a Satour organised conference in Midrand on service excellence in the tourism industry: "There is a tremendous appetite among people throughout the northern hemisphere to see all that your region has to offer." But Zeeman warned that preparations for a tourist influx needed to be carefully planned and executed.

Consistent quality was essential to attaining consistent profitability in the service industry.

"An organisation's reputation for quality service is built one customer and one contact at a time," he said.

Zeeman said travel and tourism, which supplied one in 15 of the world's jobs and accounted for 7% of global capital investment was the world's largest industry.

Projections were that the industry's output would double between 1990 and 2005, jobs provided would increase by 33% and capital investment would grow by 80%, Zeeman said.

SA Breweries group advance manager Jabu Mabuza told delegates the black community was an untapped travel market that should be explored and developed.

Domestic marketing offered a golden opportunity to refocus on emerging markets and stimulate local travel and tourism, he said.

SunCisk Star earns less

Casino and hotel resort Sun International (Ciskei) on Friday reported revenue of R108,4 million — eight percent down on the previous year — and attributable earnings of R23,1 million. 6/8/93

Earnings per share of 30,8c reflect a decrease of 20,5 percent (288)

"The lower revenue, together with the relatively high fixed-cost structure of the industry, resulted in lower margins and profitability.

"This necessitated a rationalisation of operations, which was completed in December 1992. The benefits of this will only be reflected fully in the coming financial year," the directors say.

A final dividend of 10,5c per share (1992: 10c) has been declared, bringing the total for the year to 21,5c (1992: 27c).

Trading conditions throughout the year remained difficult, with the continued downward economic spiral further eroding discretionary consumer spending.

"The activities of unregulated casinos in South Africa also affected turnover. Although these casinos were close by legislation in January 1993, a number of them have since reopened in Port Elizabeth."

No significant improvement in economic circumstances is seen in the short term. — Sapa.

Political turmoil takes a heavy toll on Sun Ciskei

B1Day 16/8/93

MARCIA KLEIN

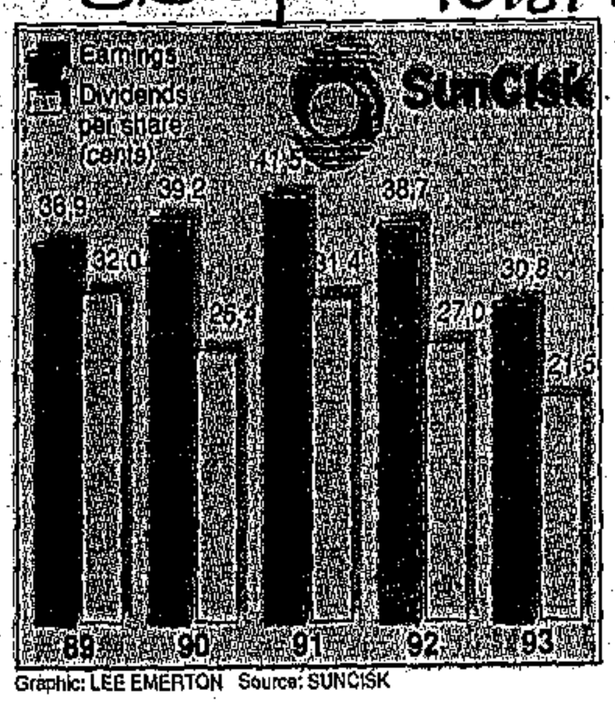
SUN International Ciskei (SunCisk) was hard hit by the effect of political events in the region on its operations, and its earnings dropped 20% to 30,8c (38,7c) a share in the year to end-June.

The slowdown in day visitors and occupancies at the group's resorts, which include the Fish River Sun, Mpekweni Sun, Amatola Sun and Mdantsane Hotel and Entertainment Centre, saw turnover decline 8% to R108,4m (R117,3m).

Acting chairman Peter Venison said trading conditions remained difficult, and discretionary consumer spending was eroded further. "Unrest incidents in the region aggravated security perceptions which led to a reluctance to travel," he said.

Unregulated casinos in SA had also affected turnover. Although these had been closed by legislation in January, several had since reopened in Port Elizabeth.

Venison said the fact that turnover was only 8% down meant turnover on the casino side of the business "had done tolerably well". But the lower revenues, together with "the relatively high fixed cost structure of the industry", had resulted in lower margins and profitability.



Graphic: LEE EMERTON Source: SUNCISK

Operating profit dropped 20% to R25,5m (R32m). A sharp reduction in the interest bill to R279 000 from R1,6m saw profit before and after tax decrease 17% to R25,3m (R30,4m). After preference dividends, attributable earnings were 20% lower at R23,1m (R29m).

A final dividend of 10,5c a share brought the full-year dividend to 21,5c (27c) a share, representing 70% of attributable earnings.

Venison said the lower margins and profitability necessitated rationalisation, the benefits of which would be fully felt only in the coming financial year.

He said costs had been trimmed dramatically, but business had dropped off, and occupancies were down to below 40% from 53% the previous year. Roads to the resorts were closed occasionally, and foreign tourists were not visiting resorts in the area. (288)

The Fish River Sun, SunCisk's major hotel, recorded occupancies of only 40%. The group's average occupancy in the last quarter was down to only 33%.

Venison said SunCisk had cut costs across the board, including substantial payroll costs.

Rationalisation of operations meant that although business could remain soft on the revenue end, SunCisk was lean and the benefits of the cost trimming would begin to show through. "We are running efficiently, and there is plenty of upside," he said.

SunCisk did not expect a significant improvement in the economy in the short term, and expected disposable income to come under further pressure. In this light, Venison said the board "does not consider it prudent to offer a forecast of results for the 1994 year".

Earnings slide for Sun Ciskei

(288) CT 14/8/93

VIOLENCE — which discouraged South Africans from travelling in the area — combined with the recession and competition from unregulated casinoes, dented earnings by Sun Ciskei in the year to June 30.

Earnings fell by 20% to 30,8c (38,7c) a share and attributable profits to R23m (R29m).

In accordance with company policy of distributing 70% of attributable profits to shareholders, the final dividend fell to 10,5c (12c) a share. This made a total pay-out for the year of 21,5c (27c).

Turnover was 8% lower at R108,4m (R117,3m) and operating profit 20% lower at R25,5m (R32m).

But the interest bill was lower at R279 000 (R1,4m).

The directors say no significant improvement in the economy is expected in the short term and continuing efforts by businessmen at cost rationalisation would lead to further erosion of disposable incomes.

"In addition the socio-political situation is unlikely to improve in the run-up to the elections," they said.

■ Tourism has been an almost exclusive white domain. But no longer. A report by **IRVING STEYN**.

Tourism set to shed its apartheid image

QUIETLY, almost unobtrusively, a new force in Cape Town is gathering strength and momentum, its purpose to change the shape tourism assumed with the advent of apartheid — almost exclusively white-oriented.

In a week or two a body of people will gather to choose a chairman and thrash out a plan to shed Cape Town of this image and create one which will place the emphasis of tourism squarely on the people — all the people.

Called the Tourism Community Committee, it is the dreamchild of Captour and grew out of a workshop. It is aimed at "correcting the omissions of the past", in the words of Captour supremo Gordon Oliver.

The workshop included a panel representing Satour, Captour, the city council, the regional services council, Wesgro, the Small Business Development Corporation and the Olympic Bid Committee.

Each gave a short synopsis on how it was involved in tourism and, more importantly, how it was geared for change.

This was directed to an audience comprising a spectrum of community organisations, including sports, youth, civic, church, women's, non-government and others. From it was born the Tourism Community Committee.

The members are almost exclusively female.

They are: Mmatsatsi Ramawele of Cape Holiday Makers, Nomonde Mancotywa of O&M Advertising Agency, Paula Gumede of the Institute for a Democratic South Africa (Idasa), Phumzile Ngcuka of the SA National Civics Organisation, Tasneem Kalam, a Bokaap tour operator, Evette Johnson of the Tour Guide Association, Shareen Parker, an independent tour guide, Mr R Mally, an independent, an unnamed Foundation for African Business and Consumer Services (Fabcos) member and Satour and Captour representatives yet to be nominated.

Guidelines from which the new committee must decide its priorities are:

- Short-term training, concentrating on business, marketing and financial skills;
- Qualified community representatives being represented on key tourism boards;
- Civic associations being involved in all aspects of tourism development;
- Capetonians developing their own tourism identity, believing in themselves and not copying international trends;
- Deregulating tourism;
- Conveying the benefits of tourism to disadvantaged communities;
- The socio-economic reconstruction of the disadvantaged communities;
- The involvement of qualified community tourism representatives in the existing tourism industry;
- The decision-making representatives of communities taking the lead in promoting awareness of tourism;
- The inclusion of tourism in school curricula;
- The establishment of effective and well-publicised information systems and channels between authorities, industries and communities;
- The appointment of tourism promotion officers from communities to act as links between Captour, Satour, industry and communities;
- The involvement of the disadvantaged youth in the tourism industry, and encouraging the subcontracting of services to emerging operators.

"Before all this came about," Mr Oliver said in an interview, "we approached a huge spectrum of community bodies and were delighted at the very eager response and the seriousness with which it was considered."

He made two points on the future of Cape Town's tourist industry — that it must work for the community in terms of bread and butter and that it must identify the needs of black tourists, a field largely ignored in the past.

"We have to address and correct the omissions of the past and that is what the community committee is there for," he said.

R220 million Sun City revamp on the cards

(288)

ARG 12/8/93

TOM HOOD
Business Editor

CASINO magnate Sol Kerzner is planning a R220 million encore to his R1 billion Lost City.

Sun International (Bophuthatswana) is to spend the R220 million to remodel the original Sun City Hotel and revamp the Cascades gambling and entertainment centre.

Mr Kerzner, chairman of Sun Bop, said today it will build on the theme created at the Lost City development, though fixtures and fittings will not be at luxurious as those of the Palace Hotel.

There are no plans to set up other resorts in Bophuthatswana, though Sun International is considering setting up five star hotels in Sandton and Cape Town.

Mr Kerzner says, however, that when the economy picks up there will be demand for more accommodation at Sun City.

The recommendations of the Howard Commission on gambling make sense as they will link gaming to tourist development, he said.

"It will make our life more competitive, but that will help everyone."

Sun Bop has maintained its unbroken record of profit growth, which it has held in the 16 years since it was founded.

Earnings improved by four percent improvement in the six months to June after a three-percent decline in the first half.

The results were helped by a full six months' trading at the Palace Hotel, which maintained occupancy of more than 75 percent since it opened.

The Sun City complex's occupancy rose from 77 percent to 80 percent.

Mr Kerzner said the number of day visitors rose 25 percent since the Lost City opened, but traffic at the Morula Sun and the Carousel was constant.

There had been an increase in international visitors since the Palace opened, but there wwer also many cancellations in recent months.

The closure of illegal gaming clubs in South Africa compensated to some extent in the second half.

Turnover rose 18 percent to R1,17 billion as the Carousel traded for the full year as opposed to eight months in the previous year and there were seven months of trading from the Lost City.

There was pressure on margins, partly because occupancies fell from 73 to 70 percent and because of the high launch costs for Lost City.

Operating profit increased 11 percent to R299 million and the operating margin fell from 27 to 25,4 percent.

Borrowings rose R197 million to finance the final phase of Lost City and interest expenses rocketed from R163 000 to R30,3 million.

"Considering we have just completed a R1,15 billion capital expenditure programme, I think our levels of borrowing are pretty conservative," said Mr Kerzner.

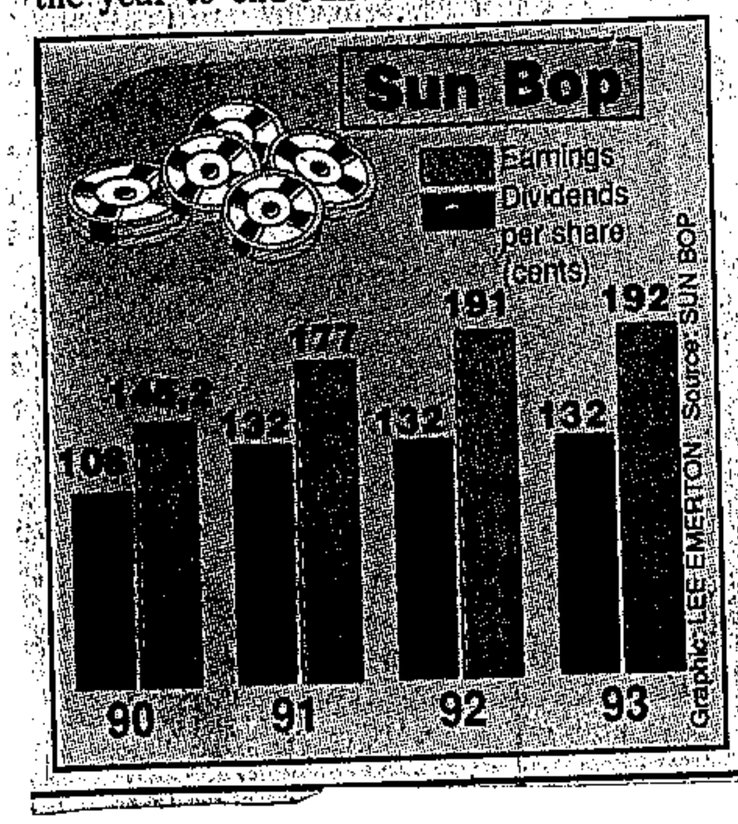
Sun Bop can write off from its tax bill 120 percent of the development costs of the Lost City and this year paid an effective tax rate of only 15 percent. This low rate was expected to continue for the next few years as capital allowances are brought to account.

Sun Bop maintains earnings

B/Day 12/8/93

MARCIA KLEIN

THE December 1992 opening of Lost City, and the benefit of the Carousel Entertainment World's first full year of trading, enabled Sun International Bophuthatswana (Sun Bop) to maintain earnings in the year to end-June.



The group, which has 12 casino resorts in Bophuthatswana, achieved an 18% increase in turnover to R1,2bn (R1bn) and an 11% rise in operating profit to R299m (R270,2m). Chairman Sol Kerzner said this was achieved despite "an extremely poor trading environment", aggravated by unrest and competition from casino operations within SA. (288)

But a sharp rise in the interest bill to R30,3m (R163 000), due to the financing of the R850m Lost City project, saw pretax profit drop marginally to R268,8m from R270m. Long-term borrowings rose to R353,2m (R155,7m), but Kerzner said this should come down rapidly in future, depending on the group's capex programme over the next few years.

Although pretax profit was lower, significant tax allowances on the Lost City and Carousel developments reduced the

□ To Page 2

Sun Bop

B/Day 12/8/93

□ From Page 1

effective tax rate to 15%, and enabled Sun Bop to report a 6% rise in attributable earnings to R228,5m from R216m.

Earnings rose by only 1% to 192c (191c) a share on a higher weighted average number of shares in issue. An unchanged final dividend of 68c a share was declared, bringing the full-year dividend to last year's level of 132c a share. (288)

Kerzner said average occupancy of 70% was lower than the 73% achieved in the previous year, but well above that of SA's three-, four- and five-star hotels.

The Sun City resort increased its occupancies to 80% from 77%, although there were more rooms available. The Lost City's Palace Hotel recorded average occupancies of more than 75% since opening. Other group resorts had also fared well.

Sun Bop had decided on a more extensive upgrade of Sun City than originally planned, and would start remodelling Sun City and the Cascades at the beginning of 1994 at a cost of about R150m.

Kerzner said the political climate and uncertainty regarding government's "deliberations on the future of gaming in SA" made it difficult to forecast.

But taking into account present trading levels, and the fact that the Lost City would operate for a full year, earnings in financial 1994 would "at least match those of the past year".

Cleaning up litter costs Waterfront a packet

288 ARG 11/8/93

JOHN YELD, Environment Reporter

TOURISM — the world's largest industry and employer — is "very fragile" and the Cape's scenic qualities must be protected, Victoria and Alfred Waterfront managing director David Jack has warned.

Speaking yesterday at the Cleaner Cape Conference, organised by the Fairest Cape Association and the Western Cape Recycling Forum, Mr Jack said he had been informed that the Western Cape was now South Africa's "number one" tourist destination.

But it was imperative to note that tourism was a highly fragile industry.

"We have to protect the very reasons that people are coming to Cape Town," he said.

Mr Jack pointed out that travel and tourism constituted the world's largest industry and employed the greatest number of people.

Internationally, there was one permanent job for each 15 tourists, but the South African ratio was only 1:25.

There was "staggering" local unemployment, he added.

"Tourism can be a key mechanism in meeting our socio-economic requirements in the '90s ... It is the most effective creator of new job opportunities, new business possibilities and foreign earnings."

There were about 300 000 permanent tourism-related jobs in South Africa at present and, unlike other industries, tourism offered sustainable employment opportunities.

"If we can move towards the world's average, literally thousands of jobs can be created ... We could add 450 000 new jobs in this country."

Internationally, security and maintaining a clean environment were key factors in the success of projects like the Waterfront, he noted.

"We do have to take very seriously expectations of visitors, especially overseas visitors."

The Waterfront's management spent more than R3 million annually on waste management and employed 60 cleansing staff operating a three-shift system on a 24-hour basis, but was still struggling to deal with the litter problem.

"Our costs are 10 percent higher than equivalent projects overseas and that is a major problem for us.

"Unless we can bring those operating costs down, we don't have a business," Mr Jack said.

(288) ARG
11/8/93

'Tourists kept away'

JOHANNESBURG. — Recession, now in its fifth year, had impoverished the country by 14 percent and kept tourism at dismally low levels, Federated Hospitality Association of South Africa president Theo Behrens said when he addressed the body's 44th annual congress in Bophuthatswana.

Violence had also kept tourists away.

On a positive note, foreign investors were waiting in the wings "for the interim government phase to come on stage." — Sapa.

B/Day

Tourism in SA booms

Tourism to SA appears to be booming, with nearly 500 000 foreigners visiting the country through three major airports last year, says a Central Statistical Service report. 10/8/93

The report, released yesterday, said at least 455 051 tourists entered the country via Johannesburg, Cape Town and Durban airports.

If all ports of entry were counted the number of visitors was much higher at 563 762. (288)

During the period January to May 1993, the number of foreign visitors who entered the country via these airports increased by 11,5% compared with last year. — Sapa.

SA hotels' service 'grudging'

JOHANNESBURG. — Minister of Tourism Dr Bhadra Ranchod said yesterday that service in South Africa's hotels was "grudging, slow" and "simply unacceptable".

Speaking at a Fedhasa conference at Sun City, Dr Ranchod said managers could consider making daily training sessions standard practice.

Fedhasa secretary-general Dr Wynand Pretorius said last night that the minister was entitled to his view. He was not sure on what experience he was basing his opinion. He said training was very important and all hotels had in-house training programmes. He did not think service in South African hotels was poor.

SAA route cut — Page 8

Transun earnings down

■ BY STEPHEN CRANSTON

The recessionary conditions and the depletion of cash resources has led to a 19 percent decline in Transkei Sun International (Transun)'s earnings per share to 30,1c for the year to June.

The dividend has been reduced by 16 percent to 23c.

There was a slowdown in the rate of earnings decline, with a 15 percent decline in second-half earnings after they fell 24 percent in the first half.

But Transun had expected earnings to equal those in the previous year.

The gaming clubs in South Africa have been closed down and the Wild Coast Sun has been trading in its revamped form for the entire second half.

But chairman Peter Venison says political uncertainty, the numerous calls for mass action and the operation of many unregulated casinos in South Africa for most of the year adversely affected group results.

Turnover fell by three percent to R203,3 million and operating profit was 15 percent lower at R56,5 million.



Peter Venison . . . forecasting difficult

The use of cash funds and the recourse to borrowings for the Wild Coast facelift turned net interest received in the previous year to net interest paid of R2,5 million.

But the capital allowances from the project brought the effective rate of tax down to 19,2 percent.

Cash available from operations was, however, down sharply from R54 million to R36 million.

Venison says the uncertainty surrounding the timing and nature of an acceptable political settlement, together with the awaited response from the Government on the Howard Commission recommendation on gaming, makes forecasting difficult.

Better service a priority for tourism

B/Day 10/8/93

STEPHANE BOTHMA

SERVICE levels at SA hotels and restaurants would have to improve if the country wanted to attract more visitors from abroad, Tourism Minister Bhadra Ranchod said yesterday.

He told delegates at a Federated Hospitality Association of SA (Fedhasa) conference at Sun City that "inefficient, grudging, slow service by poorly trained staff is simply unacceptable".

SA's poor customer service was always a talking point. With a new dispensation just around the corner, it was imperative that anyone engaged in the hospitality industry should be analysing its future.

Fedhasa, as an employer body, should have a clearly defined strategy to maximise future opportunities and should have a clear vision of its role in the economy, its commitment to labour relations and training and to the general upliftment of the people of SA.

The hospitality and food service industry had tremendous growth potential, but without a commitment to manager and staff development and training, this would be seriously prejudiced, he said.

Managers could consider making daily training sessions standard practice.

"Training goes a long way towards motivating staff and increasing productivity. But a study undertaken by the National Productivity Institute on the hotel industry some years ago also stressed the need for effective communication within the organisation."

He said Sun International had invested R5m in a major training programme called "world class winners".

(288)

Ranchod called on the industry to be more sensitive to the needs of individuals such as vegetarians, and to accommodate different language and cultural groups such as Indians and Japanese.

With the disappearance of political constraints, there was an urgent need to market the region as a whole.

"It is SA's stated intention to co-operate with our neighbouring states and by so doing to enlarge the region's slice of the global tourism pie," Ranchod said.

The similarity of attractions the region offered was a weakness. "After all, an elephant is an elephant and a beach is a beach no matter where you find it," he said.

More needed to be done to identify and develop alternative attractions by establishing niche markets like steam trains, birdwatching, conferences, trade exhibitions and hunting safaris.

Government had shown its support of and commitment to the tourism industry by introducing the new Tourism Act to deregulate the industry and eliminate fragmented legislation.

"It has further increased the amount allocated to tourism in the current budget and has offered a tax incentive in the shape of accelerated write-offs for hotel refurbishments," Ranchod said.

Hotel occupancies drop below 40%

B Day 10/8/93

(288)

STEPHANE BOTHMA

PROLONGED recession, violence and murder had almost crippled SA's hospitality industry over the past few years, Fedhasa president Theo Behrens said yesterday.

He told delegates at Fedhasa's annual congress that the average hotel occupancy had declined to its lowest level — less than 40%.

The negative situation in the country also brought about a decrease in first-time visitors to the country and and a decline in domestic tourism and business travel.

He said the industry had an important role to play to ensure that inevitable changes took place in the country as smoothly and successfully as possible.

Behrens said Fedhasa had, in its 44 years of existence, achieved the following:

- Voluntary grading of hotels;
- A White Paper on tourism;
- An export incentive for foreign marketing;
- The appointment of a Tourism Minister;
- Regional tourism development boards;
- Deregulation of the airline industry;
- Upgrading of airports, especially Jan Smuts;
- The upgrading of road signage; and
- Increased police foot patrols in central business districts.

He said the recent improvement in the value of agricultural products, the higher gold price, a recovery in factory productions, less tension in labour relations and the lower inflation rate were all factors which would set the wheels of the SA economy back in motion.

Political negotiators were on a positive track which would lure back foreign investors.

"With their millions a whole new development era will begin," he said.

Sowetan

Tourism is booming

TOURISM to South Africa appears to be booming, with nearly 500 000 foreigners visiting the country through three major airports last year, says a Central Statistical Services report. 10/8/93

The CSS report says at least 455 051 tourists entered the country via Johannesburg, Cape Town and Durban airports. At all ports of entry, the figure was much higher at 563 762. (288)

During the period January to May this year, the number of foreign visitors who entered the country via these airports increased by 11,5 percent compared with last year's figures. — *Sowetan Correspondents and Sapa.*

Transun earnings down after political unrest

B/Day 10/8/93

MARCIA KLEIN

TRANSKEI Sun International (Transun), which operates the Wild Coast Sun and other gambling outlets in the area, was severely affected by political unrest in the year to end-June.

The Kersaf subsidiary reported a 19% drop in earnings to 30,1c (37c) a share for the period as occupancies, the amount of day visitors and revenues were affected by political uncertainty, calls for mass action and the operation of unregulated casinos in SA for most of the year.

Turnover was 3% lower at R203,3m from R209,2m, and operating profit dropped by 15% to R56,5m from R66,3m.

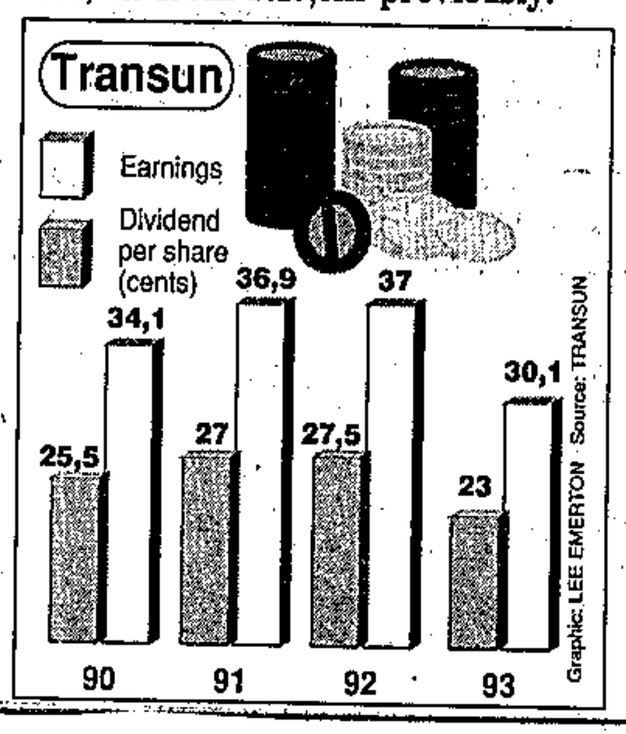
Chairman Peter Venison said this reflected the fall off in day visitors due to problems on the road to the SA/Transkei border, where the Wild Coast is located, and bad publicity surrounding political events in the region.

(288)

Venison said Transun's high fixed costs were not offset in terms of occupancies and day visitors.

The change to net interest paid of R2,5m from net interest received of R6,7m in the previous year was due to the utilisation of cash resources and borrowings to fund major extensions to the Wild Coast Sun resort.

Pre-tax profit was 26% lower at R54m from R72,9m. But capital allowances arising from the extensions saw the effective tax rate fall to 19,2% from 26,5% — with taxation of R10,4m from R19,3m previously.



The lower rate enabled Transun to report a 19% decline in attributable earnings to R43,6m from R53,6m. A final dividend of 12c a share was declared, bringing the full year dividend down by 16% to 23c (27,25c).

Venison said the results were as forecast at the interim stage.

Occupancies, which were 68% at the December interim stage, were only 57% for the full year, indicating a sharp decline in the second half. Venison said this reflected the effects of Chris Hani's assassination and events which followed. Day visitors had also dropped substantially and, in the last quarter, were 30% down on the previous year.

Venison said there had been an improvement in trading since year-end, and costs had been trimmed further.

He said Transun was a business which had good upside potential. Gearing of 29% (23%) was not high, and there would be no major capex in the coming year. The Wild Coast Sun had been redeveloped, and there was spare capacity. All it needed was some peace.



CHARISMATIC: City Lodge chief Hans Enderle Picture: JOHN HRUSA

City Lodge sees good times from next year

ST Times (Buss) 8/8/93

JUST as they shop at Woolworths for everyday things and at boutiques for something special, people stay at City Lodge's hotels because they seek value for money, high quality without frills.

I spoke to charismatic City Lodge managing director Hans Enderle because a stockbroker friend tells me its shares are the best buy on the market now.

City Lodge was listed last November after a placement by the original backer, the Mines Pension Funds. The funds reduced their holding to 43% by placing 5-million ordinary shares at 480c and the same number of 11% convertible debentures at 550c.

The ordinaries opened at 500c and reached 800c by April, but have since retreated to 620c. The debentures are offered at 800c.

The reason behind the ordinaries' fall is not clear. Mr Enderle, who built the 11-site hotel chain from scratch, says the forecasts in the prospectus will be met and there are no funding requirements.

At the January interim, earnings a share had risen 20% to 17,5c. The prospectus forecasts 43,5c and a dividend of 26c for the year. Achieving that would put City Lodge on a price-earnings ratio of 14.

It might look a little demanding, but Mr Enderle believes SA's hotel trade will boom from the end of next year.

Mr Enderle's chain is least affected by the economy. Occupancy rates exceed 75% compared with the trade's below half. Competitors, notably Southern Sun, have downgraded some hotels into a price range comparable with the Lodges.

The challenge for competitors is to match City Lodge on costs. Mr Enderle says servicing capital and paying staff are the two greatest calls on a hotel's cash. His staff takes 17% of revenue, about half the costs of a five-star establishment.

Businessmen account for 60% of guests and domestic tourists the balance. Foreign tourists are not yet an important factor.

"Our foreign guests are what we call fully independent tourists. They want to stay one or two nights before moving on. They prefer restaurants to hotel dining rooms," says Mr Enderle.

(28)

"We hope an improving political climate from the middle of next year should see the start of more tourism. Competition among airlines should make it cheaper to get here. If only two full Jumbos landed every day and each passenger stayed for 20 nights, our hotels would not be able to cope.

"I predict a boom in new hotels from 1996."

This is one reason why City Lodge will build two hotels a year for the next five years at least.

For the first time in ages, the rate of increase in hotel tariffs has steadied at about the inflation rate. Mr Enderle expects inflation to resume its climb when a freer-spending government takes charge.

He estimates that if City Lodge were to lift its tariff by R2 a room, it would gross another R1-million before tax a year.

The City Lodge year begins on Swiss National Day — August 1 — and outside every hotel is a Swiss flag. Mr Enderle grew up in Switzerland and came to SA at 24.. He has dual citizenship and is a kind of goodwill ambassador for the land of his birth.

"People like Switzerland because it is clean, well run and has no enemies. I like to think these are the reasons people come to City Lodge."

Investors sharing his optimism can take a chance on the shares at 625c. Mr Enderle has never sold a City Lodge share, making him a touch wealthier than when he came to SA as a unionised chef in 1966.

Home and dry on the Cape's V&A front

By JEREMY WOODS

RETAILERS across the country are battling for trade in their bleakest-ever winter, but hotels, shops and restaurants on Cape Town's Waterfront are bucking the trend. ST Times

V&A Waterfront managing director David Jack says about a million people a month visit the Waterfront.

Star performers are the hotels. The Victoria & Alfred, given a four-star rating last year, has achieved occupancy levels of more than 90%.

Mr Jack says the new 160-room City Lodge has had occupancy rates of more than 80%. (Buss) 8/8/93

The Waterfront's 11 cinemas have been trading well as have the family restaurants like Spur and Morton's on the Wharf. But some upmarket restaurants have been hit by recession.

"It seems that people have just not had the money to spend on fine dining," says Mr Jack.

Mr Jack says: "Weekend trade is still good and enables most retailers to weather the poor economic conditions." (Sec) (288)

The Waterfront has several advantages.

"Shops are open all day Saturday and Sunday, they are in warm, dry surroundings and connected to ample underground parking."

Turnover of all retailers is monitored because leases comprise a basic rent, or percentage of turnover — whichever is the greater.

All outlets submit figures to V&A Waterfront, which is entitled to send in its auditors if retailers are suspected of making false returns.

Apartheid's tourist input

CT 5/8/93

Staff Reporter

APARTHEID'S tourism resulted in people knowing more about South Africa's "flora and fauna" than about black South Africans, says Dr Ken Kwaku, World Bank Regional Co-ordinator for Africa and Asia (288)

Speaking at a tourism workshop last night, Dr Kwaku, an assistant professor of economics at the University of Guyana, praised the government's White Paper.

Tourism: T'kei steps up security

UMTATA. — New moves to step up security in the Transkei have re-attracted luxury bus services and renewed some confidence in tourists wishing to travel to the homeland.

A 24-hour reaction squad which will respond to any reports of violence affecting travellers is being manned by Transkei police in a step to restore confidence in motorists.

The reaction units will be stationed at strategic points.

The Transkei Development Corporation confirmed on Tuesday that bus companies, including Translux and Greyhound, had agreed at a tourism meeting in Durban to re-introduce their services through Transkei.

The reaction units can be raised on toll free numbers (0471) 31-0333 and 31-0021. — Sapa

Analysts expect Kersaf earnings to fall by 10%

BIDay 4/8/93

MARCIA KLEIN

THE combined effects of reduced consumer spending and political unrest would see the Kersaf group report an earnings decline of about 10% in the year to end-June, analysts said.

The group, which publishes results for the year to end-June later this month, reported a 10% rise in earnings in financial 1992 and a 9% drop in earnings to 105c a share at the December interim stage.

Directors warned at end-December that earnings in the second half should approximate those of the first. Analysts said trading conditions had worsened in the second half, although revenues from the Sun City resort had been better than expected.

Taking into account that the tourism, leisure and entertainment industries were directly affected by political uncertainty and unrest, no growth was expected for most divisions within the Kersaf group.

Analysts said the major contributor, Sun International Bophuthatswana (SunBop), would probably report flat earnings, although some said there might be a marginal improvement on the previous year. While the Sun City complex — including the newly opened Lost City resort — had done well, the other SunBop resorts had been extremely quiet.

An analyst said Sun City had done well both in terms of occupancy and more importantly, casino revenues. The recent closure of a significant portion of the unregulated casinos would be to the group's advantage.

Transkei Sun International and Sun Ciskei would report a substantial decline in earnings. Both were seriously affected by unrest in their respective areas, and analysts expected earnings declines in excess of 25% for the full year. Sun Ciskei was expected to be harder hit than Transkei Sun. (288)

Leisure and entertainment group Interleisure's earnings fell by 9% in the six months to end-December as good performances from the core businesses, Ster-Kinekor and the services division, were offset by the sport and film production divisions.

Analysts were expecting results to be in line with financial 1992, when earnings dropped by 6%. They said there should be some benefit from the rationalisation of the sports products division and other steps taken during the course of the year.

Kersaf's offshore operations, held through Royale Resorts, would produce positive results, but were not a major contributor to the group's earnings.

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EXPANSION TRAIL . . . Cape Town-based coach tour operator Springbok Atlas is spending R10m on expanding and upgrading its fleet in preparation for an increase in tourism from overseas. Springbok Atlas MD Riccardo Dell'Erba (left) takes delivery of a luxury coach from Phil Schutte, bus fleet sales manager of Mercedes Benz SA (centre) and Nick Rust, MD of Neulux, the local company assembling the new coaches.

Springbok Atlas gears up for tourist influx

Business Editor

COACH tour operator Springbok Atlas is preparing for a busy season on the strength of bookings already received for foreign visitors, MD Riccardo Dell'Erba said yesterday.

The company, which recently took over Garden Route Tours as part of its expansion programme, has ordered 11 new luxury Mercedes Benz coaches at a total cost of R10m to cope with an expected growth in the number of foreign tourists.

The coaches are being built in Cape Town by Neulux at a rate of one a month.

Dell'Erba said yesterday: "At the same time we are extensively refurbishing our existing fleet to internationally accepted standards.

"When the tourist season moves into top gear Springbok Atlas will have a fleet of well over 100 luxury and semi-luxury coaches, buses and minibuses operating out of Cape Town, Port Elizabeth, George, Durban and Johannesburg.

"We have established direct representation in France and the UK to strengthen our international network, which already included Germany, Japan and the US."

Dell'Erba said his company had "a very good season" last year, due entirely to an upsurge in foreign visitors including conference delegates and passengers from cruise liners.

It had already received comparable bookings for the coming season and expected more. Most were for visitors from Europe "and, encouragingly, the US.

"We shall be very busy this season provided these bookings materialise and are not cancelled because of politically motivated violence.

"Our tourism industry will not grow, providing badly needed jobs, unless we can offer peace and stability."

Violence is destroying tourism — Mokaba

B1 Day 3/8/93 (288)

STEPHANE BOTHMA

ANC youth leader Peter Mokaba, whose repeated use on public platforms of the slogan "Kill the boer, kill the farmer" is being investigated by the Witwatersrand attorney-general, said yesterday violence was destroying tourism development.

Mokaba was speaking at a Satour-organised tourism workshop. After arriving two hours late, he told the workshop in Sandton that the ANC would not be taking government-linked organisations such as Satour into a new administration.

Mokaba, who said he had been held up by the violence on the East Rand, explained his participation in the workshop by saying the ANC, facing a period of transition, had to interact with existing structures as part of its information-gathering process.

Mokaba spoke in his capacity as recently appointed chairman of the national tourism forum, which includes ANC and private sector representatives.

He said the violence was destroying any possibility of development. SA was in a deepening structural and economic crisis and the tourist industry had gone down with the rest of the economy.

The ANC regarded post-apartheid tourism as a key social force, one of the most important job creation mechanisms, a major foreign currency earner and a shot in the arm for foreign trade, Mokaba said.

Attempts at promoting tourism during the apartheid years had been a disaster and the ANC had to change this. The intention was not to destroy "white structures", but to develop joint ventures in an integrated economy. Tourism development depended on community involvement.

● Picture: Page 2

Soekor public relations offi- the retrenchments — effective endanger the company's future. | section of his Gympie Street house today.

American steakhouse chain on the menu for SA

288 ARG 3/8/93

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — An American steakhouse chain is set to launch franchises in George and Cape Town over the next few months and plans to spread all over South Africa with 35 to 40 branches over the next six years.

Austin's, an upmarket Texas-style rib, steak and seafood restaurant chain based in Fort Lauderdale, Florida, has estimated that each of the South African franchises will gross R7,5 million to R9 million a year — of which it will take five percent.

The first one is to be launched in George in December, followed by two in Cape Town, starting in January. One of these will be in the Waterfront, Austin's chief executive officer Philip Connor said in an interview from Fort Lauderdale yesterday.

He said the company which would operate the franchises in South Africa was headed by Elie Sopas, who he described as a well-known cordon bleu restaurateur, and Fred Nel, formerly of Kentucky Fried Chicken.

Mr Connor said this was Austin's first international venture. After South Africa it planned to open franchises in Greece, Italy and then Britain.

The chain is now confined to Florida but plans to expand rapidly in the United States next year.

Austin's will sink no capital into the South African venture, which will be funded entirely by the South African entrepreneurs.

They will be coming to Fort Lauderdale later this month to finalise the contract and undergo intensive training.

Five deny killing debt collector

Staff Reporter

A TEENAGE boy, two women and two men from Grassy Park have pleaded not guilty in the Wynberg Magistrate's Court to murdering Durban debt collector Johannes Ellis by stabbing him with a knife.

The 15-year-old boy, Leonard Fortuin, 35, Charles Adonis, 32, Beverly Smith, 28 and Beverly Carelse, 29, told the court they would disclose the basis of their defence in the Supreme Court.

They were arrested hours after the maimed body of Mr Ellis, 54, was found on March 9 in the back of his car in a Grassy Park churchyard with stab wounds in the back and side.

Magistrate W S Ras postponed the matter to September 30 so that a date could be set for the Supreme Court trial.

The teenager remained in the care of his mother and R300 bail for the others was extended.

J Joon prosecuted, D Nasson defended Ms Smith and the other accused were not represented.

ANC adviser pours cold water on fears of hefty wealth tax



Professor Davis

BRUCE CAMERON
Business Staff

ARG 3/8/93

A WEALTH tax mooted by African National Congress economist Tito Mboweni is not on the cards, an ANC tax adviser said today.

But Denis Davis, director of the Centre for Applied Legal Studies at the University of the Witwatersrand, who also serves on the government's tax advisory committee, said taxpayers could expect to pay more on capital transfers, including estate duty.

Professor Davis told a conference in Cape Town hosted by the legal firm Wilkinson, Joshua, Gihwala and Abercrombie that:

● Taxpayers could expect to pay some type of social security tax as the most direct way of relieving the demand for services such as housing and health.

● Individual tax and company tax were unlikely to be increased because the growing number of taxpayers in the middle tax group, who paid the most tax, were union members.

● VAT could be levied at differentiated rates if the poverty relief schemes were not put in place.

● A surcharge on income tax and additional fuel levies could be used to raise funds for the proposed new regional governments.

Mr Davis said wealth taxes that could be considered were:

● Capital gains tax, which was unlikely as it would have to be inflation-linked to be equitable, and studies by the Department of Finance indicated it would raise only between R300 million and R1 billion.

● Capital transfer tax of about 35 percent on estates and donations, which was most likely.

● Land tax, essentially a tax on rural land, but one difficult to apply.

Professor Davis said studies had shown a land tax would raise only about R600 million a year if applied at a rate of two percent. A higher rate would result in virtual confiscation of land, while a low rate would have the effect of forcing inefficient farmers off the land — and the land issue was one of the most important political issues.

A one-off wealth tax, such as that suggested by Mr Mboweni, was not likely to be applied, although a similar tax had worked in Germany and in Chile.

The main reason it was unlikely was that taxpayers would be faced with a liquidity problem and there would be high administrative costs.

Professor Davis said businesses and individuals were making a fundamental mistake in interpreting the position, in that any government after next April would be one of national reconciliation.

This meant that no one party would be able to change the system, and the existing bureaucracy would remain in place for some time.

Hunt for church killers moves to East London

Crime Staff

ARG 3/8/93

A TEAM of top Cape Town detectives has gone to East London to follow up information and to continue the investigation into the St James Church attack.

A spokesman for the East London murder and robbery unit said "clues are pointing towards the Eastern Cape" where similar terror attacks had happened and the Cape Town detectives would work "hand-in-hand" with their counterparts there.

Western Cape police spokesman John Sterrenberg said no one had been arrested as a "positive suspect". Although people were being detained for questioning from time to time, they should not be connected automatically to the attack.

Captain Sterrenberg declined to comment on the "Eastern Cape angle" but said police were giving the investigation top priority and all avenues were being explored.

He said information from the public could speed up progress, but emphasised that police had to be selective in their feedback.

Man in court over Rosebank killing

Supreme Court Reporter

A MAN has appeared in the Supreme Court charged with the rape and murder of accountant Lindsey Boyd, 26, in Rosebank last November.

Elvis Jotamo, 19, who is also charged with housebreaking with intent to rape, theft and bribery, was not asked to plead and the trial was

Mokaba talks about tourism

288 CT 3/8/93

Own Correspondent

JOHANNESBURG. — ANC youth leader Mr Peter Mokaba, whose use of the slogan "kill the boer, kill the farmer" has angered many, said yesterday that tourism development was being destroyed by violence.

Mr Mokaba spoke at a Satour-organised tourism workshop for entrepreneurs in Sandton.

He said that the ANC had no intention of taking government-linked organisations such as Satour, into the new administration with it.

Mokaba spoke in his capacity as recently appointed chairman of the National Tourism Forum.

Violence hits tourism hard

Star 2/8/93

Acts of violence, such as the St James Church massacre, are "definitely impacting" on tourism in South Africa, according to the SA Tourism Board. (288)

"We do not have the latest statistics available but the majority of calls to Satour offices these days are more of concern rather than inquiry," said Dr Ernie Heath, Satour's chief director of tourism promotion.

Spokesmen for the tourism industry said in Cape Town that the industry had lost millions of rands due to violence.

Hotel occupancy levels in Cape Town were hard hit.

The murder of SA Communist Party general secretary Chris Hani and the slaughter at St James Church had done great damage to tourism, according to Protea Group managing director Arthur Gillis.

In Johannesburg, Carlton Hotel general manager Christopher Trimble said occupancy levels were down.

Karos Hotels chairman Selwin Hurwitz said there was a strong perception overseas of high levels of violence following the Boipatong and Bisho massacres and Hani's murder.

"This recent killing will just confirm that notion," he said.

In Pretoria, Holiday Inn Garden Court Burgerspark general manager Allan Hobbs feels the full effect of the St James massacre has not yet filtered through to the local industry.

At the Pretoria Holiday Inn, bookings are "satisfactory, but not as good as before", according to general manager Pieter Engelbrecht.

National Parks Board spokesman Braam van der Vyver said it was "a bit early, but we do expect some cancellations" following the church shootings.

● A member of the Pan Africanist Congress has been detained in connection with the St James Church disaster.

The detainee, Gugulety teacher Victor Tekwana, has been in police custody since Thursday. He is being detained in terms of section 29 of the Internal Security Act.

● Nails were used in the hand grenades thrown at the congregation at St James Church, police confirmed on Friday. — Own Correspondent, Sapa.

Karos suffers as violence scares off overseas visitors

BIDAM 24/12/93

(288)

ROBYN CHALMERS

KAROS Hotels took a knock after another poor tourist season, posting an attributable loss of R5m (R23 000 profit) on lower turnover of R48,9m (R50,4m) for the six months to end-September.

Karos directors said unacceptably high levels of violence had adversely affected particularly overseas tourism. Its negative effect on the group was considerable.

Operating profit was down to R10,6m compared with R13,8m during the 1992 first half.

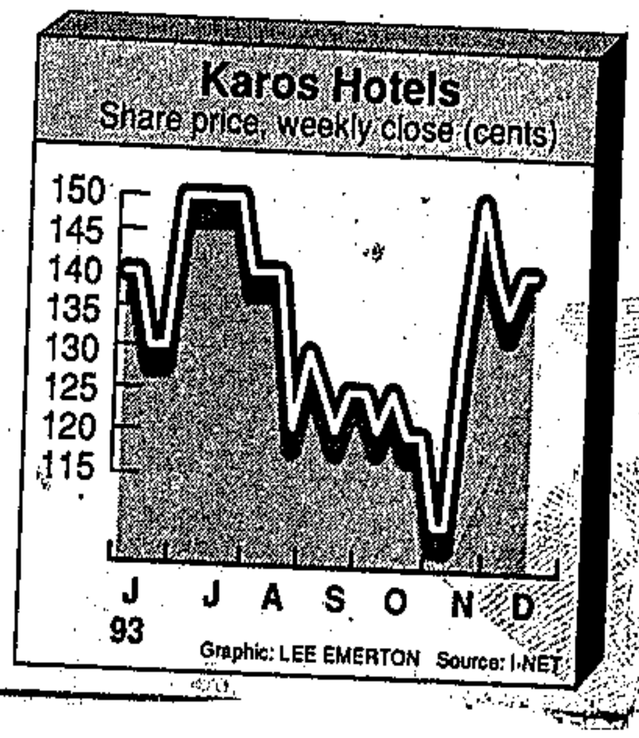
Operating leases, interest, depreciation and amortisation absorbed R13,7m (R12,5m), leaving a loss before tax of R3,1m (R1,3m profit).

A tax bill of R338 000 brought the loss after taxation to R3,5m against a profit of R1,2m during the previous comparable period.

An associate company contributed R721 000, which eased the loss before dividends to R2,7m (R2,4m profit).

The group posted an earnings loss of 17,5c a share compared with a profit of 0,1c a share in interim 1992, and directors passed the dividend.

The company's poor performance came after it staged a strong recovery in fiscal 1993, when it turned a significant loss in 1992 into a small profit.



However, the continuing recession and poor tourist levels eroded this advance.

Directors were bullish about future prospects, saying the group's hotels were in excellent condition after extensive refurbishment.

Its ability to return to profitability during an upturn was considerable, they said.

Karos's balance sheet had strengthened since the recently completed rights issue which realised R40m and introduced two new shareholders. The debt:equity ratio improved to 27,9%.

"We expect the second six months to reflect a considerable improvement in profits and it is hoped that the first-half loss will be eliminated.

"The board is confident of a significant return to profitability in the 1995 financial year, particularly with the group's excellent representation in the key tourism areas," they said.

Tourism down but sales up

288
CT 24/12/93

Staff Reporter

DESPITE a slight drop in the number of tourists visiting Cape Town this year and continued cautious spending by consumers, indications are that local retailers will experience bumper Christmas sales which could exceed previous expectations.

Captour spokeswoman Ms Marian Kelder said Captour estimated that there were between 8% and 10% fewer tourists visiting the city compared to last year.

"We have been monitoring the number of visitors coming to our information office since December 1 and noticed that, compared to last year, we are down by about 8 000," she said.

She said one of the reasons for the drop could be that Table Mountain cable car tickets were not being sold there any longer.

However, she said the "high cost" of petrol was also a contributing factor, despite the recent 2c drop in the petrol price.

Staff manning the control centre at the Huguenot Tunnel have reported that there was a drop in the number of cars heading south this year, compared to previous years.

Despite a drop in tourist numbers, three top city hotels said they expected business to pick up from next week.

Spokesmen at hotels in Sea Point and at the V & A Waterfront spoke of more foreign visitors in the city than before.

Meanwhile three large retail businesses said Christmas sales had far exceeded expectations, with customers "spending like mad".

Cape Town Chamber of Commerce human resources manager Mr Charl Adams said that although trading patterns were similar, this year's Christmas splurge had started a bit later, compared to pervious years.

However, he said that according to information at his disposal, retailers were "very happy" with the way sales were going.

Cities hope for holiday throngs

THEO RAWANA

DURBAN and Cape Town, SA's major tourist destinations, expected more visitors this Christmas season than last year, although violence and the expected build-up to elections had affected bookings, tourism industry sources said last week.

The western Cape expected 90 000 visitors during December, while Durban was bracing itself for 50 000 visitors on New Year's Day compared with between 43 000 and 47 000 visitors last year.

Captour said five-star hotels expected to be busy, with a good mix of international and local visitors.

But one hotel projected that occupancies in the new year would not be as high as during 1992 because of political uncertainty. Captour spokesman Lauren de Wet said many regular guests had postponed visiting until 1995.

But coach operators and guest houses expected a brisk holiday period.

An upmarket Cape Town guesthouse reported an occupancy increase of between 7% and 10% during November compared with the same month last year.

It said 50% of available bednights had been booked for the first half of December. The period between December 20 and 31 was fully booked. B1D94

Captour said direct overseas flights to Cape Town were well supported.

Captour had launched a Service Drive for Excellence campaign to promote standards of service in restaurants by inviting feedback from customers. The scheme would be extended to other facets of tourism soon. 22/11/93

Durban Unlimited tourism director Ted Hurst said the city was looking forward to a better season this year compared with last year. (288)

Durban Unlimited had embarked on a R500 000 advertising campaign to encourage residents to take part in promoting the city. In addition, 100 volunteers had been trained to help tourists.

Tourists stay away from Drakensberg

Own Correspondent

DURBAN. — Drakensberg resorts are losing business as tourists stay away in fear of harassment and violence as they "run the gauntlet" through KwaZulu to the 'Berg.

Five tour parties turned back to Durban in fear of their safety before reaching the Natal Parks Board Giant's Castle reserve at the weekend.

One group was threatened by young men when their vehicle was stuck on muddy roads.

"Something has to be done or our revenues are going to be seriously affected," said a senior parks board employee.

He said he would try to arrange convoys and meeting points for travellers to ensure their safety.

Threatening children reportedly converge on cars stuck in mud, demanding up to R100 for assistance and responding violently if refused. Locals also reportedly divert streams on to roads to make mud baths to bog down vehicles, the NPB employee said. (288) CT 15/11/93

City, Durban vie for tourists

288 CT 8/11/93

Own Correspondent

DURBAN. — The Greater Durban Marketing Authority (GDMA) has expressed "sadness" about a statement that Durban was losing a large part of its tourism market to Cape Town, and claimed there was no reliable data to back this up.

Mr Ted Hirst, the GDMA's director of tourism, said this in response to a press report in which Professor Dan Smit also said Durban and Cape Town attracted different markets, as the former was essentially an African city and the latter European.

"About 65% of all visitors to Durban stay with friends and relatives and nowhere in the world has domestic tourism of this nature been reliably measured," Mr Hirst said.

"The only figures available are for all registered hotels and in 1992 Durban had 58% occupancy and the Cape 52%.

"Durban is a city reflecting the true spirit of Africa and our marketing is directed accordingly."

Tourism needs the support of all to succeed

(288) AR 6/11/93



Gordon Oliver

■ Chief executive of Captour **GORDON OLIVER** says he is pleased with the prominence given by The Argus earlier this week to the damning report on Cape Town's tourism business. He explains why.

The Argus

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□ Tour operators slam transport, expensive accommodation in 'unfriendliest mother of them all'

Cape Town 'rip-off' city

PROMINENT media coverage of the contents of the City Council's survey of the city's tourist potential has placed a tremendous and much needed sense of urgency on the whole question of tourism in the Western Cape.

It must be emphasised that the City Council's survey report correctly highlights not only various existing problems in the industry, but what is presently being done by whom to address many of these problems. Your report does not make reference to this latter point. It is also fair to say that the survey report brings together into one document the present "state of play" in the tourism industry and that the report serves to summarise the experiences and viewpoints of the major stakeholders in the industry over a period of time rather than reflect a new wave of discontent on the part of tourists presently visiting the Cape.

In my opinion the report further reflects the reality of the tourism industry in South Africa as a whole consequent to political and economic changes currently being implemented. Every tourist destination in this country is struggling with much the same kind of situation.

However, that is not to down-play our situation. Because the industry needs the support of *all* members of the public to make a success of tourism, I believe it is important in the light of the survey report just published to assure the public that the tourism industry in the Western Cape is not falling apart.

It must be said that every single operator and business in the industry is motivated and committed towards change and progress. Despite the current difficult economic times there is a high degree of optimism and a definite determination to right the wrongs of the industry.

Secondly, it is important to inform the public just *what* is being done in regard to some of the major points highlighted in the survey report.

1. It is commonly accepted that standards of service in business are not up to scratch. My organisation is currently engaged in an in-depth programme of getting commitments from and pledges by the restaurant industry towards raising standards of service and value for money. The Restaurant Guild of Fedhasa is playing a leading role in this programme and restaurants are responding very positively in their willingness to make this commitment. There are also "Drives for Services Excellence" currently in place on the part of other organisations and the efforts of The Argus in this respect are very visible.

2. It is also said that Capetonians are unfriendly or indifferent to tourists. This "problem" is not as great as it is made out to be but nevertheless is something that has been and is being addressed by us. A public education and general tourism awareness programme has been a top priority activity of Captour in the last few years and will continue to be so.

3. Following point (2) we have put together a major campaign for changing the "hearts and minds" of Capetonians towards their City as there is much indifference and apathy on the part of many citizens which has to be addressed. The funding and timing of this particular campaign are crucial elements currently being addressed but suffice it to say that in the short-term future this programme will be launched as an extension of points (1) and (2) above.

4. Other important aspects highlighted in the survey report which are already being tackled are the airport situation, the sedan taxi industry, the cableway, the main railway station in the city, the need for a conference and convention centre, the need for better standards of street cleanliness and litter prevention, as well as for monitoring the security/safety requirements of tourists and the public generally on major freeways and in the down-town area of the city. In all of these Captour is deeply involved along with all relevant authorities and major players.

Finally, *our* specific brief is marketing and promoting the Western Cape. Not everyone is aware of the fact that the tourism industry in the Western Cape is worth in excess of R1-billion per annum and is our major economic activity. The real value in socio-economic terms is the multiplier effect of every rand spent by visitors resulting in job creation and small business opportunities for the broader community of the Western Cape. Related to this situation is Captour's commitment to a unified and co-ordinated tourism marketing campaign for the whole of the Western Cape. The survey report correctly refers to the presently fragmented nature of our tourism marketing and Captour has long ago taken the initiative in rectifying this position. Negotiations and discussions are well under way and aimed at unifying the efforts of other players in this regard.

Funding of our marketing programme is also a serious problem. It is true to say that neither the public nor private sectors of the region are putting enough financial support into this. The financial support we *do* receive is greatly appreciated but we believe our organisation is severely limited compared to other tourism marketing organisations in this country. The Western Cape urgently needs a far greater financial commitment to marketing if we are to maintain our position as South Africa's leading tourist city destination.

Report 'anti-tourism'

DURBAN. — The St Lucia Environmental Impact Report showed a distinct lack of empathy for the nature conservation/tourism option for the northern Natal eastern shores area, Natal Parks Board chief executive Dr George Hughes said yesterday.

He was addressing the St Lucia Review Panel (which is to make recommendations to the cabinet on whether mining should be allowed in the eastern shores area.

● Satour has also come out strongly against mining the dunes of St Lucia, saying it could drive away international tourists.

Violence threatens to kill off tourism

288

ARG 28/8/93

■ The number of tourists visiting South Africa increased in the first half of the year, but the travel industry does not think the trend will last.

DALE KNEEN
Weekend Argus Reporter

THERE has been an increase in tourists from Asia and Scandinavia, but fewer travellers from the "traditional tourist markets" of Britain, the Netherlands and Israel have visited South Africa.

These are the findings of the South African Tourism Board (Satour) in their research statistics for April, following the assassination of the Communist Party's Chris Hani.

Contrary to general expectations, the statistics show an overall growth rate in overseas visitors between January and April of 10,9 percent compared to the same period last year.

According to a statement by Satour in Pretoria yesterday, the prospective visitors from Britain, the Netherlands and Israel are no longer being assured of their safety by family and friends in South Africa.

The number of tourists from Britain dropped by 14,6 percent, from the Netherlands by 11,9 percent and from Israel by 33,7 percent in April.

"This can be attributed to widespread negative publicity after the spate of violence in April, in spite of intensified marketing and public relations campaigns in these markets," the statement said.

There was an increase in arrivals from India of 44 percent, while visitors from Pakistan showed an increase of 138,6 percent.

Tourism from the Scandinavian countries also increased significantly in April, with a growth of 37,3 percent recorded from Denmark, 38,3 from Norway and 58,1 from Sweden.

This was attributed to the lifting of travel sanctions in these countries and the effect of Satour's international marketing campaign.

New markets in South East Asia continued their positive growth rate. In April tourists from Singapore increased by 79,5 percent, from Taiwan by 5,4 and from Malaysia by 171,1.

The statement said the expected increase from Japan had not yet materialised, with a decrease in visitors of 7,2 percent in April.

"This can be attributed to the fact that the Japanese market is particularly sensitive to violence, coupled to the lack of direct air links between Japan and South Africa."

There was also an increase in visitors from France, Germany, Australia and the United States which is thought to be due to publicity campaigns in those countries and the growth in direct flights to the United States.

A decrease of 22,6 percent in tourists from Italy, a relatively stable market in the past, was blamed on the violence and socio-economic turmoil in Italy.

Satour believes the growth rate will not be sustained in the second half of this year because of intensified attention on political events in South Africa. Feedback from the travel trade showed few visa applications were being made.

Telephone pervert pries intimate sex secrets from women

DALE KNEEN
Weekend Argus Reporter

A PERVERT who gets his kicks by luring women into revealing intimate details of their sex lives over the phone has been plaguing the northern areas.

Hundreds of women have been tricked by the man, who sometimes calls himself Kevin Basson, after he tells them he is conducting a research survey for Vogue magazine.

A Brackenfell victim of the pervert said she believed him when he told her the survey was to establish if political changes in South Africa were accompanied by changes in bedroom habits.

He claimed the magazine would publish the survey which would "show whether South African women had caught up with their European and American counterparts in terms of sexual preferences".

"He first asked me things like what I wear to bed at night and then got into subjects which were a little more raunchy, like whether I would strip at a party," she said.

The man, who speaks English with an Afrikaans accent, usually entices the women to co-operate by saying they stand in line to win a prize if

Almost all the victims have been told they had won a "second prize" of R1 800 and are given a telephone number which they should call to claim the money.

The women are horrified when they call and get through to Vogue Escort Agency in Sea Point.

A spokesman for the agency said they had been getting complaints from women for about three months — sometimes three calls a day.

He said he suspected the pervert was the same man who telephoned escort agencies about three months ago and pestered women who worked there, asking them intimate details about their sex lives.

"This is anti-social behaviour as the rights of these women are being violated," said the agency spokesman, who added that he would support anyone who decided to lay a charge with the police.

He said it had been established from women who had phoned the agency that the pervert is aged about 25 to 35 and that he sometimes gets telephone numbers from classified advertisements.

It was suggested that women targeted by the caller should

Call to spread tourism gains

CT 28/8/93 (28)

Staff Reporter

A CULTURE of tourism would only spread through Cape Town if the benefits from the industry could permeate throughout the community, according to tourism expert Mr Pierre Tredoux.

Mr Tredoux is the facilitator of the international tourism working group of the Western Cape Economic Development Forum.

Captour chief executive Mr Gordon Oliver said this task was urgent but that his own group had been a bit short on practical suggestions towards this end.

A delegate from the Small Business Development Corporation suggested that the Tour Guides Registration Act should be scrapped. Only 1% of visitors were taken around by a registered tour guide and it seemed unnecessary to keep the legislation.

Durban's beachfront dying — survey

Own Correspondent

DURBAN's beachfront is dying and if urgent action is not taken the city's Golden Mile will soon degenerate into a slum shunned by tourists and holiday-makers.

This was effectively the warning by the Durban Regional Chamber of Business, which conducted a survey of businesses operating in the beachfront area. It found that they were facing an "unprecedented crisis".

The survey found there were common problems among businesses, with detrimental factors including the degradation of the area and an increase in the number of hobos, beggars and vagrants which had led to increased crime.

One shopkeeper said he witnessed four to five muggings outside his premises every week.

As conditions on the beachfront deteriorated, many had people sold out and left. In the past 12 months there had been a 15% increase in the turnover of business premises.

Equally distressing, according to the survey, was the drop in turnover over the past three years, with only one business, an estate agency, recording a real increase in this period.

But the most serious factor was the drop in employment in all businesses analysed, the survey found.

Over this three-year period the average business has shown employment cut-backs of 31%, and the retail outlets have cut back staff by 46%.

Another common complaint was the poor accessibility to the beachfront area which was aggravated by the closing of the lower Marine Parade and the lack of suitable parking. (288) CT 28/8/93

Strong exports key to economic growth

B/Day 26/8/93

PRETORIA — The gradual dismantling of import tariff structures and the establishment of a strong export culture in SA are essential to the future growth of the economy, according to the Northern Transvaal Chamber of Industries.

In its publication Economic Focus, the chamber said there was bound to be controversy over tariff reductions proposed in government's latest offer to the General Agreement on Tariffs and Trade (GATT).

The offer, which has to be submitted to GATT in its final form by the end of August, proposed an average cut in all tariffs by a third in equal stages over five years from January 1995.

As a small, open economy, SA had "no alternative but to tailor a tariff offer which is acceptable to the international trading powers", the chamber said.

ADRIAN HADLAND

While the dismantling of tariffs would expose SA to severe foreign competition, it could not afford to be denied access to the world's largest and most prosperous markets.

"The only answer to countering this threat is for SA business to proactively streamline production processes and to reduce unit costs optimally," the chamber stated.

In addition, a strong export culture needed to be established and promoted over the widest spectrum of the SA business community.

"Exports to a large extent hold the key for economic prosperity."

SA would gradually be forced into a new era by the international trade fraternity to level the playing field for competition, the chamber said.

"The doors have opened for SA to change course and focus on a more outward-looking trade policy."



Eskom human resources senior GM Dawn Mokhobo was last night named Businesswoman of the Year at a banquet at Johannesburg's Carlton Hotel. Nominees' levels of responsibility, degree of decision-making, track record, innovative management and extra-curricular achievements were taken into account. Mokhobo is also on the boards of Metropolitan Life, the Institute of Personnel Management and Random House Publications.

Need to equip managers for upsurge in tourism

PRETORIA — The tourism industry would face a shortage of qualified managers if the number of tourists visiting SA increased, Pretoria University's hotel and tourism management professor Johan Fourie said on Tuesday.

B/Day

Fourie, who recently returned from a trip abroad to universities and institutions specialising in hotel management, said importing trained managers to handle an upsurge in tourism was not viable.

26/8/93

The southern African milieu and culture were quite different to those overseas and required special and varied skills, he said.

Most international institutions focused mainly on practical training with up to 1 000 hours required during a three-year course.

ADRIAN HADLAND

The degree and certificate course in hotel and tourism management at Pretoria University was unique in the world because it emphasised managerial skills and their development and required at least nine weeks, or about 400 hours, of practical training.

More hotel and tourism managers had to be trained in SA in order for the country to cope with an increase in the number of tourists, Fourie said.

(288)

LEGAL NOTICES

TOURISM IN TROUBLE

By RYAN CRESSWELL

POLITICAL, business and community leaders met on the Natal South Coast to seek ways to boost tourism after reports of crime and violence kept visitors away during the winter holiday season. ST Times

Hotels, accommodation establishments and shopkeepers on the lower South Coast reported one of the worst July holiday seasons in memory this year, and a number of workers were retrenched as a result. Tourism provides jobs for 23 000 people in southern Natal. 22/8/93

The meeting — attended by representatives of the ANC, Inkatha, the NP and the police — decided to combine efforts to boost the tourism industry along the coast. (288)

Hotel industry begins Operation Upgrade

ST Tribune 18193

By SHARON CHETTY

SOUTH Africa's hotel industry is gearing itself for an increase in tourists — and the first step is an improvement in service standards.

This month a new grading and classification scheme will come into operation, with the emphasis on service rather than physical appearance.

Previously hotels had to register with the South African Tourism Board (Satour) and were assessed on facilities and given ratings from one to five stars.

This scheme has given way to a voluntary system so that any establishment — from bed and breakfast places to game lodges — can register with Satour.

Star ratings in five categories will still be used. For example, a basic-facility hotel would display a maroon plaque with only one star.

Once the hotel has proved it has excellent service, it will be awarded a plaque with a silver background.

Registered facilities will be listed in Satour information brochures. (288)

Satour director of standards Gary McManus said the new system would be similar to grades used overseas.

Minister of Tourism Dr Bhadra Ranchod said even hotels with five-star ratings were known to have provided unsatisfactory service in the past.

"Guests had no idea of what service to expect when they booked into a place. Now this information will be made clear to them."

An awareness campaign for consumers will start at the end of September.

Extended trading hours as liquor laws relaxed

DURBAN — Liquor laws are set to be relaxed by government today when the Liquor Act is published, allowing bottlestores to stay open until 8pm on weekdays and until 5pm on Saturdays.

Liquor Board chairman Danie Botha confirmed last night that amendments to the Liquor Act were due to be published in the Government Gazette this morning. These would allow restaurants to serve liquor without meals on any day of the week except Sunday, and on all public holidays except Christmas Day, Good Friday, Ascension Day and the Day of the Vow.

Own Correspondent

Under the new amendments, bottlestore owners will face fines of R20 000 or six months in jail if they sell alcohol to people under 18. Previously, the maximum fine was R1 000 or six months in jail.

The SA Liquor Store Association said it did not expect stores to make "dramatic" changes to opening hours.

However, the abolition of the requirement for liquor stores to stock a minimum variety of liquor from different producers has sparked fears that major producers will entrench monopoly control.

GREENPIECE



JAMES *Clarke*

Killings crushing tourism industry

Star 10/7/93

ECOTOURISTS from Europe — people who like the great outdoors — are beginning to avoid Zimbabwe, Kenya and now South Africa. Violence is costing us millions.

288

I WONDER if anybody has tried to assess the cost to the nation of Chris Hani's assassination? I would hazard a guess that it runs into hundreds of millions of rands and that it has wrecked thousands of jobs, mostly black. The final cost might amount to billions.

This week I lunched with an old contact from Germany who produces best-seller international guides for the ecotourist. He was about to produce one on southern Africa but has shelved it. He said: "I know from experience that the world's greatest ecotourist destination is southern Africa. As far as South Africa is concerned, there's just nowhere on earth tourists can see so much wildlife in such comfort and safety.

"Despite the township wars, 80 000 Germans have been coming here annually. The numbers, of course, would have been far higher if the black areas had been stable.

"But since the Hani assassination the number has fallen off noticeably. We have now decided to postpone publication of our guide until, at the earliest, late next year. It depends what your elections bring."

South Africa makes R4 billion a year from tourism. Almost half of this is foreign exchange. Unrest froze the advance of tourism, but the Hani murder caused thousands of tourists to cancel.

My friend told me: "My firm has switched its attention to Australia, New Zealand and the Pacific. It's a shame, because I've just come back and I saw no wildlife, and their scenery isn't a patch on yours. And Australia is a long haul from Germany.

"But there it is. Australia is pulling in 90 000 German tourists a year without really trying — and it has 30 tourist transport companies bigger than your biggest."

Last month Bird World in Hout Bay, to meet immediate debts, sold half its flamingoes to a foreign buyer.

Its proprietor said: "Since Chris Hani's murder we have had no visitors."

Wrecked own infrastructure

The crash in tourism has left Johannesburg with only one major hotel — and that is losing R5 million a year.

Africa, during the past 20 years, has systematically wrecked its own tourism infrastructure. Interest in Zimbabwe is tailing off as its facilities rot; the same applies to Kenya.

On the other hand, Germans are flocking to Namibia, known for its peacefulness and lack of crime. But the tourists are flying straight in and straight out.

Many who go to Botswana travel via Jan Smuts — but they spend no time in South Africa.

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Many who go to Botswana travel via Jan Smuts — but they spend no time in South Africa.

BETWEEN THE LINES



MARGARET *de Paravicini*

Finding smiles amid the hell

IN A week where parts of the country reminded one of Bosnia, there is relief to know black and white can still reach out.

A SHARED joke between strangers — how can one explain the sudden warmth it generates? We've lived through six days in which 90 lives have been lost to violence.

Headlines like "Mom shot in front of child", "US journalist shocked at hatred," "Police sergeant beaten to death". Frightened people sheltering in churches. Is this Sarajevo?

My friend Eva, watching TV footage of Bosnia, says with a kind of despairing relief: "See? It's happening in other countries. They are also mad!"

On TV, Archbishop Desmond Tutu agonises: "How long must we keep wiping the tears from people's eyes?"

Then I wait at a a stop street for a pedestrian, we both stop, then start off together, finally synchronising and exchanging friendly grins and waves.

The fact that he is black and I white would not mean much except to a foreigner who has always expected South Africans not to get along.

At lights that suddenly turn green, I tell the newspaper vendor what my change should be. He thanks me in mid-scramble, forgetting to hand over my Star. "Hey!" I yell. "Where's my paper?" We share a burst of laughter before I drive off.

Perhaps the joy of finding something in common with a stranger stems from the sheer unexpectedness of the encounter. Shared shrugs in a queue. Murmurs of sympathy waiting for the doctor, a tap on the shoulder to tell you your scarf has fallen — strands of sunshine holding together a grey city day.

Last week at the greengrocer's, a well-dressed gentleman approached me and I hugged my handbag. You can't trust anyone these days.

"I wonder if you could help?" he asked tentatively.

Peace is when nothing happens

"My wife is in hospital and I want to take her some flowers ..." He only wanted my advice.

Together, we chose a pot of pink chrysanthemums — "something she can take home with her," he said with satisfaction. I still feel flattered and warmed, and I hope she is safe, whether her home is in Soweto, Katlehong or Houghton.

"If you are human, how can you *not* respond?" a hostel resident exclaimed in a moving TV programme on the peacemakers amid the mayhem.

"Peace is when nothing happens — it's a non-event," the commentator ended ironically.

Like a smile from an ordinary person you don't know?

TIMESHARE

FM 2/7/93.

The hard lesson to be learnt

(288)

The future of two troubled timeshare resorts at Winkelspruit on the Natal South Coast, Cabanas del Mar and Cabanas del Sol, was on the verge of being decided at the beginning of this week.

Four weeks of intensive negotiations have followed an auction of the two properties held by the liquidators on May 28. One of the properties has been sold to a nontimeshare operator while the future of the other hinges on the timesharers putting up satisfactory financial guarantees.

Timesharers at the two resorts, about 30 km south of Durban, were left high and dry when the development company was liquidated in November. Though they qualified as concurrent creditors, the 4 000 timesharers quickly discovered that ownership of timeshare weeks never gave them any secure title over the properties.

The liquidation arose because of the alleged inability of the developer, Cabanas Marketing, whose directors are Renier van Loggerenberg, Harold Hees and Willem Erasmus, to service a R5,5m bond held by Metboard *(Property* December 4 and 25).

Liquidators Coopers Theron Du Toit (Cabanas del Mar) and Aiken & Peat (Cabanas del Sol) initially invited bids for the two properties by February 25, but extended the deadline to May 28 to allow the timesharers — represented by the Shareholders' Action Committee headed by Carl Mischke — to launch a rescue bid.

Two separate campaigns were mounted to save the developments for timeshare. However, when the bids were opened at noon on May 28 the highest of eight submissions for Cabanas del Mar (R5,7m) came from Durban private company Torento Investments.

Liquidator Schalk de Wet says: "The deal with Torento was finalised last week when it paid a 10% deposit for the property. Transfer will be on July 1." He describes the deal as a good one "under the circumstances" and adds that it should mean a full payout for Cabanas del Mar's secured creditors and about 50c in the rand for its loan account creditors.

Mischke's bid of R3,9m for Cabanas del Sol was the highest of four competitive bids. However, at the time of going to press the deal had not been finalised because the purchasers still needed to meet "certain terms and conditions" laid down by the liquidator. Nevertheless, Aiken & Peat believes the matter will be resolved this week.

Mischke admits to being disappointed at losing Cabanas del Mar. "We were unable to finance the transaction. Bank negativity towards timeshare made it virtually impossible to secure the required capital. Though Metboard was willing to back our Cabanas del Sol bid in principle, it was unwilling to include Cabanas del Mar as that would have placed its exposure at pre-liquidation levels."

However, he feels all is not lost. Though the rescue committee was unsuccessful with its Cabanas del Mar bid, it is now negotiating with Torento to buy back some timeshare weeks at a "reasonable price".

Subject to negotiation, he expects timesharers to have to pay from about R900 (for an out-of-season week) to R4 300 (for a prime week).

He believes Torento has an "open agenda" about what it will do with its investment. If it decides to open a sectional title register, then Mischke says his committee might arrange to buy some cabanas for timeshare.

However, timesharers don't all share Mischke's enthusiasm for rescuing their weeks at all costs. Jo Payne, of Cape Town, who, with her husband has owned a week at Winkelspruit for four years, says they initially intended supporting the rescue bid but changed their minds when it became clear that doing so could cost thousands of rands with no guarantee that history would not repeat itself. "We decided against throwing good money after bad. It makes more sense to invest elsewhere or spend the money on a couple of good holidays," she says.

Johan Venter, a Cabanas del Mar timesharer from Bloemfontein, echoes Payne's sentiment. "I've said enough is enough and told Mischke so. My week was in the low season so I felt the write-off wasn't too high." Nevertheless, he says he still believes in the timeshare concept — despite his bad experience — but will confine any future investments to well established operations in order to minimise risks.

Ever optimistic, Mischke says that even if the rescue bid for Cabanas del Sol fails, Torento Investments as the second highest bidder could buy the property by default, in which case there could still be hope for the timesharers. ■

PROPERTY VAT

FM 2/7/93

Victory for developers

Successful lobbying of the Revenue department by developers' tax advisers has resulted in a considerable, but logical, concession. A new amendment removes the onus on developers to pay Vat (14%) on the full purchase price of a property before receipt of payment

cont'd

MOVEMENT AT OLD MUTUAL

Old Mutual Properties' investment manager Ian Watt is to succeed Martin Buss — who occupies the top slot in the OMP hierarchy — as assistant GM from August 1.



The move will mean a relocation for Watt (46) from Johannesburg to Old Mutual's head office in Mutual Terraces, Pinelands, Cape Town. Watt has been OMP's investment manager for the past four years, prior to which he was regional property manager in Johannesburg. He now takes charge of the mutual company's R7bn property portfolio.

Word is Buss (55) plans to spend his retirement sailing around the world. OMP marketing manager Tommy Osborne will take over Watt's investment management role. Osborne has served OMP in various capacities, from a one-time leasing and investments executive to regional property manager for Durban.

Former MD of Realty 1 (commercial & industrial) in Cape Town Wally Hart will assume Osborne's marketing position. OMP development manager Richard Winton has now been appointed provincial manager for the Witwatersrand and his national development role will be filled by Cape regional development manager Phillip Howes, who will remain in the Cape.

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Catering for tourist trade

Sowetan 25/6/93 SP

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■ QUARTER FULL South Africa attracts 250 000 people from all over the world:

By Mzimkulu Malunga

THERE IS GROWING OPTIMISM that tourism will become South Africa's major foreign exchange earner in the near future and Fedics is positioning itself for this development.

Though the company has no plans to become a fully fledged tourism enterprise, even with the tourism boom, it is already the biggest inflight services company in the country.

Currently, South Africa attracts only 250 000 international tourists a year, but its absorption capacity is a million people annually.

Tourism die-hards say they like its labour intensiveness. The arrival of every 10 tourists creates two jobs, argue the industry's lobby.

Fedics' managing director, Mr David Wigley, says: "If we have not developed a dynamic tourism industry by the turn of the century, then we shall have failed as a country. Tourism creates jobs."

The company's director in charge of market development, Dr George Msibi, who also sits on the South African Tourism Board, takes the argument further: "If the economy improves and other negative factors like the violence are removed, we are going to have a boom like we have never seen.

"My worry is not if and when the boom will come, but whether the country has the capacity to accommodate the growth," says Msibi.

Fedics runs two inflight companies, Air Caterers and Air Chefs.

Air Caterers serves almost all the major international airlines coming to South Africa while Air Chefs supplies meals on South African Airways and Flitestar as well as some international and continental airlines.

Air Chefs is a joint venture with SAA which owns 51 percent while Fedics owns 49 percent. The company controls 67 percent of Air Caterers with Swiss Air owning the remaining 33 percent.

Air Chefs has two branches in Johannesburg, one in Durban and the other one in Cape Town.



Mr David Wigley



Dr George Msibi

> "My worry is whether the country has the capacity to accommodate the growth"

At the end of last year Air Caterers opened a new kitchen worth R20 million at Jan Smuts Airport in line with the growing demand as more airlines invaded South Africa in the midst of South Africa's own version of Glasnost and Perestroika.

The kitchen produces about 4 000 meals a day, but has the capacity to produce 12 000.

Fedics runs all the Longhorns and Juicy Lucy's at the major airports. The company also administers duty free shops at DF Malan Airport.

Msibi says already there is an increasing influx of Africans from far north of the Limpopo which is another illustration that South Africa stands on the threshold of a tourism boom.

"One day, I was at the Holiday Inns Garden Court, and someone there thought I were a Zairean because there are so many of them around," notes Msibi.

About ten years ago, the size of the Australian tourism industry was equivalent to that of South Africa, but due to proper ground work, the industry has increased 12 times in Australia, he says.

Giving workers a perfect dining experience

Sowetan 25/6/93

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FEDICS Food Services, South Africa's leading contract company, is committed to providing customers with a dining experience, rather than just a meal.

Restaurant ambience is an integral part of the company's quality drive, which encompasses every aspect of service, including maintenance of top hygiene standards, effective merchandising, creative menu planning and quality and choice of meals.

The company's regional quality teams include merchandising and decor specialists who work closely with clients on staff restaurant ambience and appearance, and advise on upgrades, whether small or extensive.

In the last two years, the Fedics Transvaal quality team has coordinated the upgrade of about half of the region's 300 catering operations.

Says quality merchandising manager Ms Tracy Denton: "The decor and design of an operation depend on the client's budget and on the profile of customers using the facility, but an attractive, comfortable restaurant always makes a meal a more enjoyable experience".

> "The restaurant gift shop should be particularly successful in areas with limited shopping facilities, and many of our clients are showing interest"
>
> Ms Tracy Denton

Stimulating sales

It can also boost client's food sales, as Johannesburg City Council discovered when it implemented the decor and merchandising improvements recommended by Fedics.

The restaurant, which caters not only for council employees but also for the city council's pensioners, was redecorated in pastel shades and the principles of effective merchandising were introduced. Sales rose by 20 percent.

"The decor gave the operation a fresh, inviting atmosphere and, whereas previously patrons would eat and leave, customers now take much more time over their meals and are tempted to sample more of what's on offer", says Denton.

When the Fedics quality team is asked to provide suggestions on restaurant upgrades, the profile of the company is the first consideration, she adds. "A modern, young company probably will be comfortable with modern, young decor, such as blacks and reds, while pastel shades may be better for a more conservative company. We also consider the company's origin, an example being Roche, where wood was used extensively in its restaurant upgrade to reflect the architectural style of a typical Swiss chalet".

For extensive refurbishment, such as that required by Roche, Fedics' team of professional designers in food service design is brought in. The team specialises in kitchen design and has completed about 1 800 large-scale projects over the years.

Among its most recent contracts was the establishment of a free-flow servery and call-order bar at Genmin Unicorn House, at a cost of R450 000.

New concepts

While an increase in investments in facility upgrades is not anticipated, due to the economic climate, Fedics has introduced certain concepts that look set for future success.

One is OJs, which requires no kitchen facilities. Pre-prepared meals are brought in daily, attractively merchandised and, if applicable, heated in a microwave as the customer leaves.

Another new concept, the gift corner — offering gifts for every occasion, from Mother's Day to Christmas — is proving very popular at the Johannesburg City Hall.

"The gifts are displayed in a glass-fronted cabinet and a price list is made available to customers," says Denton. "The service should be particularly successful in areas with limited shopping facilities, and many of our clients are showing interest."

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. 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.

> "The realisation of the black advancement dream keeps the centre busy"

FEDICS SURVEY *Dominant belief when company started taking affirmative action*

Right food for the situation

Sowetan 25/6/93

GOOD NUTRITION *It is not enough merely to serve workers lunch:*

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Quo though it may be, Napoleon's contention than an army marched on its stomach still holds true.

In today's circumstances, nutrition is no less crucial to the effectiveness of the country's workforce.

From labourers to business executives, scholars to old folk, a balanced diet is as much an ingredient of productivity as it is of basic good health.

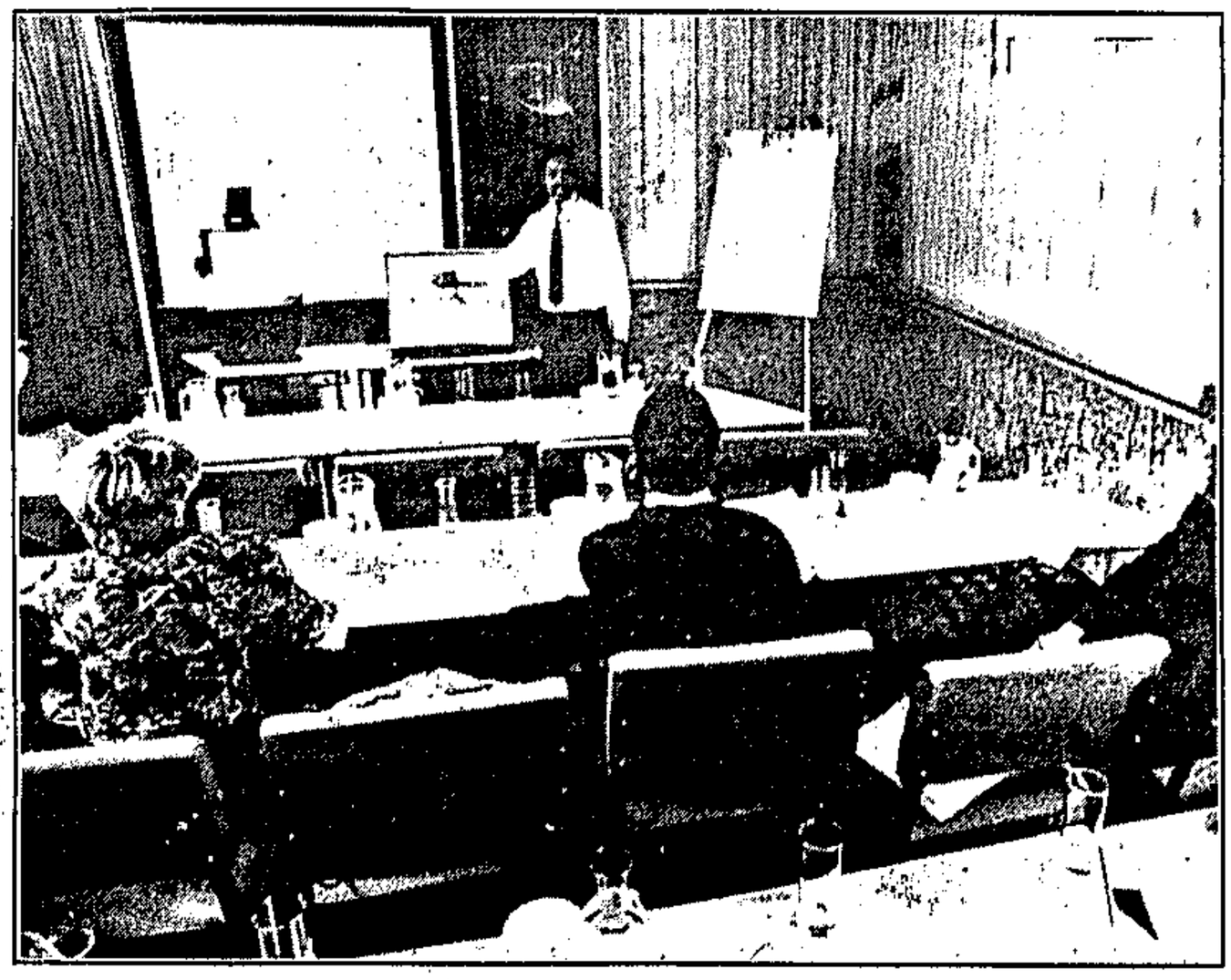
Food relief to the starving is one thing. That's a matter of survival. Good nutrition goes much further.

It's not even enough merely to serve workers lunch. If it's to be nutritional, it must be the right food for the situation.

Insufficient or incorrect sustenance from food can lead to lack of concentration and leave factory workers at risk of accidents, or scholars open to poor results. Schoolboys active in sport need larger meal helpings than desk-bound office workers.

Rural workers seeking jobs in the cities may be prone to adopt Western eating patterns without knowledge or concern for the lack of nutrition in junk food.

In hospitals, the effect of bad nutrition is far more obvious: wrong foods can lead at best to decelerated recovery, at worst to coma or even death.



Vusi Nkabinde training personnel at the Institute of Hospitality Studies (See page 27).

Blue Ribbon BREADS

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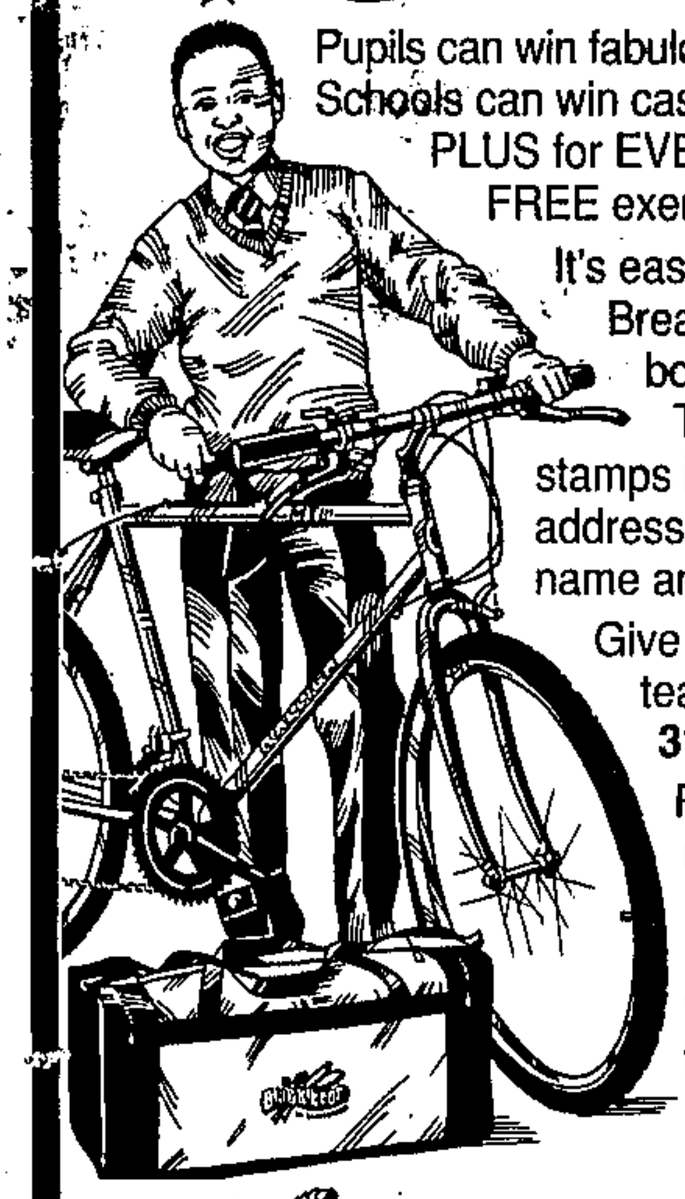

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Blue Ribbon BREADS

R10440

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.

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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.

'Safety of tourists must be ensured'

ET 16/6/93 Business Editor (288)

THE current level of violence must be brought under control "so that the personal safety of visitors can be ensured," SA's new Minister of Tourism, Bhadra Ranchod, said at the launch yesterday of Kessel Feinstein Consulting's new handbook for tourism and allied industries.

A speedy negotiated settlement leading to an interim government is a prerequisite for political stability.

But, Ranchod continued: "We cannot wait for ideal circumstances or political solutions before improving the tourism industry.

"We have a vast market of local people within our borders who need to be involved in domestic tourism.

"A random survey of SA households commissioned by Satour during 1992 indicated that black people have a limited share of the domestic holiday market and their confidence as tourists is low.

There was a need to take tourism to the people and involve communities, at grass roots, in its development so that they would share its benefits.

Local populations must benefit from eco-tourism

HOW do you convince someone who cannot afford to send his children to school that the government is correct in spending millions on building a game park next door to him?

How do you convince a hungry man that the meat roaming on the other side of the fence is not for him to eat, but for rich tourists to look at?

It cannot be done, Satour has concluded. That man, and others like him, must benefit from the game park, otherwise eco-tourism, a major money spinner for the country, is doomed to fail.

More than R2,5bn was earned from foreign tourists in SA in the past financial year, and most of it came from game parks.

The suggestion from Satour tourism development director Mike Fabricius is that government funds to sponsor wildlife lodges should be granted only to those who ensure local inhabitants participate in management of the enterprise.

"Uplifting our people is the biggest challenge facing the tourism industry," Fabricius says in a document recently released by Satour.

Government recently made R600m available through the Industrial Development Corporation to subsidise the establishment of private game reserves and wildlife lodges.

Eco-tourism is one of the few industries in the world that allows a net flow of wealth from rich industrial nations to cash-strapped developing nations.

Research recently conducted by the World Travel Organisation shows that 85% of toursists want an "environmentally correct" holiday.

And in Kenya, a recent study showed wildlife tourism is 50 times more lucrative than cattle farming.

But is the cash going to the right people?

Together

Communities and conservationists, usually at loggerheads, got together at a conference last month organised by the Johannesburg-based Group for Environmental Monitoring.

A steering committee has been set up with community representatives from Kangwane, Maputoland, Bophuthatswana, Gazankulu and the Richtersveld. It will be co-ordinated by the group, to make sure lines of communication are open and communities benefit from eco-tourism.

The communities around game parks have often given up their ancestral land, willingly or unwillingly, for wildlife to be preserved.

Frank Vorhies, resource economist from the Ecoplus consultancy, says the new priority being given to eco-tourism is a welcome shift from the "mine-set" that SA wealth can only be generated by exploiting non-renewable mineral resources. Renewable natural resources could be as valuable for the economy, if not more so. — Keeping Track.

Locals build Phinda's second lodge

PETER GALLI

THE Conservation Corporation (Conscorp) has assembled its own community-based construction crew to build its second lodge at the Phinda reserve in Natal.

The 32-bed forest lodge is under construction in the north of the reserve, near St Lucia, and is scheduled for completion by October.

MD Alan Bernstein said the corporation had decided it would be more costeffective and appropriate to utilise its own resources and the skills available in the adjacent KwaZulu area.

"This slots in with our philosophy of creating regional wealth through utilising local expertise and resources. This involves the training and employing of local people and is done in close association with project managers Schneid Israelite," he said.

Between R2m and R3m of the total R7m construction cost will be spent in the region. The 35 Phinda construction workers have either already been employed at Phinda in other fields or were unemployed locals. Many of them have been taught skills.

"We provided all the training and building skills, to allow the team to complete the basic construction and establish the water and reticulation systems," Bernstein said.

While the project did not use conventional building methods, the quality of the work had been "excellent".

The novel design of the lodge, which was raised on stilts more than a metre off the ground, had proved an enormous challenge for the project management team, which had to ensure that the disturbance of the sensitive forest environment was kept to a minimum.

"Apart from elevating the entire lodge above the forest floor, the other unique design elements are a flat roof of sisal poles covered in lichen, and glass walls opening up to the forest canopy," he said.

To ensure as little construction on site as possible, many of the lodge components — about 50% by value — were being manufactured off-site. "The 16 suites consist of a relatively simple timber, glass and core brickwork structure."

The lodge is on the fringe of a forest overlooking an open vlei. The aim of the design is to enable guests to feel part of the scene.

"It was vital that the architecture complemented but did not dominate the forest, and that the materials were sympathetic to the surroundings. An outer shell was designed using timber, sisal and plaster, with a high-quality internal finish," Bernstein said.

The R7m for the forest lodge had been financed primarily through equity funding and long-term borrowings. However, the group's gearing was small, though it would increase as development took place.

The first lodge, Phinda Nyala, can sleep 44 and the forest lodge will accommodate 32 when it opens in October. Conscorp plans to construct another two lodges at the reserve, depending on demand.

"About 10% of our present funding is through borrowing. Our three lodges — Phinda, Londolozi and Ngala — have performed in line with projections, and the group is making profits at the operating level.

"However, the effects of the political upheavals over the past two months will probably be reflected only in six months' time. While the industry is fixed-cost driven, any pick-up in occupancies quickly results in improved profits," he said.

Tourism 'needs open skies plan'

(288) CT 26/5/93

SOUTH AFRICA is losing numerous jobs and vital foreign exchange because its tourism industry is being inhibited by continued government protection of the airline industry.

This is according to Southern Africa GM of KLM Royal Dutch Airlines Peter Janssen speaking at a conference in Cape Town yesterday.

"Liberalisation of aviation in 1992 has seen many more airlines serving the Republic but deregulation has still some way to go to achieve an open skies policy needed to make SA a major tourist destination," he said.

Job creation

Janssen said for every extra 10 000 tourists South Africa attracted, 1 000 new jobs would be created and R50m earned in foreign exchange.

Studies showed tourism could add 600 000 new jobs annually, yielding over R30bn in forex. But, he said, tourism presently covered less than 1% of SA's total domestic economic activity, employing fewer than one in 70 workers.

"The key to successful tourism development lies in removing restrictions on the number of flights, letting the market set fares and opening all gateways to entrepreneurial airlines," Janssen said. — Sapa

'Tourists feeling less safe in SA now'

CT 18/5/93 (288)

Own Correspondent

DURBAN. — Foreign tourists feel far less safe while visiting South Africa now than they did in 1990.

Addressing the Fedhasa Natal annual regional congress yesterday, Satour tourism development director Mr Mike Fabricius said the number of foreigners who felt safe declined from 70% in 1990 to 23% this year.

This was one disturbing statistic revealed by a survey conducted recently for Satour by Makinor.

Other statistics revealed the number of foreigners who were satisfied with service they received in South Africa declined from 74% in 1990 to 51,7% this year.

A survey of 2 000 domestic travellers indicated Natal was the most sought-after holiday destination, commanding 32% of the travellers' expenditure and 24,4% of trips taken.

Mr Fabricius said the survey showed most travellers found hotel accommodation too expensive and that only six percent of domestic tourists stayed at hotels.

Friends and relatives were the most utilised form of holiday accommodation.

Natal Administrator Mr Con Botha said sports betting, if it was to be extended beyond horse racing, should be a provincial responsibility.

Reacting to the recently released Howard Commission report on gambling, Mr Botha said: "Tax revenue received from horse racing is an extremely important part of our income and should be augmented."

KwaZulu minister Dr Frank Mdlalose told delegtes the KwaZulu government would not allow the development of "an exclusionary, elitist tourism ethos" in the region.

Dr Mdlalose said tourist development in the region should cater for all sectors of the market.

He also said the history of the Zulu nation — "correctly presented and marketed" — should be used to "boost tourism traffic".

TV series 'to boost SA tourism'

JOHANNESBURG. — A series of television programmes are to be shot in South Africa for screening in America, Europe and Australasia, the South African Tourism Board (Satour) said on Saturday. (288)

Satour hopes the programmes will help boost the country's tourist industry. CT 22/11/93

Satour said it had joined forces with Associated Television International to produce the programmes, which would centre on the country's major tourism venues, including the eastern Transvaal Lowveld, Cape Town and the Garden Route.

Actors including Robert Vaughn, Jameson Parker and Lee Horseley would soon be arriving in South Africa to begin filming, Satour said in a statement.

ATI vice-president Mr Howard Coleman said his company had been considering South Africa as a host location for some time, according to the statement.

"American viewers need to be reminded that travel to South Africa is both safe and enjoyable," Mr Coleman said.

Tourism to South Africa between January and August, 1993 had increased by 11% compared to the same period in 1992.

Satour said its most important markets were the United States, United Kingdom, Germany, France, Taiwan, Australia, Italy, the Netherlands and Switzerland. — Sapa

FM 14/5/93

288

TIMESHARE

Throwing a lifeline

Shareholders in the liquidated timeshare resorts Cabanas Del Mar and Cabanas Del Sol on the Natal South Coast have been granted a second reprieve to enable them to come up with an offer which would block a hostile takeover of the companies.

Timesharers were left high and dry when the Winkelspruit resorts were liquidated last year. Though they qualified as concurrent creditors, the 4 000 timesharers quickly discovered that ownership of timeshare weeks never gave them any real tenure over the properties. FM 14/5/93.

The companies were liquidated because of the alleged inability of the developer to service a R5,5m bond over the properties held by Metboard *(Property* December 25). Concurrent creditors are owed a further R500 000 — excluding shareholders' interests, estimated at R9m.

Liquidators Coopers Theron Du Toit (Cabanas Del Mar) and Aiken & Peat (Cabanas Del Sol) initially set a deadline of February 25 for offers to buy the two complexes. This was later extended to March 18 but has now been pushed back to May 28 following negotiations between Metboard, the liquidators and the Shareholders' Action Committee.

The liquidators are now publicly inviting bids for the purchase of the two developments. Metboard says it is aware of about four bids that have already been submitted. Shareholders' Action Committee chairman Carl Mischke says the committee is also planning to tender but their bid will be held back until the last minute. A meeting was held on January 20 at which it was decided to structure a rescue operation in terms of which the committee would buy the resorts from the liquidators.

Says Mischke: "At the moment, owners of timeshare weeks have no security of tenure other than the fact that they are concurrent creditors. If there is a hostile takeover, the new owner could, for example, resell the units as sectional title residential apartments. Thereafter, buyers will be able to do whatever they wished with them. Timesharers will only have security if and when our offer to purchase is accepted. Clearly, we will fight tooth and nail to prevent a hostile purchase — even if it means a Supreme Court interdict."

Mischke feels such action would be justified in the unlikely event of the liquidators agreeing to a sale unfavourable to the shareholders on the grounds that they are concurrent creditors and should have a say in the disposal of the properties.

He adds that if the Shareholders' Action Committee can enlist Metboard's support in the matter then it would cease to be an issue, since the liquidators need their sanction before they can agree to any sale.

Metboard, however, points out that its main concern is to have the capital and interest on its loan repaid. "We were party to the extension granted to allow the timeshare owners an opportunity to put together funding proposals. However, it is really up to the liquidators to look after the creditors. We are confident that we will achieve a return as we believe the value of the developments exceeds that of the bond," a spokesman says.

Mischke says the extensions to the closing dates for bids were requested by the committee because of the lengthy process of communicating with shareholders in order to obtain commitments and submit claims. "We are now posting contracts to the shareholders which will, subject to the committee's successful bid to buy the properties, commit them to repurchasing their weeks."

The ideal solution, he believes, would involve the shareholders repurchasing their weeks with the balance of unsold weeks (just under 50%) taken over for sale by a timeshare developer. ■

SA tourism loses R500m

DURBAN. — Violence has taken its toll on tourist arrivals in South Africa, with an estimated loss of up to R500 million in the industry last year and with visitors experiencing declining standards in personal safety.

This is according to South African Tourism Board chairman Mr Piet van Hoven, speaking at a panel discussion here during the board's week-long marketing exhibition, Indaba. (288)

Most speakers, including President F W de Klerk, stressed that once a political settlement had been reached and violence brought under control, tourism would boom.

"South Africa has the potential to become the most sought after eco-destination in the world. Our aim is to accomplish this, and to bring the benefits thereof to the people," said Mr Van Hoven. CT 13/5/93

Satour's chief director of tourism promotion, Dr Ernie Heath, said Satour was aiming to attract 966 000 overseas visitors by 1995, and 1 750 000 by the year 2000. — Sapa

Talks deal will boost tourism — FW

DURBAN — President F W de Klerk said yesterday he had no doubt negotiations would be successful and this would lead to a reduction of violence, the early establishment of a transitional executive council and the installation of a government of national unity next year.

Opening the SA Tourism Board's marketing exhibition "Indaba" in Durban, De Klerk reiterated his confidence that a settlement was imminent.

A government of national unity would lead to a dramatic reduction in violence, which would open the way to an unprecedented increase in international tourism.

De Klerk said tourism contributed 6,1% of the world's GDP and "SA wants its fair share of this enormous market".

Satour has said international tourism already provides the country with an annual income of R3,4bn in foreign exchange. Tourism Minister Bhadra Ranchod said SA hoped to attract 1-million overseas visitors by 1995 and 1,75-million by 2000. — Sapa.

SA to reach north 'for tourism'

(288) CT 12/5/93

Own Correspondent

DURBAN. — South Africa is poised to link hands with its Southern African neighbours in a massive bid to lure international tourists to the region.

Opening the tourism Indaba '93 at Durban's Expo Centre yesterday, President F W de Klerk said South Africa recently met "enthusiastic representatives" of 17 African states "to investigate the desirability and feasibility" of the country "co-operating" with its African neighbours to promote international tourism.

Mr De Klerk also said he had no doubt negotiations will be successful and this will lead to a reduction of violence, the early establishment of a Transitional Executive Council and the installation of a Government of National Unity next year.

He added this process would lead to a dramatic reduction in violence, which would open the way to an unprecedented increase in international tourism to South Africa.

A record 11 African countries have joined South Africa in taking stands at the Indaba this year, Mozambique and Kenya exhibiting for the first time.

Tourism Minister Bhadra Ranchod later said "the time was right" for South Africa to develop a joint marketing strategy — "a package for the whole region".

Foreign tourists visiting South Africa could be encouraged to visit more countries in Southern Africa, he said.

NEWS

Joint bid to boost tourism

Star 12/5/93

Own Correspondent

DURBAN — South Africa is poised to link hands with its southern African neighbours in a massive bid to lure international tourists to the region.

Opening the tourism Indaba '93 at Durban's Expo Centre yesterday, President F W de Klerk said South African officials recently met "enthusiastic representatives" of 17 African states "to investigate the desirability and feasibility" of the country co-operating with its African neighbours to promote international tourism.

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"And a follow-up meeting is in the pipeline," he said.

This follows the publishing last year of the Government's White Paper on Tourism, a policy document which has major implications for the development of the tourist industry.

In spite of images of South Africa's violence being televised worldwide, 7,4 percent more overseas people visited South Africa last year, De Klerk said.

Visitors from other African countries — excluding day visitors — numbered 2,1 million during 1992.

Elaborating later at a conference of local and international media, newly appointed Tourism Minister Bhadra Ranchod said the time was right for South Africa to develop a joint marketing strategy — "a package for the whole region".

A record 11 African countries have taken stands at Indaba '93.

Getting a franchise is a smart way to succeed

C/News 9/5/93.

FRANCHISING is the name of the new game if you want to get into business without the traditional and tested blood, sweat and tears route.

So says consultant Bendeta Gordon, who will be organising a high-powered June conference which will be addressed by, among other top speakers, famous north American businessman Stefan Breg of the Burger King empire.

"Black entrepreneurs can be empowered through franchising in SA," says Gordon. "It (franchising) facilitates the transfer of skills from established businessmen to inexperienced businessmen, thereby assisting in the creation of skills, jobs and wealth and earning its title of SA's biggest business opportunity".

He continues: "Over the past 20 years franchising has become the most successful single business mechanism to grow market share".

But all said and done, the simple question begs an answer: just what is franchising?

Franchising is a system through which a well-established company (franchisor) offers an individual the opportunity to do business under the corporate brand name and image of the franchisor and to use the business system developed by the franchisor.

A good franchisor generally also provide a comprehensive franchise package involving know-how, a marketing assistance programme, training, research and development facilities as well as bulk-buying and administrative assistance.

Pitfalls

Through this support, accompanied by ongoing advice and guidance from the franchisor, the franchisee can leapfrog many of the pitfalls of inexperience associated with setting up a new business. Franchising is all about getting into business for yourself, but not all on your own.

Franchising is not an easy or guaranteed way to become rich. By drawing on the experience and support of the franchisor, franchising can reduce the risk of failure and can make it a safer investment for those who are prepared to work hard.

However, ultimate responsibility for presenting a quality product/service to the market, to sell effectively and to maintain a thorough administrative system always remains with the franchisee as is the case with any other entrepreneur.

Franchising is just as relevant to the family-established small business that may wish to consider expanding as franchisor.

Franchising offers the franchisee a "proven business formula". When you buy a franchise you buy something that has made profits for other people in similar circumstances and which should probably do the same for you, provided you work at it.

Some useful points to remember if you decide franchising may be for you.

- Recognised brand name. By getting into through a franchise you start with a well-established brand name and reputation behind you. On your own it could have taken you years to establish a name for your business in the market place.
- Know-how: Access to the accumulated experience and information of the franchisor provides you with know-how that you would have otherwise to obtain through trial and error.
- Acquiring property: Location of premises is often a key element in business success. With the backing of a strong franchisor you will find it easier to buy or rent premises on favourable terms than a new business without an established name.
- Correct specifications: If the franchisor does not himself supply the equipment you need, he will probably provide you with the applicable specifications. This service will probably also encompass instructions on design and lay-out of premises which have, over the years, proved to be the most effective.
- Easier finance: When you apply to a bank or other institution for finance, the backing of a national or established company, with successful track records of co-franchisees will considerably strengthen your application.

For further information about franchising contact: The South African Franchise Association, Private Bag 34, Auckland Park, 2006. Telephone (011) 726-5300. On the other hand, a good bank manager, lawyer, accountant or your nearest Small Business Development Corporation (SBDC) branch can help.

Holiday good times are a phone call away

ST Times [C | Metro]
915193
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MOST regions in southern Africa have publicity or marketing associations to help tourists plan their holidays.

Their services are usually free of charge and they provide pamphlets, maps and hints on where to stay and where to go.

Keep this handy list of telephone numbers for when you next plan a holiday.

● Bophuthatswana Tourism Council (0140) 84-3040/1/2/3.

● Border Tourism Association, incorporating the Greater East London Publicity and Tourism Association, (0431) 47-2400.

● Bulawayo Publicity Association (Zimbabwe) 09263-9-60867.

● Cape Tourism Authority (021) 418-5202.

● Ciskei National Nature Conservation and Tourist Board (0401) 95-2115.

● Eastern Province Tourism Association (041) 55-8922.

● Empresa Nacional de Turismo (Mozambique) (09258) 1-42-5011/3 or 1-42-0324.

● George Tourism Association (0441) 74-4000/73-5228.

● Highland Tourism Association (Free State OFS and Lesotho) (05192) 3947.

● Johannesburg Publicity Association (011) 337-6650.

● Kenya Ministry of Tourism and Wildlife 09254-2-331030.

● Lesotho Tourist Board (050) 32-2896/32-3760.

● Lowveld and Escarpment Tourist Paradise (01311) 59-2270/1.

● Namibia Directorate of Tourism and Resorts (061) 284-9111.

● Northern Transvaal Regional Committee for the Promotion of Tourism (01521) 95-2011.

● Northern Cape Tourism Association (0531) 80-6264/5.

● OFS Sentra Tour (Central Free State) (01411) 2-2231.

● Oudtshoorn Municipality (0443) 22-2221.

● Port Elizabeth Publicity Association (041) 52-1315.

● Qwaqwa Tourism and Nature Conservation Corporation (01438) 3-0576/4444/4415.

● Southern Africa egional Tourism Council (011) 788-0742. Members are the Comores, Lesotho, Malawi, SA and Swaziland.

● South African Tourism Board (012) 347-0600.

● Tourism Authority of Natal and Kwazulu (031) 307-7494. Incorporates the Drakensberg Publicity Association, Durban, Kwazulu, Natal Battlefields Route, Natal South Coast Publicity Association and the Magic Midlands.

● Transkei National Tourism Board (0471) 2-6685.

● Western Cape Tourism (021) 930-3742. Incorporates Breede River Valley, Namaqualand, Bushmanland, Overberg, Swartland, West Coast and Winelands.

● Zambia National Tourist Board (011) 622-9206/7.

● Zimbabwe Tourist Development Corporation 09263-4-79 3666/7/8.

Selling Natal's top attractions

ST Times [C | Metro]
915193
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JOINT Services Boards in Natal, the equivalent of Regional Services Councils elsewhere in South Africa, are throwing their weight behind the promotion of tourism.

The Thukela Joint Services Board is selling the north-western corner of Natal.

"This region has two unique attractions — the Natal Drakensberg and the Natal Battlefields Route," said Thukela Joint Services Board chairman Willie Schoeman.

"Although currently under-exploited, the Anglo-Boer and Anglo-Zulu battlefields in the area are a potentially huge drawcard for overseas tourists, particularly from the UK.

"The Drakensberg range ranks among South Africa's 10 premier tourist attractions," Mr Schoeman added.

"While tourism marketing is one of the regional functions we have undertaken, it's not our intention to detract from marketing initiatives already in place.

"Our aim is to forge partnerships with the local government and private sector tourism to shape and direct tourism growth in our region," he said.

Comprehensive tourist information is available from publicity associations in the Drakensberg and most towns along the Natal Battlefields Route.

The route starts at Estcourt in the south, winds past Ladysmith and Dundee eastward to Vryheid, past Newcastle and ends at Volksrsust on the Transvaal side of the border.

Tanzania

eathtaking game parks; * intriguing Zanzibar;

TOURISM SA

Grading plan will revitalise industry

S/Times [C/Metro] 9/5/93

288

A NEW voluntary national grading and classification scheme for all tourist accommodation is to be introduced by the South African Tourism Board (Satour) this year.

Its implementation, says Satour, is dependent on the repeal of the current Hotels Act of 1965 in the latter part of June. This would allow the new scheme to come into effect on July 1.

Specific

A Satour spokesman says: "The scheme is designed to act as a major catalyst for tourism development in South Africa and to bring the industry into line with international trends and developments.

"It takes into account the needs and requirements of the consumer and the individual operator in each specific type of accommodation — from the hotel industry to informal bed and breakfast operations. It will apply to three main categories of accommodation — serviced, self-catering and caravan parks.

"The current grading system is geared solely for hotels and excludes non-hotel products. The new scheme will serve a wider spectrum of establishments previously unable to enter the system. The serviced accommodation category includes all establishments that provide 'full' services to guests such as hotels, guest and country houses, guest farms, limited service hotels and private game reserves.

"The self-catering sector includes private holiday homes, chalets, flats, self-catering timeshare units as well as national and provincial parks. Caravan parks will fall into their own special sub-category," he adds.

"The scheme itself is broken down into three distinct parts: listed accommodation, graded and classified establishments. Requirements for the listed category are quite simple — the property must be clean and in a neat condition and facilities have to be in an acceptable state of repair.

Minimum

"Gone are the requirements for meals, ancillary services and unnecessary bedrooms. They must have a minimum of five bedrooms for guests and will be assessed every year.

"Grading can take place once basic minimum standards are met — these are based on different requirements particular to specific markets and accommodation types. Classification is applicable to establishments offering above-average standards of hospitality, quality and professionalism.

"It's intended to improve the standards of service and serves as a reward to establishments that make it their goal.

"Consumers will play an important part in keeping the scheme relevant. The consumer feed-back programme will offer questionnaires at all Satour regional offices, local publicity associations, car hire companies, airline ticket offices, travel agents and through ATM machines in tourist destinations.

Comments and suggestions will be acted on.

"The new scheme means that consumers will be able to look at a selection of accommodation products and find a known mark of acceptance from a neutral authority," says the spokesman.

ning Mrs Linda Champ had been advised not to the press.

MOVING VISIT ... Mrs Helena Botha is welcomed with kisses and flowers by Mrs Sally Se Sinclair, Mrs Helena Leaner and Mrs Ellen Gordon, all members of the stroke group at the E

Hotel to pay R1m in back-pay

Own Correspondent

DURBAN. — The Labour Appeal Court here has instructed one of the city's oldest beachfront hotels — the Blue Waters — to reinstate 74 employees and to pay them almost R1 million in back-pay for the past 29 months.

Mr Bheki Nene, the Black Allied Workers Union's (Bawu) branch secretary, said the Labour Appeal Court had ordered the workers be paid from the date of their dismissal in May 1988.

A hotel spokesman confirmed this and that the company had been ordered to reinstate the dismissed employees.

The dismissed employees, who took part in an illegal strike, are expected to resume work on Monday.

The crux of the dispute centred on the union's demand to negotiate at plant level, while employers preferred using the relevant industrial council.

However, industrial council requirements made it difficult for Bawu and another union to join the negotiations. As a result these two unions decided to approach employers individually, demanding to negotiate at a company level.

Most hotels who fired their employees — except for Blue Waters — later settled out of court when unions applied to the industrial court to have the dismissal declared an unfair labour practice.

World's tourism industry for SA

Star 4/5/93

288

Own Correspondent

DURBAN — Nine hundred delegates from 54 countries are expected at the Indaba '93 tourism show in Durban between May 10 and 14.

The show will be opened by President F W de Klerk on May 11.

Fourteen countries are sending delegates to the show for the first time this year. They are: Benin, Cameroon, Congo, Ivory Coast, Ghana, Guinea, Saudi Arabia, Senegal, Seychelles, Tanzania, Uganda, Indonesia, Sri Lanka, and the United Arab Emirates.

The show, at the Durban Exhibition Centre, is being organised by the South African Tourism Board in conjunction with South African Airways and with financial and other help from the Durban City Council and the Greater Durban Marketing Authority.

As it is intended mainly for foreign delegations to liaise with the local travel and tourism trade, it will not be open to the public.

The executive director of the South African Tourism Board, Spencer Thomas, said the Indaba was the single most important event on the South African tourism calendar.

"It contributes significantly towards growth of our tourism product, thereby earning foreign exchange and providing employment opportunities."

15% rise in SA tourism expected

Star 26/11/93

■ STAFF REPORTER

The SA tourism industry is bracing itself for a 15 percent increase in the number of overseas visitors this festive season, the SA Tourism Board (Satour) said yesterday.

"Given feedback from key industry players, it is apparent that the positive growth patterns will continue through the year end," Satour spokesman Marinda Steyn said. Overseas arrival figures from January to August reflected a significant growth of 11 percent compared with last year, with the business market contributing slightly more to this growth than the holiday market.

Asia showed a major increase of 34,2 percent, followed by South America with a 28,3 percent increase over the same period last year.

Europe, which represents about 66 percent of total overseas arrivals, reflected a cumulative growth rate of 7 percent between January and July, which represents an additional 16 769 visitors.

The US maintained its 20 percent growth from January to August (288).

"Satour regards this growth as encouraging since the number of visitors from the US to most countries in the world has shown a negative growth during this period," Steyn said.

The number of Indian visitors increased by 46 percent and, according to Steyn, further growth was expected after the recent introduction of an Air India flight to SA.

The lifting of sanctions, fact-finding missions as well as new business opportunities being created had accounted for the business market outstripping the growth in overall tourist arrivals — 22 percent against 11 percent.

The major growth in the business segment was from the US (36 percent) and Taiwan (32 percent).

There is plenty of room at the inn, say hoteliers

B/Sat 22/12/93

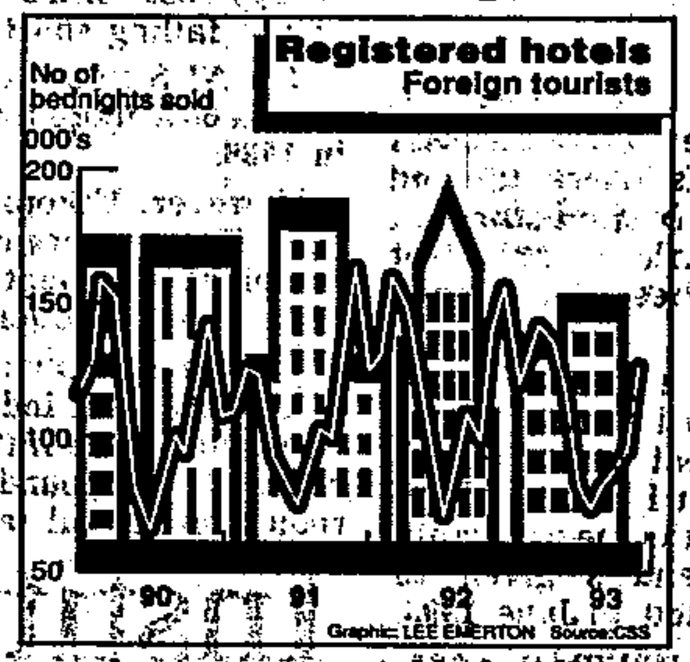
BEATRIX PAYNE and MARCIA KLEIN

THERE are no good surprises in the hoteliers' Christmas stocking this year as festive season bookings are only marginally above last year's levels.

Industry sources said occupancies had been fairly good, and forward bookings over the next few weeks were quite promising. Although the Christmas season was traditionally buoyant, they were expecting no significant improvement on last year's sluggish turnout. Hotels were busy, but not full, they said.

A continuing trend was that people were going on holiday for shorter periods and to destinations closer to home. Many were also "buying down", opting for limited service hotels or self catering accommodation rather than the four and five star hotels. This was attributed to the recession and to the increase in available rooms in this market.

Satour's quarterly review showed that hotel occupancy for graded SA hotels was just 45,9% in the first six months. Most major hotel groups said occupancies over Christmas were significantly higher, but this would not be enough to lift full year occupancies to a respectable level.



Major hoteliers said there had been no increase in the number of bookings by foreign tourists.

Portfolio of Country Places director Liz Westby-Nunn said although hotels would be full over the Christmas and New Year holiday period, booking pressure had declined since the same time last year.

She said there had been an increase in bookings of self-catering accommodation as a result of the recession.

The Western Cape had fared relatively well from international tourism although hotels were finding it difficult to forecast bookings as many foreigners made accommodation arrangements at the last minute.

Sun International MD Peter Venison said although occupancy rates had trailed through the year, bookings for the holiday period were at the same level as last year. (288)

Venison said there had been no upswing in the number of bookings by foreign tourists. He added that tourism would not increase until foreign tourists were happy that SA was peaceful and secure.

Satour senior tourism development officer Heidi Keyser said the western Cape had been the most popular area with foreign tourists, while SA holiday-makers tended to prefer Natal and the eastern Cape.

City Lodge operations director Clifford Ross said that the highest occupancies were in Cape Town, while Port Elizabeth and Durban were picking up.

He said people had become more price conscious, looking carefully for the best value for their rand.

Protea Hotels Transvaal regional director William Ford said that lead-in time for bookings was shorter, as families waited to see what disposable income they would have towards the end of the year.

He said Cape Town and the Garden Route were popular, but there were still "many rooms available".

Dire shortage of posts for SA law graduates

GERALD REILLY

PRETORIA — Nearly half of the 3 000 law graduates from SA universities this year would be unable to find articled posts in law firms, Legal Aid Board deputy director Tony Hutchinson said this week.

And the gap between the number of graduates and available posts was expected to worsen "indefinitely". Last year 2 134 graduated and 1 389 found posts with law firms. B/Sat 22/12/93

Hutchinson said to find channels other than articles through which candidate attorneys could qualify for admission to the profession, the board planned to establish 24 community service law clinics over the next 12 to 18 months.

The clinics would provide desperately needed affordable and accessible legal services for South Africans deprived of legal access because of poverty and the high costs involved. At the same time, Hutchinson said, they would provide the two-year practical experience needed by aspirant attorneys to fully qualify for admission. (288) (288) (288)

The first five — at Unisa, the universities of the Witwatersrand and Potchefstroom, RAU and in Natal — would open at the beginning of the year. It was estimated that the five clinics would handle up to 5 000 cases a year at an average cost of R178.

Hutchinson stressed that changes for entry into the profession through community service and other opportunities developed by the Association of Law Societies should not be seen as cosmetic. There was no danger of a lowering of standards.

Other plans were on the drawing board to meet the urgent need for affordable services in a population with a growing awareness of the law and the protection and redress it could provide.

Hutchinson said recent statistics underscored the need for greater accessibility. In 1991, 92 684 000 magistrate's court cases related to serious offences went unrepresented.

New housing ... a threat to unions

Zambians and Indians boost tourism to SA

ARG 15/12/93

The Argus Correspondent 288

DURBAN. — Tourism in South Africa has been boosted with an increase of visitors from Zambia and India — thanks to imminent political changes in the country.

The South African Tourism Board said various countries in Africa, the Middle East and Asia were eyeing South Africa keenly as a new tourist destination.

Piet van Hoven, chairman of Satour, said: "As a result of the imminent new political dispensation in South Africa, there has been an encouraging increase in the number of visitors to the country.

"During the first nine months of this year, there was an increase of 38 percent in the number of visitors from Zambia and a 47,4 percent increase from India.".

The total number of visitors from India and Zambia was 24 900, Mr Van Hoven said.

He said Satour was also encouraging people in Africa to look south for shopping, medical attention and study opportunities.

With 17 carriers from African countries now flying scheduled flights to South Africa, many people from the continent are coming to South Africa for business and holidays.

Nearly 11% more foreign tourists arrive

THEO RAWANA

THE number of overseas visitors to SA between January and September this year was up 10,8% on the same period last year, Satour said yesterday. BD 9/

Of the 429 725 overseas visitors who entered SA during this period, 6,3% were from Europe, 17,2% from north America, 35,6% from central and south America, 34,3% from Asia and 16,3% from Australasia, Satour said. (288)

Markets showing exceptional growth were Germany, the US, south America, Australia and Taiwan. 14/12/93

SA's top tourist markets were (in order of importance): the UK, Germany, the US, France, Taiwan, Australia, the Netherlands, Italy, Switzerland, Canada, Belgium, Austria, Israel, Japan and Portugal.