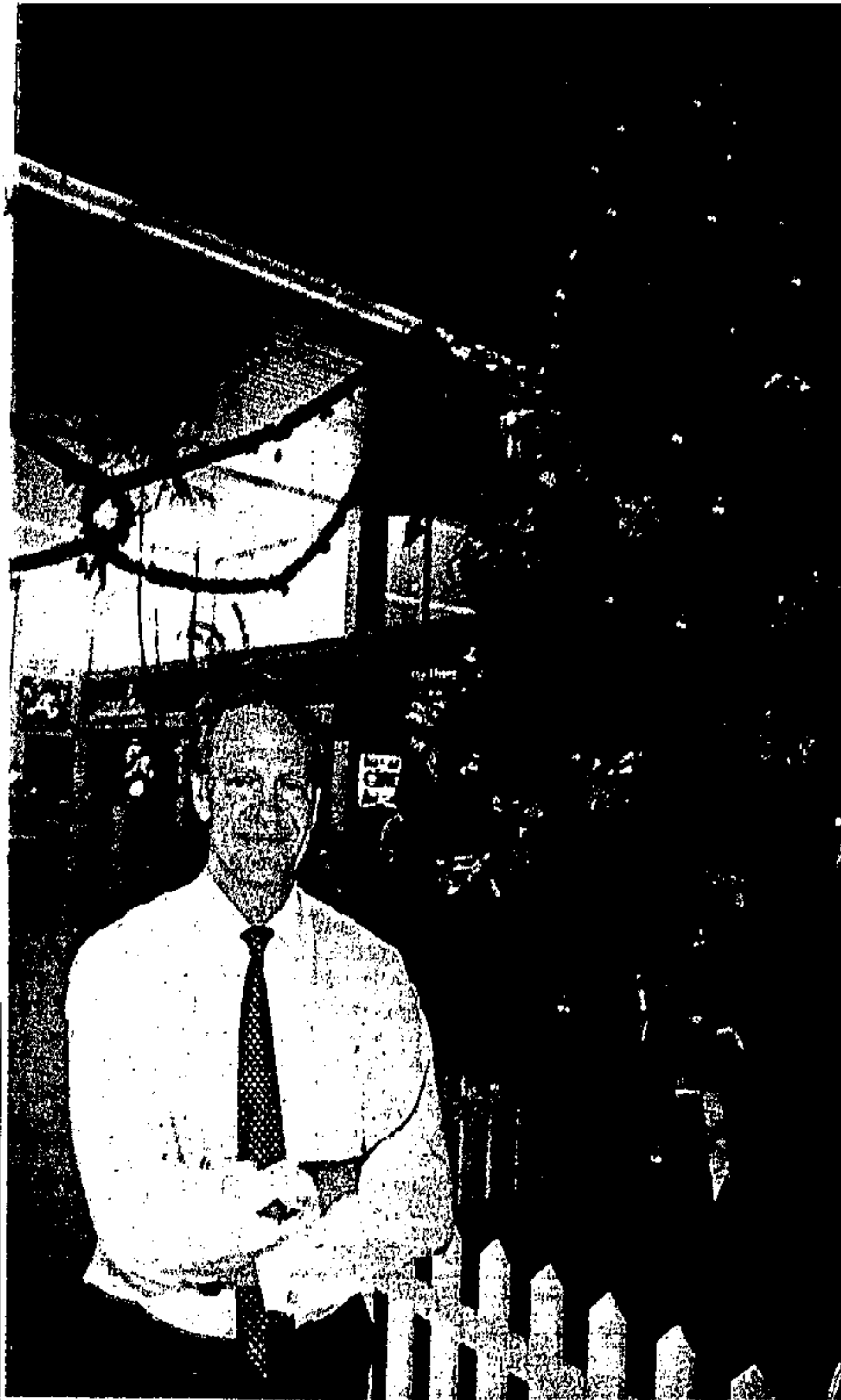


SERVICES SECTOR- Accom. Liquor & Catering  
GENERAL

1995

JANUARY - MAY



## FULL HOUSE ...

Hennie Taljaard, GM of D F Malan Airport, and his staff are coping with "incredible" numbers of international and domestic passengers this season, he said yesterday. The airport currently handles 800 scheduled passenger flights a week.

Picture:  
ANDREW BROWN

By AUDREY D'ANGELO  
Business Editor

THERE is no doubt that 1995 will be a bumper year for international tourism to SA, says Piet van Hoven, chairman of the SA Tourism Organisation (Satour). He expects all major airlines flying to SA to increase their capacity to cope with the rising demand.

He said tourism from Taipei, in particular, was growing fast. It had increased by 60% in 1994 compared with 1993. "Tourism from more established markets, such as the UK and Germany, is of course growing at a lower rate than this. "The coming year promises to be very buoyant. There is so much interest in SA and there are events such as the World Rugby Cup which will bring people here.

"The challenge will be to continue these levels of interest in 1996 and beyond. We shall have to work very hard to extend current levels of interest."

Satour is already planning to market SA in 1996 with eco-tourism as the theme. "A number of internationally-linked events are being planned for this," said Van Hoven.

He said the number of domestic tourists had also risen this year. "People must be feeling more confident and relaxed, and ready to travel."

Hennie Taljaard, GM of D F Malan Airport, said international flights and many domestic flights were

# Challenge for tourism industry

full to capacity at present.

"There has been an incredible number of passengers passing through the airport since December 20. But we have managed to cope with them all.

"My deputy and I have been on duty all through the holiday period and all our staff and companies supplying support services have been on standby."

## Services

Passenger numbers for December are not yet available but Taljaard said the airport currently handles 800 scheduled passenger flights a week. Charter, freight and passenger flights bring the number up to 1 100.

He expects this to increase in coming months as more services are introduced.

The number of check-outs in the international terminal has been increased from 12 to 17.

A new restaurant and coffee bar in the international terminal, which have not yet been opened officially, were completed in time to be used in the holiday season.

CT 5/1/95

(288)



# Tourism boosts Protea Hotels in the wake of general election

stan 5/1/95

(288)

■ BY ROSS HERBERT

Peaceful elections and a shift to free-market policies in a host of countries has revitalised African tourism and provided a boost to Cape Town-based Protea Hotels, which is undergoing a significant expansion outside South Africa.

In the last two years Protea has taken over more than 20 African hotels outside South Africa.

## Management

This month it takes over management of a chain of four state-owned hotels in Tanzania from Tanzania Development Finance Ltd.

In March, the group plans to open a new 160-bed hotel in Egypt on the Red Sea.

In April it will open a hotel with 50 chalets on Lake Victoria in Uganda.

"We are experiencing tremendous growth throughout Africa," says Arnold Cloete, group financial director.

According to Cloete, Protea's turnover grew by about 25 percent from 1993 to 1994 to something in the region of R310 million.

Protea is the largest hotel company in Africa and the 33rd-largest in the world.

It operates 76 hotels with 7 100 rooms in 10 African countries, including 54 in South Africa.

The group is also working on hotel deals in Botswana, Namibia, Nigeria, Senegal, Ghana and Egypt.

"Political instability and violence are starting to fade away," says Bernard Cassar, who is director of Protea Hotels outside South Africa.

"And, for the first time in a long time, South Africans are being welcomed

and can now start to travel more throughout Africa."

The development has boosted Protea's business, he says.

Violence in other parts of the African continent has worked to Protea's advantage because travellers are drawn to name-brand chains in a position to offer proper facilities and service.

Cassar says the company has benefited particularly from an increase in American and European tourists who are interested in package deals that can offer stops in a number of countries.

## Presence

The combination of peace, the ability to market packages internationally and Protea's expanded African presence are creating an "African tourism axis".

It stretches from Egypt to Kenya to South Africa, according to Otto Stehlik,

head of Protea Hospitality Corporation.

Protea had 1994 occupancy rates that were well above 60 percent, he says.

The number of tourists visiting Africa has grown by 55 percent since 1989, with north and southern Africa being the main attractions.

According to the South African Tourism Board, tourist visits to South Africa increased by something like 15,5 percent in the first 10 months of 1994, these being the most recent figures available.

Visits to South Africa by North American tourists grew by about 32 percent.

Those by tourists from Europe grew by 6,5 percent.

The number of Asian tourists grew by 39,9 percent and by 66,5 percent by Central and South American tourists.

# New tourism policy expected by June

BDS/1/95

(288)

THEO RAWANA

THE interim tourism task team set up to formulate a tourism vision for SA should produce a new policy and relevant structures by June, tourism director Hendrik Steyn said yesterday.

The task team, which consists of two representatives each from government, the provinces, urban and rural community organisations, labour and business, was set up last October.

Steyn said discussions were characterised by a shift from the initial confrontational positions of parties demanding the disbanding of the SA Tourism Board (Satour) to a spirit of co-operation.

All the parties had agreed that Satour should continue with its marketing role while a new policy framework

was being worked out. "It is not clear whether the restructuring of the Satour board will wait until the new policy is in place or will be effected now," said Steyn.

The task team's terms of reference were:

- ☐ To formulate a vision for SA tourism development;
- ☐ To draw up a set of principles to serve as a framework for the development of a tourism policy;
- ☐ To recommend structures that would pursue the vision and implement the policy and strategy;
- ☐ To propose the allocation of responsibilities to the recommended structures; and
- ☐ To outline the further actions required for this project to culminate in a national tourism policy.

Steyn said the task team had met twice and would meet again at the end of the month.

## HOSPITALITY INDUSTRY

### A broken chain

288

RMB/11/95

Since the large hotel chains pulled out of the Federated Hospitality Association of SA (Fedhasa) two years ago and formed their own representative body, there hasn't been any narrowing of the chasm separating the various entities in the industry.

Fedhasa is sticking to its view that it is capable of effectively representing the interests of the major hotel chains. But the chains, which broke away to form the Industry Liaison Group, feel they can be represented adequately only by a body that represents groups and independent hoteliers whose main business is catering for tourists and business travellers.

Still, Fedhasa's new chairman, Ken Forrester, insists Fedhasa is an umbrella organisation divided into four autonomous segments — the SA Restaurant Guild, the Caterers' Guild, the Self-Catering Accommodation Association and the National Hotel Association — the last one being perfectly positioned to represent the interests of the hotel chains.

R

## BUSINESS

But the chains are having none of it. They argue their interests are vastly different from some members of the hotel association who maintain hotel rooms only to keep their liquor licences and whose bar sales are their main sources of income. Moreover, they contend that at a Fedhasa meeting or congress the value of the vote of a large five-star hotel is no different from that of a derelict downtown hotel sustained by its retail liquor sales.

"We need to be represented by a body

that represents only those who provide transient accommodation for tourists and businessmen and Fedhasa in its present guise does not do that," says Protea Hotels MD Arthur Gillis. "We have no objection to restaurateurs belonging to a lobby that represents their interest. Though we have restaurants in our hotel, we see no need to join that lobby."

Forrester says it is necessary to get rid of the "them and us mentality. We changed the constitution to accommodate them and

I'm sure they will come back. The (hotel) groups are only 20% of the hospitality industry. They're important but not as important as they think."

He says Tourism Minister Dawie de Villiers has indicated he wants only one body to represent the industry and that government would like to work with Fedhasa. He adds: "If the groups join Fedhasa in their own autonomous segment, they could play a part but they're excluding themselves at their own cost."

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# Tourism development

No Satour office in Hong Kong means we're losing out on the

Argus 7/12/94

(288)

needed  
vast Far East market

■ Tourism could earn millions of rands in foreign exchange, but only if this country embarks on a concerted drive to promote tourism.

WILLEM STEENKAMP

Weekend Argus Reporter

SOUTH Africa is losing out on millions of rands in foreign exchange because of a limited budget for the promotion of tourism to the country, particularly from the East.

On a recent trip to Hong Kong, South Africans working in that city were highly critical of Satour's absence in the region and the failure of the organisation to capitalise on a growing market in that area.

They told Weekend Argus that Satour's total effort to promote tourism from Hong Kong to South Africa consisted of handing out a couple of calendars.

Theuns Vivian, assistant regional director for Satour in the Cape, admitted that Satour was not doing enough to promote tourism from the East, but blamed the situation on a lack of funds.

"The fact is our budget is simply too small effectively to promote tourism to South Africa.

"Our total operating budget from which the promotion of domestic and foreign tourism must also be funded is only about R54 million.

"With the poor exchange rate it is clear that we simply do not have the money and resources to do an effective job. But, with more power now delegated to regions we hope the situation will change.

"We are considering several ways to generate money on a regional basis and hope to use that money to run special projects to promote tourism to this country and more in particular to the Cape.

"We believe tourism should be the number one priority to earn money for the Cape and we believe the government of Cape regional government fully realise the potential of tourism as a money-spinner. "If we are successful in raising money in our region we will be able to use these funds to market the Cape internationally," said Mr Vivian.



# Johannesburg dubbed a tourist's bargain city

NEW YORK. — For five-star hotel guests and gourmet food lovers, Johannesburg ranks as the ultimate travel bargain among 20 selected world cities listed in the latest issue of *Condé Nast Traveler*. And for those who would settle for mere four-star treatment, only Las Vegas beats Joeys.

A table in the prestigious American magazine shows the amount, in US dollars, a business traveller can expect to spend daily on accommodation and three meals in the 20 cities. Johannesburg ranks 20th at \$147 (R525). This is less than half the \$316 (R1 128) for equivalent food and lodging in sixth-ranked London.

In the survey, attributed to the Runzheimer Meal-Lodging Cost Index, Johannesburg beats even Las Vegas — \$156 (R557). Hoteliers there charge bargain rates for rooms and meals as an incentive for patrons to make cash donations

to the casinos.

That gives Las Vegas the edge over Johannesburg in a parallel column with US government figures for travellers who would not necessarily stay and eat at five-star establishments. Those calculations reverse the order of the bottom two, showing Johannesburg, at \$121 (R432), to be \$14 (R50) dearer than the casino city in Nevada.

Tokyo is at the top of the scale by both measures, at \$464 and \$368 (R1 657 and R1 314) respectively, making second-ranked Hong Kong a relative bargain at \$348 and \$314 dollars (R1 243 and R1 121).

The other cities, in descending order of cost ranking, are Paris, New York, Moscow, London, Rome, Singapore, Washington, Abu Dhabi, Honolulu, Mexico City, Berlin, Bangkok, Rio de Janeiro, Sydney, Los Angeles and Jerusalem. — Sapa.

~~10/1/95~~  
7-8/1/95

# Govt pays Boesak while investigation continues

AMBASSADOR-designate to the UN in Geneva, Allan Boesak, was not receiving a full ambassador's salary, the Foreign Affairs Department said yesterday.

"Boesak does not qualify for his full ambassadorial salary in SA as he has not yet taken up his post," a statement said.

"In terms of this contract he qualifies for a salary at the level of a director in the public service until such time as he takes up his post as SA's permanent representative at the

UN in Geneva."

Boesak's Foundation for Peace and Justice is the subject of an inquiry following claims that Danish aid money intended for socioeconomic upliftment projects was diverted for the personal use of foundation staff.

At a meeting in Pretoria on Thursday between Deputy President Thabo Mbeki, Foreign Affairs Minister Alfred Nzo and Boesak it was agreed that Boesak would not take up his appointment until the controversy had been satisfactorily resolved.

The department's statement said it was able to confirm that a contractual agreement between Boesak and the government began on December 1 1994.

"It is normal practice for contractual diplomatic appointments to undergo a period of orientation prior to assuming duty abroad. This also applies in the case of Boesak.

"The department will continue to honour the terms of his contract until instructed otherwise by the government." — Sapa.

## Scramble for local council seats

JOCKEYING for positions by non-statutory organisations is holding up the establishment of local transitional councils in Kwa-Zulu/Natal, says provincial local government minister Peter Miller.

At present, there are 13 transitional councils in the province, including Matatiele, Dundee, Ixopo, Greytown and Kokstad.

Miller said a proclamation setting up the Durban Transitional Metropolitan Council was being fine-tuned and would be

WILSON ZWANE

gazetted soon, hopefully before January 12.

He said the jockeying for positions on the interim municipal structures by non-statutory organisations — bodies which had not been involved in local government in the past — had necessitated "wide arbitration" by his ministry.

Several committees had been set up to arbitrate over the allocation of municipal seats to non-statutory organisations, which

included the ANC and the Inkatha Freedom Party.

These committees would be arbitrating in at least seven towns in KwaZulu/Natal this week.

In another development, the translation into Zulu of regulations governing the elections would be completed by January 20, he said. Miller has said the regulations, which were published last month for information only, would be proclaimed in the province only after they had been translated into Zulu.

## Tourism booms after election

SA tourism had jumped to a record high by September last year, with an increase of 21,6% in overseas visitors for that month over the previous year's September figures, a Central Statistical Service (CSS) survey reported yesterday.

Rapid increases in the number of visitors began shortly after the April elections. September recorded about 10 000 more visitors than April, bringing the total for the period to more than 60 000.

CSS figures for the last quarter of 1994 were unavailable.

More than 60% of visitors were holiday-makers, 20% entered for business purposes and about 5% for work. Europe accounted for more than half the visitors and the Americas and Asia followed at nearly 20%

INGRID SALGADO

each. Residents of other African countries were excluded from these figures.

The number of SA visitors abroad also increased — 20% against comparable 1993 figures. Most were tourists but businessmen accounted for more than 30%.

Immigration and emigration figures showed a net loss of nearly 3 500 SA residents for 1994's first three quarters, compared to the previous year's estimated net gain of more than 2 700 people for the same period. SA lost more than 700 professional, semi-professional and technical people.

The most popular emigration destination was the UK while most immigrants also hailed from the UK.

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## Plans to privatise town

THE Eastern Transvaal government has indicated it might proceed with plans to privatise the national monument town of Pilgrim's Rest — a move which could reap millions for the region.

Local businessman Mike Sapire, who sits on the Pilgrim's Rest Tourism Association and the steering committee on tourism for the region, said at the weekend the town was drawing up plans to re-create the gold-rush era which gave rise to the town.

But plans to revert to horse-drawn transport and period costume were being

AMANDA VERMEULEN

stalled by the fact the town was still state-owned.

However, the regional government has indicated it is willing to support privatisation of the town.

Funds to support the town's new strategy to enhance its tourism potential will be raised by selling off government-owned property to the private sector.

Once privatisation was complete, the town would embark on a marketing drive to promote its historical significance to boost an already flourishing tourism and conference industry.

# SA tourism boosted <sup>(288)</sup> by stability

CT 12/1/95

IMPROVED stability in South Africa has boosted tourism in the country, which has had one of its best holiday seasons in years, tourism officials say.

"In the Western Cape there was an unofficial 10 to 14% increase in (accommodation) occupancy rates compared with the previous season," Satour spokesman Mr Martin van Niekerk said.

And Captour executive director Mr Gordon Oliver said Cape Town expected its record summer holiday season to last well into March with more than 250 000 visitors from South Africa and abroad.

He said this was a vast improvement on last year, when pre-election political uncertainty and violence had kept visitors away.

Cape Town usually received 75% of all foreign visitors and was expected to host 100 000 domestic and 250 000 foreign tourists between December 1 and the end of February. The next influx of tourists would be for the Rugby World Cup in May, when about 30 000 foreigners were expected visit South Africa.

Mr Van Niekerk said kwaZulu/Natal had experienced its best holiday season in four years.

Eastern Cape regional director of Satour Mr Peter Myles said improved security in the former Transkei had boosted occupancy on the Wild Coast and resorts further south. — Reuter



# Litterbugs

## cost the city

### R46m in '94

288  
CT 12/11/95

By MELANIE GOSLING

**LITTERBUGS** cost Cape Town R46 million last year.

If trends continue, ratepayers will spend even more this year to keep their streets clean, according to the chief of the City Council's cleansing department, Mr Bruce Black.

He said Cape Town's street cleaning bill was the biggest single item in the city's cleansing budget of R108m.

"And it is increasing at a frightening rate. We have to divert resources on a continuing basis to deal with it.

"We spend more money on removing what people don't put into refuse bags than on what they do put into refuse bags," he said.

The council spent R42m on refuse removal last year, R3m on beach cleaning — excluding the oil pollution clean-up — and R1,4m on river cleaning.

"Littering is everyone's problem. The most frequent answer is to say the authorities should be stricter, but we have only 16 law enforcement officers in the city and don't have the budget to employ more. It is up to each individual to curb it," Mr Black said.

He said businesses in the city exacerbated the litter problem by leaving their rubbish in bags or boxes on the

streets where vagrants had access to them.

Mr Black appealed to businesses to be responsible about disposing their rubbish.

"Many companies have a key role to play in reducing litter. People who leave rubbish out are as responsible for littering as if they themselves had strewn it around the streets.

"I know vagrants go through the refuse to get material for recycling, and some may say by denying them access to the rubbish you are denying them a living. Recycling must be done but there are responsible ways of doing it," Mr Black said.

### Excrement

He said the city's social problems became cleansing problems as vagrants who slept in alcoves and on pavements left excrement which had to be cleaned up.

"The problem is exacerbated by certain businesses who make financial rewards available to street people consciously by giving them handouts or unconsciously by allowing them access to alcoves.

"They could eliminate access with gates," Mr Black said.

# Get ready for influx of tourists

(288)  
Sowetan  
12/1/95

MORE than 13 000 jobs are expected to be created in the tourism industry this year, generating an additional R700 million to the economy, says the South African Tourism Board.

Satour says the tourism industry expects about 800 000 overseas visitors in 1995, a development which will create about 4 500 direct and 9 000 indirect jobs. Airport arrival statistics for October 1994 showed foreign tourist numbers are increasing constantly. Already there is a 14,2 percent increase on 1993. "Most important is the Asian market, which is now starting to fulfil its potential," says Satour's chief executive Mavuso Msimang.

Visitors from Japan increased by 24,5 percent last October, while the Taiwanese influx increased by 41 per-

**6 Visitors from Japan increased by 24,5 percent last October, while the Taiwanese influx increased by 41 percent**

cent. There was also a huge leap in the number of visitors from Hong Kong.

"Europe still remains South Africa's primary tourist market with 35 865 European visitors having entered the country in October.

"But the United Kingdom is still by far our biggest market with 12 269 visitors in October, reflecting an increase of 13,3 percent over October 1993," adds Msimang. Satour believes the trend will continue this year.

"South Africa is entering a new era of tourism. The 1995 World Rugby Cup is expected to draw an additional 30 000 foreign visitors to our shores," says the Satour boss.

A recent study by the World Tourism Organisation showed South Africa enjoyed the third largest share of Africa's foreign arrivals. In terms of foreign exchange earned from international tourism, South Africa ranks first in Africa, making tourism the fourth largest foreign exchange earner in the country.



By JEREMY WOODS

**FOREIGN tourists — set to become the life blood of the Western Cape economy — are keeping hotels in the Western Cape full while many local tourists have returned to Johannesburg and Natal.**

"Now is the crucial time for tourism in the Western Cape," says Captour boss Gordon Oliver.

"Many of the local tourists have returned home so it is vital for the tourism industry that the flow of foreign tourists gets underway."

"Tourism has the greatest growth potential of any industry in the Western Cape and it is now vital for the Western Cape economy that holiday makers are attracted here," said a spokesman for Wesgro, the Western Cape growth organisation.

And so far the omens look promising.

Top hotels in the region, where the big foreign spenders tend to stay, reported high occupancy levels and strong bookings for the next two months.

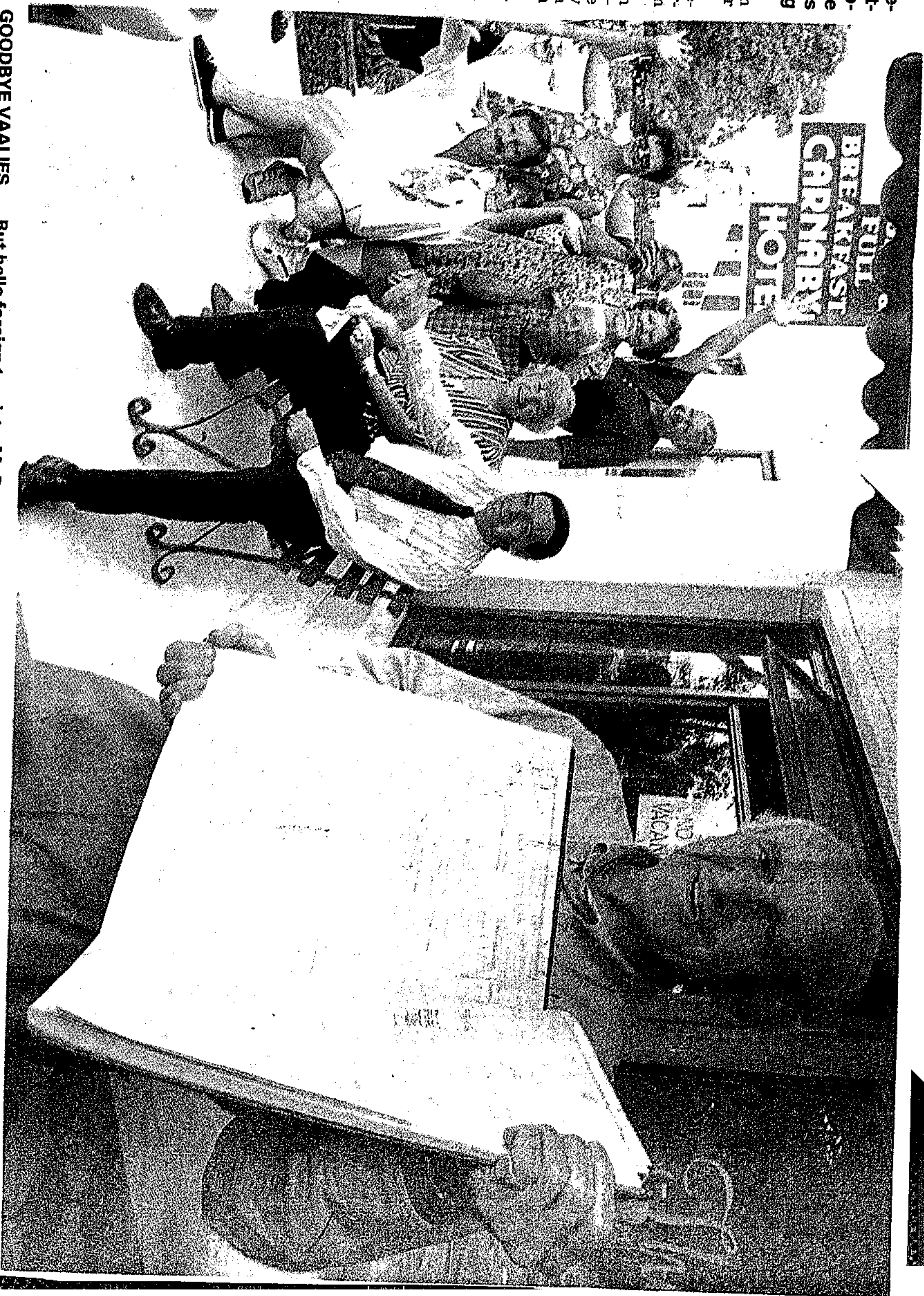
"Our hotel is quite a good barometer because our business is almost entirely foreign tourists and they have to drive two hours out of Cape Town to reach us," said David Symons, manager at the Arniston Hotel.

"There has been a steadily increasing number of foreign tourists up to Christmas and we were completely full over Christmas and New Year. We are still full now and bookings are coming in daily for the rest of this month and next."

A Marine Hotel spokesman at Hermanus says: "We were full over the traditional holiday period and we are very full now. Most of our guests are German and English. Bookings from overseas tourists have been much higher than in previous years."

"After the traditional mass exodus of domestic tourists this week, the booking tempo normally drops," says Mr. Peter Spickernell, owner of the Carnaby Hotel in Green Point.

"But this year, after a short lull, the foreign tourists are com-



GOODBYE VALLIES... But hello foreign tourists. Mr Peter Spickernell, owner of the Carnaby Hotel, shows off his guest register

Picture: TERRY SHEAN



# Great foreign tourist invasion of the Cape

(288) & ST(CM) 15/1/95

ing back with a vengeance. We had the best October and November for three years and it was all foreign tourists," said Mr Spickernell.

The Cellars Hohenort in Constantia, fast gaining a reputation as Cape Town's top hotel, has set something of a record by being fully booked for Christmas and New Year next year.

"As the guests left this year, they booked and paid deposits for next year," said general manager Deon Lotz.

Luis Pinheiro, deputy general manager at the Mount Nelson in Cape Town, said last year was a disaster with the elections pending.

"But this year all our English and German guests have come back. We were fully booked over Christmas, there is a slight lull now, but next week we are fully booked through to the end of February and bookings for March are looking very good."

The big news for the Mount Nelson is the arrival of American tourists.

"We have quite a number of Americans staying here and even more are booked to arrive later this month. This is the first time in recent years we have seen American tourists in any numbers."



# Scharind's debut goes down well

THE market has reacted well to one of its latest arrivals — Scharig Industrial Holdings, or Scharind.

Since its JSE listing in November, Scharind has jumped to 230c from 170c a share. This puts it on a price-earnings ratio 37 times, one of the highest in the engineering sector.

The rating, it appears, is ahead of results for the year to December, expected at the end of February.

A doubling of earnings to 6,1c a share was forecast in Scharind's pre-listing statement and managing director Theo Looock assures me this will be met.

Indeed, sister company Scharig Mining (Scharmin), which is involved in open cast mining, bulk earthworks and rehabilitating mines, looks set to achieve its forecast growth in earnings of 25% for the year.

Its parent, Scharighuisen Holdings (Scharig), is likely to do the same but its earnings a share will be diluted because of the Scharind listing.

Scharmin's share price jumped from 180c at the beginning of 1994 to a high of 320c at the end of the year and was this week trading at 310c, all of which is a feather in the cap for group founder Cas Scharighuisen. He arrived in South Africa from the Netherlands in 1972 without a job.

By ZILLA EFRAI

This month, however, he made his debut in the Financial Mail's ranking of the country's seriously rich. The Scharighuisen family was placed 24th in terms of its traceable holdings in its own JSE-listed businesses.

The group's market capitalisation is too small to draw much attention from analysts, but most are quick to praise its hands-on management.

The example, it would appear, is set by Mr Scharighuisen, 45, who is said to work at least 12 hours a day, six days a week.

He has also been quoted as saying he will not let his son or daughter join the company unless they are good enough. "This isn't a family business, it's a public company, and whatever is done must benefit the company."

Analysts say that although the group has grown quickly through acquisitions, it has yet to make a bad buy.

Scharind now consists of eight smaller businesses involved in property investments, automotive engineering, equipment component manufacturing and precision engineering. It also trades in steel and earthmoving and mining equipment. Viewed as particularly

exciting is its rail truck re-tarder, which is made by subsidiary New Joulès Engineering and has massive export potential.

There is only one real competing producer of this product on the international market, British-based Ultra Hydraulics. This company has locked Scharind and its major customer, Transnet, into litigation in what management describe as a ploy to wipe out any opposition.

Scharind is forecast to boost its earnings by 72% to 10,5c a share in the current year to end December.

Mr Looock says the recent purchase of a large industrial property in Germiston literally gives the company space to grow.

The cash holding of the company, together with R18-million raised by the Scharind listing, will also help certain newly acquired subsidiaries which previously had their growth restrained due to lack of capital and financial backing. Improved earnings will also come on the back of recent expansions at the diesel engine refurbishing subsidiary.

According to Mr Looock, Scharind is consistently evaluating acquisition opportunities, especially in areas where it usually contracts out work and which have large outside markets. Analysts, however, believe Scharind has had a good



MADE IT... Cas Scharighuisen, whose company's appearance on the JSE coincides with his family's debut in the FM's seriously rich list

run and that buying into the holding company Scharig may be a better option.

Scharig itself has done well, having almost tripled in value from its low of 370c a share in February last year.

Trading at R11,20c a share, it is seen by analysts as "fairly valued". Its price earnings ratio of 13 times is almost the same as Frallex's, the most similar company to it in the engineering sector.

About 30% of Scharig's income is generated from the industrial interests, the balance coming from Scharmin which has achieved a nominal compound growth in earnings of 37,6% over the past five years.

The listing of Scharmin at the beginning of 1993 and now Scharind, has made the group's shares more tradeable.

## Hotels continue festive mood

THE festive season is over, but not for South Africa's hotel groups, whose share prices are breaking records.

Transun, City Lodge and Suncisk traded at new highs this week while Karos is priced close to recently reached peaks. Indeed, each of these shares has at least doubled in price over the past year.

The two companies not performing as well, however, are casino resort operators Kersai and Sunbop as they await new gaming legislation. Sunbop is likely to have its number of gambling licences reduced, say analysts.

Nonetheless, hotel groups are generally benefiting from the recent surge in tourists or, rather, higher hotel occupancy levels.

Hotels, straddled with high fixed costs, benefit exponentially once they pass a breakeven point in occupancy levels.

Analysts say these points, on aver-

By ZILLA EFRAI

age, are around 62% but are higher at smarter hotels.

Good growth in foreign tourism is expected in 1995, helped along by the Rugby World Cup which is bringing in large bookings.

Market favourite City Lodge now boasts a price-earnings ratio of 35 times. It was bid at a new high of R22,50c a share this week, well up on the 970c it traded at in January last year.

The group recently announced it would invest R100-million over the next five years in a new limited services hotel chain for budget conscious travellers.

Transun also hit a new high of 475c a share this week, gaining 275c in the year.

Analysts say its Wild Coast Sun resort is well poised to attract tourists, especially after its R90-million refurbishment.

Karos, priced at 315c, enjoys a price earnings ratio of 30,2 times. It recently returned to profitability and seems to be viewed as a solid group.

Suncisk's share price has risen by 33% this month alone and, at 240c, it is double what it was a year ago. The group, which operates four resorts in the Eastern Cape, is on a price-earnings ratio of six.

It will, however, have to start paying company tax at some stage, but, at current levels, this would give it a price-earnings ratio of around nine times, says an analyst.

Sunbop is trading around R29, at a price-earnings ratio of 14,6 and well off a high of R50. "The market just doesn't know how to react to the share at this stage," says the analyst.



# COMPANIES

AFTER much waiting and repeated cautions, shareholders should learn on Tuesday how Sankorp's computer interests will be restructured.

These have been housed in Mercede's Information Technologies (MIT) and include stakes in Datakor, Dimension Data, SPL, Olivetti Information Technology and ABS.

These interests cover all the major areas of the information technology market and, together, their turnover has been estimated at over R1-billion, making MIT one of South Africa's biggest computer groups.

Reasons for the delays are not clear. Possibly, problems at Datakor and slow-downs in negotiating a deal between ABS and US-based Electronic Data Systems (EDS) — the world's largest outsourcing company founded by Ross Perot — had something to do

## Sankorp reshuffles its computers

### PACIOLI

with them.

Indeed, MIT director Richard Came says it took time putting together a structure that would enable MIT to exploit the next era of information technology.

The group seems to have been dealing in falling share prices and a range of options that may have baffled even Luca Pacioli, the renaissance mathematician credited with developing

double-entry bookkeeping who gives his name to this new column, a weekly look at companies' results.

Early last year, MIT announced that Datakor would be delisted and MIT listed. A few months later, it said these plans had been put on hold.

This was followed by numerous cautions related to talks between ABS and EDS which would create by far the largest outsourcing company in SA. Outsourcing involves subcontracting computer work to specialist firms like ABS and is expected to show fast growth in South Africa. This deal now looks set to go ahead.

It is likely also to include White House Technologies, in which both Dimension Data and SPL have a stake. There is talk that AECI Information Services may too be involved and that ABS could be delisted once the deal goes ahead.

The delays, however, have taken their toll on ABS's share price. It initially soared to 365c as rumours of the deal surfaced but slowly fell back to 260c as nothing happened.

Datakor's role in the restructuring is unclear and Mr Came is saying little before Tuesday's announcement.

Datakor suffered as a result of changes in the world mainframe market and morale at the company after several management changes is said to be very low.

It announced a loss of R9.2-million for the year to end-September after it closed or disposed of unprofitable businesses. Datakor's share price slid from 245c in January last year to a low of 150c in June and was trading at 190c this week.

Cor van Vuuren, managing director of Datakor subsidiary Unidata, confirms that US-based Unisys has expressed interest in buying back the

subsidiary it sold to Datakor for R132-million when it disinvested in 1988.

No agreement, however, has been reached.

If a deal goes ahead, the role of Datakor could be reduced in the new MIT structure. Ironically, MIT was founded by Nic Frangos who made his company, Datakor, its first building block.

With Dimension Data's Jeremy Ord now MIT chief executive, some market players expect Dimension Data to take on a larger role in MIT with ABS and software group SPL possibly reporting to Dimension Data.

SPL's share price has fallen from 710c a share in February last year to 525c in December but has since recovered to 550c.

**Ziila Efraim**



# Season 'one of the best' for hotels

CT 16/1/95

(288)

## Staff Reporter

CITY hotels are enjoying an unprecedented high occupancy rate and hoteliers are optimistic that the trend will continue through the coming Rugby World Cup.

Mr Harry Murray, general manager of the Cape Sun hotel, said February and March would continue to be busy months because of the positive weather predictions.

The Rugby World Cup would also mean a high occupancy rate and efforts were being made to ensure that the Cape Sun was full between March and then, Mr Murray said.

Mr Nick Seewer, general manager of the Mount Nelson Hotel and regional director of the Orange Express Hotels, said the past season had been wonderful and "one of the best" for a long time.

He said business usually picked up from January 20 to the end of March but the hotel was running at an extremely high occupancy of about 78%.

"The season has been excellent and no one should feel unhappy."

The Hotel on the Bay in Camps Bay was 93% full and expected its occupancy to rise at the end of January, general manager Mr Mike Wassung said.

February was historically the hotel's best month and indications were that the World Cup would be good for business, he said.

Ms Peggy Klement, general manager of the Breakwater Lodge, said occupancy was very good and the hotel was nearly full.

"We have no rooms left to sell in February," Ms Klement said.

Mr Mac McCaffrey, general manager of the Ritz Protea Hotel, said: "The Ritz is going through one of its busiest periods."

## Tourists

"The Protea Group is looking at record occupancy. Protea Central Reservations has however been able to accommodate people," Mr McCaffrey said.

He added there had been a substantial increase in overseas tourists and that the Cape was "in vogue" for South Africans and visitors from neighbouring states.

Mr Richard Johnston, general manager of the Victoria and Alfred Hotel on the Waterfront, said the hotel was currently fully booked and that the situation would continue for the next few weeks which would normally have seen a downturn.

'Birding best in Africa'

# SA urged to capture ecotourist market

288  
Jan 16/1995

■ BY ANITA ALLEN  
SCIENCE WRITER

The biggest growth sector in the travel business is the burgeoning ecotourism market, according to David Allan of the University of Cape Town's department of statistical sciences.

Writing in *Vision 1995*, the annual of the Endangered Wildlife Trust (EWT), Allan warns that for South Africa to capture its share of the market there must be a clear understanding of what today's ecotourist expects.

"Ecotourists spend more per capita on their trips than any other type of tourist," says Allan.

"This buzzword means different things to different people. For inefficient and unscrupulous operators it is a cover under which to charge naive travellers exorbitant amounts in return for shoddy and uncomfortable outdoor experiences. For others, it is just another marketing label for the same old game-watching holidays that they have been offering for the past 20 years."

The Ecotourism Society's definition of ecotourism is internationally accepted as "purposeful travel to natural areas to understand the cultural and natural history of the environment; taking care not to alter the integrity of the ecosystem, while producing economic opportunities that make conservation of natural resources beneficial to local people".

Allan warns that today's traveller is better informed than previously and is looking for a wide experience and understanding of the environment being visited.

"This demands that tourism managers and their staff match these expectations by becoming more knowledgeable themselves and by presenting a wider variety of ways in which their customers can explore natural environments," he says.

## Migrants

Allan, a specialist at UCT's avian demography unit, argues that much more needs to be done to project South Africa as a premier birdwatching destination.

"Avitourism" has the potential to play a major role in ecotourism, he says. Some 900 bird species have been recorded in the sub-region, of which 530 breed in South Africa and 211 are non-breeding migrants.

South Africa ranks tenth in the Afrotropics in terms of the total number of species present, but lack of infrastructure and extreme political instability in many African countries probably means that the most species can be seen in South Africa, Allan notes.

"If we offer a product that is attractive, well-packaged and reasonably priced, tourists will come; if not, they will go elsewhere. Any strategy based on insincerity, greed, inefficiency or a hint of blackmail ('pay up or we'll destroy the place') will not succeed in the long term."

*Vision* is the EWT's coffee-table annual in full colour. It presents an overview of environmental issues and strives to point to the road ahead. This year, in addition to the ecotourism focus, there is a conservation update on the southern African states, with contact details for responsible government and NGO bodies; a chapter on people and organisations in South Africa and the work they are doing — including 21 years of the EWT; a feature on businesses in the country which are doing outstanding conservation work; and a look at wildlife artists and their art.

The book is available from the EWT's Bushwillow Stores at R69,95, or direct from the EWT in Johannesburg, telephone (011) 486-1102 or fax 486-1506.





**T**he South African Tourism Board has developed a multifaceted strategy to encourage tourism, both as an economic stimulus and as a generator of employment, writes Winnie Graham. It is starting by giving jobs to unemployed youth to protect visitors.

# Satour has plans for SA

**S**atour has targeted South Africa's unemployed youth between the ages of 18 and 25 for training as "tourist protection officers" in the country's main tourist centres.

In addition, it hopes that at least 50 young people will be operating as tourist guides in a pilot project masterminded by government-based institutions and private tour operations by the end of this year.

Information on these schemes is contained in a consultative document prepared by Satour detailing its "reconstruction and development strategy" until 1999.

The document contains an

array of preliminary proposals in various fields where tourist development projects could have spinoffs in meeting basic needs, developing human potential and building the economy.

South Africa's current earnings from tourism are relatively low. Satour estimates that they contribute somewhere between 1,5 and 2 percent to the gross national product. The average world figure is 6 percent.

"Foreign exchange earnings from tourism are estimated at about R7 billion, but they could expand to R9 billion within the next three years," the document states.

Although the challenge of achieving tourism growth by 1996 is seen as vital, Satour's determination to develop the

"human facet" of tourism is greater. It lists, as a top priority, the need to ensure that South Africans embrace a culture of hospitality, friendliness and service.

Because a large section of the population was for long excluded from participating in tourism, research has indicated that many do not appreciate the potential benefits and responsibility of a growing tourist industry.

At the same time, Satour recognises the need for training to provide equal opportunities for all to effectively participate in the industry. By the beginning of 1996 it plans to have an integrated and co-ordinated tourism training strategy in place and, a year later, hopes that tourism will be a component in the primary and junior secondary

schools' national geography curriculum.

In a bid to draw attention to South Africa's wide variety of cultural and sports experiences, Satour is compiling a comprehensive inventory of cultural attractions, museums, monuments and socio-political landmarks for inclusion in the 1997 tourism theme year of "sports and cultural experiences".

It wants South Africans to travel in their own country before considering trips abroad.

The document states: "The largest section of the South African population has been prohibited through past policies from being tourists. This trend should be reversed to ensure that South Africans develop a pride in their beautiful country."

It plans to ensure that all

forms of racial discrimination are eradicated from the tourist industry this year and will proactively penalise discriminatory facilities or establishments.

The new political dispensation has opened many new tourist markets to South Africa. Growth in international tourism, Satour stresses, is at the core of the potential economic contribution of tourism.

The documents makes these points:

■ By the middle of 1995, a tourism development fund should be operative which will cater strongly for the needs of the emerging tourism entrepreneur, particularly in the development of tourist attractions, accommodation facilities and tour operations in and around townships and rural villages.

■ An investment incentive package for the development projects in rural areas operative from the this year.

■ A structured programme for small development in tourism of educational literature, video material, is n

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Bringing home the bacon... foreign exchange earnings from tourism (including the popular trips down Gold Reef City's mine shaft) are estimated at about R7 billion, but they could expand to R9 billion within the next three years, says a Satour document detailing its reconstruction and development strategy until 1999.

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# 'ans for SA youth

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■ An investment and funding incentive package to encourage the development of tourist projects in rural areas will be operative from the beginning of this year.

■ A structured advisory programme for small business development in tourism, consisting of educational literature and video material, is now available.

■ A programme to facilitate marketing opportunities for emerging entrepreneurs should soon be operative.

The problem of crime is also addressed.

Research indicates that only 40 percent of tourists to South Africa regard safety and security as "good". This trend needs to be reversed substantially if tourism is to grow.

Satour is working to ensure

that by the end of 1996 a substantial tourist protection force will be operating in all major tourist centres.

All tourist areas with a high crime rate are to be identified and a comprehensive tourist information service, comprising information brochures and toll-free emergency numbers, made available. The police, public, business community and vendors will be involved.

There are plans, too, to provide tourists with improved road signage at every tourist facility in South Africa by 1997. A new electronic tourist information and reservation system will be functioning by 1996 and a series of 50 tourist information maps should be located at strategic points along the South African road network within a year.



'Birding best in Africa'

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288  
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BY ANITA ALLEN  
SCIENCE WRITER

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"This buzzword means different things to different people. For inefficient and unscrupulous operators it is a cover under which to charge naive travellers exorbitant amounts in return for shoddy and uncomfortable outdoor experiences. For others, it is just another marketing label for the same old game-watching holidays that they have been offering for the past 20 years."

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Avitourism . . . this bateleur eagle in the Kruger Park is one of 63 species of diurnal birds of prey in South Africa. By comparison, North America has only 30, and Europe 38 species.

PICTURE: ETIENNE ROTHBART

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# Eco-tourism fund 'a flop'

288 RD 16/1/95  
THE Industrial Development Corporation's (IDC) R600m pool to fund eco-tourism development has been a failure, tourism consultants said at the weekend.

The fund, established in May 1992, has to date allocated only R65m for 14 projects from a total of 33 applications for R257m.

An IDC spokesman said that the unsuccessful applicants had failed to meet IDC criteria. The scheme required that they provide at least 40% of the investment required for individual projects.

Loans were provided only to those projects that developed, improved or expanded tourist accommodation in the larger private reserves and in areas adjacent to

AMANDA VERMEULEN

or under the control of the relevant conservation authorities.

The IDC spokesman said loan facilities were "tailored to the cashflow of the project and interest rates are in line with capital market rates".

However, various tourism consultants have said the terms were too stringent, thus defeating the scheme's object.

Kessel Feinstein Consulting director Gillian Saunders said the loans were not soft enough to attract prospective developers, who in many cases were unable to

□ To Page 2

## IDC

raise the capital through the traditional lending institutions.

"Many small and medium size enterprises need a kick start to get them going, as well as favourable loan facilities to tide them over the generally unprofitable introductory period when the business is being established."

Price Waterhouse Meyernel's Hospitality Group co-ordinator John Awbrey said the IDC had not advertised the scheme sufficiently to the general public, leaving most potential entrepreneurs ignorant of the funding facilities.

In addition the criteria regarding location was limiting, which further reduced

□ From Page 1

the number of potential applicants.

The IDC spokesman said one of the reasons more loans had not been granted was the uncertainty over the future of the national and regional nature reserves, and future legislation governing them.

Potential investors were reluctant to commit to any projects until this matter had been resolved.

However, he said the expected improvement in domestic and foreign tourist numbers should have have a beneficial effect on the body's general tourism scheme, established in 1993. Of a fund of between R100m and R200m, 17 projects to the value of R26m had been approved.



Funds

# nds row

CT 17/1/95 (288)

## 'Adviser' accuses Minister

By CHRIS BATEMAN  
A ROW over alleged abuse of travel funds erupted between Western Cape Tourism and Environment Affairs Minister Lerumo Kalako and his special 'adviser' Mr Nic Malherbe yesterday.

Last night Mr Kalako rejected as "sour grapes" claims by Mr Malherbe that Mr Kalako and his private secretary, Mr Kwanda Sojolo, either spent or pocketed over R2 000 sponsorship money on a recent Australian trip.

### Tardy

Businessman and tourism specialist Mr Malherbe, who set up the promotional eco-tourism visit in November and acted as tour guide, also claimed they were inefficient, tardy and rude.

In the face of praise from Mr Kalako for his "excellent work", Mr Malherbe yesterday quit his unofficial job with the ministry, citing frustration at the lack of recognition and gross departmental inefficiency.

"Tourism is in my

blood and when I see people degrading or milking it, my hair stands on end," he said.

Mr Malherbe alleged Mr Kalako and Mr Sojolo:

- Spent or pocketed a remaining R2 185 in Western Cape Tourism Board-sponsored travellers' cheques on returning to Jan Smuts Airport.

- Ran up telephone bills in excess of R2 000 phoning home to organise Mr Kalako's upcoming wedding.

- Had to be constantly reminded of appointments.

- Left him to carry bags, open doors, confirm flights and reservations and "carry gifts" for their Australian hosts.

- Lost all documentation accounting for spending on the trip.

Contacted yesterday, Mr Kalako denied any funds abuse, saying a personal cheque for the outstanding money, dated four days after their return was "in a safe at my office".

He said he "repeatedly" asked Mr Malherbe for a full financial report on the trip for presentation to Admiral Martin Kramer, chairman of the (Interim) Western Cape Tourism Board, but to no avail.

Admiral Kramer last night said the R75 000



'SOUR GRAPES'... Tourism Minister Mr Lerumo Kalako studies Mr Malherbe's claims. Picture: CLIVE SMITH

allocated to the trip had "very definite conditions attached," but reserved comment until he had spoken to Mr Kalako.

Admiral Kramer has to account to the SA Tourism Board which originally allocated the funds.

Mr Kalako said he did not want to get into a "heated exchange" with Mr Malherbe.

"His major problem is the issue of an official appointment as my special adviser," he added.

and Forests employee Mr Roland [unclear] hosing down from colleague Mr [unclear] hot weather.

Picture: BENNY GOOL

YOU



itches" ● SA as tourist trap

# Youth to benefit from tourism

(288) (298)  
Sowetan 7/1/95

## **Sowetan Correspondent**

SATOUR has targeted South Africa's unemployed youth between the ages of 18 and 25 for training as "tourist protection officers" in the country's main tourist centres.

In addition, it hopes that at least 50 young people will be operating as tourist guides in a pilot project masterminded by government-based institutions and private tour operations by the end of this year. Information on these schemes is contained in a consultative document prepared by Satour detailing its "reconstruction and development strategy" until 1999.

The document contains an array of preliminary proposals in various fields where tourist development projects

could have spin-offs in meeting basic needs, developing human potential and building the economy.

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Although the challenge of achieving tourism growth by 1996 is seen as vital, Satour's determination to develop the "human facet" of tourism is greater.

It lists, as a top priority, the need to ensure that South Africans embrace a culture of hospitality, friendliness and service.



# Make the disabled also welcome, says Satour

Staff Reporter

WITH South Africa preparing to welcome an estimated 800 000 overseas visitors this year, the country's tourism board (Satour) is looking at ways to meet the needs of every individual tourist, including those with physical disabilities.

Greg McManus, Satour's standards promotions director, said the increased consumer demands made it essential for the accommodation industry to be able to cope with all kinds of visitors.

ARCT 18/11/95  
"If our industry is to compete on an international level, which it now has to do, it has to be able to meet the needs of every visitor including those with physical disabilities," he said.

"We must remember when a disabled visitor is turned away because of the lack of adequate facilities, family and friends of that visitor are also turned away."

For more information about the conference phone 011 804 7022.



# Expenses row:

REL 18/1/95

# Kalako hits back

(288)

## Political Staff

REGIONAL environment minister Lerumo Kalako says he plans to take legal action against his former "special adviser", Nick Malherbe, who alleged the regional minister misused public funds during a visit to Australia last year.

In a statement to the regional

cabinet today, Mr Kalako said he had never handled any of the funds made available for the visit and that Mr Malherbe had handled all the traveller's cheques.

Earlier Mr Malherbe claimed that during the trip in November Mr Kalako had run up a R2 000 telephone bill to make arrangements for his wedding, that he had used R2 141 of the official travelling expenses for

himself and had also bought personal gifts with official money.

Mr Kalako denied this, saying he had kept the records of expenditure on his wedding.

Responding to the allegations that he had bought personal gifts with public funds, he said he had paid back the money used to buy a watch.

Mr Kalako said he was not responsible for money owed for his birthday party, held at Kelvin Grove.

The occasion had been organised by Mr

Malherbe without his knowledge.

Mr Malherbe was now trying to put pressure on the ministry to pay for the party and this would not be done.

Mr Kalako denied he had missed appointments during his Australian visit.

He said that at the end of the trip he had asked Mr Malherbe to prepare a financial report but this had not been done.

The regional cabinet decided it would not take any action until the allegations against Mr Kalako had been thoroughly investigated.



# Homeless a threat to tourism — Oliver

**Municipal Reporter**  
CAPTOLUR chief Mr Gordon Oliver yesterday called on the new non-racial City Council to act on the problem of homeless people in the city, which he said was damaging to tourism.  
"I know every big city has its hoboes, but how we project the city — in terms of street-cleanliness and safety from

crime — will determine the future of tourism," Mr. Oliver said.  
● Fairest Cape marketing co-ordinator Ms Samantha de Nobrega said innovative clean-up schemes, in which unemployed volunteers were paid in food vouchers, were already in place.  
● Satour, the national tourist promotion agency, plans to involve people

between the ages of 18 and 25 in schemes to protect and guide tourists.  
● The tourist accommodation industry is preparing for about 800 000 overseas visitors this year, Satour said yesterday.  
CT 18/1/95  
Standards promotion director Mr Greg McManus said: "Our accommodation industry has to be able to meet the

needs of all visitors, including those with physical disabilities."  
He said a conference to discuss ways of meeting the needs of disabled visitors would be held in Midrand on February 8.  
Those interested should telephone (011) 804-7022 for bookings or more information. (288)



# Cango Caves 'mismanaged'

Staff Reporter

THE world famous Cango Caves are deteriorating rapidly due to mismanagement by the Oudtshoorn town council, according to Dr Stephen Craven, president of the Speleological Association.

He warned that unless something was done to combat the town's "mismanagement" of the national monument, the tourism industry centred on the caves in the area could collapse.

Speaking to association members in Cape Town last night, Dr Craven said the limestone formations in Cango 1, which is open to tourists, had "dried out" in comparison to Cango 2 and 3, where access is limited.

Dr Craven's thesis, Management Problems of the Cango Cave, was published in October.

Dr Craven said last night he believed the deterioration was caused by huge numbers of people — up to 3 000 a day —

## Threat to local tourism

visiting the caves.

The caves had been damaged by the increased temperature from their body heat, humidity from perspiration and carbon dioxide.

He said the town council managed the cave system as if it were "the municipal swimming pool", with no expert knowledge or policy.

In the early apartheid years a separate entrance for blacks had been blasted.

And later, when former prime minister Mr BJ Vorster visited Oudtshoorn, the town council

planned to blast another hole for him to visit Cango 2. This was "thankfully averted" when one of Vorster's aides said he would not crawl through the hole.

Funds derived from the caves had paid for a library in the town and a statue outside the police station. Town council members and the town clerk had also flown overseas to attend conferences on international caves, he said.

He said continuous monitoring of the temperature, humidity and carbon dioxide pressure in relation to the number of daily visitors should be implemented to save the caves.

An independent management board with members from the Cape Nature Conservation, the Parks Board, the town council, and tourism bodies should be established.

A museum, a "sacrificial cave" and a nature trail to attract excess visitors disqualified from visiting the cave when the quota of daily visitors was exceeded should also be built.

## City to get 'photo stops'

TWO "photo stops" should be established in the city — one in St George's Mall and on the Foreshore — as an experiment, the utilities committee recommended this week.

At each of these stops a mounted photograph of the view from there would be displayed. Passers-by would be told by a signboard how to take their own replica photograph.

A council spokesman said yesterday only two spots had been recommended initially as the council thought it best to be careful the stops do not turn out to be excuses for advertising billboards.

It is unknown how the public will respond.

Sponsors who advertise on the signs will pick up the entire tab.

## Fishing rights row in Galapagos

Staff Reporter

SOUTH AFRICAN conservation bodies have joined a world bid to save the Galapagos Islands from the onslaught of illegal fishermen who held conservationist staff hostage last week.

The fishermen were demanding that the sea cucumber fishery be re-opened.

A spokeswoman for the Southern African Nature Foundation, Ms Ronel Beukes, said yesterday the organisation condemned the violence on the Galapagos which had "a remarkable parallel" to the perlemoen war in the Cape.

In a statement yesterday the World Wildlife Fund (WWF) said a group of fishermen, some masked and armed with clubs and machetes, had held conservation staff on the Galapagos hostage, demanding that the sea cucumber fishery, which was closed last

month, be re-opened.

"Sea cucumbers fetch high prices as a delicacy in Europe and Asia. They have been decimated in other parts of the world because of overfishing. Because of a higher price, people have been lured to the Galapagos where they have already had a severe impact on the marine reserve," the WWF said.

The sea cucumber fishery was opened experimentally in October last year, where a maximum catch limit was set at 550 000. By December, between six and 10 million had been taken out.

"In addition to devastating sea cucumbers, many fishermen are illegally taking sea horses, oysters, scallops and conches," the WWF said.

"Fishermen are camped illegally on the shore inside the National Park. Trash continues to accumulate on the shore and mangroves are still being cut as fuel."

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# Minister accused of misusing funds

**Sowetan Correspondent**

THE Democratic Party has released documents, given to it by a senior Western Cape official, which it says shows that regional environment minister Mr Lerumo Kalako misappropriated large amounts of public funds for his own use.

The documents, which include bank transaction slips, hotel bills and correspondence, were obtained by the DP from Kalako's former "special adviser", Mr Nick Malherbe, who resigned from the job on Monday.

The documents form the basis of allegations by the DP and Malherbe that Kalako ran up telephone bills in excess of R2 000 during a publicly funded trip to Australia in November to make arrangements for his wedding, which took place the following month. This "unhappily high" bill allegedly prompted concern among the Australian hosts.

Kalako used R2 141 of travelling funds during the trip for his own purposes. He also bought personal gifts with public funds. There is also angry correspondence over Kalako's alleged failure to pay a R3 500 bill for his birthday party.

A spokesman for Kalako yesterday denied financial misappropriation and said a detailed response to the allegations would be made in due course. Malherbe said he had resigned because the ministry was inefficient and its staff was rude.

In a document in the possession of *The Argus* newspaper, Malherbe claimed that Kalako had failed to attend official engagements during his Australian trip because he went to sleep after complaining of tiredness. During the 18-day trip, Kalako's secretary, Mr Patrick Sojola, allegedly incurred unnecessary expenses by "watching pornographic movies".





# Tour War: 'Loose Women' claim

CLAIMS of requests for "loose women" and "drunken" behaviour at a tourism conference in Australia are the latest broadsides fired in the war between the regional tourism minister and his former "special adviser".

Western Cape Tourism and Nature Conservation Minister Mr Lerumo Kalako and tourism promoter Mr Nic Malherbe have been at odds since Mr Malherbe alleged Mr Kalako and his private secretary, Mr Kwanda Sojolo, misused sponsors' money during a visit to Australia in November.

But yesterday Mr Sojolo claimed Mr Malherbe had inquired about "loose women" for him and Mr Kalako in a letter to several Australians before the trip.

The letter was apparently written under a

Western Cape legislature letterhead, reports CHARL DE VILLIERS of Sapa.

A senior tourism industry source said Satour's Australian representative had compiled a confidential memorandum that included the "obnoxious" letter, dated October 26.

A Satour representative confirmed the existence of the memorandum.

The Satour spokesman also confirmed that a copy of Mr Malherbe's letter, signed by him, "asking how to get hold of loose women for the men" had been included in the memorandum.

Yesterday Mr Kalako released a statement given to the Western Cape executive council in which he said: "In the tour (Mr Malherbe) was an embarrassment to me and the province, as he shouted and insulted people even in the congress. "The Satour representative can testify to this.

She drew up a report of Nick's behaviour."

CHRIS BATEMAN reports that demands grew yesterday for Mr Malherbe to explain why he set up a Section 21 company, allegedly without informing officials.

The colourful and often-controversial Mr Malherbe deposited at least R17 000 of Satour funds into the non-profit company he claims to have set up for supplementary operational funding of Mr Kalako's tourism department.

Yesterday Mr Kalako and Western Cape ANC chairman and Economic Affairs Minister Mr Chris Nissen said Mr Malherbe had never informed them or any of their officials of the company he called the Cape Rainbow Trust.

A spokesman for the provincial administration, Mr Van Heerden Heunis, confirmed that no section 21 company had been set up with the current

administration's knowledge.

Mr Kalako said he now intended suing both Mr Malherbe and the Democratic Party for alleging he and Mr Sojolo misused funds.

Mr Malherbe alleges Mr Kalako pocketed R2 000, spent R400 on a watch for his then fiancée and ran up more than R2 000 in telephone bills arranging his wedding. Mr Kalako denies this.

From copies of Cape Rainbow Trust bank statements and sources close to the Western Cape Tourism Board a shortfall of just R513 in the overall funding emerged yesterday.

Mr Malherbe could not be reached for comment last night.

The three men attended international congress on adventure travel and eco-tourism in Hobart, Tasmania, between November 7 and 10.



TOURISM

## Plenty of promise

**SA's hospitality** industry barely managed to cope with the heavy increase in local holidaymakers this summer — let alone the rise in the number of foreign visitors.

The warning signals are there: unless the country's tourist infrastructure is overhauled soon, the industry will not cope once most South Africans can afford to go on holiday again. And the situation will worsen when the 1m overseas visitors a year target is met.

At this stage it is too early to say accurately how many foreigners visited SA over Christmas. The SA Tourism Board (Satour)'s information is that 111 457 arrived at Jan Smuts airport in December. Figures from the Central Statistical Service (CSS), which measures arrivals at SA's three international airports, Johannesburg, Cape Town and Durban, only go as far as October when nearly 58 000 landed — 15,4% more than October 1993.

Satour estimates that, excluding Africa, 642 500 overseas tourists came to SA in 1994 compared with 618 500 in 1993. According to CSS figures, the number of overseas visitors has been increasing since June. This is good news for the hotel industry which not long ago was complaining about occupancies being as low as 40%. It is also a warning to the tourist industry that it doesn't have much time in which to put its house in order. It is common cause that overseas tourists expect a higher level of service than is currently being delivered to them.

Days after the schools closed for the Christmas holidays resort hotels were turning people away. Hotels in tourist areas averaged 80% occupancies while some

claimed to be 90% full. As executive director of the Association of SA Travel Agents (Asata) Chris du Toit, puts it: "There wasn't even room for a mouse."

Satour's post season round-up shows how tightly the tourist infrastructure is being stretched.

In the Western Cape holiday accommodation was over 80% full from mid-December.

In East London virtually all hotels were full between Christmas and New Year.

Port Elizabeth was also packed. The number of foreign visitors to the city was 20% up and retailers reported turnovers 40% up on the previous year.

Natal enjoyed its best season in four years. Most accommodation in the major resort centres was full and many visitors had to be turned away.

A further indication that service standards are slipping was the number of complaints Satour received — especially in Gauteng. At least three busloads of passengers travelling from Sandton City to Sun City, nearly all of whom had booked through Computicket and paid in advance for their tickets, were left stranded on the morning of December 28 when the tour bus company, Rand Coach, failed to arrange their transport. MD Kosie Marais blames a "breakdown in communication" for the mishap. Passengers were refunded. ■



was one of the lucky ones ... I booked my New Year break to the Cape in September, and was able to find one of the last seats out of Europe to sunny South Africa.

This was the latest in a series of trips I have made to the Cape in recent years, but my first time back on South African soil since the historic April elections.

Certainly, it was possible to feel the change in atmosphere since my last pre-election visit. Everyone seemed more cheerful, more relaxed, and immensely proud of what had been achieved in 1994.

What I wanted to discover was how well hotels and restaurants, shops and services are coping with the post-election tourist boom, and at first sight, the main change has been in the cost of hotel accommodation.

The French and Germans, British and Scandinavians, Japanese and others all want to see for themselves the political miracle of a peaceful multiracial South Africa.

And all this extra spending power is pushing up prices.

I was lucky enough to stay in two of the best hotels in the Cape — the Lanzerac in Stellenbosch and the Bay in Camp's Bay.

Both seem to be a lot more expensive than they were a few years ago, with the result that far fewer South Africans seem able to stay there.

Personally I see quite enough of the French and Germans in my professional life, and feel uncomfortable in hotels populated almost exclusively by "foreign" tourists.

It is a shame that rich foreigners can now corner for themselves the best hotel facilities, but that may be an inevitable price to pay for South Africa's renaissance as a tourist destination.

Certainly, the Cape has a lot to offer the visitor, with tours of the wine estates, cable car rides up Table Mountain and of course the sunshine, which is a delight for those escaping the European winter.

However, the most popular

**Argus Foreign Service correspondent in Brussels, JOHN FRASER, joined the hundreds of thousands of "foreigners" who descended on the Cape for a New Year break. Now back in Brussels, he looks at how well the area is coping with a record influx of visitors.**



facilities are suffering the strain of too much tourism.

At one stage I saw a sign warning that there was a six-hour wait to ascend Table Mountain by cable car.

And the Waterfront — an excellent facility for tourists and locals alike — was crowded to saturation point during the Christmas week.

In contrast, Stellenbosch was a haven of tranquillity and I enjoyed every minute of my two weeks there.

A major challenge facing Cape businesses catering for foreign visitors is to match the ever-rising prices charged with truly international standards of service.

Certainly, I found little sign that the people of the Cape are taking excessive advantage of the tourist boom, and allowing standards to slip.

From hamburger joints to the very finest restaurants, I was generally impressed by the service.

I ate some of the best meals of my life at Cape restaurants ... but also, sadly, the worst. At one restaurant on a wine estate, for the first time in my life I refused to eat either the starter or the main course. I took the remains of my wine bottle, re-corked it, paid the bill, and

then drove back to my hotel for a proper meal.

One quibble I have with almost all Cape restaurants is that they seem unable to serve wines at the correct temperature.

Ice buckets cannot work unless they are filled with icy water, and a few lonely ice cubes in the bottom make little impact on a warm bottle of white.

Even red wines can benefit from a wallow in an ice bucket when the bottles have been stored at high temperatures.

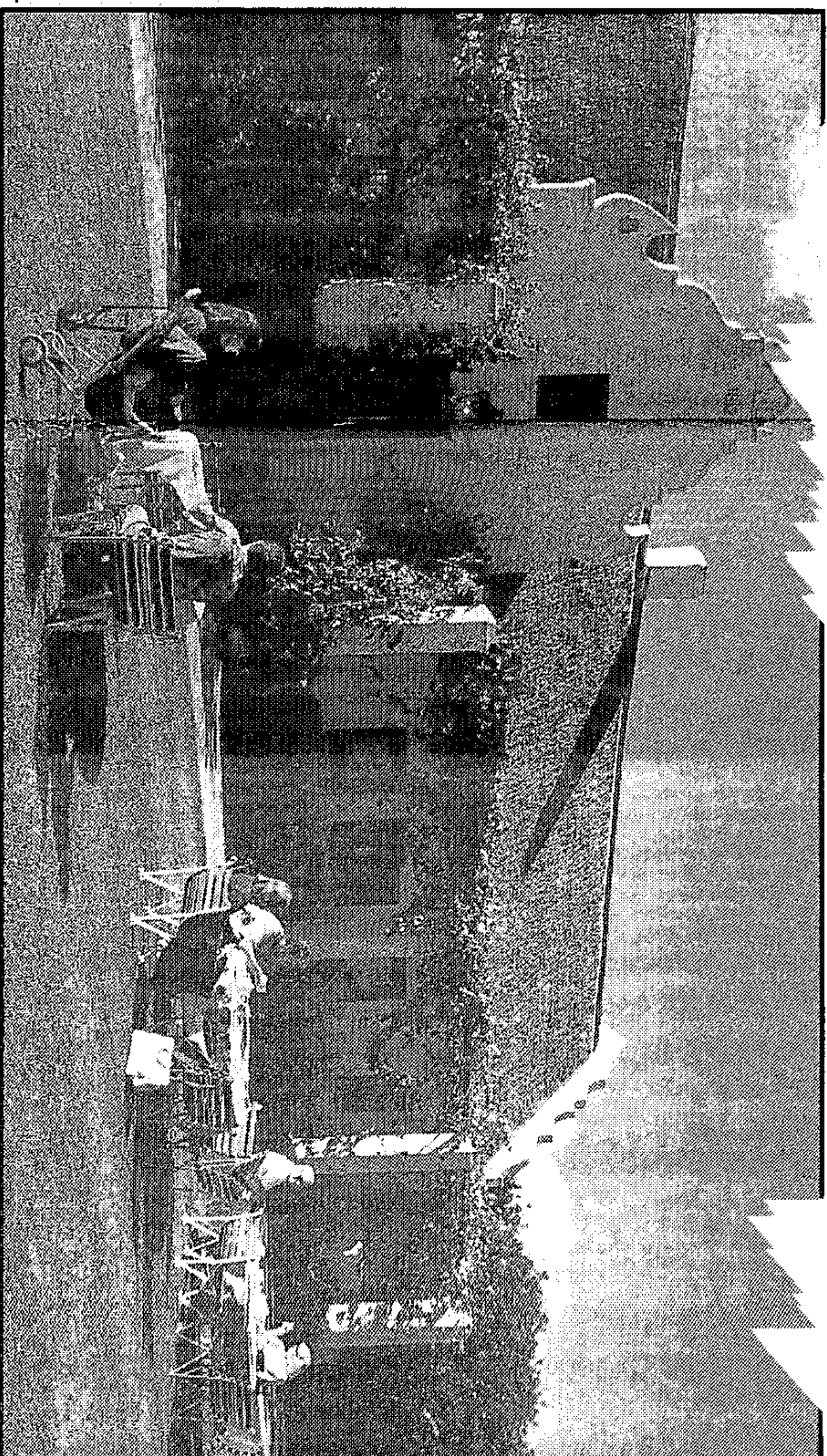
My biggest wine nightmare came when the white wine I was served at the hotel was so warm, I drank it with ice cubes.

I am a real fan of South African wines, and visited dozens of estates.

As usual, the reception was warm and welcoming on most farms.

Klein Constantia offered a complete selection of wines for tasting in enchanting surroundings, as did Thelema, Rustenberk, Warwick, Rusten Vreede, Kanonkop, Lierland, Glen Carlou, Villiera and many others.

However, I resent having to pay for glasses and vouchers before I am allowed to taste. I was most annoyed to have



**TASTE OF THE CAPE:** The delights of the Cape's wine estates are all too evident — but will they become overcrowded and a rip-off for "foreign" tourists?

to pay to taste wines at the Bergkelder's centre in Stellenbosch, at the Delheim Estate and at Neil Elles Wines.

I know some producers are swamped by freeloaders, and feel they have to ration supplies. But if the Cape wine trade is to continue to prosper it must see that every foreign visitor is a potential customer long after he has returned to his home country.

My overall impression as a visitor to the Cape, albeit as an expatriate South African one, is that the established businesses are coining it in.

Most hotels were able to fill nearly every room over the festive season, and many of the better restaurants were turning away dozens of potential customers each day.

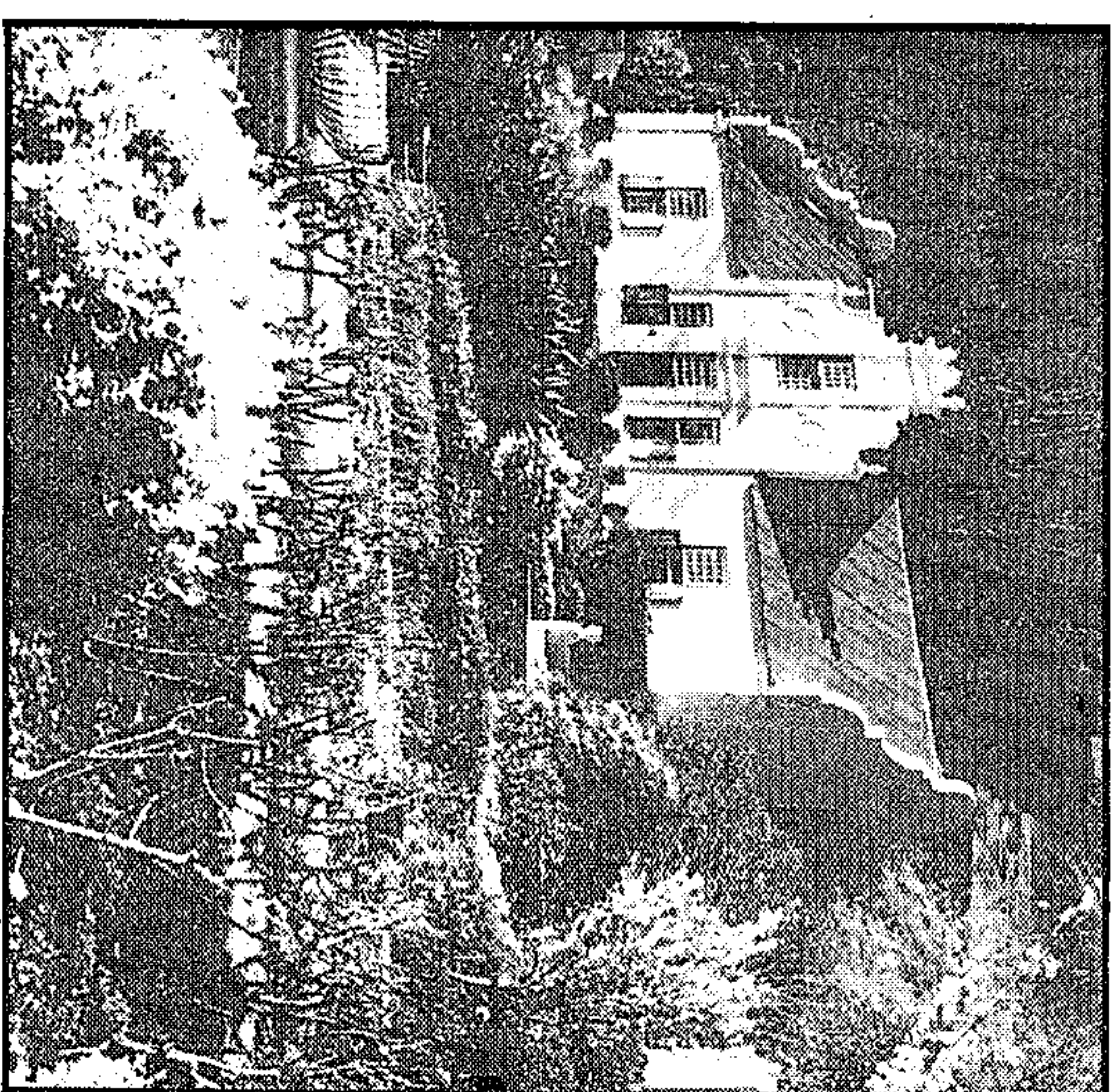
Clearly problems will arise when the airlines put on more and more flights, and more and more visitors pour into the Cape expecting the very best the region has to offer.

The top hotels and restaurants will only become fuller and fuller, and more and more expensive. It will be very worrying indeed if many foreign visitors are forced to settle for second best, unable to secure a last-minute table at the top restaurants or a speedy cable car ride up Table Mountain.

But it may become even sadder for South Africans, including Capetonians themselves, who find the facilities they have enjoyed for years overcrowded and priced sky-high.

The current success of the tourism industry will lead to problems which need to be dealt with soon, and I am sure a lot of planning is already underway.

Indeed, the dream vacations to the Cape which foreign visitors can now enjoy may soon become the preserve of the very few — and the very rich.





Cape tourism: Is it too  
much of a good thing?

(288)

20/1/95



# Minister 'instructed me to form company'

By CHRIS BATEMAN

WESTERN CAPE Tourism and Environment Minister Mr. Lerumo Kalako instructed him to set up a non-profit company for "special projects", Mr Nick Malherbe claimed yesterday. (288)

He was responding to Mr Kalako's accusation that he set up the section 21 company, the Cape Rainbow Trust, without informing any officials.

The ministerial row began early this week when Mr Malherbe, angered at not being paid for three months of voluntary continuous service, accused Mr Kalako of travel fund abuse during the Australian fact-finding mission. CT 20/1/95

Mr Malherbe said he was instructed by Mr Kalako and his Strategic Management Team co-ordinator, Mr Liso Ngcokoto to set up the company.

The practice, while not illegal, is allowed only under "exceptional circumstances" by the Western Cape administration.

● Accountability — Page 8



# Funds row: Aussie official defends Kalako's conduct

Argus Correspondents and Sapa

A SENIOR Australian tourism official has defended the conduct of the Western Cape Tourism Minister Lerumo Kalako during a visit to the country last year.

And, in a further development in the row, tourism promoter Nick Malherbe has confirmed inquiring about "loose women" for Mr Kalako and his private secretary Kwanda Sojola.

Malcolm Wells, deputy-secretary of the Tasmanian Department of Tourism and chairman of last November's Hobart tourism conference, said: "The minister's behaviour in Tasmania was exemplary.

"There was never any evidence that they wanted prostitutes, loose women, anything like that.

"On the contrary, Mr Kalako was very interested in talking to us because he was trying to get the 1996 world conference for his government."

Mr Malherbe yesterday confirmed he had asked an Australian contact: "How do I go about maybe getting a bit of loose for my men?"

Shown a copy of a facsimile, dated October 26 last year and written under a Western Cape executive committee letterhead, he said it was his.

Asked why he had made the inquiry, he said: "If they wanted it, it must be organised away from the club (the men were visiting). Did they want it? I'm really not interested. I'm pre-empting what perhaps may happen."

Asked if the two men had asked him to make the inquiry, he said: "No, they wouldn't necessarily have done that, no."

Nevertheless, he was "happy with the letter, entirely".

"I'm covering all eventualities."

Meanwhile, Western Cape Democratic Party leader Hennie Bester denied a report that he had received a letter from Mr Kalako threatening legal action.

Mr Kalako's attorneys confirmed they had instructions to pursue a civil defamation suit against Mr Malherbe and possible proceedings against the DP.

— see page 4

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SKW 21/11/95

## 'Mokaba must quit'

288

THE National Party has demanded an inquiry into a report that millions of rands went missing from the National Tourism Forum while it was under the control of ANC activist Peter Mokaba.

The party, responding to a report in Beeld, said yesterday the ANC had created the forum before last year's election and would have to take full responsibility for it.

"Mr Mokaba is presently chairman of the parliamentary standing committee for tourism and environmental conservation and should resign from the post so that the activities of the forum can be pro-

perly exposed in public.

"The NP also requests that auditors make a complete report to the Commercial Branch of the SAP so that the accusations can be properly investigated and, should it be necessary, refer the matter to the Attorney-General."

Beeld said the forum was being disbanded because it had run out of money. It had been set up with donations from the private sector to study tourism issues.

Auditors had reported that some major donations to the forum, of which Mokaba was chairman, could not be traced. — Sapa.



# New skating rink to boost tourism

■ Spectacular shows on ice and international figure-skating competitions may soon be yet another tourist drawcard to Cape Town when an ice-skating rink opens in July.

**WILLEM STEENKAMP**  
Weekend Argus Reporter

CAPE Town is to get an ultramodern ice rink of Olympic standards with ice-hockey facilities, seating for 1 500 people, modern changerooms and a restaurant.

Cape Town's town planning committee has approved the rezoning of land just north of the existing rink in Goodwood.

The Goodwood Showgrounds were sold recently and the existing rink is to be demolished. The new rink will be built on land belonging to the Augsberg Investment Trust and will be completed by July.

Chairman of the Cape Peninsula Ice Skating Club Bryan Devine said the cost will be carried by the Augsberg Investment Trust and the rink will be leased to the Cape Peninsula Ice Skating Club.

The rink will have a concrete floor which will allow the ice to be melted down and the surface used for basketball, table tennis tournaments and other indoor sports.

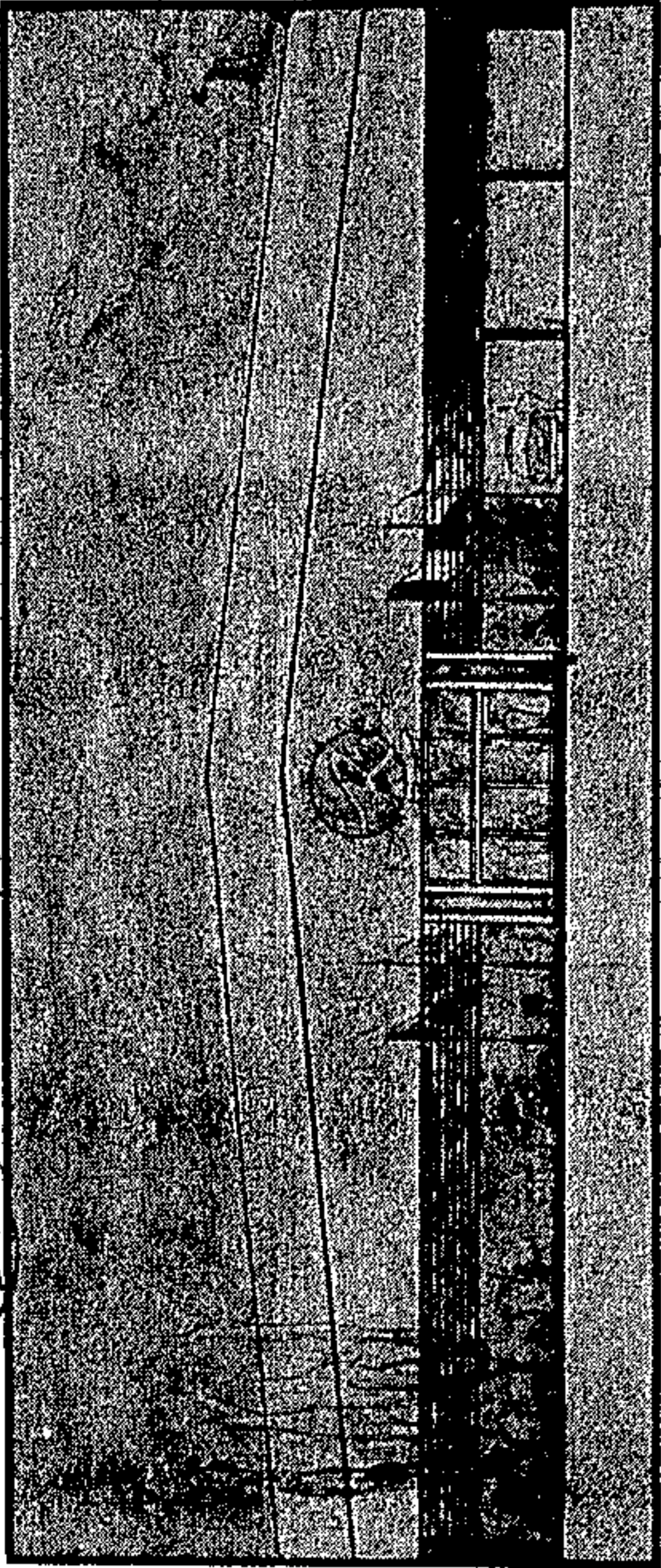
Said Mr Devine: "We are very excited about the new rink. It will undoubtedly be the best facility of its kind in South Africa, if not Africa."

"Besides the modern changerooms, comfortable seating and fast-food kiosks, a restaurant and bar with big glass windows will be suspended over a section of the rink."

"Because the rink will be of international standards, we believe international figure-skating competitions, ice hockey tournaments and ice shows will be held there regularly."

Mr Devine estimates that about 200 000 people would use the rink annually. Building is to start early next month.

(288) ARG 21/1/95



□ ICE WORLD: An artist's impression of what the R6-million ice rink in Goodwood will look like. Construction of the rink is to start next month and it will open in July.

## Loony latest — gender U-bender

**ALAN ROBINSON**

**LONDON.** — It may be a small step for the People's Republic of Islington, but it is undoubtedly a giant step for womankind in the North London borough.

That, anyway, is what the women's committee of the Islington council (best known resident Labour leader Tony Blair), says of its decision to offer nervous women tenants a specialised plumbing and house decorating service.

In the interests of gender equality, cultural dictates and political correctness, fearful fe-

males will be able to summon non-threatening female plumbers, plasterers and painters.

Committee chairman Louisa Mallard was quick to hail the scheme as "a valuable and essential part of the repairs service".

"It is an improvement in the quality of service we give to women," she said.

A council official in the Labour-controlled borough, which already lays on gym mats for lesbian self-defence classes and non-sexist jigsaw puzzles for the under fives, explained: "Where possible, women will be able to

request a woman repair worker."

Conservative councillor Clive Blackwood observed: "I trust there will be such a scheme for all minority groups.... gay repair teams for gays, Asians plasterers for Asians, transvestite plumbers for transvestite tenants, Irish painters for Irish and, of course, red-haired teams for red-haired occupants..."

The council spokesman, refusing to become bogged down in such trivialities, added that, yes, nervous male tenants afraid of female plasterers would be able to ask for men-only workmen, oops, workers.



# MESS

(288) CP 22/1/95

# MOKABA'S

By DESMOND BLOW

THE COUNCIL of the National Tourist Forum, chaired by former ANC youth leader Peter Mokaba, has refused to approve the investigation by auditors Deloitte and Touche into "irregular payments" amounting to more than R1 250 000 – including more than R40 000 to Peter Mokaba and more than R200 000 in payments to "unknown payees".

This controversial move comes after more than R3-million donated in little more than a year to the NTF "evaporated" – and the NTF last month was in debt for over R33 000. This while Mokaba received an annual salary payment of almost R250 000 from September 1993 to 1994. The donations had been meant for the promotion of tourism by the ANC-inspired non-governmental organisation.

The only item that the NTF council has approved to be investigated is R100 000 allegedly paid to an account of J. Lawrence Promotions CC by NTF Marketing Director Clive Strugnell – who claims he later withdrew R95 000 of the money and paid it in cash to NTF executive director Ngoako Maphala. Strugnell has not been discharged and has undertaken to repay the money himself.

Maphala and fellow director John Rothchild were suspended on December 14 with pay.

Maphala has denied receiving the money – and has sent a letter of demand to the NTF demanding R150 000 in damages for defamation.

An investigation by Deloitte and Touche, mostly limited to the stolen R100 000, reported that:

- Income tax – totalling more than R200 000 – had not been deducted from salaries;

- A total of R3 090 151,88 had been received from donors up to September 30 last year – but only R2 947 532,04 was recorded as having been received.

- Salary payments fluctuated significantly and, for the year from September 1993 to September 1994 totalled R1 507 448,08 – nearly 58 percent of total expenditure during that period.

Peter Mokaba's salary for that period was R246 000.

In November 1993 he received two salaries of R30 600 and R16 500. Most of his salary cheques were for R16 500 a month – but in May 1994 he received three salaries – R2 000, R33 000 and R15 860.

Strugnell's normal salary appears to be R9 500, but there are some months when he was paid R29 589, R11 000, and R28 500.

- "Sundry expenses" totalled R706 993 – 27 percent of total expenditure – and motor vehicle leases totalled R265 105. Motor and travel and accommodation costs totalled R210 473.



# Mokaba in R1-m probe

(288)  
Sowetan  
23/1/95

By Ruth Bhengu

**E**XECUTIVE DIRECTOR of the National Tourism Forum Mr Ngoako Maphala has threatened to take his boss Mr Peter Mokaba to court if he does not frame charges or hold a disciplinary hearing against him within seven days.

The letter, which is in Sowetan's possession, was issued by Maphala's lawyers, Beder-Friedland Incorporated of Orange Grove, Johannesburg.

According to an auditors' report at least R1,2 million cannot be accounted for.

Mokaba had allegedly received R246 000 in salary from the NTF up to September last year.

He also received a further R20 000 for sundry expenses and a R12 000 monthly car allowance. Highly placed sources in the NTF, who declined to be named for fear of reprisals, have accused Mokaba, an ANC MP, of trying to close down the forum to "hide things".

Mokaba, who was in a meeting of the national executive committee of the ANC in Cape Town, could not be reached for comment yesterday.

Maphala was suspended with full pay by the NTF council on December 14 after a report by Johannesburg auditors Deloitte and Touche of financial irregularities within the forum.

The Deloitte and Touche's investigation claimed that:

- Income tax of more than R200 000 had not been deducted from salaries;
- An amount of R3 090 151 was received from donors up to September 30 last year;
- Between September 1993 and September 1994 salaries totalled R1 507 448, which was almost 58 percent of the total expenditure for the period; and

● Sundry expenses amounted to R706 993 and motor vehicle leases totalled R265 105. Motor, travel and accommodation costs were R210 473.

The inquiry was ordered by Mokaba who is chairman of National Tourism Forum.

Also suspended were other NTF directors John Rothschild and Clive Strugnell.

"We have been instructed by our clients to place your client on terms either to frame charges and hold a disciplinary inquiry within seven days of date hereof, alternatively reinstate our client within such a period," reads the letter from Maphala's lawyers to Mokaba's.

"Our client considers your client's failure and or refusal to reinstate our client as a strategy on the part of certain of your client's members, who have some hidden agenda, to ensure that our client is not at the helm of the

NTF, while such members attempt to close the organisation down.

"The chairman of the organisation has already gone on record in the Press as stating that the NTF will be dissolved, this notwithstanding the fact that no such decision was taken at the council meeting on the 18th," reads the letter.

**'According to an auditors' report at least R1,2 million cannot be accounted for. Mokaba had allegedly received R246 000 in salary from the NTF up to September last year'**

The letter also states that:

● The report by Deloitte and Touche was completed without Maphala being interviewed at any time;

● There is no suggestion in the report that Maphala was in any way implicated in the theft or removal of the amount of R100 420 or any lesser amount whatsoever; and

● Sundry payments to Maphala stated in the report were paid in respect of commission to which he is entitled as a fundraiser.

Maphala's attorneys said there was no reason for his suspension to continue.



## Mokaba's Satour merger attempt rejected

A TOP Tourism Ministry source said yesterday the Ministry recently had to resist strenuously, because of suspicions of possible corruption, efforts by ANC MP Peter Mokaba to merge his National Tourist Forum with Satour.

This follows a disclosure by forum lawyers that forum executive director Albert Maphala is shortly to appear before an internal disciplinary committee to face allegations that he and former colleague Clive Strugnell had misappropriated R100 000 from the organisation.

Maphala has been quoted as saying Mo-

AMANDA VERMEULEN  
and TIM COHEN

kaba, the forum's chairman, had "framed" him. Mokaba denied this charge.

The government source said Mokaba had sought the merger.

But a departmental investigation left officials with doubts about the organisation, and plans were aborted. Satour was being restructured without the participation of Mokaba's forum.

Auditing firm Deloitte & Touche, which

□ To Page 2

## Mokaba (288)

investigated the forum's finances, said apart from the R100 000 that still had to be accounted for, there was no evidence that fraud had been committed by any other member of the organisation.

Forum director and Rennies Travel operations director Rupert Lawlor said the forum had been alerted to unusual payments made by the organisation.

Following initial investigations Maphala and fellow director John Rothschild were suspended. Strugnell resigned from his management position on the forum late last year, but would also face a hearing to be held soon.

Lawlor said Mokaba had asked Deloitte & Touche to conduct the investigation into the unusual transactions, and had asked them also to produce a detailed report of the organisation's finances.

Deloitte & Touche partner in charge of forensic services Mark Pinington said the forum's financial records had not been kept up to date, and it appeared that some donations of the total R3,1m banked for the

year to September had not been accounted for in the organisation's records.

It appeared that some donations might have been paid directly to creditors without first being entered in the forum's account. Pinington said these donations, still under investigation, amounted to R142 000.

Lawlor said the auditors would also examine the forum's expenses, which "could have been a little high".

The details of the investigation into the unusual transactions coincided with the announcement that the forum would be disbanded. Sources said Mokaba and other forum members had been unhappy with the functioning of the body.

One source said the forum would be reconstituted to operate in a more meaningful way, but Lawlor said the forum felt it would be more appropriate to operate within existing tourism structures. He said the organisation's donations had dried up.

Mokaba, Maphala and Strugnell could not be reached for comment.

□ From Page 1



irregularities'

sowetan  
24/1/95

## Mokaba 'knew' of swindle

Continued from page 1

Strugnell says he withdrew money from that account twice and paid it to Maphala in cash. In his third affidavit, also dated December 7 1994, Strugnell says he did not at any time give R95 000 to Maphala or anyone else. He said he had not told Mokaba or anyone that he had given money to Maphala.

In another document, Strugnell apologises to Mokaba and all the directors of NTF for charging the company money for information he did not pay for.

"These documents were offered to me free of charge by the company which originated them," Strugnell wrote.

"I decided to ask the NTF to pay for this information and I originated the invoice in my wife's name so that the cheque could be issued for them. I knew that Mr Maphala did not know her name and that he would accept this name as being that of a promotions company.

"Mr Rothschild signed the cheque very reluctantly. Later when Mr Mokaba queried this transaction, I lied and told him that the company we had paid for the document was a promotional company."

Strugnell could not be reached for comment yesterday.



## Commission to probe Kalako funds allegations

Political Staff

(288)

THE regional parliament is to appoint a three-member commission of inquiry to investigate allegations that Western Cape environment minister Lerumo Kalako misappropriated public funds during a trip to Australia.

Regional premier Hernus Kriel said the commission would also look into Mr Kala-

ko's behaviour. It was alleged to have been "unacceptable and unbecoming of a minister representing the province".

The commission's members would be announced tomorrow.

It would consist of a person with a legal background, an auditor and a person with sound public administration knowledge.

ANC 24/1/95

Mr Kriel said the commission would also investigate the financial management of Mr Kalako's ministry.

He trusted this action would reveal all the facts as it was impossible for Mr Kalako or the provincial cabinet to function properly under the circumstances.

The findings of the commission would be available at the

end of February.

The investigation follows allegations by Nick Malherbe, a former special adviser to Mr Kalako, that the minister had misused public funds during an 18-day trip to Australia in November.

But Mr Kalako has denied any wrong-doing. He has briefed his lawyers to sue Mr Malherbe for defamation.



# Mokaba's hands are clean: auditors confirm MP's claim

BY KAIZER NYATSUMBA  
POLITICAL CORRESPONDENT

Former Youth League leader and current ANC MP Peter Mokaba's insistence that he took no part in the embezzlement at the National Tourism Forum (NTF) has been confirmed by auditors.

The organisation is said to have lost at least R100 000 to its staff members.

Mark Fumington of Deloitte and Touche, the auditors who investigated alleged mismanagement at the NTF, said Mokaba's hands were clean.

Mokaba, who is chairman of the NTF, told The Star he led moves within the non-profit body for a clean and sound administration.



Not guilty . . . says ANC MP Peter Mokaba.

Fumington confirmed the investigation took place at Mokaba's instigation and there was "certainly no information of Mr Mokaba's involvement in any wrongdoing".

Following weekend reports about the alleged fraud and big-spending by NTF staff, Mokaba said he expressed his concern about the ANC-inspired organisation as early as last April about a need for proper bookkeeping to organise its budget.

He had engaged Ian Pierce and Associates to look at the forum's books, and Pierce had complained about a lack of co-operation from the management of the NTF.

Mokaba said it was only when he took members of management — including executive director Ngoako Maphala — with him on a fundraising tour to Hong Kong that

► To Page 3

# Mokaba's hands are clean: auditors confirm MP's claim

From Page 1

Pierce was able to get hold of the NTF's books.

Mokaba said last November the firm phoned him in Cape Town to query some "cheques he (Pierce) did not understand". They were co-signed by NTF directors Ngoako Maphala and John Rothschild and made out to J Laurence Promotions.

He claims the two men told him the R100 420 in cheques were payment for research on behalf of the forum.

Mokaba said Rothschild had told him he was forced to sign the cheques and referred him to the marketing director Clive Strugnell.

Mokaba says upon further investigation, the following emerged:

■ There was no such research commissioned. Instead, an Alberton-based woman who had prepared a document on train coaches had approached the NTF for assistance, and Strugnell allegedly took the document and promised to come back to her.

It was allegedly that document which was being passed off as the commissioned research.

■ J Laurence was the maiden name of Strugnell's wife, in

whose bank account the R100 420 had been deposited.

■ Strugnell gave Mokaba an affidavit implicating Maphala, and allegedly confessed he had deposited the money into his wife's account and later transferred it into his own account, from which R90 000 was withdrawn.

He allegedly said he had left only R10 000 for himself, but would not say what had become of the R90 000.

■ NTF human resources director Pauline Rammusi had shown Mokaba an affidavit, allegedly prepared by Strugnell for Maphala, in which he denied having told either Mokaba or Rothschild that he had deposited R95 000 into Maphala's bank account.

■ Strugnell, who was asked to resign, undertook to repay the money, and Maphala was suspended, first by Mokaba and later by the NTF council, with full pay. Maphala challenged his suspension on the grounds that it had come from Mokaba and not from the council.

■ In a meeting of NTF employees and directors, Mokaba announced that a three-member team of experts made up of Pierce, Reuel Khoza and a Dr Kriegle would look at the forum with a view to restructuring it.

■ On December 14, Pierce and Mokaba were appointed new signatories of the NTF, and the ANC MP suggested that an independent firm of auditors should be appointed to take over the investigations.

■ On January 18 this year, Deloitte and Touche's findings were presented to the council, confirming the fraud allegations against Maphala and Strugnell, and the report's recommendations were accepted.

■ The council, according to Mokaba, also resolved to close the NTF with effect from January 31 because of lack of finance.

February 2 was set as the day on which the two men will be given a chance to respond to the report's findings, and Mokaba said he had informed them of this in writing.

Mokaba said he still believed a structure like the NTF was necessary to do research, engage in capacity-building in the community, introduce blacks into tourism and help the Government in the implementation of the Reconstruction and Development Programme.

"The other guys (in the tourism industry) should not be happy that the NTF, which used to be a challenge to them, is no more, and they can go back to their old ways," Mokaba said.



# Mokaba sets up probe of forum funds

288 ~~288~~ CT 24/1/95  
Special Correspondent

JOHANNESBURG. — ANC MP Mr Peter Mokaba has set up an investigation into claims that "millions of rands" donated to the National Tourism Forum (NTF), which he heads, has gone missing.

The investigation follows calls, reported at the weekend, for his resignation as chairman of the parliamentary standing committee on tourism.

But Mr Mark Fumington, of Deloitte and Touche, the firm of auditors that has already probed alleged financial mismanagement at the NTF, said here that Mr Mokaba's hands were "clean".

And Mr Mokaba said yesterday he had been at the forefront of a fight for clean and sound administration in the forum.

Mr Fumington said there was "certainly no information of Mr Mokaba's involvement in any wrongdoing".

In his first reaction yesterday to weekend reports about alleged fraud at the NTF, Mr Mokaba, the former ANC Youth League leader, said he had expressed his concern as early as before last year's election about the need for the NTF to do proper book-keeping so that it could organise its budget.

He had subsequently engaged a firm to look at the NTF books, but it had complained about a lack of co-operation. It was only when he took some members of the management with him on a fund-raising tour to Hong Kong that the firm was able to get the books for auditing.



# Kalako: Inquiry into use (288) CT 24/1/95 of funds

By CHRIS BATEMAN

A COMMISSION of inquiry is to probe alleged travel fund misuse and financial and staff mismanagement by Western Cape Tourism Minister Mr Lerumo Kalako.

The inquiry was set up yesterday after talks between NP and ANC cabinet ministers, Western Cape Premier Mr Hernus Kriel and Mr Kalako.

According to Mr Kriel, regional ANC chairman and Economic Affairs Minister Mr Chris Nissen and Mr Kalako agreed to the commission being chaired by a lawyer, with an auditor and senior public administrator assisting.

Yesterday's hurriedly called meeting was prompted by the latest development in a series of controversies involving Mr Kalako and his former self-styled former "special adviser" Mr Nick Malherbe.

This was confirmation by Mr Niel van Wyk, director of Nature Conservation in the Western Cape, that Mr Kalako had claimed R3 220 for a birthday party thrown for him by Mr Malherbe at Kelvin Grove in September last year.

A spokesman for Kelvin Grove confirmed that a bill for this amount, sent to their member, Mr Nick Malherbe, was settled in full last week.

Mr Kwanda Sojolo, Mr Kalako's private secretary, said Mr Kalako refused to pay the bill, which was "Mr Malherbe's responsibility". He confirmed that Mr Malherbe had collected more than R1 000 at the club door from tourism industry guests and that the remainder (from ANC members) remained uncollected by him owing to a "misunderstanding".

Later, to settle the bill, Mr Sojolo made a claim on Mr Kalako's entertainment allowance, but Mr Kalako instructed him not to pay.



# Sol gave cash to Mokaba

288  
Sowetan 25/1/95

By Ruth Bhengu

ANC MP Mr Peter Mokaba told *Sowetan* yesterday that his organisation had received money from hotel magnate Sol Kerzner.

Kerzner yesterday admitted giving financial assistance to Mokaba's National Tourism Forum.

Speaking from the Bahamas Kerzner said: "We gave Mr Mokaba and his organisation all kinds of help, including financial assistance, guidance and encouragement. But we did not give him money as an individual," he said.

Sun International managing director in South Africa Mr Peter Bacon would not disclose the amount of money his company had contributed to the NTF. But he said his company was among many from the private sector that donated money to the non-governmental organisation.

Mokaba, who said he was closing the NTF, told *Sowetan* he was planning to launch a new tourism organisation with a "new vision".

The staff of NTF have called for the prosecu-

tion of individuals implicated in money missing from the coffers of the organisation.

In a petition sent to the council on Wednesday, the staff also opposed the imminent closure of the NGO. "The closure of the NTF by the council because of financial irregularities is totally unacceptable," reads the appeal signed by Ms Moriti Manale (director), Mr Ephraim Mogale (deputy director) and 10 other individuals.

"The law must take its course with individuals implicated in the embezzlement of funds," they say in the petition addressed to NTF deputy chairman Mr Rupert Lawlor.

Mokaba yesterday confirmed that he was closing down the organisation. "The decision to close down the NTF was taken by council because the organisation is in the red. We don't even have a cent," said Mokaba from his office in Cape Town. "In fact we should have closed down last year. We have asked the auditors to wind up the affairs of the organisation. We will close at the end of January."



# Mokaba asked to step down as tourism chief

(288)

~~288~~

ARG 25/1/95

## Political Correspondent

PETER Mokaba has been asked by the National Party to step down as chairman of the parliamentary committee on tourism, following reports of mismanagement of the national tourism forum.

Mr Mokaba, an African National Congress MP, chaired the forum.



Peter Mokaba

The NP said Mr Mokaba should resign so that alleged mismanagement of the forum could be investigated without political interference.

"According to media reports Mr Mokaba contends he is not guilty of mismanagement of the forum because he requested (auditors) Deloitte and Touche to investigate its financial affairs.

"If this is what he said, (this) indicates he does not understand the responsibil-

ities of a chairman of organisation which looks to the public for its funding."

The NP said Mr Mokaba was paid a substantial salary of R246 000 in addition to unspecified fringe benefits as chairman of the forum.

Alleged intervention by Mr Mokaba to scale down the investigation to exclude certain matters which would be dealt with internally suggested "a cover-up of fraud and corruption resulting from the mismanagement he admits to".



# Former AG to head probe on Kalako

288

AKG 25/1/95

MICHAEL MORRIS

Political Correspondent

FORMER Cape Attorney-General Niel Rossouw is to head the commission of inquiry into allegations that Western Cape Environment Minister Lerumo Kalako misappropriated public funds during a trip to Australia.

He is expected to be assisted by former city engineer of Cape Town, Jan Brand, and auditor Anthony Christie of the accounting firm Ernst and Young, sources said.

A formal announcement by Premier Hennis Kriel is expected later today.

The three-member commission will investigate the allegations of misappropriation of funds, the financial management of Mr Kalako's ministry and claims that Mr Kalako's behaviour was "unacceptable and unbecoming" for a minister.

The commission has been instructed to make findings by the end of February.

The investigation follows allegations by Nick Malherbe, a former special adviser to Mr Kalako.

Mr Kalako has denied any wrong-doing and briefed his lawyers to sue Mr Malherbe for defamation.



**Municipal Reporter**

**If the proclamation were for any reason delayed, this could delay the October deadline for municipal elections.**

# Former AG to head probe on Kalako (288)

**MICHAEL MORRIS**  
Political Correspondent

**FORMER** Cape Attorney-General Niel Rossouw is to head the commission of inquiry into allegations that Western Cape Environment Minister Lerumo Kalako misappropriated public funds during a trip to Australia.

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Mr Kalako has denied any wrong-doing and briefed his lawyers to sue Mr Malherbe for defamation.



# Turn national parks into assets, SA urged

BD 26/1/95

MICHAEL MOON

SA NEEDED to rethink its approach to national parks in order to make them more relevant to the majority of the population, world-renowned Kenyan conservationist Richard Leakey said yesterday.

The emphasis had to change and facilities altered to attract more foreign tourists, thereby bringing in foreign exchange and creating tourism sector jobs.

The Kruger National Park was a good example of a resource which had become identified with the former NP regime and was irrelevant to the majority in the country, said Leakey, who was in Johannesburg to deliver an address last night.

The parks had been akin to private resorts for the Afrikaner elite. And the way they continued to operate was not conducive to attracting foreigners. "Afrikaners used to enjoy having braais and the like. But you cannot expect Japanese tourists, for example, to want the same thing. They want a proper meal at the end of a day."

Parks such as Kruger were a world resource and should be retained, but their preservation depended on whether they could be made into an asset right now.

Historical factors meant many blacks

did not view parks in the same way as whites. And while blacks could now benefit from them, there was not enough space or facilities for everyone.

"The average Soweto voter could not give a damn about biodiversity. But he would listen carefully to the argument that such areas might contribute to development in the country," he said.

"The historically deprived must be considered, and a strategy must be adopted that is realistic and addresses the concerns of the majority of the voters." The best option was to improve the tourism aspects.

Leakey, who played a leading role in getting ivory trade banned, said he foresaw that within a few years it might be possible to drop the ban.

"I do not see in principle why there should not be trade in ivory. But you need to deal with the practicalities of Africa, where there is inadequate policing and smuggling is so easy that it inevitably leads to poaching. Poaching has been stemmed by the ban. But in two or three years time we could look at it again to see if it is feasible to start trading again."



# New revelations in Mokaba fiasco

(258)  
(268)

Sowetan  
26/11/95

By Ruth Bhengu

**T**HE PLOT OF Peter Mokaba's National Tourism Forum saga thickened yesterday as one of its former directors claimed his life had been threatened. The National Party has asked Mokaba to resign.

NP spokesman on tourism Dr Francois Jacobsz said Mokaba should resign from the select committee on environmental affairs and tourism to uphold the dignity of Parliament, as he clearly had a conflict of interests.

Mokaba has denied involvement in the alleged misappropriation of funds, saying he ordered an investigation by auditors Deloitte and Touche and suspended two officials after discovering money was missing.

Dr Jacobsz said Mokaba's statement was simplistic.

He said Mokaba was paid the "substantial" annual salary of R246 000 in

**■ PLOT THICKENS** My life was threatened — former NTF director:

addition to unspecified fringe benefits to carry out his duty as chairman, including ensuring public donations were not mismanaged.

In another twist to the tale, former marketing director of the National Tourism Forum Mr Clive Strugnell, who left after R100 000 went missing from the organisation's coffers, told *Sowetan* yesterday he had lied to protect his life.

Strugnell, who was reported to have been suspended with executive director Ngoako Maphala and international affairs director John Rothschild, said he resigned on December 12 after he had been allegedly threatened by Maphala.

Maphala has denied taking the money and has instructed his lawyers to take chairman Mokaba to court.

Strugnell told auditors he had received two cheques worth R100 000 from Maphala.

The money was deposited into an account of J Lawrence Promotions allegedly on the instructions of Maphala.

The director, Strugnell, claimed he later drew R95 000 and gave it to Maphala.

Strugnell, who wrote three different affidavits, said he had lied because he was afraid of Maphala.

"When Mokaba discovered the money was missing, I went to Maphala and told him to tell the truth.

"But after two days when I realised he was not going to give me the money back, I told Mokaba that Maphala had the money," claimed Strugnell.



# Mokaba tourism finances in a mess – claim

■ BY BRONWYN LITTLETON

The finances of the National Tourism Forum (NTF) chaired by former ANC youth leader Peter Mokaba are in a mess, according to Papi Kabu, the organisation's public affairs director.

He told a news conference in Johannesburg the NTF has run out of funds and will disband on January 31. Kabu said staff had been paid inconsistently.

Tax was not deducted and salaries had to be cut later to pay arrears owed to the Receiver of Revenue.

Journalists who asked about allegations of wrongdoing by Mokaba, who is also an ANC MP,

were warned by NTF deputy director Ebrahim Mogale that "those who had previously attacked Mokaba with the sword and now attack him with the pen" were also attacking the ANC.

That was "something which would not be tolerated".

Last night, the National Party called for Mokaba to stand down as chairman of the parliamentary select committee on environment affairs and tourism.

NP tourism spokesman Dr Francois Jacobsz said he should step aside to allow an "untrammelled" investigation into mismanagement of the non-governmental organisation.

While the controversy surrounding the NTF deepened yesterday, auditors Deloitte & Touche confirmed that the R3 090 151,88 donated to the forum before September had been placed in the forum's bank account, but only R2 947 532,04 was actually recorded in the cashbook.

Deloitte & Touche partner in charge of forensic services Mark Pinington said this was not necessarily suspicious, but that the books had not been kept up to date and the omission was being investigated.

Pinington confirmed that donations had been anonymous because the NTF had not wanted donors to feel they had to iden-

tify with any political organisation.

Three directors were suspended at the end of last year after the auditors found that R100 000 in two cheques had apparently been paid into an unauthorised account.

The directors — Ngoako Maphala, John Rothschild and Clive Strugnell — would "definitely face the wrath of the law", the NTF said.

Maphala has denied wrongdoing and is suing the count for defamation. A staff member tearfully told the conference that she had been present when Rothschild was forced to sign a cheque against his will.

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star 26/1/95



# Niel Rossouw to head Kalako probe

By CHRIS BATEMAN

FORMER Cape attorney-general Mr Niel Rossouw will head the probe into allegations of financial abuse and staff mismanagement by provincial Tourism and Environment Minister Mr Lerumo Kalako.

This was announced yesterday by Western Cape Premier Mr Hernus Kriel.

Mr Rossouw is also a former member of the Goldstone Commission and the Peace Secretariat. (288)

He will be assisted by local chartered accountant Mr Anthony Christie and Mr Jan Brand, a former city engineer.

The commission of inquiry will also probe allegations of rude and unseemly behaviour

by Mr Kalako made by Mr Nick Malherbe, who organised and guided a fact-finding tourism mission to Australia for Mr Kalako and his secretary, Mr Kwanda Sojolo.

Mr Malherbe claims Mr Kalako pocketed most of the balance of outstanding travel funds upon the trio's return to South Africa at the end of September. CT 26/1/95

He also claims Mr Kalako claimed expenses for a surprise birthday party he organised and for which he received part-payment.

The party was held at Kelvin Grove Club in Newlands shortly before the Australian trip.

The findings of the probe are expected to be released at the end of next month.



# Finances of ~~the~~ tourism group were 'a mess'

CT 26/1/95 (288)

JOHANNESBURG. — The financial situation at the National Tourism Forum (NTF) chaired by former ANC youth leader Mr Peter Mokaba was "a mess", the group's public affairs director said this week.

Mr Papi Kabu said here the NTF would disband on January 31 because it had run out of money.

He said staff had been paid inconsistently and tax had not been deducted from their salaries. The salaries were later cut to pay the tax arrears.

Auditors Deloitte' Touche confirmed that all R3 090 151,88 donated to the forum before September last year had been banked into the forum's account, but only R2 947 532,04 was actually recorded in the cash book.

Deloitte' Touche partner in charge of forensic services, Mr Mark Pinington, said this was not necessarily suspicious, but indicated the books had not been kept up to date.

Asked if the Deloitte' Touche investigators had found any wrongdoing on the part of Mr Mokaba, Mr Pinington said: "The report did not indicate any misappropriation as far as the subject matter of what we have looked into."

He confirmed that the over R2 million in donations which had not been recorded was still being investigated. — Special Correspondent



# Tourism forum staff oppose 'early' closure

BD 26/11/95 (298)  
THEO RAWANA

A FACTION of National Tourism Forum employees yesterday opposed the closure of the forum before investigations into alleged embezzlement were completed.

Forum officials yesterday cleared chairman and ANC MP Peter Mokaba of any wrongdoing, and confirmed earlier reports that the forum would disband.

A statement read by publicity director Papi Kubu at a news conference said the forum had cleared Mokaba of any wrongdoing and that he was the target of "forces that wanted to maintain the status quo in the tourism industry — that is, they wanted to maintain a white, Afrikaner male-dominated organisation like Satour".

He accused the NP and DP of launching a "political onslaught" against the forum.

Three directors had been suspended.

Following reports that theft of R100 000 had left the forum with no funds and had forced its council to close it down at the end of the month, some of the 27-member staff insisted that taking such action before the findings of an investigation into the affair would not be proper.

Staff member Lucas Marolen said at the conference it was not proper to close down the organisation before investigations had been completed.

Issues "swept under the carpet" should be brought to light before there could be talk of closure, he said.

Marolen said the employees wanted to know where the funds — such as the R59 000 deducted from last month's salaries, said to be for tax purposes — had gone.

Other staff members wanted to know where R300 000 pumped into the forum by a donor in Hong Kong since last May had gone.

Kubu said individual staff members, realising there was no direction from management, had initiated projects "which will be carried out under new structures".

Sapa reports that NP tourism spokesman Francois Jacobsz said yesterday Mokaba should stand down as environment affairs and tourism select committee chairman to allow an untrammelled investigation into mismanagement of the National Tourism Forum.

By stepping down, Mokaba would ensure that he could not use political clout to influence or frustrate the investigation into the forum.



# City Lodge hotel group has a winning formula

AMANDA VERMEULEN

LIMITED service hotel group City Lodge was on track for yet another good earnings performance for its interim period to December, analysts said yesterday.

The group, which posted a 36% increase in earnings to R14,5m in the 11 months to June, was likely to show earnings growth of more than 25% for the first six months of the current financial year.

Two new Town Lodges had opened shortly before the period under review, and were expected to show a strong contribution to turnover.

The number of beds had increased from 1 604 to 1 828, and several hotels had experienced high occupancy rates, particularly over the Christmas season.

Added to the revival of the tourism industry's fortunes was an increase in business travel, resulting in occupancies exceeding 80% in many of the lodges around the country, and particularly in Cape Town, Port Elizabeth and Durban.

One analyst said one of the group's strengths was its targeting of the business and not the resort market, which meant it was not subject to the same seasonal con-

ditions affecting most hotels.

"The group has also proved to have a consistent formula and well-positioned sites — two drawcards for the travelling businessman," the analyst said.

Although the interim results should show strong growth, analysts predicted the influence of the Rugby World Cup in May and June would further boost the group's performance in the second half.

A consequence of this could be upward pressure on room rates. However, rates would still be in line with prices offered by City Lodge's competitors.

In addition, the group began construction on its new concept, the Road Lodges, in early January.

This new brand was designed to cater for the budget-conscious traveller, and would present a serious challenge to the Formule 1 hotel chain.

One analyst said hotel sector shares were becoming a good investment, as the industry was entering a growth phase and the outlook for tourism was bullish.



# Cape can become real 'powerhouse'

ARG 27/1/95

(288)

□ Tourism industry continues to show growth

**TOS WENTZEL**

**Diplomatic correspondent**

THE Western Cape has the potential to become the economic powerhouse of South Africa, but hard work was needed to realise this, regional minister of finance Kobus Meiring said.

Addressing a seminar in Bantary Bay on trade and investment possibilities with Chile, he said the Western Cape's economic growth recently outperformed that of other regions.

Indications were that it could grow by more than 3,5 percent this year against an expected average of three percent for the country as a whole.

The region also had a well balanced and diversified economy

with agriculture contributing 6,1 percent, manufacturing 23,5 percent, financial and business services 16,6 percent, commerce, catering and accommodation 20,9 percent and personal and social services 18 percent.

The region had only 10 percent of the country's population and 10,3 percent of the labour force, but its contribution to South Africa's gross geographical product was 14,2 percent.

Mr Meiring referred to the "very promising and important tourism sector", the fourth largest industry in South Africa. In 1993 there were 622 000 overseas visitors which earned the country R6 billion in foreign exchange.

"We have the potential, especially in the Western Cape, to increase this dramatically.

"Tourism currently contributes

five to six percent to the gross regional product and this should increase to eight to 10 percent over the next five to seven years."

There were problems, however, including:

- Clean water had yet to be supplied to many, while sanitary services would have to be improved and extended;

- The huge housing shortage had to be addressed urgently;

- Health services had to be improved and extended;

- Widespread poverty had to be addressed, the disadvantaged uplifted and living standards of many in rural and informal settlements improved;

- Education and training had to be improved as it was also a critical factor in improving productivity.





**PETER MOKABA:**  
At the centre  
of a storm.

# Mokaba in R246 000 pay row

CLIVE SAWYER  
Political Correspondent

PARLIAMENT'S policy-making committee on tourism could be split by a row between chairman Peter Mokaba and the National Party.

The NP has called for Mr Mokaba's resignation and has asked the African National Congress leadership for an independent inquiry after claims that:

- Mr Mokaba paid himself R246 000 annually as chairman of the National Tourism Forum in addition to his MP's package of R190 000 a year; and

- Tax was not deducted from the salaries of Mr Mokaba and other employees.

But Mr Mokaba has hit back, accusing the NP of blowing up a non-issue in an attempt to oust him because it disapproves of his tourism policy.

This policy he has vowed to "ram down their throats" even if it means NP members walk out of the committee.

Mr Mokaba said it was time for the ANC to take the kid gloves off in its dealings with its junior partner in government. His fiery comments come days after a rift in the government of national unity was healed.

In a statement yesterday, NP finance spokesman Theo Alant said that if claims made about Mr Mokaba and the tourism forum were true, he was unfit for public office and should resign from parliament.

"Any public representative who controls public funds should be prepared to account in public for how the money was handled," Mr Alant said.

He called on the ANC leadership to set up a "credible" inquiry into the forum.

Mr Mokaba should step down as chair-

(To page 2, col 1)

## Mokaba in big row with NP over R246 000 pay

man of the parliamentary committee on tourism, Mr Alant said.

Mr Mokaba said management of the forum decided salaries and he had had no say, including about his own salary.

Today Mr Mokaba hit back at the NP, saying his hands were clean while the NP had tried "to give themselves indemnities after murdering our people".

Mr Mokaba said he had initiated the probe into the forum and an independent firm of auditors had found he had done no wrong.

The attempt to link him to mismanagement of the forum showed "the political bankruptcy of the NP to find an issue where there is no issue".

He had told ANC secretary-general Cyril Ramaphosa of the probe, Mr Mokaba said.

It was not clear why the NP had chosen to ignore the findings of the auditors.

"I myself am not happy with the way we are handling the NP with kid gloves."

He said he would have "applauded" had the NP leader, Deputy President F W de Klerk, gone ahead with a threat to walk out of the government of national unity last week.

The statement was meant to depose him as chairman because the NP was unhappy with his policy on tourism, which was aimed at broadening its base to include black ownership.

Mr Mokaba said the spirit of the government of national unity would not be a constraint in the committee.

He would ram the policy down NP members' throats even if they then walked out of the committee.



# TINNED GOLD!

288  
29/1/95

## How to shack up a fortune

By NHANHLA MBATHA

**MSHENGUVILLE**, Chicken Farm, Zonk'izizwe and other squatter camps that have mushroomed around the country could end up being money-spinners - earning shack owners rands, dollars, pounds and even Deutsche-marks.

There's gold in those tin shanties - and tourism is the key to it, believes Soweto resident, Fabcos general secretary and Soweto Taverners' Association president David Moshapalo.

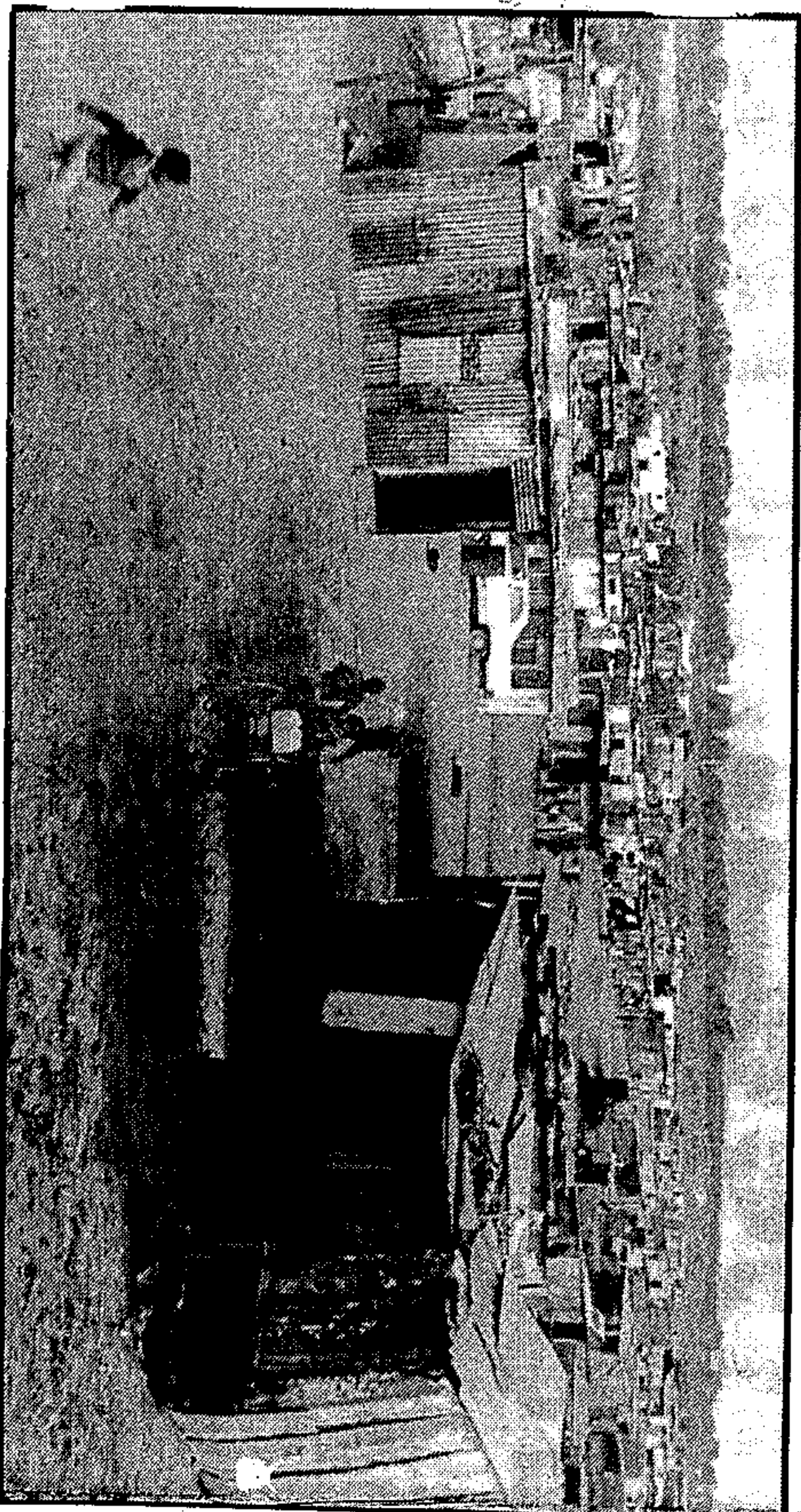
He is working on a project in which overseas and local tourists who are more than curious about township life could make a stop-over and be accommodated in some of these tin shacks.

Tourists should be able to experience first-hand the conditions that blacks experienced under apartheid - and still experience, says Moshapalo.

Imagine coming across this advertisement in a newspaper, or even seeing a sign-post next to the Sisulu squatter camp.

"Spend a weekend in Soweto and experience the magic of this world famous township: Mkhukhu For Accommodation. Bed and Breakfast. Rates negotiable."

The kind of accommodation tourists would be offered would be a far cry from five-star-hotel comfort - but it would give



**NO-STAR ACCOMMODATION . . . A night in a squatter's shack could become an attraction tourists would gladly pay for, says businessman David Moshapalo.**



**DAVID MOSHAPALO**

them a taste of the real life experienced by millions: sleeping in a dusty, bug-infested room without air-conditioners or heaters, no TV, radio or telephone, plain blankets instead of frilly duvets, and the only toilet a communal one outside.

And waking up in the morning they would go and wash up at a communal tap outside, where people sometimes queue for hours to brush their teeth or even take a "public" bath.

Food would be served in typical township style - ranging from pap-and-velis to pap and sour milk, from tea and bread to coffee and fat cakes. The menu could include stew, rice, morogo, mogodu, skobho, magen and an array of other township "junk-food", he says.

"Our township boasts a beautiful history. It is a market, a world on its own. There is virtually everything and everybody in this township. Everything to see, to watch, to say, to know, to learn and to admire."

Tourists could learn the painful history in which Soweto was born - including the forced removals of people from the then Sophiatown, now called Triomf.

"Most of our political leaders come from or are based in this township," says Moshapalo.

"President Nelson Mandela has a house in Soweto. Walter Sisulu has one there, and so had the late Robert Sobukwe and Zephania Mokohe-peng to name a few.

"The 1987 Nobel Peace Prize winner and

Archbishop of Cape Town Bishop Desmond Tutu also has a house in Soweto."

Touring the homes of celebrities in Soweto could become as big an attraction for tourists as driving by the Hollywood film stars' homes in Beverly Hills.

Moshapalo lists many household names in various fields that are associated with Soweto.

"In sport there are former and current soccer stars Jomo Sono, Kaizer Motaung and Doc for Khumalo, soccer administrator Sol Morew, world boxing champion Baby Jake Matlala and The Rose of Soweto Dingaan Thobela, among others.

"In music there are our own Madonna, Brenda Fassie, people's pet

Mzwakhe Mbuli and Imilonji KaNtu among others.

"In business circles there are the first black owner of race-horses Richard Maponya, Dr Ntsho Motlana, Aggrey Klaaste, Ephraim Tshabalala and top hair-stylist Alex Molokoane among others."

Historical events in Soweto that reverberated the world over include the June 16 1976 student uprising.

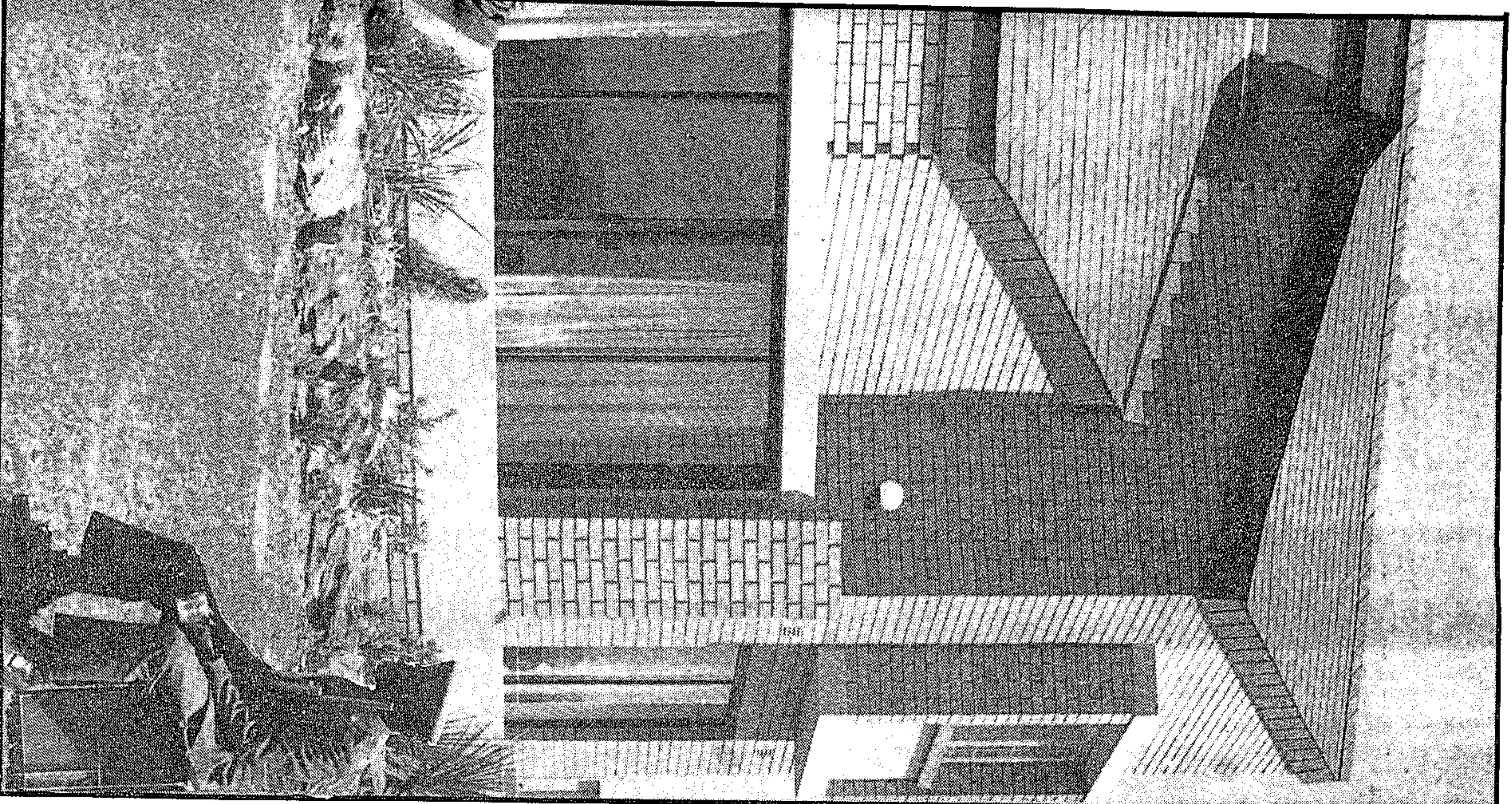
Recently the burials of white South African anti-apartheid activists Helen Joseph and Joe Slovo were held in Soweto.

Soweto has the world's largest township population and southern Africa's biggest hospital - Baragwanath.

Soweto has the infrastructure to support a tourist industry, says Moshapalo - pointing out the Orlando, FNB and Dobsonville stadiums, the Jake Tuli and White City Jabavu swimming pools, the Eyethu Cinema and the tall Oppeheimer tourism building housing historian Credo Mutwa's art gallery and sculpture collections.

There are live entertainment centres like the Jazz Warehouse in the Diepkloof Protea Hotel and the Mapela-based Blue Fountain night club owned by township tycoon and "godfather" Godfrey "Louis Luyt" Molo. Tourists could go pub-crawling and watch the authentic township jive every Sunday afternoon, Moshapalo enthuses.

And if he has his way, people from all over the world will



**FOR SALE . . . Soweto mayor's luxury residence, which a council source said will probably be auctioned off.**



Casino giants were tourism body's big, secret donors

# MOKABA'S

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# BIG GAMBLI

By DESMOND BLOW

THE NATIONAL Tourism Foundation (NTF) received most of its funding from two rival companies who hoped to get a monopoly on gambling casinos in the new South Africa.

They were Sun International and the Legarloon Group of companies based in Hong Kong. But neither knew that the other was a major contributor to the funds of the NTF.

This, City Press learnt, was because the NTF's chairman, Peter Mokaba, and its general director, Albert Mapahla, decided that donors would remain anonymous.

Although Sun International MD Peter Bacon was on the NTF committee, he was not aware that Legarloon, Sun International's strongest rival, was the donor supplying the NTF with more than three times Sun International's monthly contribution. Almost all the NTF funds came from the two rival companies, with Sun International supplying a maximum of R92 000 a month and Legarloon R300 000 a month. A small contribution came from Gold Reef City and Southern Sun supplied free facilities.

Mapahla successfully concluded the deal with Legarloon in Hong Kong but only he and Mokaba knew the identity of the donor.

Before the April election Mokaba was rumoured to become Minister of Tourism, but he did not get the Cabinet post.

## Stopped donations

In August, Sun International stopped their monthly donation. City Press was told this was because Mokaba failed to deliver on his promises. Mokaba has denied this, saying Sun International had agreed to support the NTF for a limited period only. Auditors reports show that for a period of 10 months the Hong Kong donors contributed R3 million, but that only R2,25 million was deposited in the NTF bank account. Sun International's contribution was originally R80 000, but was increased to R92 000 the same time that Mokaba was paid R12 000 a month as a car allowance for his BMW M-5 luxury car. The car allowance was apparently suspended when Sun International stopped its contributions.

■ To Page 2



TRAUMA... "Noma" reveals ordeal site.

## Sex slave 'ate foetus'

By NOMVULA KHALO

A BLOOD-CURDLING tale of cannibalism on the East Rand unfolded this week as a 20-year-old woman described how she was made to eat a human foetus while being kept as a sex slave.

The mentally retarded woman - who is four months pregnant - has told of being held captive in a cave for two months by suspected satanists who ate human flesh and swapped captive women for sex.

She claims they killed a pregnant woman, tore out the foetus - and forced her to cook and eat it.

Johannesburg clinical psychologist Johanna Kistner, who interviewed the girl after her ordeal, said her story was consistent and warranted investigation.



## Mufamadi's tough line

By SEKOLA SELLO and SIPHO KHUMALO

THE Minister of Safety and Security, Sydney Mufamadi, has thrown down the gauntlet to his KwaZulu/Natal counterpart, the Rev C J Mtetwa, by declaring that the passing out parade of 600 police in the province will not take place.

Mufamadi said "this government will not tolerate criminals and thugs in its police services" - a reference to claims that among the 600 graduates

are suspected criminals, including murderers.

Mufamadi's hardline stance follows this week's media statements by Inkatha's spokesman on safety and security, Velaphi Ndlovu, that the parade would go ahead whether the minister liked it or not.

A defiant Ndlovu said the parade would take place next Friday and that Mufamadi had no jurisdiction over police in KwaZulu.

Mufamadi also revealed that an estimated 14 recruits are said to be

stricken with hepatitis B - a contagious disease.

Some of the trainees are said to have falsified their academic qualifications while about 200 of them have not been finger-printed - a prerequisite of joining the police force to establish one does not have a criminal record.

According to Mufamadi last November Colonel Dlamini, the Officer Commanding the Ulundi College (where the recruits trained), told him of a breakdown of discipline at the college,

including absenteeism and abuse of liquor.

However, when Mufamadi asked Dlamini to give him a full report on the matter, the latter failed to do so.

Dlamini is also said to have refused to co-operate with the Investigation Task Unit - a body established by Mufamadi to investigate allegations of hit squad activities in the KwaZulu Police and the ANC.

The ITU inquired from Dlamini about the political background or affiliation of some of the re-

cruits. Dlamini refused to provide this information.

Mufamadi said he found Dlamini's response "alarming and obstructive. Membership of political parties and the holding of political office by police members is specifically prohibited."

One recruit was implicated in the Trust Fee massacre. Bheki Makhathini, who turned a state witness during the marthon Trust Fee massacre trial in 1991, told the court that he was guarding a home of one of the Inkatha leaders during the massacre.

## Racial storm awaits police chief

By WALLY MBHELE

BITTER racial tensions within the police services have been revealed by a meeting brokered by the Gauteng MEC for Safety and Security, Jessie Duarte, between the two protesting police unions and their management at Orlando Police Station in

Soweto.

The meeting came in the wake of the death of W/O Jabulani Xaba, who was shot dead during police protests at Orlando Police Station on Friday.

Although normal activity resumed tentatively at the strife-torn Orlando and Eldorado Park police stations yesterday, sev-

eral other stations in Soweto yesterday closed down completely or embarked on a go-slow campaign in support of their colleagues and demanding the removal of white officers.

The new police commissioner - to be named today - faces taking over a police service which

seems set to be hit by a wave of industrial action over racism.

It is feared that the Soweto protests could spark off action in other parts of the country where there are similar problems.

In a move to diffuse the tension, Duarte announced on Friday that a high

level team from her office would from this week work through "station station" in Soweto to talk statements on alleged racial problems.

Xaba was killed at three other policemen were injured at Orlando Police Station on Friday as members of the police

■ To Page 2



big, secret donors

# BA'S MMBLE

288  
CP 29/1/95

## Mokaba's big gamble

From Page 1

Sowetan 29/1/95

Mapahla and Mokaba, long-time friends and fellow karate instructors, have fallen out. The NTF is to close at the end of the month amid allegations of financial irregularities. Mokaba claimed Mapahla's lack of business administration skills led to the irregularities, but Mapahla's supporters point out that after Mokaba and accountant Ian Pierce took over the accounts at the beginning of December a further R180 000 went missing.

Mapahla and his assistant, John Rothchild, have been suspended due to alleged irregularities and Mapahla has started a R150 000 defamation action against the NTF.

Mapahla says he started the NTF and brought in Mokaba as chairman. Also brought into the company as marketing director was another karate

instructor, Clive Strugnell.

Among the irregular payments made from NTF funds was more than R45 000 paid to the Sheriff of the Supreme Court on behalf of Strugnell. The Sheriff was about to attach Strugnell's assets after he had failed to settle a debt with Southern Sun for R45 688,19 for visiting overseas karate competitors. Strugnell has also admitted to falsifying invoices for more than R100 000 which he placed in a company in his wife's name. He claimed he paid most of this to Mapahla in cash, which Mapahla denied. NP finance spokesman Theo Alant expressed shock on hearing that Mokaba had paid himself a R246 000 salary plus unspecified perks from NTF funds.

Political comment and newsbills by K Sibya, headlines and sub-editing by N Dreyer, both of 2 Herb St, New Doornfontein, Johannesburg.

at the college, action of some of the re- the massacre.

## Police chief

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To Page 2

## BIG PRIZES!

City Press

OHLSOON'S LAGER

### LUCKY CARD GAME

KEEP THIS CARD AND USE IT EVERY SUNDAY

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YOU can win R150 000 in cash, a car and lots of other prizes with your extra Lucky Card which is inside your copy of The People's Paper today!

There have already been 4 712 winners in the City Press/Ohlsson's Lager Lucky Card Game with 29 winners scooping great prizes in last Sunday's game.

Turn to Page 24 to find out whether you are one of this week's winners.



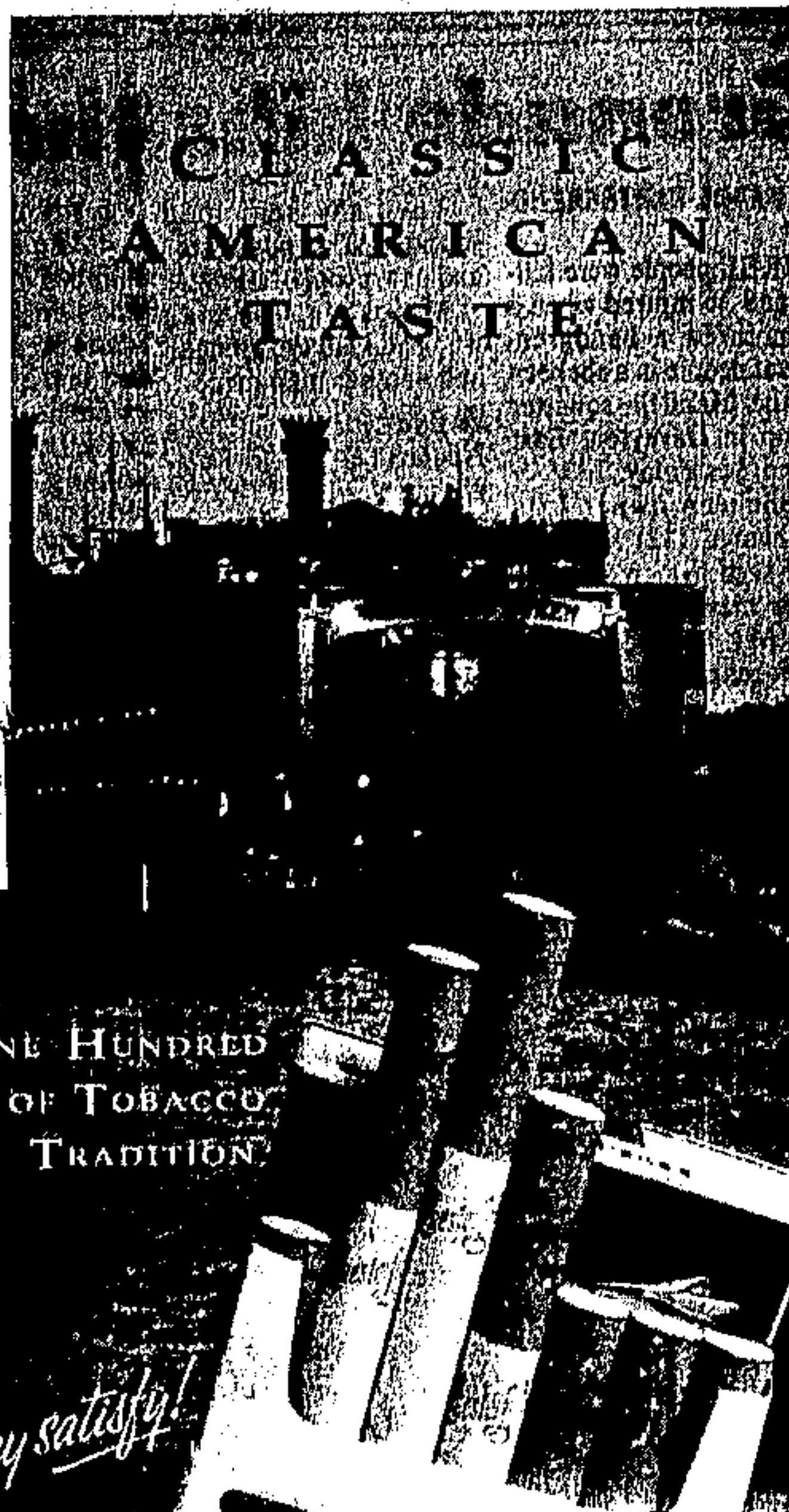
## lap up soccer feast

Figures varied as to how many attended this 10th annual Iwisa soccer charity contest, but it was the NSL PRO Fanyana Shiburi who put his neck on the block by putting the figure at 120 000. There were those who when told tickets are sold out, wanted to force their way through the gates. After throwing a

few stones at the NSL security personnel, the timely arrival of the police saw the unruly elements dissipating.

In the sweltering heat the crowd were entertained to the pulsating rhythms of the "unplugged" Ray Phiri.

At the end it was truly a day never to be forgotten, even for the losers. Match report, Page 12





## Regional council 'augurs well for tourism'

(288) BD 30/11/95  
THE entry of SA into the Southern African Development Community cleared the way for a merger which would lead to a single, representative tourism organisation for the region.

The SADC and the Southern African Regional Tourism Council said at the weekend the body was formed following a meeting

Business Day Reporter

in Lesotho between representatives from the SADC, the council and the European Union (EU).

The EU appointed consultants to undertake a study at a cost of R400 000 to formulate proposals on structures, broad strategy and recommendations to be

ratified by SADC tourism ministers at the community's summit in August. It is expected to take six months to complete the study.

THEO RAWANA reports the SA Tourism Board said this was a timely development. A Satour spokesman said the move would make joint marketing of the region much easier.



# US hotel chains stake SA claims

288  
CT 31/1/95

By BARRY STREEK  
Political Staff

TWO leading US-based multinational hotel groups — Hilton and Sheraton — are negotiating their entry into the South African market in the light of the anticipated granting of casino licences.

A top Sheraton team, headed by its vice-president, a Mr Georgelais, was in the city last week to pave the way for a R500 million development, probably in the Mouille Point area.

Another potential venue for the Sheraton development is the site of the old President Hotel in Sea Point.

And the Hilton International Hotel Group has entered negotiations with Malaysian and black investors for the establishment of a hotel and casino complex in the northern suburbs of Johannesburg.

Both groups are linking their decisions to the awarding of casinos rights in urban areas.

The Lotteries and Gambling

## Casino ruling critical

Board, which is to deliver a report at the end of February, is expected to recommend that 42 casinos be licensed in South Africa, including the existing 19 legal casinos located in the former independent homelands.

The Sheraton team's visit to Cape Town last week was low-key, although the delegation met a number of important role-players in the Western Cape, including members of the provincial government.

The office of Minister of Economic Affairs in the Western Cape, Mr Kobus Meiring, confirmed

that Mr Georgelais and his associates met the Minister last week. They were accompanied by Cape Town business consultant, Mr Sam Montsi.

It is understood that the Sheraton executives have decided that Cape Town should be the site of the first development in its South Africa operations, although negotiations on sites are continuing.

Hilton, on the other hand, has linked up with the African Development Corporation (Afcor), whose executive chairman, Mr Tiny Naidoo, has invited black investors to a function in Johannesburg on February 8 to promote the venture.

Mr Naidoo said 20% of the shares would be available to black investors, an investment of about R36 million.

A group of Malaysian investors would be putting up 70% of the capital needed — approximately R126 million — while Hilton would provide 5% of the capital and the developers a further 5%.



## Staff at resorts call off strike

*Nov 7/2/95*  
An illegal strike by 350  
Pilanesberg National  
Park and Golden  
Leopard Resorts staff,  
which closed the resorts  
in the North-West for a  
week, ended yesterday.

— Sapa

(152) (288)



# Millions lie in wait for tourism development

CT 1/2/95

Own Correspondent

THE conservation and ecotourism industry is not making use of hundreds of millions of rands which the Industrial Development Corporation (IDC) is prepared to make available for development, the general managers of the state-owned agency's industrial development division said yesterday.

They said the two main reasons for the lack of applications for financing were the uncertainty about the control of national and other proclaimed parks, resulting in development plans being put on hold, and misconceptions of what constitutes an economically viable project.

In the two years since the IDC first announced it was willing to grant R600-million in loans for ecotourism ventures, only 33 applications for R257m have been received. Only 14 projects, mainly for lodges and accommodation, have been approved for a total R65m.

The only significant projects have been the upgrading of the Natal Parks Board's Hilltop Camp in Hluhluwe Game Reserve, the building of a link road through the corridor between Hluhluwe and Umfolozi and the construction of two new lodges in the Madikwe Game Reserve.

IDC general managers Mr Jan de Bruyn, Mr Ben Smith and Mr Bertus de Vos rejected recent criticisms in the media of the corporation's modus operandi. They said the problem with applications was a lack of understanding about how the IDC's ecotourism financing worked.

The IDC's traditional role has been to provide loans for industrial manufacturing development. In 1992, it announced its willingness to extend this to the development of ecotourism after the government's White Paper on Tourism identified that a lack of finance was impeding the development of the industry.

## Foreign tourists

At the time, the IDC said it could make R600m available, a figure based on the estimated cost of providing 3 000 extra beds over the next five to six years to cater for a 12% annual increase in foreign tourists.

Mr De Bruyn stressed there was no R600m "fund" gathering mothballs. Money was available from the normal cash flows of the IDC.

As far as individual loans were concerned, the IDC collaborates with shareholders and banks on financing and technically does not look at the amount that is required. It has granted loans as small as R150 000.

What determines whether it is handled by the IDC or its subsidiary the Small Business Development Corporation (SBDC), is the aftercare needed. The latter has a mentor plan, which caters for new or budding entrepreneurs.

After an application has been received by the IDC, it is handed to a projects team which conducts its own feasibility study to determine economic viability.

"Whereas banks do financing mainly on collateral, we do it mainly on potential. Our security is the feasibility study concerning the applicant's potential to meet commitments and generate enough revenue to finance loans."

The advantages of IDC funding over private sector financing is that it offers two schemes - fixed interest rates and risk sharing. With interest rates, the shareholder or owner must provide at least 40% of the funding.

Risk sharing or equity financing tends towards larger projects and the IDC enters as a shareholder, with a limit of 49% of the shares. No interest is paid, but the IDC reserves the right to sell its shares at a profit.



# Protea heads for Uganda

(288)

ET 1/2/95

Business Editor

**PROTEA** Hotels, which now manages 76 hotels throughout Southern Africa, is expanding into Uganda.

It has signed a management contract for a new 50-room lakeside hotel 20 minutes' drive from the capital, Kampala.

Bernard Cassar, Protea's regional director for Africa, said the group

planned to run other hotels in the country.

The new Ranch on the Lake Hotel was being built at a cost of about \$9.5m. The owner was Ugandan entrepreneur Edward Nsubuga whose son Jonathan, a London-trained architect, had designed the complex.

Protea Hospitality Corporation chairman Otto Stehlik said the move

into Uganda was the latest step in his company's expansion into Africa.

It was already in Tanzania, Egypt, Kenya, Swaziland, Zimbabwe, Malawi, Mauritius and Reunion and planned to be able to offer international tourists a chain of hotels stretching all the way from Cairo to the Cape.

Stehlik said Uganda was a peaceful, stable

country with a high economic growth rate. Kampala was becoming an increasingly modern city.

The country, known as "the Switzerland of Africa" had great potential for tourism. Its attractions included opportunities to watch mountain gorillas without the risks of travel into Zaire or Rwanda.



**'Whereas banks do financing on collateral, we do it on potential. Our security is the feasibility study,' the IDC tells Anita Allen**

# Millions for ecotourism 'lie idle'

(288) Stan 11/2/95

**T**he conservation and ecotourism industry is not making use of hundreds of millions of rands which the Industrial Development Corporation (IDC) is prepared to make available for development, according to the general managers of the state-owned agency's industrial development division.

They identified two main causes for the lack of applications for financing of ecotourism projects:

■ Uncertainty surrounding the control of national and other proclaimed parks, which has resulted in development plans being put on hold.

■ Fundamental misconceptions within the conservation community of what constitutes an economically viable project.

In the two years since the IDC first announced it was willing to grant R600 million in loan financing for ecotourism ventures, only 33 applications for R257 million have been received. Of these 14 projects, mainly for lodges and accommodation, have been approved for a total R65 million.

The only significant projects have been the upgrading of the Natal Parks Board's Hiltop Camp in Hluhluwe Game Reserve, the building of a link road through the corridor between Hluhluwe and Umfolozi and the construction of a two new lodges in the Madliva Game Reserve.

Two projects for R1 million were rejected, and 17 applications were either not investigated or were withdrawn, mainly due to being incomplete or for not complying with the basic criteria of the scheme.

IDC general managers Jan de

Bryn, Ben Smith and Bertus de Vos said two problems identified in the IDC's 1993 and 1994 annual reports remained unresolved.

The 1993 report said that tourism needed "a higher priority in government as obstacles to the development of South Africa's unique selling features in the international market relate mainly to inadequate co-ordination and bureaucratic impediments".

The 1994 report said "it is unlikely that there will be any significant increase in demand for IDC finance until the control and direction of the public sector nature reserves have been resolved".

The IDC managers rejected recent criticisms in the media of the corporation's *modus operandi*. They said the fundamental problem with applications from conservation authorities and organisations stemmed from a lack of understanding by applicants about how the IDC's ecotourism financing operated.

The IDC's traditional role has been to provide loans for industrial manufacturing development. In 1992, it announced its willingness to extend this to the development of ecotourism after the government's White Paper on Tourism identified that lack of finance and ready access to sources of finance were impeding the development of the industry, which is potentially one of South Africa's most important generators of foreign exchange and new jobs.

At the time, the IDC said it could make R600 million available, a figure which was based on the estimated cost of provid-



**One of the biggest IDC projects . . . upgrading of accommodation and tourist facilities at the Natal Parks Board's Hiltop Camp in Hluhluwe Game Reserve.**

ing 3 000 additional beds over the next five to six years to cater for a 12 percent per annum increase in foreign tourists.

But, strictly speaking, there is

no limit on the total amount the IDC could make available for the development of ecotourism facilities.

De Bryn stressed that there

was no R600 million "fund" sitting gathering mothballs. Finance was available out of the normal cash flows of the IDC.

As far as individual loans

were concerned, the IDC collaborated with shareholders and banks on financing and technically does not look at the amount that is required. It has

granted loans as small as R150 000.

What determines whether it is handled by the IDC or its subsidiary the Small Business Development Corporation, is the amount of aftercare that is needed. The latter has a mentor programme, which caters for new or budding entrepreneurs.

The way the IDC operates, an applicant's submission is handed to a projects team, which conducts its own feasibility study to determine economic viability.

"Whereas banks do financing mainly on collateral, we do it mainly on potential. Our security is the feasibility study — can the applicant meet commitments and generate sufficient revenue to finance loans?" De Bryn said.

One problem he pointed out was that conservation authorities have traditionally been funded by Government through the Budget.

"They are used to receiving grant money and expect us to do the same. We don't offer grants. If a grant is needed, the authority goes to Government."

Another potential block was that the idea of commercialising to attract tourists was like a "culture shock" for conservationists whose mindset centred on the protection of biodiversity and wilderness areas.

"Commercialisation is the only way to finance loans," De Bryn said. "Some people have the tendency to look at ecotourism as property development. But it's not. You don't have revenue unless you have tourists walking through the door."

This means that IDC loans allow for land acquisition and in-

frastucture development other than tourist accommodation provided its a proclaimed conservation area. However, for this type of project the application must be by a national, provincial or regional conservation authority and the project must also be linked to commercial development.

The advantages of IDC over ordinary commercial private sector financing is that it offers two schemes — fixed interest rates and risk sharing. With interest rates, the IDC requires that the shareholder or owners provide at least 40 percent of the total funding requirements.

Risk sharing or equity financing tends towards larger projects and the IDC enters as a shareholder, with an upward limit of 49 percent of the shares. No interest is paid. Instead, the IDC holds shares, which it can sell for a profit after the lead-in time when the project is up and running.

Providing shareholder or owner funding was where 69 percent of prospective applicants failed to qualify, the IDC managers said.

The IDC has been heavily criticised for not supplying grant financing, but the managers said this amounted to giving money for nothing, which was a luxury the IDC could not afford.

The IDC managers agreed that financing ecotourism projects needed lateral thinking. They believe their organisation has the talent to do this and to be flexible.

"Our doors are always open and our commitment to ecotourism remains," De Bryn concluded.



# SA hotel groups seek African opportunities

SA HOTEL groups are looking at new developments or acquisitions elsewhere in Africa.

The Protea hotel group announced yesterday it had signed another hotel, the 50-room Ranch on the Lake, which is located on Uganda's Lake Victoria, as part of its Africa network.

The hotel, which would open on May 1, brings Protea's number of hotels to 82 in 10 countries since the group's establishment in 1984. It was also planning several Ugandan ventures.

Protea regional director

AMANDA VERMEULEN

for Africa Bernard Cassar said the continent had a strong historical tourism tradition, but politics had a negative affect.

"This trend has reversed in countries like Tanzania and Uganda, with more government and private enterprise emphasis on the industry."

Cassar said developments in new areas such as Botswana, Zambia and other countries in Africa were under consideration.

Limited service group

City Lodge said recently it wanted to expand into Zimbabwe and Mozambique.

The Karos group, which has the Polana Hotel in Maputo, would also look at increasing the number of hotels it had in Mozambique.

Ernie Joubert, who is part of a consortium which will develop casino resorts in SA, said yesterday a development beyond SA's borders was under consideration.

One industry source said there had been a sizeable increase in tourism, business and diplomatic travel to Africa.

Stocks Hotels & Resorts MD Bruno Corte said the group, which already had two hotel developments in Namibia, was also looking at possible acquisitions elsewhere in Africa.



# Grindrod posts 36% earnings rise

DURBAN. — Improved trading conditions in the shipping and transport sector saw Durban-based Grindrod Unicorn Group increase operating income by 36% to R68.5m in the year to December 31, 1994.

Chairman Murray Grindrod also said operating income was enhanced by a foreign exchange surplus and an adjustment to the depreciation of South African-owned ships. Grindrod said while pre-tax income was 64% up at R58.6m,

income after tax was 1% better because the previous year's results were boosted by a deferred taxation adjustment of R9.1m. Without this, attributable income for the 1994 year would have increased by 15%.

Preliminary results released on Friday showed last year's tax adjustment effectively led to a 4% fall in earnings per share to 92.4 cents. Also impacting on this was a stronger-than-expected rand

dollar exchange rate in the second half and a slight increase in the weighted average number of shares in issue. A final dividend of 24 cents a share was declared, making 35 cents for the year, or 6% more than last year.

A translation adjustment of R5.3m was included in Grindrod's income for the first time, reflecting the impact of exchange rate movements on the reporting of foreign currency denominated subsidar-

ies. As this made 1994 results not strictly comparable with those of the previous year, pro-forma figures for 1993 were included. Grindrod forecast better operating profits from core activities in 1995 as a result of domestic economic upturn and stronger relations with international trading partners.

In readiness for this the group incurred capital expenditure of R229m, which in-

cluded the purchase of three bulk carriers and payments on new container ships, the third of which was due for delivery in April. Capital expenditure increased the group's interest-bearing debt by R85.2m to R360.2m.

Proceeds from a rights offer linked to the Johannesburg listing of group subsidiary Griffin Shipping Holdings in August 1994 provided additional capital for the ship purchases, Grindrod said.

## ISG 'to outpace industry' Afcor set to build five top hotels

From CHARLOTTE MATHEWS

JOHANNESBURG. — Information Services Group (ISG), which is controlled by IBM of the US, reported an exceptionally good year for 1994 and expects to grow faster than the industry in 1995.

Figures released yesterday for the 15 months to December 1994 — the group has changed its year-end in line with IBM's — show attributable profit of R84.1m was made on turnover of R1.7bn, translating into earnings of 42.9c a share.

The 26c dividend for the period was announced in November.

A more meaningful indication of trading in recent months is that earnings for the 12 months to December at 44.7c a share were 28% better than the 34.9c in the same period in 1993.

Turnover in the last 12 months grew by 17% to R1.5bn, but a sharp improvement in margins to 7.1% (5.4%) was evident from the 55% surge in operating income to R104.5m.

An unusual feature of the results is a R39.6m charge to pre-fund the medical aid costs of group pensioners and the service history of employees to date.

ISG financial director Jim Tennant said this item would not be repeated, but it would result in future savings because up to now the costs of pensioners' medical aid had been funded from current earnings and there would be a future tax benefit.

CE Brian Mehl said future profits would come from normal revenue growth and increased market share.

ISG is now in a position to grow faster than the industry because of the advantages to customers of using IBM's global expertise.

## Afcor set to build five top hotels

From THABO LESHLILO

JOHANNESBURG. — The previously marginalised black majority could soon become a significant player in the growing tourism industry, if several planned forays into the hotel industry bear fruit.

The black economic empowerment group, African Development Corporation (Afcor), said yesterday it had secured the backing of overseas financiers to build five international hotels.

MD Tiny Naidoo said work on the first of the five-star hotels would begin in Pietersburg in a few months' time.

Others would be set up in Johannesburg's Bruma Lake area, and in Durban, Cape Town and Nelspruit.

He said such big names in the hotel industry as Sheraton, Marriott, Intercontinental and The Taj had been invited to manage them.

All should be operational within three years. Naidoo said talks were at an advanced stage to have an Austrian airline charter planes to bring at least 600 European tourists a week.

Afcor is currently setting up a consortium of black businessmen to buy a block of shares in the R200m Hilton International Hotel, to be built in Sandton. The aim is to take a 20% stake, amounting to R36m, in the five-star hotel.

Naidoo said 100% of the money for the Sandton project was already in place.

The Business Focus Group from Malaysia had provided 70% of the capital and Hilton five percent. Another five percent had come from local developer Team Development Concepts.

The remaining 20% is held by Investec Merchant Bank.

It is envisaged that this shareholding will eventually be acquired by the group being set up by Afcor.

## World stock markets

British blue chips fell early gains but rose in interest day, although remained quiet using on deal index closed at

ed floor trade ing new direc- s forecast until their reaction to at the German x closed down in post-bourse down 8.98 at

ower on falling alding on the ednesday. The CAC-40 index closed down 11.68, or 0.64%, at 1 816.10. Tokyo stocks closed easier on profit-taking and foreign selling, but were off the day's lows. The key Nikkei average closed down 135.17 points or 0.72% at 18 604.30. It fell to the day's low of 18 521.16 in the early afternoon but recouped some losses on buying on dips. The stock market remained closed for the three-day lunar new year holiday. Trading will resume today. The Australian share market closed on a positive note as confidence returned to the market. Dealers said there was a strong demand for bank stocks as investors chased high yielding industrial stocks. The All Ordinaries index ended 23.4 points or 1.26% higher at 1 856.4 points. — Sage-Reporter

## Portnet sees surge in cargo tonnages

Business Staff

PORTNET handled 11.741 million tons of cargo during December 1994. This is 25.50% up on the figure for the same period last year.

Of this figure, 84.33% constitutes exports (9 901 million tons), 11.94% imports (1 401 million tons), 1.83% coastwise traffic (215 362 tons) and 1.9% transshipment cargo (222 766 tons).

December saw the highest number of TEUs handled in one month through the Port of Durban (76 226) and also a record for the ports in total (103 681).

The gross-registered tonnage (41 227 013) also shows an increase of 9.0% compared to December 1993.

The Port of Saldanha handled the highest tonnage of iron ore in one month (2.33 million tons), which is 82% up on the figure for December 1993.



# Tourism industry attracting blacks

(288) Star 3/2/95

■ BY THABO LESHILO

The previously marginalised black majority could soon become a significant player in the growing tourism industry, if several planned forays into the hotel industry bear fruit.

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The remaining 20 percent is held by Investec Merchant Bank.

It is envisaged that this shareholding will eventually be acquired by the group being set up by Afcor.

Naidoo said 14 black businessmen had already subscribed for the shares, but Afcor wanted to increase the number to 20.



# Millions for ecotourism development go unused

ARG 4/2/95

(288)

**I**N spite of general agreement that ecotourism is one of the keys to growth in South Africa, development of the country's natural assets is markedly slow.

General managers of the state-owned Industrial Development Corporation (IDC) identified two main reasons for the lack of applications for financing of ecotourism projects:

- Uncertainty surrounding the control of national and other proclaimed parks, which has resulted in development plans being put on hold.

- Fundamental misconceptions within the conservation community of what constitutes an economically viable project.

In the two years since the IDC first announced it was willing to grant R600 million in loan financing for ecotourism ventures, only 33 applications — for R257m — have been received. Of these, 14 projects, mainly for lodges and accommodation, have been approved for a total of R65m.

The only significant projects have been the upgrading of the Natal Parks Board's Hilltop Camp in Hluhluwe Game Reserve, the building of a link road through the corridor between Hluhluwe and Umfolozi, and the construction of two new lodges in the Madikwe Game Reserve.

Two projects were rejected and 17 applications were either not investigated or were withdrawn, mainly due to being incomplete or for not complying with the basic criteria of the scheme.

IDC general managers Jan de Bruyn, Ben Smith and Bertus de Vos said two problems identified in the IDC's 1993 and 1994 annual reports remained unresolved.

The 1993 report said tourism needed "a higher priority in government as obstacles to the development of South Africa's unique selling features in the international market relate mainly to inadequate co-ordination and bureaucratic impediments".

The 1994 report said: "It is unlikely that there will be any significant increase in demand for IDC finance until the control and direction of the public sector nature reserves have been resolved."

The IDC managers said the fundamental problem with applications from conservation authorities and organisations stemmed from a lack of understanding by applicants about how the IDC's ecotourism financing operated.

The IDC's traditional role has been to provide loans for industrial manufacturing development. In 1992 it announced its willingness to extend this to the development of ecotourism, after the government's White Paper on Tourism identified that lack of finance and lack of ready access to sources of finance were impeding the development of the industry, which is potentially one of South Africa's most important generators of foreign exchange and new jobs.

At the time the IDC said it could make R600m available, a figure based on the estimated cost of providing 3 000 additional beds over the next five to six years to cater for a 12 percent per annum increase in foreign tourists. But, strictly speak-

■ The conservation and ecotourism industry is not making use of hundreds of millions of rands which the Industrial Development Corporation is prepared to make available for development.

**ANITA ALLEN**

ing, there is no limit on the total amount the IDC could make available for the development of ecotourism facilities.

Mr De Bruyn stressed there was no R600m "fund" gathering mothballs. Finance was available out of the normal cash flows of the IDC.

As far as individual loans were concerned, the IDC collaborates with shareholders and banks on financing and technically does not look at the amount required. It has granted loans as small as R150 000.

What determines whether it is handled by the IDC or its subsidiary, the Small Business Development Corporation, is the amount of aftercare needed. The latter has a mentor programme which caters for new or budding entrepreneurs.

According to the way the IDC operates, an applicant's submission is handed to a projects team, which conducts its own feasibility study to determine economic viability.

"Whereas banks do financing mainly on collateral, we do it mainly on potential. Our security is the feasibility study — can the applicant meet commitments and generate sufficient revenue to finance loans," Mr De Bruyn said.

One problem he pointed out was that conservation authorities have traditionally been funded by government through the Budget. "They are used to receiving grant money and expect us to do the same. We don't offer grants. If a grant is needed the authority goes to government."

Another potential block was that the idea of commercialising to attract tourists was a "culture shock" for conservationists, whose concerns centred on the protection of biodiversity and wilderness areas.

"Commercialisation is the only way to finance loans," Mr De Bruyn said. "Some people have the tendency to look at ecotourism as property development. But it's not. You don't have revenue unless you have tourists walking through the door."

This means IDC loans allow for land acquisition and infrastructure development other than tourist accommodation, provided it is a proclaimed conservation area. However, for this type of project the application must be by a national, provincial or regional conservation authority and the project must also be linked to commercial development.

The IDC managers agreed that financing ecotourism projects needed lateral thinking. They believe their organisation has the talent to do this and to be flexible.

"Our doors are always open and our commitment to ecotourism remains," Mr De Bruyn said.



# Don't <sup>(288)</sup> mess up tourism

—Stehlik

APR 4/1982/95  
Business Staff

TOURISM in the Cape has unlimited expansion potential, but the opportunities will dry up if the province and its investors do not take the industry more seriously.

This was the warning from Otto Stehlik, executive chairman of Protea Hospitality Corporation, at the Cape of Good Hope Bank/Wesgro Business Development panel.

"We've just had the busiest Cape Town tourist season I've seen in 25 years, with hotel occupancy running at near 100 percent in November and December," he said.

"But will we mess up our chances of expansion, as we have done before?"

"We now have a window of opportunity that will be open for a few years, but not too many people in Cape Town appear to be concerned about tourism."

While on paper South Africa attracts 3.5 million tourists a year, 2.8 million of these are border crossings and most of the rest are visitors of relatives, leaving only about 500 000 bona fide foreign tourists, Mr Stehlik said.

Zimbabwe has 600 000 foreign tourist visitors a year.

Accusing financial institutions of being "anti-tourism", Mr Stehlik complained that investment in new tourist facilities in the Cape was negligible.





THE National Tourism Forum was launched two years ago with the aim of getting blacks involved in the tourism industry. But this week the forum, headed by former ANC Youth League president Peter Mokaba, was dissolved amid allegations of corruption and gross financial irregularities.

An inquiry, called to decide the fate of three directors suspended late last year following a damning report by auditors, will announce its findings on Tuesday.

The directors — Ngoko Maphala, Clive Strugnell and John Rothschild — were suspended after auditors found that two cheques worth R100 000 were deposited into an unauthorised account.

The demise of the organisation has divided the staff into two factions, one supporting ANC MP Mr Mokaba and the other backing Mr Maphala, the NTF's founder member and executive director.

Tuesday's announcement will be the culmination of a series of scan-

# Nepotism and corruption plagued tourism forum

By JACOB DLAMINI

dals plaguing the NTF since its inception in May 1993.

When it was formed only two of the forum's staff members, John Rothschild and Clive Strugnell, were experts on tourism. The rest were activists drawn mainly from the ANC Youth League.

There was no employment policy. Staff members had no job descriptions and, by Mr Mokaba's own admission, the forum could have managed with far fewer employees than its complement of 21.

"There was never a limit on how many people we could employ and I believe we needed fewer workers than we had. We were also messed up by nepotism which increased employment without any value," Mr Mokaba said.

An official is alleged to have employed his sister-in-law as a cleaner and appointed his brother and nephew to jobs for which they were not qualified.

The auditors' report established that the NTF received more than R3-million in donations between May 1993 and September last year. But according to suspended marketing director Mr Strugnell, spending was not monitored by normal accounting methods.

Mr Strugnell said: "Invoices were lost or ignored and there were no books kept. People acted on their own initiative. We put up with a lot because we were dedicated to the NTF's mission."

About 58 percent of the forum's expenditure went on salaries, which were never stable. Chairman Mokaba, whose monthly salary was R16 500, was paid about R250 000 in

one year. He earned R47 000 in November 1993 and R50 000 in May last year.

Mr Mokaba said: "Our salaries fluctuated a lot depending on whether management liked you."

The forum's chief mission was "to foster a culture of tourism among black South Africans" through research, workshops and policy development seminars.

Mr Mokaba said: "It's regrettable that we have no projects to show. We also held very few workshops and conferences."

The biggest conference ever organised by the NTF was a tourism convention held at Midrand's Gallagher Estate in February last year. The convention was put together by Gillian Gamsy and attracted hundreds of delegates from all over the world.

Mr Strugnell said: "Mr Mokaba

was advised by senior ANC members to approach Gillian Gamsy for help in organising the convention and that's how the two met."

Mr Mokaba claimed he had called in the auditors as he was unhappy with the way the forum was being run. However, a member of the NTF, who declined to be identified, disputed this and said it was the council that resolved to call in the auditors after having been alerted to discrepancies.

The council member accused Mr Mokaba of limiting the scope of the auditors' investigation and taking away Mr Maphala's powers as executive director.

Mr Mokaba has denied this. He said: "The whole thing has been a disaster but I'm sure we will come back as we need a structure that will look after black interests in the tourism arena."



# 'Slur' on hotels capacity rejected

(288)

CT 9/2/95

By DALE GRANGER

CAPTOUR was "shocked and most disappointed" yesterday by reports that International Rugby Board chairman Sir Ewart Bell had said South Africa's hotel and tourist industry would not be able to cope with the number of visitors for the Rugby World Cup.

Sir Ewart had said the IRB accepted that after years of isolation South Africa's hotel and travel industry would not be able to cope with the flood of rugby fans, but dismissed claims by British rugby writers that the IRB were expecting a major organisational disaster.

Captour chief executive Mr Gordon Oliver said: "Cape Town can certainly cope and we will cope extremely well. Visitors and the media will leave Cape Town having experienced one of the best-run sporting events in the world."

Satour spokesman Mr Martin van Niekerk disagreed strongly with Sir Ewart's comments, saying: "The tourist industry will be

'Of course  
we can  
handle it'

put to the test and all major hotels are full, but we expect people who can't find space in hotels to use the house bed and breakfast option which has mushroomed in recent years."

Mr van Niekerk said Satour anticipated 25 000 international visitors. Around 17 000 overseas fans had already booked flights and accommodation.

Mr Oliver said Cape Town had 15 000 beds in formal (hotel) accommodation, with 22 000 in the Western Cape. "We have not even tapped the private home accommodation sector but will do so should the demand increase".

He said accommodation let-

ting agents had thousands of private homes on their books offering accommodation and Captour would be running a seven-day a week booking centre.

Rugby World Cup tournament manager Mr Craig Jameson acknowledged that the industry would be stretched but "only in peak periods" such as the semi-finals and the final.

● IRB official Mr Brian Skirrow yesterday denied that Sir Ewart had said South Africa would "not cope". Sir Ewart had said South Africa's hotel space was "limited" and it would be "an extremely delicate situation to give everyone what they want".

The comments arose over the England team's desire for three separate bookings for their team, with options for coastal and up-country accommodation depending on where they would be playing next.

Mr Skirrow said if England were allowed this option, it would also have to be available for all the other teams and complications would arise.



# Foreigners snap up city hotels

(288)

CT 6/2/95

By PETER DENNEHY

FOREIGN entrepreneurs are on a spending spree, buying hotels in Cape Town.

In a multi-million rand deal, a Malaysian group called Serting has just bought the Lady Hamilton Hotel in Union Street, Gardens, behind the Mount Nelson.

Another group, also from Malaysia, has expressed interest in the Capetonian Hotel on the Foreshore, according to Protea Hotels executive chairman Mr Otto Stehlik.

"The Capetonian deal has not been finalised," he said, "The money has not changed hands. Should it happen, it would be within the next four to six weeks."

Mr Stehlik said the expected abolition of the financial rand was certainly a factor. The existence of the financial rand at present was an advantage to any prospective foreign buyer.

"As owners of a hotel group, we have had a number of negotia-

## Last fling as 'real' rands loom

tions," he said. "The Germans have indicated an interest, and lately the Chinese, Malaysians and Singaporeans.

"For the right price, several of our 76 hotels would be on the market," he said.

Ms Rosita Talib, one of the directors of the Serting Group that has bought the Lady Hamilton, declined to disclose the price.

But she did say that the 33-room hotel had cost millions of rands.

She said the property market in Cape Town was still at a very

reasonable level by international standards. Her group had been able to buy in financial rands but she believed this would not be possible for much longer.

Ms Talib said she did not expect a change in the hotel's name. It was the first hotel her group had acquired, but it was planning to buy others in various countries, including South Africa and perhaps even Cape Town.

"Hotel standards in Malaysia are particularly high. We will probably raise the standard of service in our hotel and do a lot of upgrading," she said.

● Lady Hamilton manager Ms Petra Snyman said the hotel had had several names. Built in the 1960s, it had been called the Oranje, then the Picardi Gardens (when Mr Jan Pickard owned it), then Garden Village, then Park Avenue.

It had been part of Masterbond and it had been "bought out of liquidation" in August 1993 by an owner who was not a hotelier.



# Lift in earnings (288) for Transkei Sun

From CHARLOTTE MATHEWS  
27/2/95

JOHANNESBURG. — Hotel group Transkei Sun International (Transun) grew profit by 21% to R29,8m in the six months to December 1994, compared with the same period in 1993, on higher turnover and interest income.

Turnover was R137,8m from R120,2m in 1993 and margins were steady at 29%.

Operating profit of R40,4m (R34,9m) was boosted by interest income of R1,4m, against R1,6m interest expense previously.

The tax rate rose to 29% from 26% because investment allowances were lower than in previous years.

Earnings rose to 20,6c a share from 17c. An interim dividend of 14,5c (12,5c) a share has been declared.

The directors describe the results as good and say early indications of trading for the second half-year are favourable.

Earnings for the full year are expected to show satisfactory growth over 1994.



# Conservation vital to tourism — Swissair

ET 7/2/95 (288)

## Business Editor

ENVIRONMENTAL concerns are taken seriously by business in Europe and Swissair called attention to this yesterday by helping to organise a clean-up campaign on Table Mountain in which 50 schoolchildren from Khayelitsha took part.

The Deputy Minister of the Department of Environmental Affairs, Bantu Holomisa, thanked them at a luncheon at the Eikendal winery afterwards for helping to conserve the mountain, which he described as "the symbol of tourism in SA."

"If we cannot look after our symbols we can forget about more tourists visiting our country," he warned.

"We can forget about the creation of new jobs through the tourism industry bringing a better quality of life for the people."

Holomisa also thanked the airline, and the magazine South African Panorama, for involving black schoolchildren in the project.

He said it had been hard in the past to involve "our youth" in conservation.

It was encouraging that, following the changes that had taken place, they

were now taking a pride in their environment.

Swissair's sales manager in SA, Fernand Stauffer, said Swissair had demonstrated its commitment to the environment by ordering low-noise, fuel efficient aircraft causing the least pollution.

It was buying 20 aircraft of the Airbus A320 family for its European fleet mainly because of the low level of nitrogen oxide produced by its engines.

They produced 40% less nitrogen oxide and made 50% less noise than the engines of the present fleet, and consumed 20% less fuel.

Stauffer pointed out that the SA Tourism Organisation (Satour) which this year had "explore SA" as its marketing theme, would make the environment the basis of its campaign next year.

The schoolchildren who took part in the mountain clean-up were at the luncheon.

The 25 in the winning team who collected the most rubbish from the mountainside will be flown to Johannesburg by Swissair for a visit to Gold Reef City.



# City Lodge posts 57% climb in attributable profits

JOHANNESBURG. — City Lodge Hotels increased attributable profit by 57% on a 24% increase in turnover in the six months to December 31.

The Kersaf-owned hotel and leisure company's interim report shows turnover at R43,8m from R35,2m a year ago. Attributable profit rose from R6,6m to R10,4m.

The group's previous interim results were for the six months to January 31, 1994, which was before the group changed its year-end from July to June to coincide

with Kersaf's reporting period.

The six months ended December 31, 1993 represented the adjusted comparable first half results. (285)

The effective tax rate decreased to 32,4% mainly due to anticipated savings in STC as a result of the decision to award capitalisation shares in lieu of the interim cash dividend. Earnings per share rose 56% cent to 41,5c.

Shareholders would be entitled to de-

cline to receive the capitalisation shares for all or part of their shareholding and elect to receive an interim dividend of 14c per ordinary share.

Executive chairman Hans Enderle said the group benefited from the general upswing in the economy and increased business and tourist travel after last year's successful election.

Average occupancies at the group's 13 lodges increased from 76% to 79% and

were considerably higher than the industry average.

Looking ahead, Enderle said the second half of the year would benefit from buoyant business travel and growing tourism, particularly the rugby World Cup.

During the next six months, the group's first Road Lodge would be opened near Jan Smuts Airport and it was anticipated Road Lodge would develop into a chain of 10 lodges which will be built at cost of about R100m over the next five years to

meet the needs of budget-conscious travellers in major cities, large and medium-sized towns and selected industrial and tourism growth centres.

Plans to expand City Lodge and Town Lodge in Southern African were also proceeding well and negotiations were currently underway.

The outlook for the group, eh said, was favourable and good earnings growth should be achieved for the full year to end June 30. — Sapa and Business Staff.

CF712195

Shares on

# SA tourism policy 'progressing well'

WORK on a new tourism policy for SA was "going along constructively" with the interim tourism task team set up to formulate a new course agreeing on general principles, committee chairman Colin Cameron said yesterday. (288)

The task team, comprising two representatives each from government, the provinces, urban and rural community organisations, labour and business, was set up last October to formulate a vision for SA tourism development.

Its terms of reference included drawing up a set of principles for a tourism development policy and to recommend structures to implement the policy and strategy. Other duties were to propose

THEO RAWANA

responsibilities to the recommended structures and outline further actions required for this project to become national tourism policy. BD 7/2/95

Cameron, also director-general of Environmental Affairs and Tourism, said the committee's last meeting last week had "agreed on general principles" on the process to be followed.

"What is left is for the players to refine policy documents for altering structures," he said.

Cameron stressed there had been no finality yet, as the principles still had to be sent to constituents.



## Sales increase in hotel bed-nights 'encouraging'

THE number of bed-nights for November last year sold to foreign tourists was the highest for any month since 1987, Central Statistical Service (CSS) figures showed (288)

Tourism leaders hailed the figures as encouraging.

CSS figures showed that 189,341 bed-nights were sold to foreign tourists in November — 39% more than a year earlier.

A CSS statement said if visitors from the former TBVC states (who accounted for 3,938 bed-nights) were not taken into account for November 1993 as well, the increase would have been 43.1%.

Hotels operating mainly on a time-sharing basis, as well as residential and one-star hotels with fewer than 10 rooms were excluded from the survey.

Kessel Feinstein Consulting CE Delano Caras

THEO RAWANA

said the figures were encouraging, were a good indication of a trend and a sign that the effect of the new SA was starting to show positive results.

"December figures will definitely reflect a good increase," he said. "It is heartening news for the hotel industry for whom the improvement in tourism did not pick up immediately." 20 7/2/95

Fedhasa national hotel division deputy chairman Ian Hattingh said it was a good sign as the whole tourism industry would benefit. "We hope the rise will continue."

A Satour spokesman said the report was a delightful, stable indicator of how tourism was developing. "It spells good things for this year," he said.

BD 7/2/95

# Increase in travel sees City Lodge profit rise

(288)

AMANDA VERMEULEN

AN UPSWING in economic activity and increased business and tourist travel helped limited service hotel group City Lodge report a 57% increase in attributable earnings to R10,4m in the six months to December.

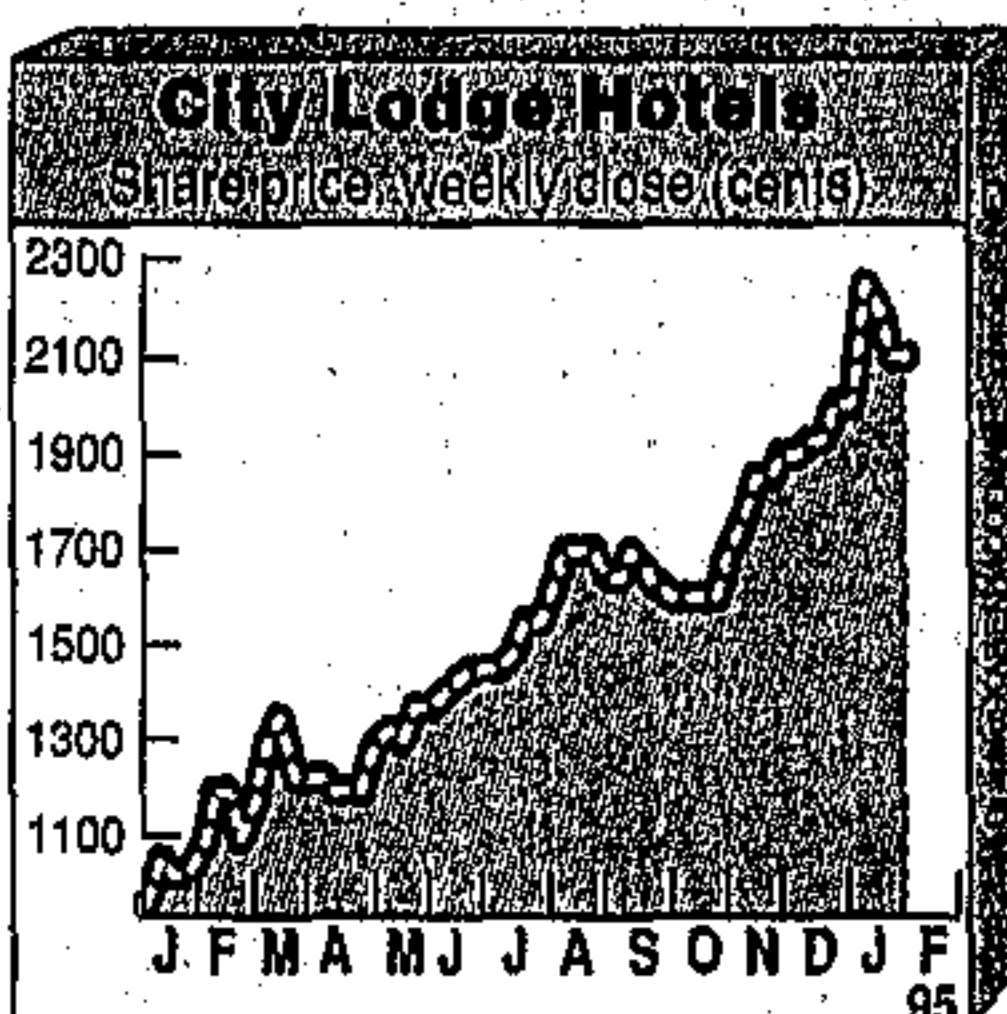
Earnings a share increased 56% to 41,5c and an interim dividend of 14c (11c) was proposed.

Chairman Hans Enderle said the group had achieved high turnover — an increase of 24% to R43,8m — off the back of an increase in economic activity and the contribution from two new hotels which came on stream in April and June.

Operating profit increased 37% to R21m, while pre-tax profit grew 49% to R15,3m.

Business and tourist travel had increased after the April elections.

Average occupancies increased to



79% from 76% in the corresponding period, Enderle said.

Operating margins were improved and the effective tax rate decreased to 32,4% mainly because of the anticipated savings in STC as a result of the decision to award capitalisation shares in lieu of a dividend.

The balance sheet reflected the group's sound financial position and

its ability to take advantage of expansion plans in the future.

Enderle said the trend of increased business and tourist travel was expected to continue, and the Rugby World Cup in May and June was expected to have a positive influence.

Over the next five years, the group would invest about R100m in its Road Lodge brand of which about ten new lodges would be developed in major cities, towns and selected industrial and tourism growth areas.

Plans to expand City Lodge and Town Lodge in SA and neighbouring countries were also proceeding and negotiations were in progress. The group had previously stated it was interested in starting business in Zimbabwe and Mozambique.

Enderle said the outlook for the rest of the financial year was positive and earnings should show good growth. The board had decided to award capitalisation shares in lieu of a dividend.



# Transun posts 21% earnings rise

■ CHARLOTTE MATHEWS

Hotel group Transkei Sun International (Transun) grew profit by 21 percent to R29,8 million in the six months to December 1994, compared with the same period in 1993, on higher turnover and interest income.

Turnover was R137,8 million from R120,2 million in 1993

and margins were steady at 29 percent.

Operating profit of R40,4 (R34,9) million was boosted by interest income of R1,4 million, against R1,6 million interest expense previously.

The tax rate rose to 29 percent from 26 percent because investment allowances were lower than in previous years.

Earnings rose to 20,6c a

share from 17c. An interim dividend of 14,5c (12,5c) a share has been declared.

The directors describe the results as good and say early indications of trading for the second half-year are favourable.

Earnings for the full year are expected to show satisfactory growth over 1994.

SKW 7/2/95

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# Foreign tourists respond to Transun drive abroad

AMANDA VERMEULEN

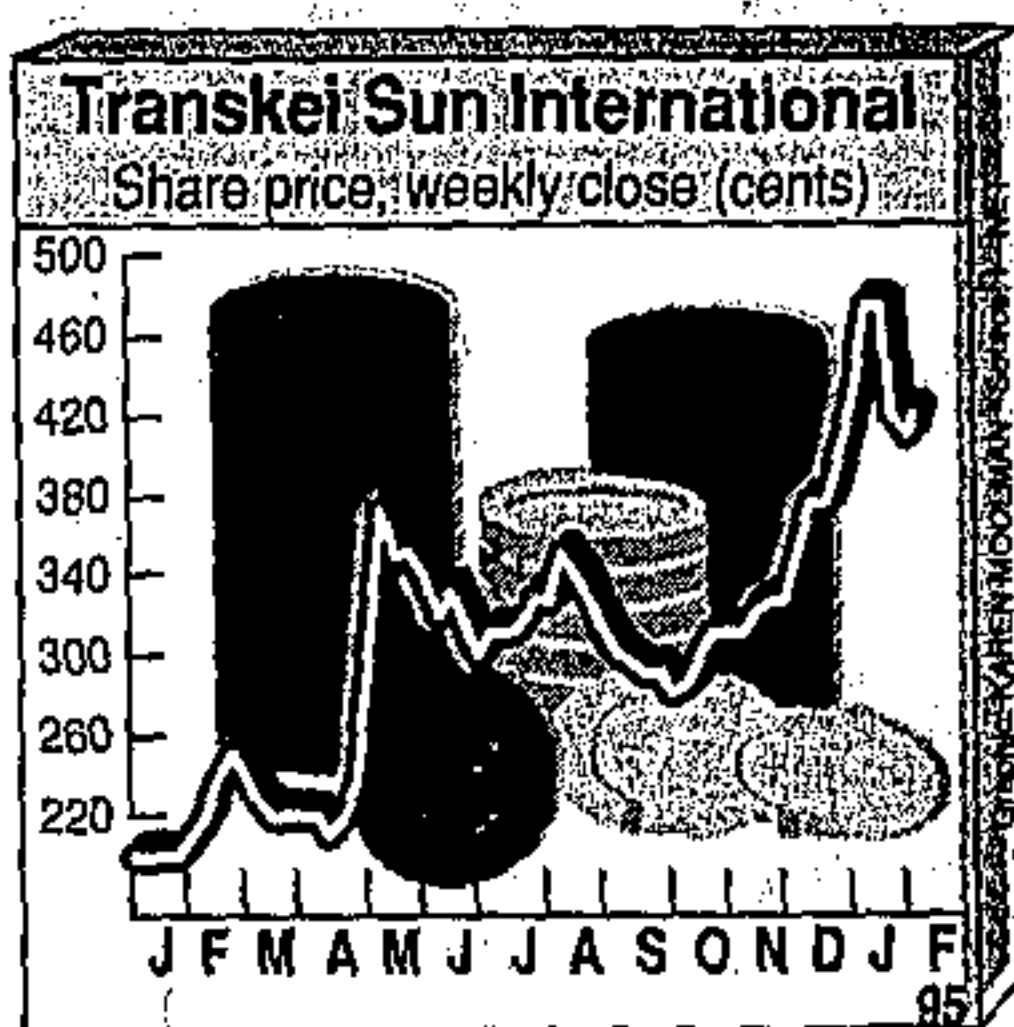
MORE local and international tourists and day visitors helped Transkei Sun International (Transun) to a 21% rise in attributable earnings to R29,8m in the six months to December.

Earnings a share increased 21% to 20,6c and an interim dividend of 14,5c (12,5c) was declared.

Turnover rose almost 15% to R137,8m, while operating profit showed a 15,4% improvement to R40,4m. Pre-tax profit grew 25% to R41,8m which, after tax of R11,9m, left attributable earnings at R29,8m (R24,6m). The effective rate of taxation increased 2,4 percentage points to 28,6% because of lower investment allowances being available in the current year.

Sun International MD Peter Bacon said the period after the April election had seen a considerable improvement in the resort's fortunes.

The Christmas season had been good, with improved occupancies and



a strong increase in the number of day visitors. BD 7/2/95

That the upward trend was likely to continue, he said, was indicated by a strong performance in January. However, growth was coming off a relatively low base, a result of security problems in the Transkei in the years before the elections.

Bacon said the Eastern Province government had given its commitment to developing tourism in the

region, which would have a positive effect in the future.

In addition, the resort was in the process of refurbishment, which would be another step towards attracting more overseas visitors. The Sun International group was promoting the resort abroad, which had resulted in increasing numbers of foreign tourists to the hotel.

Bacon said there had been an encouraging increase in the resort's convention business, a trend which would continue.

The recommendations of the Lotteries and Gambling Board relating to the structure and regulation of the gaming industry would probably be released at the end of this month.

It was expected that among other issues, the board would deal with the Transkei Development Corporation's 30% stake in Transun.

Bacon said that to date, there had not been any discussions with the development corporation or government regarding the future of state-held shares in Transun.



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# DP criticises IDC over eco-tourism

~~DP~~ ~~ET~~ ~~8/2/95~~  
Political Staff (288) the potential beneficiaries.

THE Democratic Party yesterday slammed the government-owned Industrial Development Corporation (IDC) for its failure to spend millions of rands on promoting eco-tourism.

The DP said it deplored reports emanating from the IDC that millions of rands of development capital for eco-tourism remained unused because of "uncertainty and ignorance" on the part of

"The DP believes eco-tourism holds the key to massive benefits for those areas most sorely in need of socio-economic development.

It asked IDC managers to "dispel the underlying causes of this highly unsatisfactory state of affairs".

It suggested, for example, that guidelines to submitting applications should be made available in a number of languages.

# Timeshare boom bad news for SA tourists

By MAGGIE ROWLEY  
Property Editor

(288)

CT 8/2/95

SOARING international and domestic demand for timeshare exchanges in Cape Town is pushing the price of holidays in the Mother City out of the reach of most South Africans, warns Mr Steve Griessel, managing director of RCI Southern Africa.

He said Cape Town resorts were virtually fully booked throughout 1994 with more than 1 000 families seeking exchanges in the city having to be turned away over the Christmas period.

Addressing a press function in Johannesburg, Mr Griessel said that Cape Town had become the premier holiday destination for white South African timeshare owners and in the past year international demand "had gone through the roof".

"Only 4% of all timeshare weeks, including the winter months, were unused in the city last year and most of those were late cancellations. Unless new development starts shortly the growing accommodation shortage could become a severe blight on tourism growth in the region."

Those wishing to exchange are already having to bank two weeks of timeshare at other resorts to get one week in Cape Town, he said. Owners putting their time into a rental pool were getting up to R11 000 a week.

"If demand continues to rocket the exchange criteria and rentals will soar accordingly.

"We are now warning buyers that unless they buy into a Cape Town resort they will have little or no chance of swapping time there as has been the case with our two London resorts."

Mr Griessel said there appeared to be significant investment opportunity in new timeshare resorts in the Cape and just about every developer they knew was looking at the prospect seriously.

"The one thing holding them back is that sales in the region have not kept up with the number of people wanting to exchange. Cape Town timeshare weeks tend to be more expensive than elsewhere"

According to Mr Griessel the majority of South African timeshare owners tended to be conservative white South Africans, many of whom had bought timeshare in Durban resorts but were no longer keen to go there as it had become the preferred holiday destination of black South Africans.

"While currently only about 2% of timeshare owners are black, 80% of Durban hotel occupants are black."

In spite of the timeshare market "dying" in the first half of the year due to election jitters, timeshare exchanges in 1994 were 20% higher than the previous year with sales totalling R165m, down about R30m from 1993. The vast majority of this business had been done in the second half of the year.

In-bound exchanges from international holiday-makers, which had decreased in the five years up to 1994, rocketed 49% in 1994 and were expected to surge a further 50% this year, he said.



# SunBop hit by labour problems, depressed trade

From CHARLOTTE MATHEWS

**JOHANNESBURG.** — Sun International Bophuthatswana's (SunBop) profit in the six months to December 1994 dropped by 4% to R129,5m, compared with the same period in 1993, after labour unrest in July and lower-than-expected December trading.

Analysts who had forecast a 15 to 20% rise in earnings a share in 1994/95 from SunBop, may be disappointed, especially since the board's forecast for full-year earnings is that

they will "at least match those of the previous year".

Turnover lifted by 4% to R747,7m, but operating profit slipped by 8% to R164,2m as margins were reduced by the high fixed cost of the business and the increased casino levy at Sun City and the Carousel.

The tax rate was about 10% because of allowances on developments at the Lost City and the Carousel, which is likely to be the rate for the full year.

On earnings of 109c (113c) a share, an unchanged interim dividend of

75c is being paid.

Chairman Sol Kerzner said yesterday results were adversely affected by two events.

The first was labour problems in the North West Province in July.

Although this closed the Sun City resort for a short time, cancellations flowing from these problems affected SunBop for several months and the situation only returned to normal in October or November.

Secondly, December trading was depressed, not in occupancy but in daily visitors. Kerzner said it ap-

peared that more people were now going to the coast in December than previously because coastal resorts, including those of Sun International, had done better this year.

During the past six months the group's average occupancy level had been about 70%, despite an increase in the number of rooms available.

Kerzner said the group did not make public the proportion of income from hotel occupancy and the proportion from casinos because its philosophy was that it was in a single business which was marketed

as a unit.

Indications were now that occupancy levels were very strong and forward bookings encouraging.

A lot of business was coming from abroad and SunBop expected the next six months' trading would be good, he said.

SunBop had a strategy to reduce its costs in certain areas.

A combination of far better trading and more stringent cost control would, it was hoped, see full-year earnings at least equal those of the previous year, he said.

# Illegal casinos help hurt Sunbop

LABOUR unrest, depressed trading conditions and illegal casinos saw Sun International Bophuthatswana (Sunbop) report a 4% decline in earnings to R129,5m in the six months to December.

Earnings a share declined 4% to 109c and the interim dividend was maintained at 75c.

Sunbop chairman Sol Kerzner said yesterday the results had been adversely affected by the closure of Sun City in July during labour unrest in the region, and the cancellations of bookings that followed.

Kerzner said December had seen depressed trading levels because many holidaymakers had travelled to the coast.

Although turnover increased 4% to R747,7m, high fixed costs related to operations and a higher casino levy at Sun City and the Carousel lowered operating mar-

288 AMANDA VERMEULEN

gins. As a result, operating profit decreased 8% to R164,2m.

The lower effective tax rate of 10%, flowing from allowances on the Carousel and Lost City developments, represented the anticipated effective rate of tax for the full year.

Despite labour unrest, average occupancies during the period ran at about 70%, and Kerzner said between 60% and 70% of the guests at the Palace of the Lost City were foreign tourists.

Kerzner said strong forward bookings, continuing political stability and firm commitments by government to the development of tourism should see earnings for the year at least match those of previous years.

BD 9/2/95



Earnings show 4 percent decline

# Adverse conditions depress SunBop

(288)

Star 9/2/95

■ BY CHARLOTTE  
MATHEWS

Sun International Bophuthatswana's (SunBop) profit in the six months to December 1994 dropped by 4 percent to R129,5 million, compared with the same period in 1993, after labour unrest in July and lower-than-expected December trading.

Analysts who had forecast a 15 to 20 percent rise in earnings a share in 1994/95 from SunBop, may be disappointed, especially since the board's forecast for full-year earnings is that they will "at least match those of the previous year".

Turnover lifted by 4 percent to R747,7 million, but operating profit slipped by 8 percent to R164,2 million as margins were reduced by the high fixed cost of the business and the increased casino levy at Sun City and the Carousel.

The tax rate was about 10 percent because of allowances on developments at the Lost City and the Carousel, which is likely to be the rate for the full year.

On earnings of 109c (113c) a share, an un-



Sol Kerzner ... lot of business coming from abroad.

changed interim dividend of 75c is being paid.

Chairman Sol Kerzner said yesterday results were adversely affected by two events.

The first was labour problems in the North West Province in July.

Although this closed the Sun City resort for a short time, cancellations flowing from these problems affected SunBop for several months and the situation only returned to normal in October or November.

Secondly, December trading was depressed, not in occupancy but in daily visitors. Kerzner said it appeared that more people were now

going to the coast in December than previously because coastal resorts, including those of Sun International, had done better this year.

During the past six months the group's average occupancy level had been about 70 percent, despite an increase in the number of rooms available.

Kerzner said the group did not make public the proportion of income from hotel occupancy and the proportion from casinos because its philosophy was that it was in a single business which was marketed as a unit.

Indications were now that occupancy levels were very strong and forward bookings encouraging.

A lot of business was coming from abroad and SunBop expected the next six months' trading would be good, he said.

SunBop had a strategy to reduce its costs in certain areas.

A combination of far better trading and more stringent cost control would, it was hoped, see full-year earnings at least equal those of the previous year, he said.

a prudent approach

FM10/2/95 (288)  
CITY LODGE HOTELS

## Less room at the lodge

An excellent set of interim results has boosted hopes for the year. The group, jointly controlled by Kersaf and executive chairman Hans Enderle, has a winning formula in providing high-quality but limited services for an affordable price. Operating margins improved from 43% to 48%, benefiting from higher occupancy rates and careful cost control.

Contributions from two new Town

Lodges help to raise attributable profit a whopping 58% to R10,4m, underlining the steady rise in profitability and increasing EPS to 41,5c. This has dropped the price from 32 to 28,6, bringing the share more into line with others in the sector. The current R21 price is double the 1 050c investors would have paid last February, and it's 5,5 times the NAV of 383c.

Enderle acknowledges: "The group is highly valued. This puts pressure on management because the market has high expectations of us." But is the valuation justified?

The City Lodge group has undoubtedly benefited from factors outside its control, such as the upturn in the economy and growing numbers of business and tourist travellers. Turnover for the six months to December 31 was R43,7m, up 12,4% on the year-ago interim. Nonetheless, its success lies in the skill with which it has exploited chosen areas of what is rapidly becoming a niche market in SA. Enderle says: "We see anyone selling a bed for the night as a competitor, but City Lodge understands the segments of the hotel-using public and that is our strength."

Perception of the need for different levels of streamlined accommodation for budget travellers led initially to the development of the Town Lodge and Road Lodge concepts. These establishments have fewer and smaller rooms than the City Lodges, and the Road Lodges lack swimming pools, but they offer top quality in their range. So far City Lodge has had a clear field; it was in first and has taken maximum advantage.

However, a disadvantage of good margins is their attractiveness to others and eager would-be niche inhabitants are appearing. For example, the Road Lodges will compete directly with SAB's Formule 1 chain at the budget end of the market.

But Enderle is nothing if not flexible. Management's commitment to "service excellence" results in good labour relations within the group and an occupancy rate of 79%, way above the industry average of around 47%.

City Lodge in the next six months should continue to benefit from the buoyant travel industry, but profit from the first Road Lodge, to open at Jan Smuts in June, will probably not appear until financial 1996. The rugby World Cup should also contribute significantly to 1996 earnings. The share looks fully priced and a period of consolidation could solidify recent gains before the next climb. The two major shareholders own nearly 80% of the shares, but this is still exciting for investors who like risk and can obtain scrip. Margaret-Anne Halse



# Kalako probe will be public

(288) ~~288~~

MICHAEL MORRIS

Political Correspondent

HEARINGS into allegations that Western Cape Environment Minister Lerumo Kalako misappropriated public funds during a trip to Australia will be open to the public and the Press. ARG 10/2/95

The commission of inquiry, headed by former Cape Attorney-General Niel Rossouw, will sit in open session at the Civic Centre on the Foreshore.

No date has been set for the start of the hearings, but it is likely to be next week.

The commission has until the end of February to complete its investigation and report to the provincial parliament.

Commission secretary Robby Vincent confirmed that the hearings would be open to the public and the Press.

The three-member commission was appointed by the regional parliament. Mr Kalako has denied any wrongdoing.

# Green Point deal 'is premature'

(288)

CT 10/2/95

By MAGGIE ROWLEY  
Property Editor

A MALASIAN firm has joined up with a Cape Town property developer in an attempt to secure development rights for a multi-million rand tourism and commercial project that includes two five-star hotels in the Green Point area.

Listed Malaysian Resources Corp Bhd (MRCB) and Cape Town developer Mr Sam Montsi of Montsi Properties, who was involved in the development of Nyanga Junction shopping centre, signed a memorandum of understanding to this effect in Kuala Lumpur yesterday.

The group is hoping to develop two five-star hotels, an exhibition and convention centre and apartments, and upgrade the Metropolitan golf course.

MRCB executive vice-chairman Mr Abu Bakar Abdul Karim is reported as saying that in terms of the plan a hospital in the area (Somerset) would be re-located.

"When completed in 1998, Green Point will be a major tourist attraction and is expected to add weight to Cape Town's bid for the 2004 Olympic Games," Mr Abu Bakar is quoted as saying.

However, project co-ordinator for the Cape Town City Council

## Malaysian firm signs with Montsi

Mr Rod Young described the move as "horrifically premature", saying the council had "no expressed intent to foster development in that area".

He pointed out that the area in question is owned by different parties.

The council owns the Metropolitan Golf Course and Green Point track, which are leased by a rugby and cricket club, the Defence Force owns the Fort Winyard site, and the Province owns Somerset Hospital.

"At this stage it is kite-flying and sheer fantasy. I don't know what kind of agreement of understanding they might have signed, and possibly it is just a commitment to try and turn this dream into reality, but there are a lot of parties they would have to convince," Mr Young said.

While Mr Montsi had put "informal proposals" to the town planning department, no formal

propositions had been made.

"To enable us to respond to any formal proposals that might be made by Mr Montsi or any other party, the town planning department is putting together a planning exercise to facilitate discussions and a document is being drawn up.

"Before any development is considered for that area, a planning strategy would have to be devised and a lengthy public participation exercise entered into.

"Mr Montsi does not own any of the land in question and besides it is not even zoned for that kind of development."

Mr Montsi was in Malaysia yesterday and could not be contacted.

● Sapa-AFP reports that MRCB and Mr Montsi also signed a memorandum of agreement to jointly explore future business opportunities in South Africa.

Malaysian Prime Minister Mr Mahathir Mohamad has been a vocal supporter of South African President Nelson Mandela, and promised him Malaysia would play a part in developing post-apartheid South Africa. Mr Mandela visited Malaysia in mid-1993.

In August last year Malaysia sent a 300-member trade mission to South Africa led by Minister for International Trade and In-



# Sun Ciskei posts 22% lift in profits

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CT/13/2/95

Business Editor

SUN Ciskei lifted operating profit by 22% to R17,5m in the six months to December and the interim dividend will be 16,5c (13c) a share.

Turnover rose by 14% to R66,9m and after-tax profit by 27% to R19m (R14,9m). Attributable earnings were 29% higher at R18m (R13,9m). Earnings at share level were 24c (18,6c).

The strict control of expenses and a lower depreciation charge enabled the group to improve its margins, the directors said.

## Improved margins come to aid of SunCisk bottom line

BY CHARLOTTE  
MATHEWS

Sun International (Ciskei) lifted bottom-line profit 29 percent to R18 million in the six months to December, against the same period in 1993, after margins improved and net interest income trebled.

Last year's strike in the motor industry, which is based mostly in the Eastern Cape, together with illegal casinos operating in Port Elizabeth and East London, restrained turnover growth to 14 percent to R66,9 million.

Margins improved to 26 percent from 24 percent as costs were strictly controlled and a lower

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depreciation charge was incurred. As a result, operating profit grew 22 percent to R17,5 million.

Net interest income surged to R1,5 million from R547 000, reflecting both higher rates and a drop in gearing to 14 percent from 25 percent.

The improved cash position enabled it to redeem R15 million of preference shares.

Earnings a share were 24c (18,6c), on which a dividend of 16,5c (13c) has been declared.

The company paid no tax in the period and the directors say the authorities had indicated the SA and former Ciskei tax systems would be harmonised.

stan  
13/1/95



# Margins push Suncisk to improved position <sup>(288)</sup>

AMANDA VERMEULEN

**STRONG** cash flow, efficient working capital management and higher rates of interest helped Sun International Ciskei (Suncisk) improve earnings 29% to R18m in the six months to December.

Earnings a share increased 29% to 24c and an interim dividend of 16,5c (13c) was declared.

Chairman Peter Bacon said turnover, which increased 14% to R66,9m, was satisfactory against the background of the lengthy motor industry strike and the continued operation of illegal casinos in Port Elizabeth.

"The strict containment of expenses and a lower depreciation charge enabled the group to improve its margins, which led to a 22% increase in operating profit to R17,5m."

In addition, he said strong cash flow, assisted by efficient working capital management and higher rates of interest, improved the group's yield on its cash funds, and earnings increased to R18m (R13,9m).

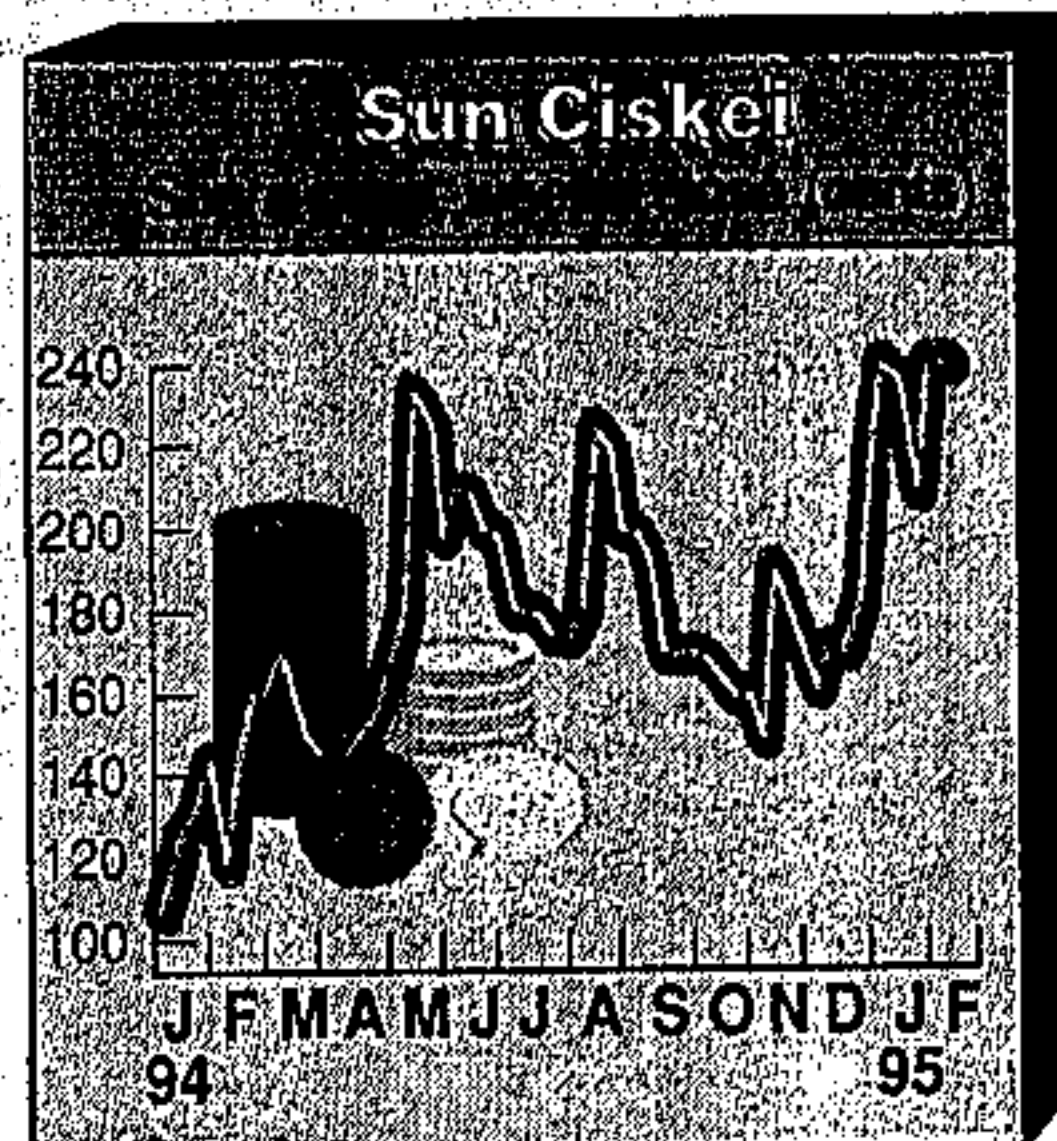
The improved cash posi-

tion enabled the group to redeem the R15m preference shares in issue at end-December.

Although no announcement had been made regarding the harmonisation of the tax systems of SA and the former Ciskei, the authorities had indicated it would be undertaken over time.

Bacon could not be reached for further comment, but in the interim results announcement last week for Sun International Transkei (Transun), he said tourism to the Eastern Cape region had improved significantly, due to a substantial decline in politically motivated crime which plagued the province before the election.

Increasing numbers of local and foreign tourists were visiting the region. Sun International had marketed the region abroad to stimulate the number of tourists visiting the area while holidaying in SA.



BD 13/2/95

Bacon said the Suncisk board expected earnings growth in the second half of the year to match that achieved in the first half.

## EXECUTIVE SUITE

WHAT'S YOUR PROGNOSIS?

IT'S A BAD VIRUS  
NEXT TWENTY-FIVE  
HOURS ARE CRUC





# MICHAEL MORRIS and TYRONE SEALE, Political Staff

THE inquiry into allegations against regional environment minister Lerumo Kalako could be "subject to political abuse" because of the absence of details about the claims.

So said Mr Kalako's legal representative Siraj Desai at the start of the inquiry at the Cape Town Civic Centre today.

Mr Desai's submission that the commission had failed to fully inform Mr Kalako and his legal team of all the allegations brought the hearing to a standstill 20 minutes after it began.

The commission of inquiry, headed by former Cape Attorney General Niel Rossouw, was appointed by Western Cape premier Hennis Kriel to investigate allegations that Mr Kalako misappropriated public funds during a trip to Australia last year.

The commission will also investigate the financial management of Mr Kalako's ministry and allegations that his behaviour had been "unacceptable and unacceptable to a minister representing the province".

Mr Rossouw is being assisted by former Cape Town city engineer Jan Brand and chartered accountant Vic Christian.

In introductory remarks today, Mr Rossouw said that in addition to the widely published allegations of misappropriation, "the commission is also considering one or two further allegations on the finances of the ministry".

But Mr Desai said it was unacceptable that he and Mr Kalako were being confronted by "undefined allegations".

Mr Rossouw said: "We are in the process of discussing whether they should be added or not."

Mr Desai responded: "With respect, we cannot have an Alice in Wonderland situation where, like Topsy, the commission just grows and grows. We cannot have a situation where, as the commission goes on, more allegations are added."

Mr Rossouw said he accepted this was a fair request and adjourned the hearing for 20 minutes for discussions on the points raised by Mr Desai.

Earlier, when Mr Kalako arrived at the commission's civic centre venue with his private secretary Kwanda Sojola and Mr



20/2/95 Argus 288



Pictures: ROY WIGLEY, The Argus

**ACCUSER:** Nick Malherbe, far left, former special adviser to local Environment Minister Lerumo Kalako, at the commission of inquiry into Mr Kalako's conduct, which started today. Mr Malherbe made the initial allegations that Mr Kalako misappropriated public funds during a trip to Australia.

**INVESTIGATED:** Local Environment Minister Lerumo Kalako, flanked by members of his legal team, at the commission of inquiry at the Civic Centre today.

Desai, he shook hands with Nick Malherbe, his former special adviser and the man who made the initial allegations against him.

Mr Malherbe joined Mr Kalako and Mr Sojola on an 18-day trip to Australia in November last year.

When the hearing re-started, chairman of the interim Western Cape Tourism Board Martin Kramer said that Mr Malherbe failed to comply with a written undertaking to provide a full account of money spent during the visit to Australia.

Admiral Kramer told the three-member commission today that in a fax to him on October 27 last year, Mr Malherbe undertook for audit purposes, to provide a full account of monies spent and to have this signed by the minister.

Admiral Kramer said: "One of the salient features of this whole issue is that

the initial instruction regarding the accountability and report on the finances was not complied with."

Admiral Kramer also said that he was "astonished, to put it mildly" that the report addressed to him — containing Mr Malherbe's allegations against Minister Kalako — had been released to a third party without his knowledge or consent.

It was this report which led to Press reports on the controversy.

Admiral Kramer noted that Mr Malherbe denied releasing the document to the Press but had given it to Democratic Party regional leader Hennie Bester.

Admiral Kramer also noted that the final financial account of the Australian visit was still incomplete.

But Mr Kalako had refunded a sum of R3 001,40 representing money that he had not used during the visit.



# Kalakoo funds

□ Provincial environment minister faces inquiry over

# probe

*alleged misappropriation*

*ANZ 20/2/95 (288)*

# Western Cape minister 'misused funds'

CAPE TOWN — Western Cape tourism and nature conservation minister Lerumo Kalako has been given a new cabinet post — on the day an official inquiry into his alleged misuse of public funds began.

Western Cape premier Hernus Kriel announced a cabinet reshuffle yesterday "to improve management and administration". Kalako has been given the sport and recreation portfolio. (288)

A new portfolio, constitutional affairs, was added to Kriel's media and gambling portfolios. A reconstruction and development portfolio was created for the economic affairs department.

Finance minister Kobus Meiring took on the nature and environment portfolio, while agriculture minister Lampie Flick took on tourism as well as planning.

A spokesman for the premier said the outcome of the Kalako inquiry, which started yesterday, could result in a possi-

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ble review of his position.

Kalako is alleged to have misappropriated funds during a visit to Australia in November. The inquiry will also probe the management of his ministry and allegations that his behaviour has been "unbecoming of a minister".

The allegations included the purchase with public funds of a R400 watch for Kalako's wife, private telephone calls from Australia worth R2 000, failing to make appointments during the visit and retaining the balance of the funds made available by the Western Cape Tourism Board on his return.

The commission heard that Kalako's "special adviser", Nick Malherbe, appointed by the tourism board, had been the original source of the allegations.

The hearing continues today.



# No account of funds, inquiry told

Star 21/2/95

(288)

## ■ OWN CORRESPONDENT

Cape Town — Travel consultant Nick Malherbe failed to comply with a written undertaking to provide a full account of money spent during Western Cape Environment MEC Lerumo Kalako's visit to Australia in November.

This was said in evidence yesterday by the interim Western Cape Tourism Board chairman Admiral Martin Kramer at the start of a commis-

sion of inquiry into allegations that Kalako misappropriated public funds during the Australian trip.

The allegations were made by Malherbe, who accompanied Kalako.

But Kramer told the three-member commission yesterday that in a fax to him on October 27, Malherbe undertook for audit purposes to provide a full account of monies spent and to have this signed by the MEC.

Kramer said: "One of

the salient features of this whole issue is that the initial instruction regarding the accountability and report on the finances was not complied with."

Kramer also said he was "astonished, to put it mildly", that the report addressed to him — containing Malherbe's allegations against Kalako — had been released to a third party without his knowledge or consent.

It was this document which led to press re-

ports on the controversy.

Kramer noted that while Malherbe had denied releasing the document to the press, he had passed it on to Democratic Party regional leader Hennie Bester.

In addition, the final financial account of the Australian visit was still incomplete, he said.

However, Kalako had refunded a sum of R3 001,40, which he had not used during the Australian visit.

# Bank account Kalako's idea, inquiry told

(286)

ARG 21/2/95

## □ Rossouw warns against mud-slinging

**MICHAEL MORRIS**  
Political Correspondent

TRAVEL consultant Nick Malherbe claims he was told by provincial environment minister Lerumo Kalako to set up a bank account for a portion of the money given by the Western Cape Tourism Board for a trip to Australia.

This was said today by Mr Malherbe's legal representative, Chris Place, on the second day of the commission of inquiry into allegations that Mr Kalako misappropriated or misused public funds during and after an official visit to Australia last November.

The commission of inquiry follows allegations by Mr Malherbe, who accompanied Mr

Kalako and his private secretary, Kwanda Sojola, on the Australian trip.

Mr Malherbe has yet to give evidence before the commission.

It emerged yesterday that an amount of more than R17 300 — originally intended for a fourth person to join the Western Cape team on the trip — was placed in a Standard Bank account when the party was reduced to three.

Chairman of the Western Cape Tourism Board Admiral Martin Kramer said yesterday he had been told by a bank official that the money had been placed in the so-called Rainbow Trust account on the verbal instructions of Mr Malherbe.

Speaking under cross-exami-

nation by Mr Place today, Admiral Kramer said Mr Kalako had told him earlier this year that he had no knowledge of the Rainbow trust account.

"I asked him (Mr Kalako) about it, and he denied all knowledge of it," Admiral Kramer said.

Earlier, Mr Place questioned the relevance of submissions on Mr Malherbe's conduct to the terms of reference of the commission.

He raised this in the light of press releases and counter-allegations by Mr Kalako "which appear to be an attempt to slander (Mr Malherbe) and place a question against his credibility".

Commission chairman former Cape Attorney-General Niel Rossouw replied that the commission would allow consideration of the conduct and personalities of individuals "as far as it is necessary to establish where the truth lies" in investigating the allegations.

Mr Kalako's legal representative, Siraj Desai, said that acting in terms of the Commissions Ordinance he intended cross-examining Mr Malherbe "to attack his credibility and show that what he is saying is outrageous and false from our perspective".

In response to further points raised by Mr Place, Mr Rossouw said he would not allow the commission hearings to "turn into a mud-slinging match".

● The hearing resumes tomorrow afternoon.

## Official lawyers engaged without Kalako knowing

**MICHAEL MORRIS**  
Political Correspondent

THE chief directorate of Nature Conservation in the Western Cape briefed lawyers to appear on its behalf at the inquiry into allegations against former environment affairs minister Lerumo Kalako ... without his knowledge.

This emerged on the first day of the inquiry yesterday.

Well-placed sources said the minister — who, until last night, was the political head of the department of nature con-

servation — was "puzzled" by the presence of advocate Louis Olivier.

Mr Kalako is represented by advocate Siraj Desai.

Part of the brief of the commission — headed by former Cape attorney-general Niel Rossouw — is to investigate Mr Kalako's management of the Ministry of Environment Affairs, Nature Conservation and Tourism.

The other, specific, allegations against Mr Kalako are that he:



# Tourists 'take toll on environment'

(288) CT 21/2/95

THE number of tourists in the Western Cape rose by 40 % this summer in comparison with the previous year, if calculated by the number of visitors to the extremely popular Cape of Good Hope Nature Reserve at Cape Point.

Figures released yesterday show a record 107 000 people visited the reserve in December, 36.8 % more than visited the reserve in the same period in 1993. Tourism and conservation officials say

there are having problems coping with the number of visitors and their various languages.

Language problems have led to some Chinese, Japanese and Korean visitors harvesting shellfish, not knowing they are protected.

Conservationists say damage caused by a group of Chinese tourists, who were prosecuted last year for harvesting thousands of shellfish in the reserve, would

take years to repair.

The tourists were fined heavily, a day before they were to fly home.

Inspectors yesterday said that although normal limits on catches applied in the reserve, a "marine organisms permit" had also to be obtained from the reserve authorities.

In another incident, a busload of Japanese tourists swooped on mussels at Buffels Bay. — Sapa

# Kalako: 'Lost' papers raise alert

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CT 22/2/95

By CHRIS BATEMAN

THE "first inkling" of possible fund misuse during a ministerial fact-finding mission to Australia late last year came when a case containing all documentation had been reported "lost".

This was testimony by Admiral Martin Kramer, chairman of the Interim Western Cape Tourism Board (WCTB) to the commission of inquiry into allegations that Environment and Tourism Minister Mr Lerumo Kalako abused funds during and after a two-week mission in November last year.

The commission, appointed by Western Cape Premier Mr Hernus Kriel, is based mainly on allegations by Mr Nick Malherbe, WCTB member and erstwhile "adviser" and travel companion to Mr Kalako.

His allegations include that Mr Kalako:

- Made private telephone calls home from Australia totalling R2 000,

- Failed to return travellers' cheques totalling R2 014,

- Failed to attend (or was regularly late for) meetings in Australia,

- Paid out of his entertainment allowance for a Kelvin Grove birthday party organised and thrown for him by Mr Malherbe,

- Exhibited conduct unbecoming a government minister.

Officials of the Department of Nature Conservation are expected to testify to further claims that Mr Kalako mismanaged his department and its finances.

The commission resumes hearings this afternoon under its chairman, former Cape attorney-general Mr Niel Rossouw.



# Olympic row 'unresolved'

CAPE TOWN — The Western Cape government yesterday stepped in to try to resolve the row between the Cape Town City Council and the Olympic bid committee over the committee's legitimacy. (288)

Newly appointed Western Cape sports and recreation minister Lerumo Kalako said that at a meeting of all affected parties yesterday agreement was reached whereby the council, supported by the provincial government, would apply to host the Olympic Games in Cape Town.

Kalako said only the newly elected mayor, William Bantom, and city council executive chairman Nomaindiya Mfeketo, would issue public statements in this regard.

But bid committee chairman Raymond Ackerman said that while the meeting was constructive in that all affected parties met, there had been no agreement.

"It has always been on the cards that the host city sign an agreement with the International Olympic

EDWARD WEST

Committee in a year or two. Furthermore, I specifically reserved the right to make my own statements." The meeting had also failed to address the issue of the R70m in sponsors' funds — which was being provided mainly by Transvaal companies. The National Olympic Committee of SA (Nocsa) had stopped allocation of the funds because of the legitimacy row.

"There is not a penny left

to run the bid. I cannot put my family at financial risk any longer. We need an agreement with Nocsa so that the R70m can be released," he said.

Western Cape premier Hernus Kriel said he was perturbed about efforts to marginalise the private sector in the bid. The provincial government would account for R675m or 12,4% of the Olympic budget plan, the Cape Town municipality 6,9% or R370m, and the private sector contribution would amount to R2,25bn.

# Rugby World Cup 'could disrupt tourism'

BO 23/2/95 (288)

THE rugby World Cup could have a negative effect on tourism in SA unless a concerted effort is made to counter the potentially harmful repercussions, according to a Satour assessment.

"The event will have a substantial impact on the local tourism industry — both positive and negative — and a co-ordinated effort is necessary to counter the potential negative factors."

However, the positive factors outweighed the negative. One of the major negative factors was disruption of SA's normal tourism market.

"This fear was expressed by travel agents and tour operators who said the Asian market was most likely to be affected as the timing of the event — May and June — was when Asians visited SA."

Satour said its research showed the peak periods during which Asians tended to holiday in SA were July and January.

The travel trade predicted that May and June would be the peak periods this year.

The threat to the Asian tourist market lay in the expected shortage of accommodation, transport and flights to and within the country.

Satour recommended that the tourism industry and the event's organisers co-ordinate their efforts to reduce the potentially harmful effects on tourism.

AMANDA VERMEULEN

The report also urged that a more cohesive and collaborative transport policy be formed for the subcontinent if its tourism potential was to be realised.

"The costly problems at border posts could be avoided."

A lack of adequate public transport and luxury coaches made SA "not user friendly" to tourists.

Other obstacles raised in the report included the shortage of luxury hotel accommodation, low capacity at international airports, inadequate training of tourism personnel and their lack of foreign languages skills.

On a more positive note, the event would involve at least 866 direct job years and 1 666 indirect job years. Other employment would be created by the upgrading of rugby stadiums which was estimated to be worth at least R117m to the construction industry.

The report also said the event would stimulate specific sectors of the economy, including the telecommunications and related industries.

There would be intangible benefits as well, such as a boost to patriotism, and the opportunity to bring opposing political parties together.



# Australia trip was 'a real mess, crazy'

MICHAEL MORRIS,  
Political Correspondent

TOURISM consultant Nick Malherbe described the logistics of his trip to Australia last year with Western Cape environment minister Lerumo Kalako and his secretary Kwanda Sojola as a "a real mess ... it was crazy".

He was giving evidence to the commission of inquiry into allegations that Mr Kalako misappropriated or misused public funds during and after the trip last November.

The inquiry follows allegations by Mr Malherbe.

Answering questions on his claim that Mr Sojola had "lost" the suitcase containing all documentation and accounts, Mr Malherbe said the group passed through 19 airports in 15 days and resembled a "camel train" towards the end.

"It was a real mess ... it was crazy," he said.

However, he said that while the lost suitcase — one of 13 items of baggage — belonged to Mr Sojola, there was no single explanation for its disappearance.

It might not have been tagged by the airline, it might have been left in a taxi, or on a pavement.

The loss of the suitcase meant it was not possible to provide a full account to the Western Cape Tourism Board of how its funds were spent, within the stipulated seven days after their return.

(To page 4)

# Australia trip 'a real mess, crazy'

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23/2/95

(From page 1)

The three-member commission — former Cape attorney-general Niel Rossouw, former city engineer Jan Brand and chartered accountant Vic Christian — and commission secretary Robby Vincent questioned Mr Malherbe closely yesterday on his claims, including circumstances surrounding the loss of documentation and accounts and his role in keeping tabs on accounts.

He said he was so busy "from morning until night" advising Mr Kalako and Mr Sojola, ensuring they were awake and briefed for meetings, organising transport and confirming meetings "that I did not have the time to write down each daily expenditure ... I physically did not have time for it".

However, he did sort out payment of hotel bills, and kept the receipts, which were placed in the suitcase which was lost.

He had arranged the air tickets and travellers' cheques for the party, but each person signed his own cheques.

Mr Malherbe, who said he was not employed by Mr Kalako's depart-

ment last year, but had helped him with tourism-related projects "on a voluntary basis", said Mr Kalako had instructed him to deposit the R17 300 intended for a fourth member of the trip, Liso Ngcokoto — who withdrew at the last minute — into a Standard Bank account.

He said the idea was that Mr Ngcokoto would go to Australia in December, but this plan was dropped and the money returned to the tourism board.

On claims that Mr Kalako had often been late for appointments, or missed them, Mr Malherbe said the minister had once opted out of seeing people in Sydney because he was tired, had not attended a dinner later in the trip, had been late for a political appointment because he had been asleep in his room and, at the end of the trip in Perth had missed a function because he had "gone off" with an Australian contact, Jenny Hollander, "and we did not see him" until the early hours of the morning when they met at the airport to fly home.

"These are all minor things, as such, but they add up," Mr Malherbe told the commission.

# Minister 'disappeared with woman'

By CHRIS BATEMAN

OUTGOING Minister of Environmental Affairs, Nature Conservation and Tourism Mr Lerumo Kalako changed an internal Australian flight booking "at the last minute" and disappeared with a woman companion until the next morning, a commission of inquiry heard yesterday.

This was claimed by Mr Nick Malherbe, who was with Mr Kalako on a fact-finding mission to Australia last year.

Testifying before a commission chaired by Mr Niel Rossouw, Mr Malherbe outlined incidents in which he alleged Mr Kalako was either late or missed appointments.

He said Miss Jenny Hollander had befriended their tour party and driven them to the

state parliament in Perth.

Soon afterwards Mr Kalako had told him he would not be attending a dinner organised for them and would catch a later flight, which he did.

At the Freemantle ferry Miss Hollander had joined Mr Kalako. "We didn't see him until the next morning when we left," Mr Malherbe said.

Mr Rossouw said his commission was confining itself to

allegations made by Mr Malherbe in his official report to the Interim Western Cape Tourism Board — which did not include mismanagement of his department or its finances.

A report in yesterday's Cape Times said Department of Nature Conservation officials were expected to testify to claims that Mr Kalako mismanaged his department and its finances.

(288) (289)



# Oudtshoorn set for tough meeting about the future of Cango Caves

## Environment Reporter

TOUGH words about the future of the world-famous Cango Caves — a national monument since 1938 — are expected at a key meeting today.

Scientists and environmentalists are demanding that the Oudtshoorn municipality spends more of the money generated by entrance fees on proper conservation measures, instead of on community projects in the town.

They are deeply concerned at the continuous stream of visitors and audiences attending performances in the caves, as their presence is having a major impact on the stalactites, stalagmites and other formations.

"If nothing is done, you can kiss the caves goodbye in as little as five years ...

"The riot act is going to be read at today's meeting," one of

them said.

The meeting has been called by the Scientific Advisory Committee to the Oudtshoorn town council.

This week, the National Monuments Council put out a strong statement in response to questions from the newspaper, *Oudtshoorn Courant*, which has been reporting extensively on local concerns about the management of the caves.

It was important to realise that the Cango Caves were a living and non-renewable natural resource and that any damage was irreparable, the council said.

One of the biggest problems was a change in the climate of the caves because of the large number of visitors.

Management of the caves had been transferred to the Oudtshoorn municipality in 1921, but

the management of income from the caves was subject to a provincial ordinance, it noted.

"The National Monuments Council believes that a substantial amount of the apparently significant income derived from the entrance fees, should be devoted to ensuring that the unique character of, and the sensitive formations in, the Cango Caves are conserved."

Oudtshoorn municipality has raised a controversy by proposing to spend R500 000 from the caves' income on a cultural centre in the town.

New councillor Moses Wagenaar, who has just taken over as chairman of the council committee responsible for the caves, declined to comment yesterday.

Former chairman and mayor Marius Potgieter referred inquiries to Mr Wagenaar.

# Kalako probe told of party

(123)  
(288)  
ARG 25/2/95

■ The inquiry into the alleged misuse of public funds by provincial Environment Minister Lerumo Kalako has heard evidence of an attempt to pay for a birthday party with public funds.

**MICHAEL MORRIS**  
Political Correspondent

WESTERN Cape Environment Minister Lerumo Kalako's private secretary, Kwanda Sojola, admitted that "with hindsight" it was wrong to have sought to pay the R3 220 bill for the minister's Kelvin Grove birthday party from public funds.

He believed Mr Kalako had an entertainment allowance to cover such expenses.

Mr Sojola was giving evidence to the three-member commission of inquiry into allegations that Mr Kalako misappropriated or misused public funds during and after an official visit to Australia last year.

The allegations arise from a report by tourism consultant Nick Malherbe, who accompanied Mr Kalako and Mr Sojola on the trip.

Yesterday's hearing focused in part on a birthday party for Mr Kalako at Kelvin Grove on the eve of the Australian visit.

The commission heard that the function was intended as a surprise party suggested by Mr Malherbe, who is a member of the Kelvin Grove club. People invited to the party were asked to contribute R60 each to cover the bill.

Evidence before the commission is that Mr Malherbe collected payments from 17 of the guests — a total of R1 020 — and had asked Mr Sojola to sort out the remaining R2 200,86.

Mr Sojola said yesterday that he had asked Mr Malherbe to provide him with a copy of the full bill under a Kelvin Grove letterhead so that he could submit this with a claim form to the directorate of nature conservation.

He believed Mr Kalako had an entertainment allowance.

Mr Sojola admitted that he had signed a claim form for a cheque in favour of Mr Kalako to cover the full R3 220,86.

However, he did not intend the money to go to Mr Kalako, but asked for the cheque to be made out to him "so that he would know the bill was to be paid".

He told the commission that as soon as Mr Kalako got to hear of this, he ordered that the cheque be cancelled.

"The minister told me: 'This is wrong, it must be stopped.'"

Mr Sojola had then undertaken to return the cheque.

Answering questions from the commission, Mr Sojola admitted: "With hindsight, it was a mistake."



# A move to save Cango Caves

By DIANA STREAK

VANDALISM, graffiti, litter, humidity and temperatures caused by thousands of visitors and lighting inside the Cango Caves has caused irreparable damage to one of South Africa's major tourist attractions.

The caves have been at the centre of a battle between the Oudtshoorn municipality, which is responsible for them, and conservationists who say they are being destroyed through bad management.

But, after a meeting on Friday, cave manager Henk Gerstner said the council "with its back to the wall" had "to agree to everything the Cango Caves Scientific Advisory Committee threw at it".

An amount of R100 000 was budgeted for an impact study, possibly by an overseas team.

The council accepted recommendations to examine the lighting in the cave and consider a revamp of the complex.

Although the caves are owned by central government, they have been managed by the Oudtshoorn municipality since 1921 and funds generated have been used for other, unrelated projects in the town.

Apart from graffiti and vandalism inside the cave some of the degradation has had official approval, such as formations which were removed in 1959 for decorations at the Oudtshoorn Show Ball.

In 1964 an artificial opening was cut for a separate entrance for blacks to the cave which, being a non-renewal resource, can never be returned to its natural state.

Cango, the largest and most popular of South Africa's show caves, is the only one controlled by a municipality on behalf of the government.

## Kalako: Inquiry into 'misuse of funds' ends

THE inquiry into the alleged misuse of public funds by Western Cape Minister for Sport and Recreation Mr Lerumo Kalako ended yesterday.

The inquiry was launched after allegations by Mr Nick Malherbe, a Western Cape Tourism Board representative, that Mr Kalako, then the Tourism Minister, misused public funds while visiting Australia. (288) CT 28/2/95

The findings will be made public after they have been submitted to provincial Premier Mr Hennis Kriel next week. — Sapa



## COURTS

# I did not handle money on Oz trip — Kalako

□ *'I had faith in Malherbe', missing funds probe told* ARL 28/2/95  
(288)

**JENNY VIAL**  
Staff Reporter

AT no stage of an official trip to Australia did former Western Cape environment minister Lerumo Kalako deal with money or receipts, instead entrusting all finances to tourism consultant Nick Malherbe, who accompanied him.

So said Mr Kalako yesterday when he gave evidence to the commission of inquiry into allegations that he misappropriated or misused public funds during and after an official visit to Australia last year.

The inquiry is based on allegations by Mr Malherbe.

Mr Kalako said he bought a watch for R400 with money he understood would come out of his personal allowance. No other money was spent for private purposes on the trip, funded by the Western Cape Tourism Board.

Mr Kalako said that after Mr

Malherbe pointed out how expensive international telephone calls were, it was agreed he would ask people he phoned to call him back.

"I intended to pay for all my personal calls."

He is alleged to have made private telephone calls totalling more than R2 000 and to have kept the balance of leftover travellers' cheques totalling R2 014.

Mr Kalako told the commission he still had the travellers' cheques at the end of the trip. Mr Malherbe had said they should meet after the weekend and work out the finances. The meeting didn't happen and Mr Kalako paid what he owed when he got an audited statement.

Mr Kalako said he first knew of a birthday party for himself at Kelvin Grove on the morning of the party. He was not aware of payment arrangements for the party.

When he asked his private sec-

retary Kwanda Sojolo what was going on, he was told the people invited were supposed to pay R60, but he had not been able to collect all the money. Mr Sojola had arranged for the department to pay the R3 320.

"I said that's not right, it was not an official party. I asked him to get the cheque cancelled."

Mr Kalako said he was responsible for verifying all claims, and that Mr Sojola had no delegated authority to sign claims on his behalf.

Head of the commission, former Cape attorney-general Niel Rossouw, suggested to Mr Kalako that Mr Sojola had been given too much leeway and responsibility for signing and drawing up documents. Mr Kalako denied this.

Mr Kalako told the commission he had entrusted his special adviser Mr Malherbe with a fair amount of responsibility "on certain occasions".

## Fund misuse inquiry ends

CAPE TOWN — The inquiry into the alleged misuse of public funds by Western Cape sport and recreation MEC Lerumo Kalako ended yesterday (28/4/95).

The inquiry was launched following allegations by Nick Malherbe, a Western Cape Tourism Board representative, that Kalako, then the tourism MEC, misused public funds while abroad. (28/4)

Giving evidence, Kalako said Malherbe had been responsible for the finances on their trip to Australia.

Kalako admitted making personal telephone calls, but said he had paid for the calls on his return.

He said he was under the impression that the watch he had bought was covered by his allowance.

He added he had not been involved in any of the arrangements for his birthday party and had ordered a cheque to be cancelled after he heard his department was to pay.

The inquiry's findings will be made public after they have been submitted to premier Hernus Kriel next week. — Sapa



## Tourism up by 50% (288)

PRETORIA — There was an increase of almost 50% in the number of tourists who visited South Africa last November compared with 1993.

CT 1/3/95

Reports by Staff-Reporter, Own Correspondent, Sapa-Reuter, AP, UPI

*Leaders also agree to promote tourism*

(288)



# Mozambique, SA join forces against crime

*128*  
*Star 1/3/95*  
Cape Town — President Mandela and Mozambican President Joaquim Chissano yesterday signed bilateral agreements to promote tourism and to support each other in fighting crime.

After the signing ceremony at Tuynhuys, Chissano said South Africa and Mozambique had to remain united in their struggle against poverty.

"The success of this struggle depends not only on the consolidation of democracy in our countries, but also on the maintenance of peace, security and stability in southern Africa," he told reporters.

In the security agreement, the two governments agreed that police could enter either country for any investigation, and for tracing and interrogating witnesses, with the assistance of

the host police force.

They also agreed to exchange crime-related information regularly, and to plan and co-ordinate joint operations, including covert actions.

The countries also agreed to the "development and expansion of tourist relations between the two countries with a view to a better knowledge of each other's history, culture and way of life."

The presidents agreed to encourage tourism investment opportunities and to try to simplify travel procedures.

Chissano was re-elected president in October in the country's first multi-party elections. Two years ago Renamo and Frelimo signed a pact ending a civil war that had raged since independence in 1975.

After the presidents' meeting,

Mandela escorted Chissano to a group of schoolchildren who were waving to them from the main gates at Tuynhuys.

"We are so happy to see you," Mandela told the children, and introduced Chissano. "You can ask him to invite you to Mozambique," he said.

Chissano arrived in Cape Town yesterday for a four-day visit to South Africa. He will also hold talks with Deputy President F W de Klerk, parliamentary officials, Anglican Archbishop Desmond Tutu and IFP leader Mangosuthu Buthelezi.

He will address Parliament today and on Friday he is due to meet Gauteng Premier Tokyo Sexwale, and representatives of the Chamber of Mines and Cosatu in Johannesburg, before leaving for Malawi. — Reuter.



# KwaZulu/Natal minister tells of plans for tourism

(288)

BD 2/3/95

NICOLA JENVEY

DURBAN — Tourism in KwaZulu/Natal suffered from over-regulation, red tape and duplication of work between development agencies and government departments, the regions's economic affairs and tourism minister Jacob Zuma said yesterday.

Announcing arrangements for a two-day provincial tourism development summit in Durban next month to formulate a co-ordinated tourism policy and strategy, he said tourism represented one of the most promising economic growth areas and job creation opportunities in KwaZulu/Natal.

"Unfortunately, the industry has been characterised by an uncoordinated development approach, arising from the dualism which existed between KwaZulu and Natal before the 1994 elections."

Zuma said: "We intend uniting key role players from government, private sector, parastatals and community-based groupings to formulate guidelines so the ministry can develop an effective policy for the KwaZulu/Natal tourism industry."

The summit, to be held on March 13 and 14, would be convened in association with the Strategic Planning Institute and the Regional Economic Forum.

Emphasis would be placed on working group sessions to debate tourism development funding, regional marketing, the promotion of small and medium tourism-related enterprises, safety and security, and the promotion of a "tourism culture" within the greater community.

# Tourist numbers double

(288) CT 2/3/95

JOHANNESBURG. — South Africa received almost twice as many overseas visitors in November last year as it did during the same period in 1993, the South African Tourism Board said yesterday.

Satour executive director Mr. Mavusa Msimang said SA was finally reaping the benefits of its new international position.

"We are now beginning to receive our fair share of international tourists."

The total number of overseas visitors increased from 49 445 in November 1993 to 73 829 in November 1994.

Tourist arrivals from Asia and the Middle East showed the highest increase of 105,5%, followed by Central and South America at 78,2%. The number of European visitors increased by 42%, from North America by 49,1% and from Australasia by 28%.

The UK, South Africa's largest tourist market, showed an increase of 39,2%; Germany, the second largest, 31,2%; and the US, the third largest, 47%.

Various new markets showed an increase in visitors, including Sweden 96,8%, India 32,4%, Singapore 147% and Ireland 335,2%. — Sapa



# Lack of police presence slated

CT 2/3/95

(288)

Crime Reporter

CAPTUR chief Mr Gordon Oliver yesterday lashed out at city police for being "conspicuous by their absence" — and warned that this could have dire consequences for the tourism industry.

Mr Oliver said he believed the Tourist Unit, formed specifically to prevent tourists from becoming victims of crime, was not working because he had received a number of "worrying letters" from leading members of the business sector complaining about crime in the city centre.

He would today be contacting the Regional Commissioner General Nic Acker to discuss the situation with him.

Mr Oliver told the Cape Times the lack of a visible police presence in the city made him "shudder to think what damage is being done to the tourist industry, Cape Town's life-blood."

## Fears for the city's visitors

Mr Oliver said policemen in plain clothes should be put back into uniform to act "as a visible deterrent to would-be robbers".

He was aware of a shortage of policemen, but this problem should be alleviated when additional police members were deployed in the province, as promised by President Nelson Mandela earlier this week.

Meanwhile city jeweller Mr Peter Winhall, one of those who wrote to Mr Oliver, said at least two of his foreign customers had

been mugged in the city recently, including a Swiss diplomat who showed him his "cut knuckles" after a scuffle with a pick-pocket.

His staff witnessed pick-pockets and bag-snatchers preying on tourists in St George's Mall daily, particularly when they were distracted by musicians.

A distressed Mr Winhall said: "Foreign visitors to the city must be protected."

"Many of my customers tell me they are warned not to walk in the city alone and to stay away after sunset."

"If the crime problem in the city continues, business will be driven to the Waterfront or stop coming to Cape Town."

"Last week's incident, in which a woman had a chain ripped from her neck right outside my shop (during the education protest march) is the kind of thing we always thought happened only in Rio de Janeiro."

# Clean up 'trashy' city, council man urges

JOHN YELD  
Environment Reporter

LITTER in the commercial areas of central Cape Town has trebled since 1985 but the council's cleansing force has remained virtually static, says the city's director of cleansing services Kendall Kaveney.

Speaking at a Clean City Awards function in the Civic Centre, Mr Kaveney said Cape Town had a serious litter problem, with about 3 000 tonnes of

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waste being dumped in the streets each month.

"Thankfully, about 2 000 tonnes of it goes straight into bins but — and here is the bad news — about 1 000 tonnes becomes litter on the streets, sidewalks and in flower beds."

Much of this litter also ended up in stormwater drains.

"It costs around R80 a ton to remove litter from a bin, but R700 a ton from the street and over R2 000 a ton from a storm-

water system," Mr Kaveney said.

"We collectively have to take responsibility if we want our city to look tidy, and we must bear in mind that we will very shortly have a Rugby World Cup and — dare I mention it — an Olympic bid."

Tourism was a huge industry and all tourists demanded security and cleanliness otherwise "they won't be coming".

He appealed to business to support the Clean City Awards.



# Cape Town is short of land for new hotels — architects

ANDREA WEISS  
Municipal Reporter

CAPE TOWN is desperately short of prime land for new hotels.

This plea has been put to the Cape Town City Council's executive committee by architects who say they have "a number of local and foreign clients" actively interested in building more hotels.

"There is no doubt that a capacity exists in the market for 300- to 500-bed, five-star hotels together with in-house conference facilities," says a letter from an architectural firm.

ARG 3/3/95  
The firm has asked the city council to investigate sites in the hands of the council.

"We cannot stress enough the urgency for the city council to expedite this process, make this information public and advertise the sale of the properties by way of tender.

"While public consultation and public support are important, the overall benefit to the city in creating jobs and boosting tourism must be the prime consideration."

Development co-ordinator Rod Young has asked the exec-

(288)  
utive committee whether he may investigate a list of sites — among them various golf courses, the Green Point track, Kloof Nek and Surfer's Corner in Muizenberg — to establish whether they could be used for hotels.

But he cautions that most of the sites are zoned public open space and development of them may be controversial.

"Clearly the investigations contemplated must include comprehensive, well thought out public participation programmes."

# pe Times

Top of the Times & Homefinder Inside

## Top hotel groups seek Cape sites

Staff Reporters

CT 3/3/95

MAJOR international hotel groups are scouring Cape Town for hotel sites — and yesterday the City Council agreed to investigate 22 controversial sites for the possible development of new hotels.

The sites, which include Newlands Forest, Lower Orangerivier (not the protected area) and Park Island in Zandvlei, are shown in the accompanying graphic.

Mr Rod Young, the council's development co-ordinator, said yesterday his office was being flooded by hoteliers wanting sites because there were no privately-owned sites large enough.

Interested top international groups include Hilton and Sheraton.

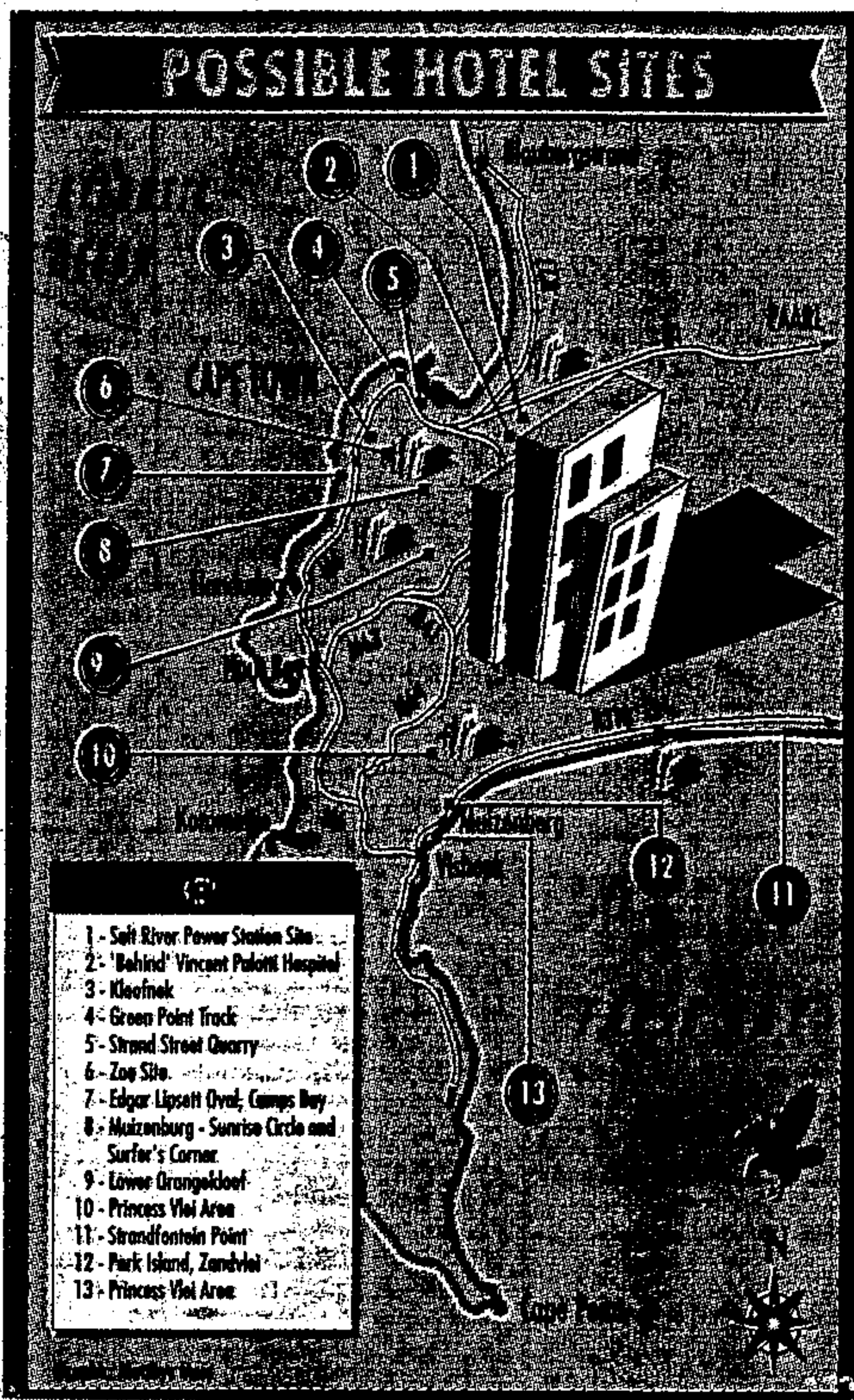
Mr Young said developers were looking at "the city and beaches".

Mr Alex Robertson, a director of MLH Architects, who represent several local and foreign groups, said last night:

"Prime locations are an absolute prerequisite — there is virtually no privately-owned land left in prime locations that is large enough, and that satisfies the desires of international hoteliers."

Mr Young said many of the sites listed were zoned as "public open space".

Proposals, therefore, to build hotels there were likely to be highly controversial.





# Kalako, not adviser, subject of inquiry

CT 3/3/96

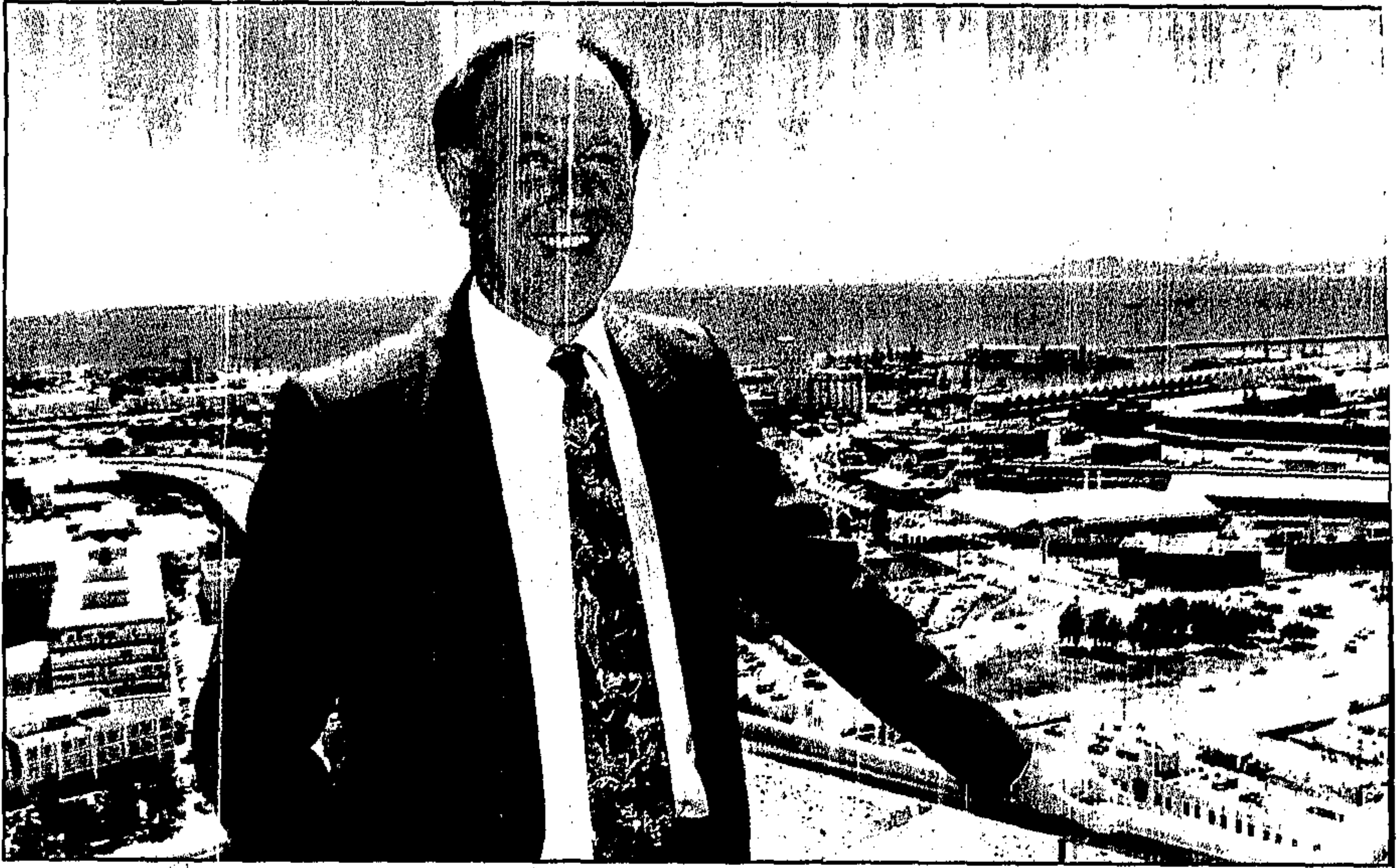
288

By CHRIS BATEMAN

A PROBE into alleged funding misuse and "conduct unbecoming" referred to Western Cape Sport and Tourism Minister Mr Lerumo Kalako and not his former adviser, Mr Nick Malherbe, former Cape attorney-general Mr Niel Rossouw said yesterday.

Mr Rossouw is chairman of a commission set up by Premier Mr Hennis Kriel to probe a controversial fact-finding mission to Western Australia led by Mr Malherbe, with the minister and a private secretary in November last year.

He was reacting to revelations by an eyewitness that Mr Malherbe shouted a racial insult and tried to assault ministerial secretary Mr Kwanda Sojolo during a tussle over a briefcase at Perth Airport.



GREAT PROSPECT ... Safren's Buddy Hawton takes in the view from the top of Safren's Cape Town office

Picture: TERRY SHEAN

## Lost City a big loser for Safren

By JEREMY WOODS

SUN International's Lost City resort is losing "significant millions" because of strikes and the loss of business to illegal casinos, say industry sources.

"There is no doubt the strike at Sun City and the operation of illegal casinos affected us," said Buddy Hawton, chairman and chief executive of Safren, Sun International's ultimate holding company, this week. Mr Hawton was in Cape Town to present Safren's interim results for the year.

Safren lifted turnover by 8% to R2,8-billion and pre-tax profits by 9% to R455-million for the six months to December 31 1994. The attributable profit was up 18,3% to R183-million.

Mr Hawton confirmed that while the losses at Lost City had been a "very material setback which had not been budgeted for", the strength of the Safren group is such "that we can absorb these losses and still have a good set of results".

He declined to put a figure to the Lost City losses — "we never break the individual operations down" — but confirmed that losses were still being incurred.

Industry sources close to Lost City said on Friday its losses were in the "significant millions".

However, Mr Hawton believes

that the worst is over for the Lost City.

"Before we built the Lost City we twinned its investment and performance with the Carousel (north of Pretoria). We went into it on that basis. When you look at the two together, they are making acceptable profits and returns on investment."

"I have no doubt that given time and a fair economic wind, Sun City and the Lost City are going to be profitable projects. Occupancy levels are high, the future of tourism looks good and we can trim costs there without affecting service."

Mr Hawton said he expected Sun City to break even in "a year to 18

months" and from there into "acceptable profits".

"The Lost City is one of the great hotels in the world, and we think it has a great future."

Elsewhere in the Safren group, Safmarine put in a sparkling performance with profits up 34% to R79-million, while the Rennies group also did well with its freight moving operations as profits moved up 11,7% to R28,6-million.

The new Sol Kerzner-inspired development, Paradise Island in the Bahamas, incurred losses during its construction period, but with refurbishment largely completed, "trading is up to expectations", Mr Hawton said.

### BRIEFS

#### Ocfish

A CONSORTIUM led by Real Africa Investment has paid R33-million for a 25% stake in Ocfish Holding, which controls 52% of Oceana Fishing. The remaining shares in Ocfish Holding are held by Tiger Oats. Oceana also said it would sub-divide its shares on a 10-for-one basis from April 18.

#### GDM Finance

INVESTEC Holdings has acquired a 41,6% stake in GDM Finance from UK group Goode Durrant for



# Flocks of tourists (288) ST(BT) 5/3/95 nest in SA hotels

FOREIGN tourists are flocking to South Africa in record numbers with a significant spin-off for the hotel industry.

During December, five-star establishments recorded a 38,2% increase in income compared with 1993, while four-star hotels earned 18,9% more than in the previous year.

During November — the latest official figures — 75 320 visitors entered South Africa through the Jan Smuts, D F Malan and Louis Botha airports, representing a 49,7% increase on the same month in 1993.

The number of visitors from Asia more than doubled, although Europe still provided the largest influx with 50 360 tourists, according to the latest Central Statistical Service survey.

Of these visitors, 67,5% were on holiday, 21,8% were here for business, 3,1% were taking up new employment and a small number arrived for study purposes.

During November, 189 340 bed-nights were sold

By DON ROBERTSON

to foreign visitors, a 43,1% increase on November 1993 and the highest figure since the CSS began compiling figures in 1987.

The influx continued in December, although at a traditionally lower rate, with the hospitality industry selling 155 500 bed-nights for an increase of 41,7% on the same month the previous year.

In the first 11 months of last year 607 642 foreign tourists visited our shores, 14% higher than the 531 790 who arrived in 1993. Of the visitors in 1994, almost 406 180 were on holiday, 164 930 were on business trips, 8 950 were on study tours and 27 546 were seeking employment.

During the whole of 1994, 1,52-million bed-nights were sold to these tourists, a rise of 15% on the 1,32-million beds occupied in the previous year.

The fairest Cape was the

top destination for visitors with 33% staying on the Cape Peninsula, while the Garden Route attracted a further 7,4%.

Johannesburg, the obvious attraction for people in business, was the second most popular venue, taking 24,5% of visitors, while 5% visited Durban, Umhlanga and Eastern Transvaal districts.

About 2% visited the Drakensberg.

The bulk of the tourists appear to be middle-income earners, with two-star hotels the favourite type of accommodation.

Just over 30% stayed at these establishments, while 27,3% opted for three-star hotels, 20,6% stayed at four-star and 17,2% at five-star hotels.

The generally poor one-star hotels attracted only 4,6% of visitors.

The increase in the influx of foreigners became evident in June and has since steadily surpassed the 1993 monthly figures.

# Olympic bid drama (288)

By JULIAN DREW

THE simmering feud between the Cape Town Olympic Bid Committee and the Cape Town City Council over the handling of the city's bid for the 2004 Olympic Games exploded into high drama on Friday with allegations that the phones of city officials concerned with the bid have been tapped.

Pick 'n Pay boss Raymond Ackerman - the main protagonist in the feud with the council and co-chairman with Ngconde Balfour of the

Olympic Bid Committee - said: "If there are transcripts of phone calls in anybody's possession would they please publish them in the public interest."

## 'Smear attempt'

"It would show that in their dealings with the Bid Committee these hijackers (council officials) have reneged on their agreements on four separate occasions."

Yesterday councillors of the Cape Town Transitional Metropolitan Sub-structure, which replaced

the City Council on February 16, were demanding more information from the four officials concerned.

One councillor, who wished to remain anonymous, said, "This appears to be a blatant smear attempt on the Bid Committee."

## R8-m in red

Claims were also made last week that the Cape Town 2004 Bid Committee Trust, set up to administer funds for the bid, was technically insolvent.

But a Bid Committee spokesman said the trust,

which is about R8 million in the red, has always been insolvent.

"The Good Hope Bank lent money to the trust which was guaranteed by Ackerman."

■ The infighting over the bid led Ackerman to threaten court action last week against National Olympic Committee of South Africa President Sam Ramsamy, whom he accused of supporting the council officials.

A meeting in Johannesburg tomorrow, brokered by Sports Minister, Steve Tshwete, will try to resolve the clash.

ONE OF THE WORLD'S GREAT TASTES



# Letter shows split in Olympic bid group

(288) B06/3/95

SENIOR members of Cape Town's Olympic Bid Committee have dissociated themselves from chairman Raymond Ackerman's dispute with National Olympic Committee chairman Sam Ramsamy over the official presentation of the bid.

In a "private" letter to Ackerman dated March 3, which was leaked to Business Day yesterday, co-chairman Nconde Balfour, Clive Keegan and Alison Burchell said they had "at no time been consulted about the numerous statements" and advertisements which were issued in the name of the bid committee in the past few weeks.

ANDREW AUSTIN

"Not only do we query the veracity of many of these statements, but we wish to dissociate ourselves from inaccurate and vituperative allegations which are made in our name," the letter said.

Approached yesterday, Balfour demanded to know how Business Day had obtained the letter. He refused to comment.

The letter said the last time the committee met was on January 31, while a meeting scheduled for February 28 was cancelled by Ackerman.

The row between Ackerman and Ramsamy and the Cape Town city council is over the form of presentation of the city's bid for the 2004 Olympic Games. Ackerman wants to sign the agreement with Nocsa on behalf of the city council.

The apparent split in the bid committee comes on the eve of a meeting scheduled for today between Ackerman and Ramsamy, brokered by Sports Minister Steve Tshwete.

According to the letter, the three members dissociated themselves from the "per-

□ To Page 2

□ From Page 1

## Olympic bid

sonal attacks" on Ramsamy.

They said the principal purpose of the contract to be signed by the council and Nocsa was to formalise the relationship between those bodies and the bid's endorsement by Nocsa.

"An equal purpose is to create a representative bid committee which embraces the State, province and local authorities, Nocsa, the private sector and community organisations," the letter said.

"The present interim bid committee does not meet the criteria of democracy, accountability and inclusivity and was never intended to continue in its present form or composition."

The letter said there was no question of the bid being "hijacked" by the council or Nocsa. The day-to-day management and preparation of the bid would be the responsibility of a bid committee "representative of all sectors of SA society".

It said "those of us not involved in the media war" had met city officials and newly appointed city councillors "on several occasions".

The letter told Ackerman: "It has not been possible for you to attend these meetings due to your preoccupation with your dealings with the media."

The three members said that "despite this", they believed it was possible to meet the bid conditions by March 16, as instructed by Nocsa.

They said that despite numerous requests, the contract submitted by Nocsa to the interim bid committee in April 1994, the counter proposal submitted on behalf of the bid committee later in the year to Nocsa, and the contract re-submitted by Nocsa to the committee and the city council in January 1995 had not "been seen by us nor, at any stage, sanctioned by the interim bid committee."



Major developments await Government decision on gambling

# R1-bn investments on hold

Star 6/3/95

The fates of several major property developments worth well over R1-billion are hanging in the balance pending Parliament's reaction to the final report of the Lotteries and Gambling Board, due to be handed to government this week.

Most prominent on the drawing boards is a R500-million, 2,000-seat convention centre and casino planned for The Carlton complex in Johannesburg by its management company, Three Cities Hotels.

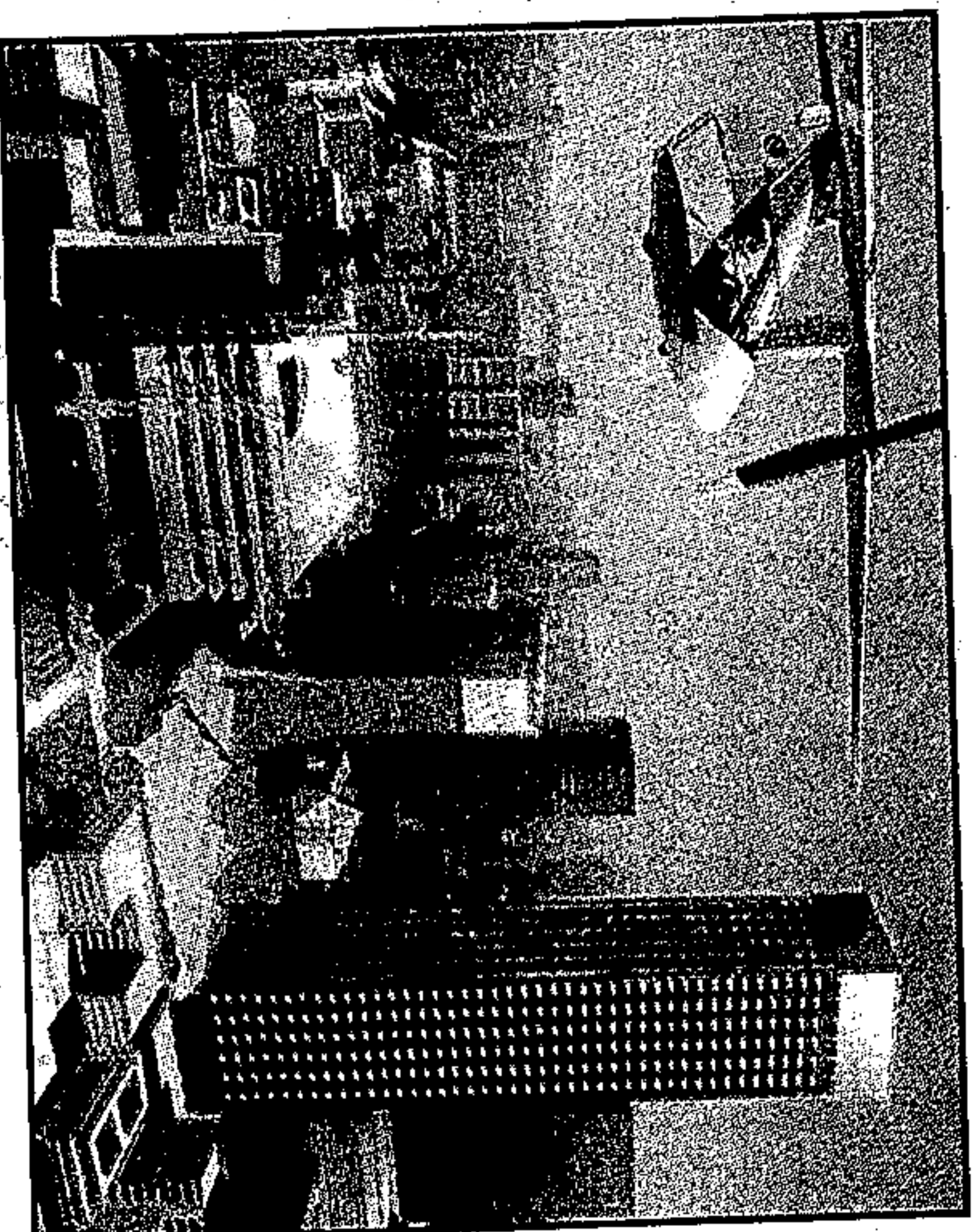
The convention centre, shown in a large model and diagrams on display in The Carlton, is planned to rise above the existing Carlton parade, while the casino sits atop the building once occupied by Garlicks. Standing above undercover parking for 2,000 cars, both will be linked to The Carlton by sky-walks.

## Dilemma

The dilemma facing not only the Lotteries and Gambling Board, but Three Cities Hotels and the City of Johannesburg as well, is that without a gambling licence for The Carlton, there will be no casino, and without its funding support, the convention centre will probably not materialise.

The Board's report, more than 500 pages long, is expected to dictate to a large extent the approach of the Gauteng Legislature to the granting of casino licences.

But, as Three Cities Hotels chairman Russell Stevens



Gamble... An architect's perspective of the proposed Carlton Hotel convention and casino complex. The convention centre is at left foreground whilst the casino can be seen between the highrise Carlton office tower and the hotel.

points out, the matter of casino licences is only the hub of a very large wheel.

The bottom line, he says, is that Johannesburg — and South Africa — desperately need convention facilities of this size and standard to attract a share of the world's lucrative convention and conference market.

"Apart from that, South Africa's high profile in African and world politics and big business highlights the somewhat embarrassing absence of any such facility in its biggest and richest city, which should be

able to host global-scale conventions like the Commonwealth, the Organisation for African Unity and United Nations agencies such as the World Health Organisation."

## The best

Stevens emphasises that adding the convention centre and casino to the existing five-star, 622-room Carlton Hotel and Carlton Court complex will create "one of the best facilities of its kind anywhere in the world and one which Johannesburg could not otherwise

afford because, built from scratch today, it would need at least R1,5-billion to complete."

He points to a 1994 report by Kessel Feinstein Consulting which laments South Africa's "dearth of good, large conference facilities" and describes how this country "lags far behind Europe, North America, Australia, Singapore, Malaysia, Hong Kong and a number of South American countries."

Kessel Feinstein estimates that South Africa should be able to attract one tenth of the international convention and conference business, which targets 170 conferences and about 180 000 delegate-days a year, treble the country's present business.

## Conferences

When focused exclusively on large conferences of 400 delegates or more, Stevens estimates that if South Africa could win 10% of such conferences, this would amount to 47 large conferences and 162 000 delegate-days. Gauteng can realistically expect to win 40 per cent of those.

Even higher estimates are contained in yet another report commissioned by the Johannesburg Publicity Association. It projects that a convention centre of the size planned by Three Cities Hotels could "generate demand for 443 conferences by 1997, representing 251 000 delegate-days."

The cash implications are big. Studies have shown that international spending on conferences — one of the biggest sectors of the global travel market — has risen by 52% in the last 10 years, and now averages US\$907 (R3 065) for every delegate.

"International conference delegates spend roughly three times the amount that normal tourist do, so the spin-offs for the local economy are enormous. Now add to that the 500 shorter, and 1 000 permanent jobs the project will most likely create."

The pressure for such a facility is building fast, says Stevens. "For many years The Carlton has been the favourite choice of prominent figures in business and politics, and as our doors have opened wider and wider to the world, conference enquiries have been coming in thick and fast."

## Enquiries

"Among those received by The Carlton since our announcement of the convention centre project a year ago, there are some for over 2 000 people, and we have not even advertised yet."

Three Cities Hotels have planned the convention centre and casino development as a fast-track project to be completed in 18 months — once approved. But for the time being, it will have to wait for Parliament.



# Cape Town set to hit the jackpot

288

CT 6/3/95

By **ANTHONY JOHNSON**  
Political Correspondent

CAPE TOWN is set for a gambling bonanza when the Lotteries and Gambling Board unveils its long-awaited new regulations governing the granting of licences for South Africa's multi-billion rand gaming industry this week.

The Western Cape, long the Cinderella province in the casino stakes, has seen a surge of interest by both South African and international consortia vying for a share in the lucrative industry under a completely revamped gambling dispensation.

Over a dozen sites around Cape Town have been earmarked for new hotel and entertainment complexes by groups like the Hilton, Sheraton and Sun International.

And a number of existing hotels, including the Mount Nelson, are reportedly trying to get on the casino bandwagon once the new rules of the game are announced in a report and draft legislation is presented to the government on Thursday.

Plans for a number of casino-linked resorts are on the drawing boards for the rest of the province, including a 120-hectare entertainment complex by Rand Merchant Bank's Global Resorts in Hermanus.

The viability of many of these pro-

posed multi-million ventures should become clearer when Professor Nic Wiehan and his 18 board members place their report before parliament.

The document, based in part on submissions from a number of hopeful participants in the industry, will be presented to Deputy Justice Minister Mr Chris Fisser.

The report is expected to end the stranglehold on the existing legal casino industry held by Mr Sol Kerzner's Sun International, which currently has 17 legal casino licences.

One source said at the weekend that the board was not expected to allow any single group to control more than one third of all licences.

The new regulations are expected to promote greater competition and foreign investment in the industry.

The draft legislation is expected to provide clarity on the number of licensed casinos allowed to operate in each province, where the tax proceeds will go, and the status of over 2 000 unlicensed gambling outlets across the country.

The nine provinces, all of which were represented on the Lotteries and Gambling Board, are expected to have a decisive say on who is granted gambling licences.

The report will also give the green light to a national lottery and sports pools in South Africa.

## Business, govt urged to join hands on tourism

*288*  
*BD 7/3/95*  
DURBAN — Businessmen and provincial government should develop a common goal to market the tourist attractions of KwaZulu/Natal and act jointly on the problem of violence, tourism and economic affairs minister Jacob Zuma said yesterday.

He told businessmen it was necessary to indicate to government how political statements incited violence in the province.

"Business must gather evidence of how political statements precipitate violence so the government can act." Calls for government to put a stop to violence did not constitute "enough effort" on the part of business.

The province was "the ideal tourism destination" and wanted local business

NICOLA JENVEY

and government to develop a common goal to market it. This would be a priority of next week's two-day tourism workshop.

Establishing a special police force to monitor popular tourist attractions such as the beachfront and city centre would promote an image of Durban as "a safe tourism haven".

It was essential the King Shaka international airport at La Mercy begin operating as soon as possible.

"Without a regional international airport, other development projects within the Durban functional region, such as the international convention centre and the Point waterfront development, will become elaborate white elephants."



# Ackerman quits Olympic bid

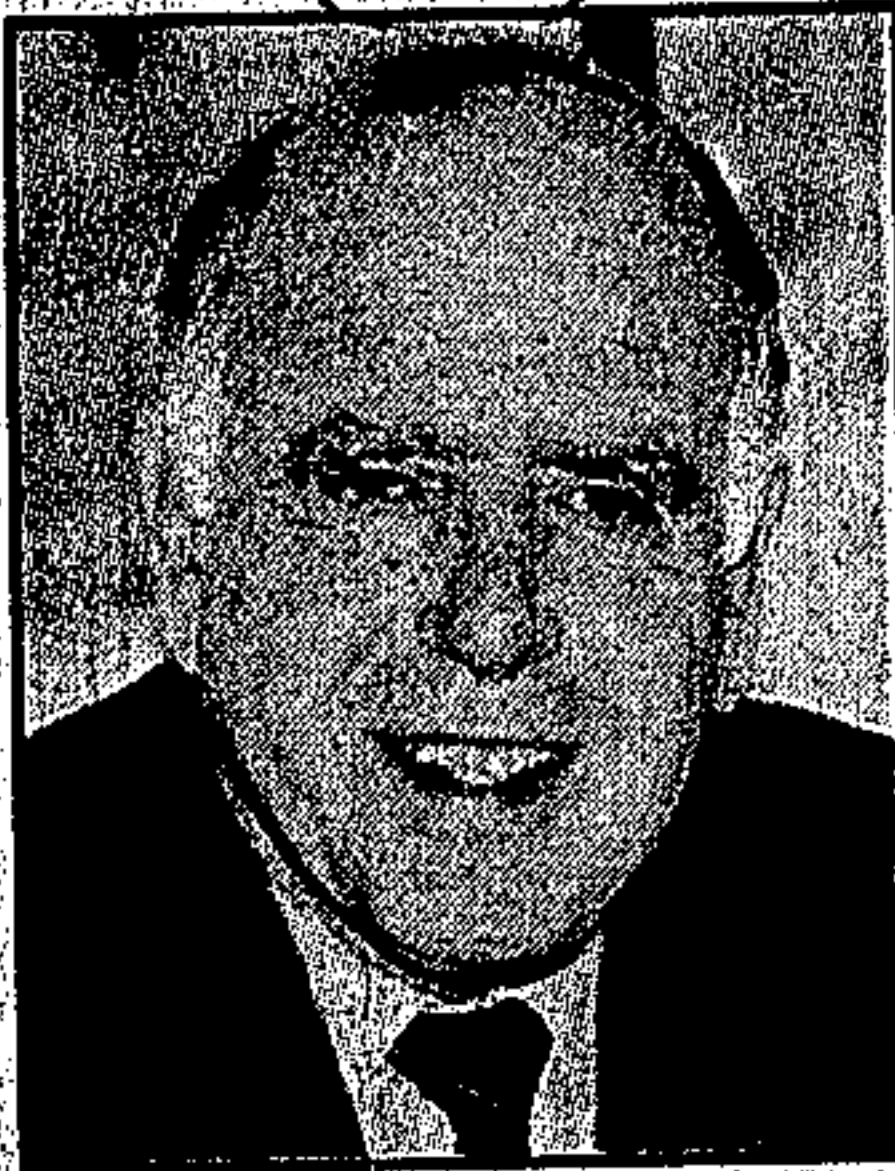
(288)

SAW 7/3/95

Cape Town businessman Raymond Ackerman has bowed out of the Cape Town Olympic 2004 bid, saying he will only consider returning if he is given a mandate to negotiate with the National Olympic Committee of South Africa.

Speaking at a press conference in Sandton after a four-hour meeting with Sport and Recreation Minister Steve Tshwete and Nocsa chairman Sam Ramsamy, Ackerman said if the Cape Town City Council did not vote for the present bid committee to negotiate with Nocsa, he would find the situation intolerable.

Tshwete called the meeting after a dispute arose between the city council and the bid



Raymond Ackerman

committee, of which Ackermann is co-chairman, over who should head the city's bid.

Tshwete said all three parties agreed on the sovereignty

of the city council to decide who should be responsible for the bid.

He said Ackerman's position should be decided in a democratic vote by the city council.

He said the dispute was not a personality clash between Ackerman and Ramsamy and that in the interest of the bid, they should be seen to be working together.

Ackerman said he wished to bow out with dignity to stop any damage and said the bid should go ahead with or without him. Whatever his position, he would continue to help.

Ramsamy said the bid would continue.

Abdul Milazi writes that it

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SAW 7/3/95  
Ackerman

(288)

◀ From Page 1

was agreed at yesterday's meeting that the contract, which must be signed by June in time for submission to the International Olympics Committee by January 1996, would be signed by Nocsa and the council.

Ackerman said he did not agree with the decision because many clauses in the contract worried his committee.

He said it would be difficult to continue taking part if he and his committee did not have a say in the proceedings.

Differences between Ramsamy and Ackerman surfaced last week when it was discovered that Ackerman had been providing millions of rands to the bid without sanction from Nocsa or the city council. — Sapa.



# Kruger Park having foreign tourist boom

(288) ARG 7/3/95  
□ And there's still the world rugby influx ahead

SKUKUZA. — The Kruger National Park is having a foreign tourist boom after an uncertain period during last year's political transition.

Warden Harold Braack said staff were prepared for a further influx during the World Cup Rugby tournament in May and June.

"The expected invasion by rugby fans from all over the world presents a major challenge to South Africa's tourist industry, and it will certainly be a supreme test of my staff's competence," Mr Braack said.

Training and a streamlined

management were two of Mr Braack's immediate priorities in the park, with better services to visitors the ultimate goal.

His long-term plan is to zone the wildlife sanctuary for smoother overall management.

He said he saw affirmative action as an essential ingredient of the future management strategy, but merit would still determine all staff appointments.

Careful attention to research programmes, and to the building of cordial relations with rural communities along the park's boundaries, were two further objectives to pursue

during his term of office.

Born in Nelspruit, Mr Braack joined the staff of the Kruger Park in 1963 as a tourist officer. He later moved into wildlife management.

After his initial spell at the park, he was posted to the Bontebok, Addo and Karoo National Parks respectively before taking up his senior appointment in the Richtersveld.

Mr Braack's wife, Tony, maintains a keen interest in conservation. During their stay in the Karoo, she played a prominent role in the establishment of the Fossil Trail in the Karoo National Park.

Sapa.



# Ackerman quits Olympic bid body

CAPE TOWN 2004 Olympic Games bid committee CE and co-chairman Raymond Ackerman resigned from both positions and as a trustee of the bid yesterday.

His resignation was announced after almost four hours of talks with Sport Minister Steve Tshwete and National Olympic Committee of SA (Nocsa) president Sam Ramsamy in Johannesburg. Tshwete set up the meeting to iron out differences over the legitimacy of the bid committee's right to sign an endorsement contract on behalf of Cape Town's council, formally accepting its nomination by Nocsa as the bid city for 2004.

Ackerman said he would not change his mind unless the council elected his bid committee to negotiate the contract with Nocsa. He did not envisage legal proceedings, but believed the new committee would be honour-bound to reimburse him the R8m he had spent on the bid.

After the meeting, Ramsamy reiterated that the agreement could be signed only by the democratically elected representative of the people of Cape Town — the city council. Ackerman contested this, saying he believed his bid committee was a democratically appointed representative of the city. However, he was prepared to submit to an election to find the legal authority.

Tshwete said that if the principles of absolute democracy were to be complied with, it was imperative that only the council could sign the agreement. The council was entitled to sign the agreement, delegate its authority to sign a contract with the bid committee, or reconstitute an authority which would be authorised to sign a contract with Nocsa.

Ackerman said clauses in the contract, if agreed to by the council, would make it impossible for him to continue. One entitled the council to dismiss the bid committee if it wished.

Ramsamy and Tshwete said the endorsement contract was open to negotiation. However, Ackerman insisted that his committee had to do the negotiating.

Ackerman said so much bad faith had been created by Nocsa and the council "meeting behind my back" that he did not believe he could be a part of a committee constituted by the council. It would be better to "withdraw gracefully".

In terms of agreements reached at a meeting on February 16, Cape Town has until March 16 to stipulate its authorised signatory on behalf of the city.

● Picture: Page 3

MARK SMIT

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BD 7/3/95



# Pullout bedevils Olympic 2004 bid

(288) Jan 8/3/95

## ■ OWN CORRESPONDENT

Cape Town — The row over Cape Town's bid for the 2004 Olympic Games has been complicated by the withdrawal of SA Philips from a sponsorship deal that could have been worth R10-million.

A spokesman for the company said the decision had nothing to do with the in-fighting over bid leadership, which saw businessman Raymond Ackerman quitting on Monday, but concerned the company's internal priorities.

A secret contract, which the National Olympic Committee of SA (Nocsa) has asked the city council to sign, apparently has major implications for Cape Town ratepayers and could, some councillors say, bankrupt the city.

Grinaker Sports Management, which is responsible for signing up sponsors, denied that the contract, if signed, would bankrupt Cape Town.

Grinaker managing director Clive Grinaker said responsibility for costs would be borne by the Organising Committee for the Olympic Games (OCOG), represented by a joint marketing programme featuring the city council and the official bid committee.

Grinaker said Philips' decision to withdraw was made on February 24, before the latest row erupted.

According to Cape Town city councillors, the contract would make the city liable for a minimum expenditure of R271-million which covers:

- R60-million for the bid.
- R21-million to Nocsa.
- R60-million for participation in the 1998 Winter Olympics.
- R130-million for team participation in the Winter Olympics.

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# Concern over hotel plans

CT 8/3/95

(288)

THE City Council's agreement to investigate 22 controversial sites for the possible development of new hotels has lead to concern in environmental circles.

The sites include Newlands Forest, Lower Oranjekloof (not the protected area), Park Island in Zandvlei, Princess Vlei area, Sunrise Circle, Surfer's Corner, the zoo site, Kloofnek, and the Strand Street quarry.

Mr Rod Young, the council's development co-ordinator, said his office had received many requests from hoteliers wanting sites because there were no privately-owned sites large enough.

Mr Young emphasised that the

sites were merely being investigated for availability and suitability.

He said the developers wanted to build accommodation ranging from five-star hotels to youth hostels.

Mr Young refused to be specific about the sites, saying it was too early in the process for that.

Mr Edward Tilanus, spokesman for the Cape Environmental Trust (Captrust) representing 60 environmental organisations, said that open spaces should be identified first and "the council should realise that densification does not mean covering every existing open space with low-rise buildings".

Mr Tilanus accused the council

of acting unilaterally, "like they never asked the public whether they wanted to have the Olympic Games here", he said.

Earth Life spokesman Mr Greg Knill said that it was vitally important to have impact assessments done on the proposed sites before "they even considered doing anything" and there was a need for total transparency.

Mr Knill said there was a perception that "tourism will solve all" but tourism did have negatives which needed to be debated.

Mr Andy Gubb of the Wild Life Society said impact studies could take up to two years and "we are running out of time".

# Philips pulls out as Olympic bid sponsor

PHILIPS SA had withdrawn its offer of sponsorship for Cape Town's 2004 Olympic Games bid, Philips new business development and international sales GM Dick Wensing said last night.

However, the decision, made last month, had nothing to do with the row within the bid committee, he said. "We decided we needed to focus on internal priorities."

Philips had been considering a sponsorship of R10m. Wensing said the company had informed Grinaker Sports Marketing, commissioned by the National Olympic Committee of SA (Nocsa) to sign up spon-

By INGRID SALGADO  
and EDWARD WEST

sors for the bidding process, of its decision.

No sponsors had yet handed over money since there was no legal entity with which to sign up, and details of the budget process "had not been forthcoming".

Wensing advised sponsors to stay on board the process since it would be a "very exciting period for them".

Olympic bid committee co-chairman Raymond Ackerman's resignation was not a threat to corporate sponsorship, Grin-

aker Sports Management MD Clive Grinaker said. Companies which had intended to sponsor the bid process had expected a change in the bid committee's structure.

Sponsors would be ready to allocate funds to the bid only once a contract was signed between the city council and Nocsa; a viable budget for the bid was drawn up; and when sponsors could sign an agreement with a transparent and legal entity.

A budget for the bidding process, drawn up by accounting firm Arthur Andersen, was nearing completion. Corporate spon-

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## Philips (288) BD 8/3/95

□ From Page 1

sorships could amount to between R60m and R95m, he said.

Ackerman said Murray & Roberts and Sun International, which had pledged sponsorship support, would be "reserving their positions".

Meanwhile, an accountant said that Ackerman's resignation and mooted changes to the bid committee represented a considerable increase in the risk profile of the sponsorships. A changed bid committee would mean the loss of the middle management structure of a company as well as its experience.

The bid committee spent four years researching the bid and lobbying Interna-

tional Olympic Committee officials. A restructured committee would have to do this again in half the time, as well as build credibility at home and abroad.

MARK SMIT reports Sport Minister Steve Tshwete and Nocsa president Sam Ramsamy last night called a meeting of potential sponsors of Cape Town's bid to explain the ramifications of Ackerman's resignation. After the meeting the Sport Ministry said the six sponsors who attended "reaffirmed their support for the Olympic bid process". The sponsors were told the contract between Nocsa and Cape Town would be finalised soon.

● See Page 11



# New turn in Olympic saga

Sowetan Correspondent (288)

THE Olympic row has taken a new turn with the emergence of details of a R156 million contract the city of Cape Town is negotiating with the National Olympics Committee of South Africa.

Some councillors are claiming the contract will cripple the city but Nocsa chairman Mr Sam Ramsamy said yesterday it "will not cost the ratepayers a single cent".

All money raised would be through a joint marketing contract with the city, he said.

Ramsamy said Nocsa had "magnanimously" offered its rights to the Olympic marketing logos to Cape Town to help the city raise funds — including the use of the Olympic rings. He accused "individuals" of selectively feeding information to the media to create confusion.

The contract has emerged in the wake of the resignation of Olympic bid committee co-chairman Mr Raymond Ackerman.

The city's new transitional council is being asked to endorse the contract by next Thursday, but Ramsamy indicated yesterday that Nocsa would be willing to allow an extension if the city was making progress.

The contract will be considered by the city's executive committee today.



## MULTINATIONAL HOSPITALITY



**TOWER OF TOURISM** The Hyatt's rates will be in line with other five-star hotels in South Africa

# Park Hyatt on target for opening

By JOHN SPIRA

GAUTENG BUSINESS EDITOR

Hyatt International is closely examining two additional hotel sites — in Cape Town and Durban — following last year's decision to proceed with the construction of the R165 million, 248-room Park Hyatt in Rosebank, Johannesburg.

The new initiatives were revealed to Business Report yesterday by Robert Dawson, general manager of the Park Hyatt, who said the hotel was on target for its official opening in November this year after making a limited number of rooms available in August.

The Park Hyatt will be the first Hyatt hotel in South Africa. In another pioneering move, Hyatt, widely regarded as one of the finest five-star hotel groups in the world, is the first international hotel group to build in South Africa in 25 years.

Dawson comments: "Hyatt researched this market extensively — one of the reasons why we ended up with the best site in

Africa. When we gave the project the green light (prior to last year's election), South Africa's outlook was uncertain, to say the least.

"Fortunately, things have panned out in line with our expectations and we now foresee a strong future potential for both leisure and business travel."

The hotel will reflect Hyatt's global reputation for building hotels with impressive exterior and interior design.

Hyatt's own technical team, together with Hirsch/Bedner Associates of Atlanta, have been involved in the interior design, a blend of contemporary and classical ingredients.

"We always try to incorporate some ethnic flavour into our hotels around the world," said Dawson. "I believe we have succeeded admirably at the Park Hyatt."

Features of the hotel include:

- ☐ A two-storey atrium leading onto a landscaped courtyard;
- ☐ A range of suites, topped by a spectacular presidential suite;

☐ A Regency Lounge - the Hyatt trademark;

☐ An entertainment centre and jazz bar;

☐ A health club, which will include a heated outdoor swimming pool;

☐ A range of meeting rooms;

☐ A column-free ballroom with a private entrance and outdoor pre-function area;

☐ A business centre;

☐ Parking facilities with 750 undercover bays;

☐ Direct access to The First shopping centre.

The room rates have not yet been established, but Dawson, who comes to South Africa after four years with the Singapore Hyatt Regency, said they would be in line with those of other top five-star hotels in South Africa.

"We have already had many enquiries about rooms and have several advance conference bookings."

There are 170 Hyatt hotels and resorts worldwide, with an addi-



**MANAGER** Robert Dawson expects opening in November

tional 15 hotels under construction.

Hyatt International, through its subsidiaries, operates 49 hotels and 16 resorts in 31 countries.

Hyatt Hotels Corp, a separate company, operates 89 hotels and 16 resorts in the United States, Canada and the Caribbean.

CT(BK) 9/3/95 (288)



## IOC insists on public sector role

EDWARD WEST

CAPE TOWN — International Olympic Committee (IOC) president Juan Samaranch had advised city council officials that SA's Olympic bid would require about 70%-80% public sector involvement, city treasurer Peter Lever told Cape local authorities yesterday. (288)

The level of public sector involvement proposed in the Olympic bid committee's original plan was 50%, with the private sector taking up the rest. But Lever said Samaranch had said that level of public sector support was necessary because SA was considered a developing country. "Without that level of support the IOC would have great difficulty, in terms of risk assessment, in holding the games in Cape Town," Lever said.

However, Cape Chamber of Commerce and Industry president Michael Stekhoven said the financial stakes for the city in hosting the games were too high to entrust decision-making to bureaucrats and politicians. The bid should be driven by the private sector. "A business person of stature who has a proven track record of success in big business is absolutely vital to head the bid." BD 9/3/95

Sapa reports Stekhoven said the chamber was astounded to learn that the National Olympic Committee of SA (Nocsa) expected Cape Town ratepayers to finance Nocsa and the teams it wanted to send to Winter Olympics events. "The fact that Cape Town has been selected as the bid city for the nation imposes considerable challenges for the city in funding the infrastructural development necessary to

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## Olympics

(288) BD 9/3/95

From Page 1

support the bid, and this is as far as the city should go."

Lever said yesterday the current estimate of the capital cost of the games was R5,4bn over the next nine years, not R21bn, as stated in a draft agreement between Nocsa and the city council. However, a final estimate of the costs would be known only by mid-year, when bid proposals were ready to be handed to the IOC. The initial estimate of the revenue budget for the games was \$900m-\$1bn.

If Cape Town could not afford it, it would not support the bid. The level of public sector support did not necessarily imply financial support, but also management of the games, he said.

Town clerk Keith Nicol said Nocsa had given the city council until March 16 to

conclude an agreement with it or the bid would be given to another city.

Lever said once the council gave its approval to Nocsa, the council would establish a section 21 company to carry the bid further. The bid should involve sponsors; Nocsa; the private sector; local, central and provincial government; sports bodies; and other cities and African countries.

Meanwhile, former Cape Town Olympic bid committee co-chairman Raymond Ackerman confirmed he would set in motion ways to recover R8m he had personally spent in efforts to secure the bid for the city. Attempts to recover the R8m, and R3m invested by other contractors, would be made through the new bid committee.

# SA 'needs bank to fund tourism'

SA NEEDED a tourism bank to help fund the development of ecotourism among rural communities and to boost the overall tourism industry, the Council of Adventure Travel Associations of Southern Africa said yesterday. (288)

Council chairman Graeme Addison said with international tourist arrivals increasing 45% to 80% in some sectors, adventure tourism was also set to become an important part of this industry, because tourists were "becoming younger, more adventurous and more inclined towards the outdoors".

"From whitewater rafting to ballooning, adventure activities have blossomed in the subcontinent in the past decade. With a change of political fortunes, adventure can now be marketed locally and abroad as a safe and exciting alternative to packaged bus and hotel tours."

But with SA banks ignorant of community-based tourism activities, people wanting to launch ecotourism ventures found their loan and grant applications often turned down.

Addison said his organisation was to make a presentation to the Development

THEO RAWANA

Bank of Southern Africa tomorrow with a view to getting the bank involved by providing expertise, facilitating the provision of capital at reasonable rates and helping in setting up rural committees and community forums for communication.

"A tourism development trust or tourism bank is needed to provide funding, guidelines and facilitation for the many small ventures in ecotourism which could grow into big profit makers," said Addison.

SA needed to free capital for the mobilisation of community resources and the development of human skills. "We need a structure to support ecotourism's growth."

Addison said rural people needed to be part of an international marketing drive to bring ecotourism to SA. "The remote areas of SA are often the most beautiful, containing mountains and rivers where various kinds of adventure tourism can thrive."

"What is needed is an alliance of rural people and business practitioners, so that communities living in the marginal areas can benefit from tourism rather than lose out as in the past."

## Miners get study chance at Gengold mines

PAID time off to attend adult basic education and training formed part of an agreement signed by the National Union of Mineworkers and Gengold yesterday.

The agreement covered more than 35 000 workers and provided for a "basic education and training phase in the provision of life-long learning".

Gengold said the full-time classes would be in addition to part-time courses that have been provided on individual mines for the past three years.

The training was intended to give mineworkers an education and base for training, further education and career progression; and to develop skills and knowledge to enable proper participation "in the process of change within Gengold".

In terms of the agreement, this instruction would be available to all mineworkers on a voluntary basis.

RENEE GRAWITZKY

aimed at providing workers with the opportunity to attain "National Certificate on Adult Basic Education and Training 3 Level initially and, thereafter, the level envisaged for the General Education Certificate in the national training strategy".

Basic education and training would be based on clearly identified standards expressed as competencies.

On completion of accredited units of learning, workers could move on to the next course in the certification framework.

The company and union would jointly monitor the implementation of system.

Committees including employer and employee representation, including trade unions would facilitate worker participation in adult basic education and training programmes.



*Row over Olympic bid deepens*

Star 9/1/95

# Ramsamy denies (288) 'secret document'

## ■ STAFF REPORTERS

The row over Cape Town's bid for the 2004 Olympics deepened yesterday when National Olympic Committee of South Africa (Nocsa) president Sam Ramsamy denied claims that documents giving him sweeping powers were drafted in secret with the City of Cape Town.

Responding to questions from The Star, Ramsamy said a contract was couriered simultaneously to the city council and businessman Raymond Ackerman, co-chairman of the interim bid committee until his resignation earlier this week.

"There can be no claims to secrecy between the relevant parties," said Ramsamy.

## NOCSA president denies a contract giving him wide powers was signed in secret

It was alleged this week that the documents contained major implications for Cape Town ratepayers and could, said some councillors, "bankrupt the city".

However, Ramsamy claimed yesterday that ratepayers would not be asked to contribute through rates and taxes. He said a joint marketing programme should be initiated to raise funds to promote the bid.

It was claimed the contract said the city would have to fork

out R271-million in preparation for the Games.

Ramsamy also denied Ackerman's claims that the interim bid committee was legitimised in a letter signed by town clerk Keith Nicol on December 9 1994, enabling it to sign the bid with Nocsa on March 16 1995.

The letter from Nicol to Ackerman says "a trust was created with the full blessing of the City of Cape Town on 22 January 1993 ... this trust and its various committees have ... pursued those objectives (to raise funds and collect contributions for the bid) and has been supported in all respects by the City of Cape Town".

Ramsamy also denied claims by Ackerman that he was trying to take over the bid committee.

# SA Philips won't help Cape bid

288

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Nocsa's contract also makes Cape Town liable for the unspecified costs of building:

- A 100 000-spectator stadium.
- Facilities for 26 sports.
- An Olympic village for 15 000 competitors and officials.
- Public transport.
- Private transport for officials.
- Conference facilities.
- Hotels.

The city will also apparently have to pay all Nocsa's expenses, including domestic and international travel.

According to the document, the city will provide Nocsa with free luxury office accommodation until 2005 and pay for extra staff if required.

All bid committee members must be approved by the Nocsa president. Nocsa will not accept anyone with an "attitude".

It also says the bid committee has to employ Grinaker Sport Management for all marketing and fundraising.

Shirley Woodgate reports that Ackerman said yesterday an attempt spearheaded by Nocsa president Sam Ramsamy to take over the bid committee was the root cause of his resignation.

He said he was angered by the signing of the bid on Monday enabling Nocsa to submit it to the IOC.

The Star attempted to contact Ramsamy for comment yesterday and today without success.



# New row over ANC's Mokaba (281) 079/3/95

BY BARRY STREEK

POLITICAL STAFF

A NEW row over the controversial ANC MP Mr Peter Mokaba developed yesterday after he failed to arrive for a briefing to a parliamentary committee meeting he was supposed to have chaired.

National Party environmental spokesman Mr Andries Beyers said because of the allegations against Mr Mokaba, including his involvement in irregularities in the National Tourism Forum, he should be excused from chairpersonship of the Portfolio Committee.

Mr Beyers said Mr Mokaba should be replaced by someone from his own party.

"We are very disappointed with the way in which the chairman (Mr Mokaba) and other members are treating this committee", he said.

"I feel the same," Mr Miley Richards (ANC) said. "I express utter disgust at the manner in which things have been going."



# The missing prince of tourism

Peter Mokaba's parliamentary select committee was set up as a crucial bridge between voters and the Ministry of Environment and Tourism. But he's rarely around to provide the leadership it needs. **Gaye Davis and Eddie Koch report**

**P**ETER MOKABA, the man who wanted to be prince of tourism and the environment, faces a new set of woes now that his National Tourism Forum has collapsed under a welter of corruption scandals — and parliament's ability to make policy on these issues is suffering as a result.

Members of the national assembly's select committee on environment, affairs and tourism, chaired at least formally by Mokaba, say they are unable to get any work done because their man is rarely around to provide the leadership they need — at a time when parliament has to deal with a number of burning ecological issues.

The parliamentary committee, which plays a crucial role as a "bridge" between the electorate and the Ministry of Environment and Tourism, must shortly take a stand on issues that include the hot topic of toxic waste management as well as the ratification of international conventions designed to protect unique eco-systems.



**Peter Mokaba: Man with the blues**

PHOTOGRAPH: ANDREW BANNISTER

Committee members are not worried about Mokaba's intellectual or management abilities. "When he does put his mind to it he can be most impressive," said one. "We would want him to give the committee more of a priority in his life."

But they say he is seldom around

and difficult to get hold of. They often cannot leave messages for him as the service which does this on his cell-phone is frequently full. Individual members of the committee have to stop the gaps by bringing in outside experts to provide the committee with advice and information.

Efforts to contact Mokaba for his comments on these issues were unsuccessful.

Committee members, who asked not to be named, added that they struggle to obtain co-operation from Environment and Tourism Minister Dawie de Villiers, who is known to balk at public involvement in the affairs of his ministry. This makes the work of the committee even more vital as a dynamo for change, and also as an interface between the public and the state.

"It's up to Mokaba to call select and study group meetings. We've had very few meetings. Other committees — health, for example, and welfare — have had a range of submissions and presentations, but we've had very few."

said one committee member. "I don't think we have had a single presentation on tourism although Mokaba himself has worked up a white paper."

Environmental organisations outside parliament are also disgruntled by Mokaba's lack of leadership. Last year a high-powered international delegation which included members of the Ugandan cabinet came to South Africa to help devise environmental policy for a task force that was set up by the ANC, the South African Communist Party, the Congress of South African Trade Unions and the South African National Civics Organisation.

"We had a scheduled meeting with Mokaba but sat for half an hour in his office. He never arrived and never sent an explanation or an apology, even though there were international dignitaries in the group," said a member of the study group. The report of this team, which includes far-reaching pro-

lead with regard to environmental matters and Mokaba will play a greater role in tourism matters, which he seems to take more seriously. An immediate crisis facing Mokaba's select committee is that it is coming under strong pressure to endorse an international convention on the protection of biological diversity — as early as this week. Though members have received expert advice that the convention reflects a "northern" perspective, they have been unable to formulate a common position on the issue.

posals for "progressive" environmental and tourism policies, has apparently been ignored by Mokaba. The MPs interviewed by Open Africa said the senate committee on environmental affairs and tourism has a far better record, mainly because its chairman, Senator Stefan Grove, is driving the process. As a result, members of the ANC's senate and national assembly study groups have agreed to combine forces.

The hope is Grove will take the



# Ackerman picks the wrong fight — and pays

(288) WJW 10-16/3/95

A hard-headed tycoon, a powerful sports politician, the Olympics, millions of rands at stake. **Julian Drew** looks at the battle over Cape Town's bid to host the 2004 games

It was a battle that even the feisty and influential Raymond Ackerman could never win.

In the end his feud with Sam Ramsamy, president of the National Olympic Committee (Nocsa) and complications caused by South Africa's politics of transition may have cost the country its bid for the Olympics.

The bitter dispute between the self-made multi-millionaire, who created and controls the country's largest family-owned company, and a former school teacher and swimming coach who spent 18 years in exile organising the international sports boycott of

South Africa, came to a head this week. The issues are complicated and made worse by the personality differences between the two men. The transition of the Cape Town city council to democracy left in doubt the question of who had authority for the bid. But Ramsamy and Nocsa were always going to win a showdown because they had the Olympic Charter, the ultimate guideline on these matters, on their side.

The clash between the two men developed in early 1993 during the national bidding phase, when Ackerman confronted Ramsamy over a postponement of the nomination date for South Africa's candidate city.

Cape Town won the national nomination, based on its superior technical study, its potential to win the bid and the fact that the bid was privately funded and driven by Ackerman and others in the private sector, who would ensure their money was spent wisely. This was manifest in the sheer profes-

sionalism of Cape Town's technical work and marketing, compared with that of Johannesburg and Durban, whose bids were financed with public money.

The bid was approved by the cabinet in September after a full audit of the technical proposals, marketing and financial feasibility by the Industrial Development Corporation. A month later it was passed by the Western Cape regional government.

Ironically, it was Ackerman's leadership — one of the major factors in Cape Town's success so far — that became the sticking point.

Ackerman is used to calling the shots at Pick'n Pay, but the Olympic bid he was leading called for diplomacy and tact. Ackerman's autocratic management style brought many of the problems to a head.

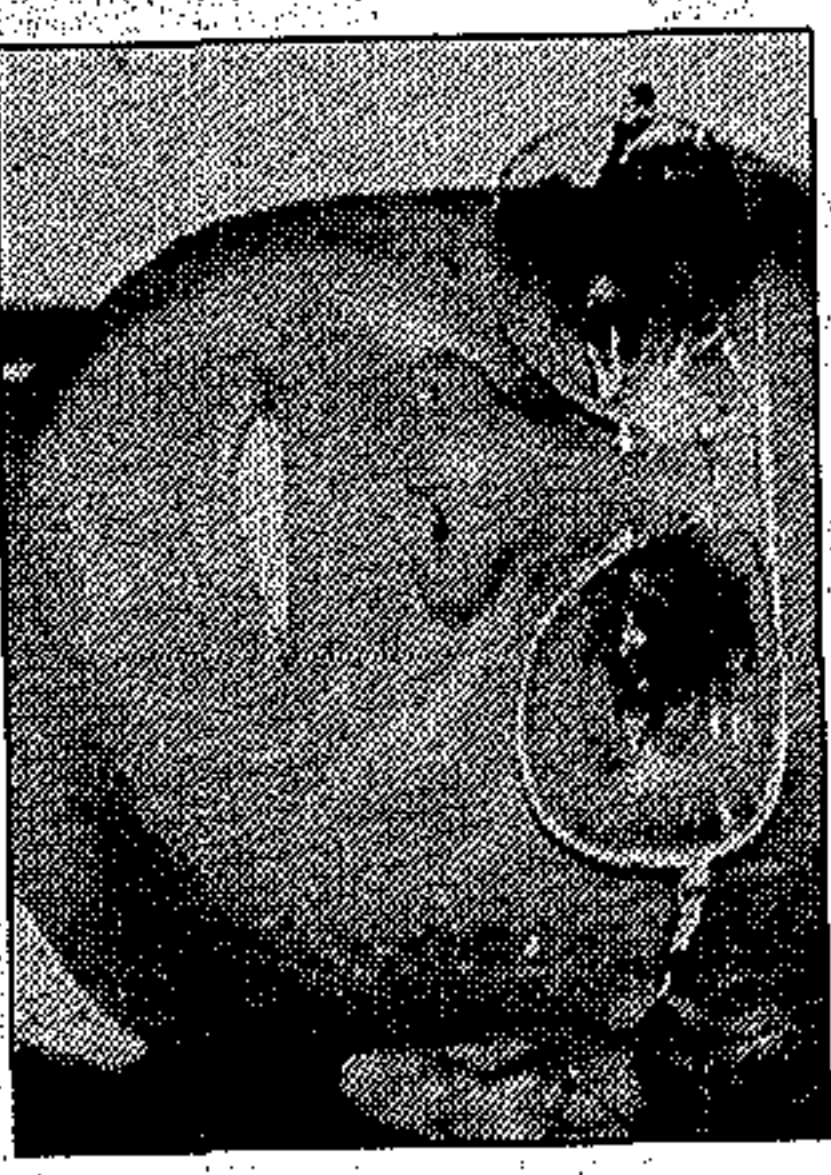
Ramsamy admitted this week that if Durban or Johannesburg had won the national bidding, there wouldn't have been any of these problems — as the

private sector was not involved and Nocsa would have dealt directly with their city councils.

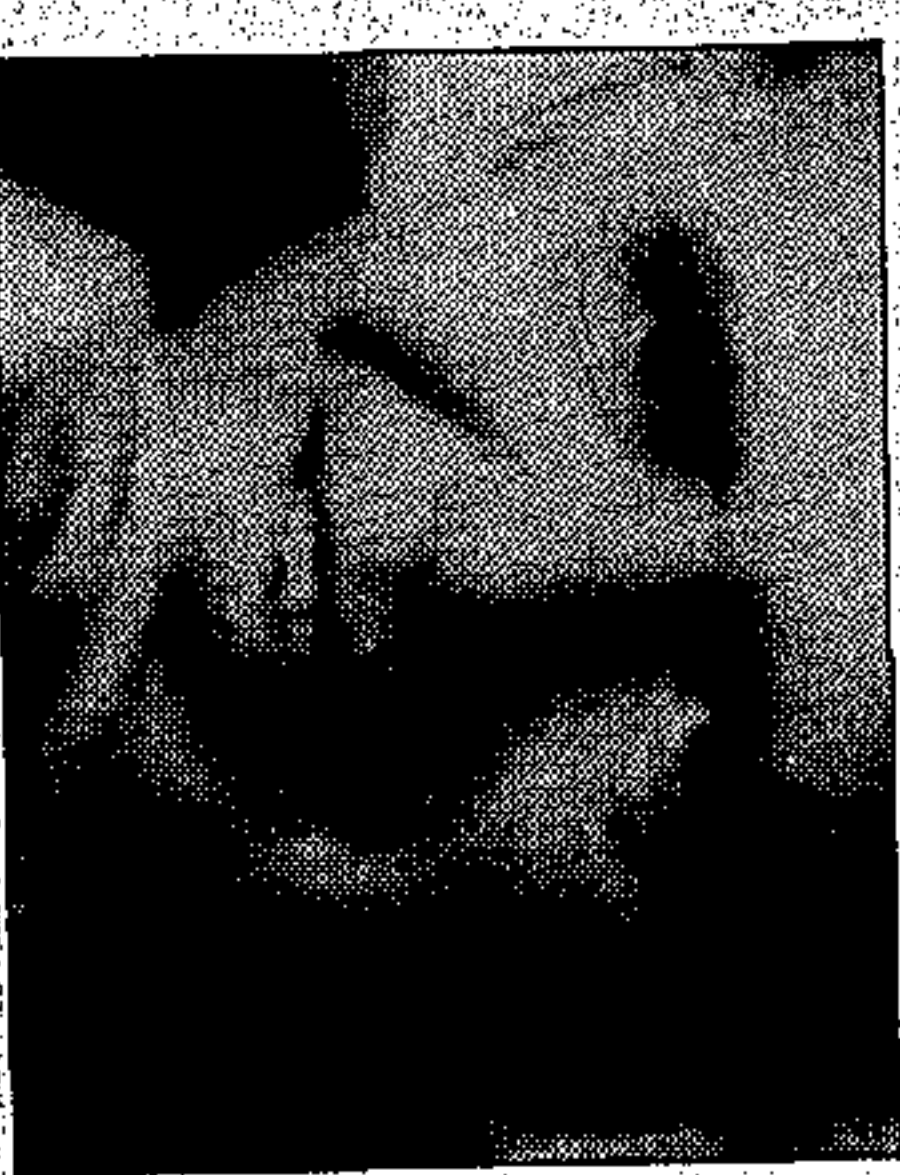
The conflict exploded over a draft contract Nocsa sent to the bid committee in September which, say council officials, required the city of Cape Town or its delegated authority to sign. It was returned with "City of Cape Town" replaced by the "Cape Town 2004 Bid Committee Trust". The bid committee said it was acting in terms of the mandate it had from the city when it was formed.

When it was formed, the bid committee had representatives of all the main political and community organisations in the region, including the city council and mayor Clive Keegan. This council and the mayor have since been superseded by new interim local government structures.

At the request of Nocsa, the bid committee ceased activities after its



The winner: Sam Ramsamy



■ To PAGE 10

Resigned: Raymond Ackerman

P.T.O.



# Ackerman picks the wrong fight

(288) WM 10-16/3/95

■ From PAGE 5

national nomination victory until it was approved by the new government. This happened in September and October last year — at which point city bureaucrats, acting under dubious authority since the local government was in a transitional stage, started to show an interest.

A tug-of-war began. Last Wednesday, a city council meeting proposed that the main Olympic site be moved from Wingfield to Culemborg, near the city centre. Ackerman was furious and threatened legal action.

This precipitated an acrimonious four-hour meeting, brokered by Minister of Sport Steve Tshwete. It was announced afterwards that the city council would vote on whether it, the bid committee, or a newly created authority would sign the contract with Nocs. Ackerman rejected this decision and resigned his position on the committee and the trust that controlled its funding.

He said he would only reconsider this decision if the council voted for his bid committee to negotiate with Nocs over the contract as there were several clauses in the draft that he could not accept.

Ackerman said he had no intention of signing the ultimate host city agreement in 1997 on behalf of the city. The bid committee merely wanted to continue marketing and raising funds for the international bid. "We warned Nocs about the problems that could arise in dealing with an interim local government structure and we requested that no documentation should be signed until after the local government elections in October," he said.

**T**he bid committee claimed that at a meeting in September last year agreement was reached with Nocs on a marketing document but that subsequent claims from city bureaucrats that the process was illegitimate provided Ramsamy with the opportunity to oust Ackerman. It was a grave error by Ackerman — he was confronting Ramsamy on an issue he could never win, rather than seeking an appropriate deal with the Cape Town authorities.

What is perhaps most remarkable about this whole sorry episode, say observers, is that a seasoned politician like Ramsamy should back bureaucrats operating in a political vacuum in his fight with Ackerman.

The draft contract already gives total control of the bidding process to Nocs. Ramsamy will become vice-president of the bid committee and the committee's membership and board will be subject to his approval.

After several agreements were reached between the bid committee co-chairmen and city officials and, each time, reneged upon, at a February 16 meeting of all concerned parties the city was given four weeks to get its house in order and sign the contract. A public slanging match which erupted in the Cape Town press was finally brought under control by President Nelson Mandela at a dinner in Cape Town on Saturday night. On Sunday, at a further meeting of all concerned parties, Tshwete was nominated as sole spokesman for the arbitration process.

The meeting had committed itself to a presentation by the bid committee to council, but on Wednesday Ackerman and his co-chairman, Ngconde Balfour, found they were not on the agenda. Instead, the council proposed changing the Olympic Village site. Ackerman has now all but closed the door on his participation. At least one major sponsor suspended support for the bid.

The loser in all of this is the country's bid for the Olympics. For not only has the Cape Town campaign lost the strength and resources of its private sector leadership, but the International Olympic Committee is going to be wary of a bid marked by internal feuding.



*More casinos, new lotteries and bingo proposed*

# Wheel will spin

288 Star 10/3/95

■ BY ESTHER WAUGH  
POLITICAL CORRESPONDENT

Cape Town — In a break with a centuries-old prohibition on gambling, South Africans can expect to have 40 casinos, a national State lottery and bingo — if the Government approves recommendations by the Lotteries and Gambling Board.

The board, chaired by Professor Nic Wiehahn, recommended the legalisation of gambling, if strictly controlled.

Sol Kerzner's Sun International has emerged in a strong position, with the board recommending that the 40 casino licences to be awarded country-wide will include the 17 already held by his hotel chain in the former homelands.

Peter Bacon, managing director of Sun International, said the report was "in line with industry expectations".

However, others who want entry into the lucrative gambling industry, such as Mannie Hirsch, managing director of Omar Sharif Southern Africa, expressed disappointment that the board has recommended that only 23 more licences be issued.

Wiehahn said in Cape Town yesterday it was estimated a legalised gambling industry could have an annual turnover of R20 billion and create 100 000 jobs by 1997. It would also contribute "billions of rands" to the State.

On a national lottery, the board recommended that it be owned by the central Government, and no person under 16 years old would be allowed to participate.

The proceeds of the lottery would be divided so that half of the gross income would be allocated in prizes.

Fiscal allocation would be as follows: 50% for the Recon-

**RDP will be the biggest beneficiary from the tens of millions expected to be generated**

struction and Development Programme; 20% for sports development; 20% for charities; 5% for arts, culture and heritage; and 5% for causes identified in specific circumstances, such as flood relief.

Recommendations also provided for "society lotteries" with a maximum turnover of R500 000, private lotteries with a total amount of ticket sales not exceeding R20 000, and small lotteries with a total value of prizes below R3 000.

Provincial and local authority lotteries should be prohibited and sports pools regulated by a national lotteries board.

The board recommended that a national lotteries board should give serious consideration to "the future of a soccer pool in conjunction with the national lottery, as well as what effect a soccer pool may have on a national lottery, particularly if it is implemented before the national lottery".

The board recommended that illegal casinos which operated after October 21 last year be disqualified from getting licences for 10 years.

Wiehahn said the 40 casinos would not necessarily be divided equally between the nine provinces.

Deputy President Thabo Mbeki, who received the report, said the Government wanted to finalise its position on gambling this year, and it would therefore have to move speedily on the issue.

► **Shrugs and fists greet report — Page 11**

## Giraffes get it in the neck





*Sponsors insist on agreement*

# Olympics bid: no financial audit done

(288)

Star 10/3/95

## ■ OWN CORRESPONDENT

Cape Town — Minutes of the Cape Town 2004 Olympic Bid Trust show how it was plunged into a crisis when sponsors held back.

They put the brakes on because there was no signed agreement between the city council and the National Olympic Committee of South Africa (Nocsa).

Also, lawyers had advised the city council that no audited financial statements existed for the trust, although it had been up and running for two years.

## Stood Surety

According to the minutes, taken on February 10, the trust's deficit was in the region of R8,6-million. Bid committee co-chairman Raymond Ackerman had subsequently indicated that this could run to R11-million.

The minutes stated that the Cape of Good Hope Bank had lent R5-million, for which Ackerman had stood surety, and he had personally provided R2-million.

"While Ackerman had initially offered his loan on an interest-free basis, in view of the time lapse and the current interest rate, as from January 1 1995 he would require inter-

## MASSIVE R8,6-m deficit as reticent backers put the brakes on and demand some signatures

est on the money owed to him," the minutes said.

The city council's executive committee was to consider copies of the minutes yesterday on advice that it should oppose any legal action which might follow Ackerman's withdrawal from the Olympics bid.

Also, according to unconfirmed minutes of the trust's last meeting on February 20, attorney John van Niekerk recommended that "no further liabilities be incurred", as trustees could be held personally liable for them.

The trustees resolved that consultants should be requested to work "on risk", meaning they would be paid only if sufficient funds were available. This was agreed to by trustees.

"Certain accounts had not been paid during the previous months, and it was critical that a minimum of R2-million be paid into the trust immediately," they stated.

Kevin Kevany of Corporate Image, which, according to

the minutes, had billed the trust for about R2,2-million, told trustees that sponsors were not prepared to release any money until Nocsa signed an agreement.

The amount of money which had been verbally pledged was said to amount to six potential donations of about R10-million each.

Other details revealed in the documents were that, with Ackerman's resignation, the trust had only two remaining trustees because the terms of office of a number of trustees had expired and the mayor of Cape Town had refused to take up his trusteeship.

## On Hold

A letter from Ackerman was sent to the city council on March 3 threatening "drastic formal legal steps" unless the council gave the trust its full blessing.

Nocsa had asked the bid committee to put its activities on hold after Cape Town won the right to bid for the Games in January last year — until the Government had endorsed the bid — but since then an interim working group consisting of Ackerman, his wife Wendy, Ngconde Balfour, Clive Keegan, Alison Burchell and John Neels had continued to function.



288

# Gambling gets

## RDP, char the arts at

**CLIVE SAWYER**  
Political Correspondent

A NATIONAL lottery, owned by central government but privately operated is among the recommendations by the Gambling and Lotteries Board.

Half of the proceeds of the national lottery will go to the reconstruction and development programme, 20 percent for sports development, 20 percent for charities, five percent for arts and culture and five percent for "miscellaneous causes", it was announced yesterday.

A temporary ruling has been made that no more than 40 casinos be allowed to operate until research on how many there should be has been completed.

Mobile casinos, which have been using a loophole to keep the unofficial gaming industry alive, have been given a temporary reprieve.

They will not be banned, pending the outcome of research by the national gaming and wagering board and provincial authorities.

Income tax will be levied on operators of gambling activities, but not on winnings.

Politicians will not be allowed to be involved in gambling control bodies.

The announcements, by Minister of General Services Chris Fisser, bring to an end months of speculation about the future shape of South Africa's billion-rand gaming industry.

Recommendations by the board include:

- "Society" lotteries with a maximum turnover of R500 000 be legalised, under the control of provincial governments;

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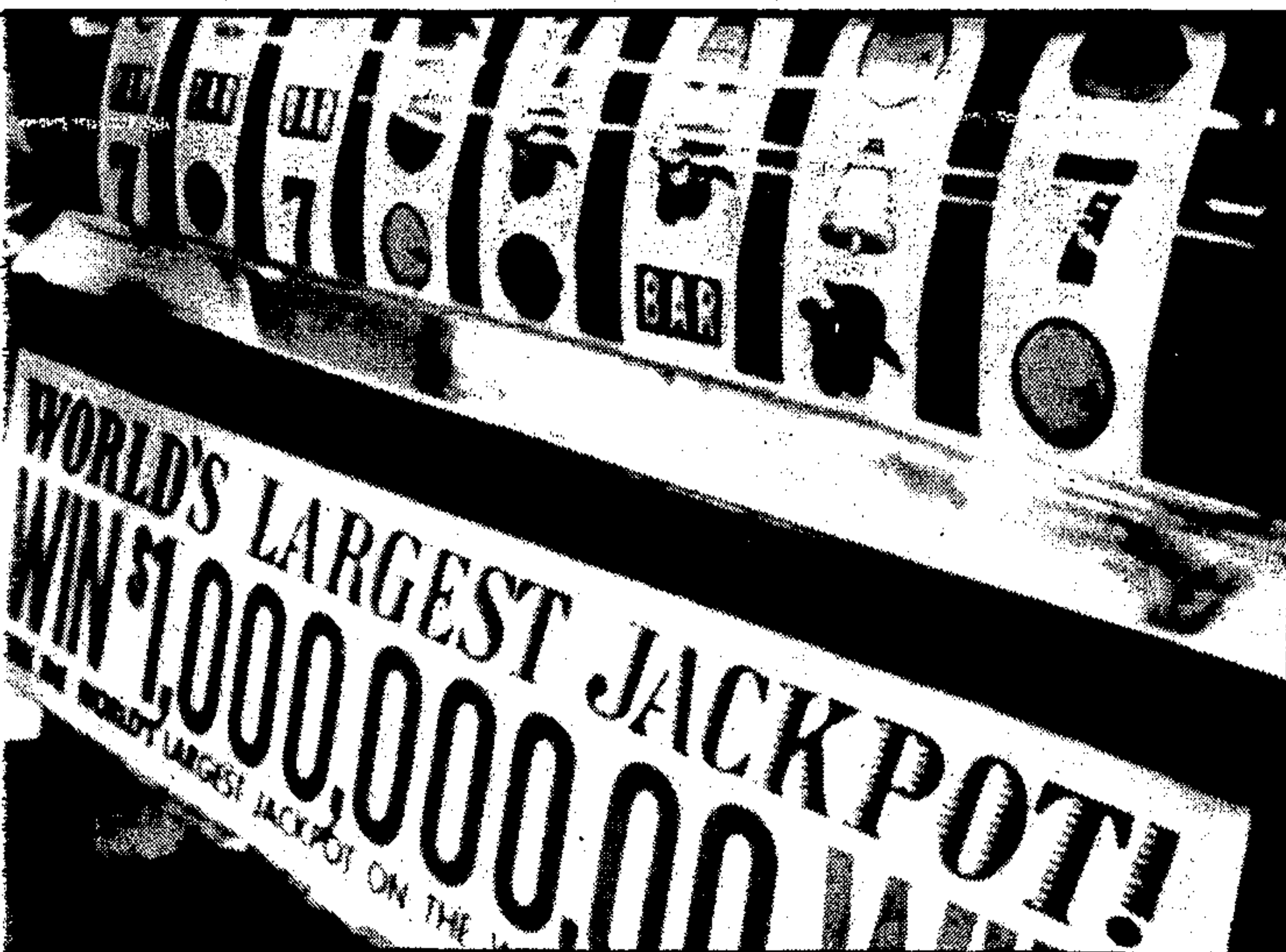
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**SHUFFLING THE PACK:** This familiar — and highly popular — scene will soon be allowed again in the Cape.



**GAMBLER'S DELIGHT:** Going for the big one — a \$1-million jackpot.



# the go ahead

*arity, sport and  
are big winners*

ARG 10/3/95

(287) (288)

● Private lotteries be legalised.

The entire proceeds of these lotteries must go to the private organisations which organise them.

Ticket sales through official postal services will not be allowed, and no more than 20 000 worth of tickets may be sold at a time.

● Small lotteries will be legalised, but none of the prizes may be money-prizes.

● Laws for casinos, bingo and related gaming will be set out in a National Gaming Act.

There will be national gaming and wagering board, with representatives from each province and members named by the central government.

The board will advise central and provincial governments on all matters related to gaming.

Provincial gaming legislation will set up an independent licensing authority.

Foreigners will not be excluded from applying for or holding a casino or gaming licence.

Strict guidelines have been laid down about criteria for suitability of applicants.

Among other criteria, they must be "fit and proper", solvent, with an acceptable financial record in business and private life.

'A commitment to provide social, cultural and community services in the province of operation shall be a condition of licence,' an executive summary of the board's recommendation said.

The age limit for admission

to casinos will be 18.

Provincial gaming authorities will be required to use "the unofficial intelligence service in the gaming industry" to build a data-bank of unwelcome elements in the industry.

As a condition of licensing, operators will be obliged to install surveillance equipment in their casinos.

The horse-racing industry will not be given any policy or statutory protection "or any preferential treatment in provincial gambling legislation", the board said.

It will have to compete for licences for other forms of gambling like any other applicant.

The board said it could not recommend the legalisation of dog racing now, but recommended further research into whether the activity should be legalised.

No other form of racing involving animals should be allowed.

The board said gambling policy and legislation at all levels of government should have as its primary goal the protection of gamblers and their physical and mental well-being.

It should aim to protect "his personality and democratic rights under the constitution, his freedom to gamble or not, his money, his right to fair gambling, his positive perception of the industry and his good faith and integrity".

Society should be protected from the dangerous excesses of gambling, the board said.

All gambling debts will be legally enforceable.

Gambling on credit will be subject to strict control.



**WHEEL OF FORTUNE:** Everyone's favourite, the roulette table.



**ONE ARM BANDIT:** Even youngsters get into the act.



*Concern at possible conflict of interests*

# NOCOSA probes Ackerman deals



ACKERMAN: Says he is disgusted and bored by so-called amateur smear tactics.

**Ramsamy**

**lashes  
out at  
boss of  
Pick 'n Pay**

**RODNEY HARTMAN**

NOCOSA president Sam Ramsamy pointed out that Pick 'n Pay chairman Raymond Ackerman had received a copy of the draft Olympic bid contract in February last year.

"If he had problems with it, why didn't he run to the press then?"

"If there's any penalty up until now, there's only one person who can be indicted and that's Mr Ackerman, because of the public row that he has created. I lay the blame fully on Mr Ackerman. If he had all these concerns, why didn't he raise them last year? All those docu-

**RODNEY HARTMAN**

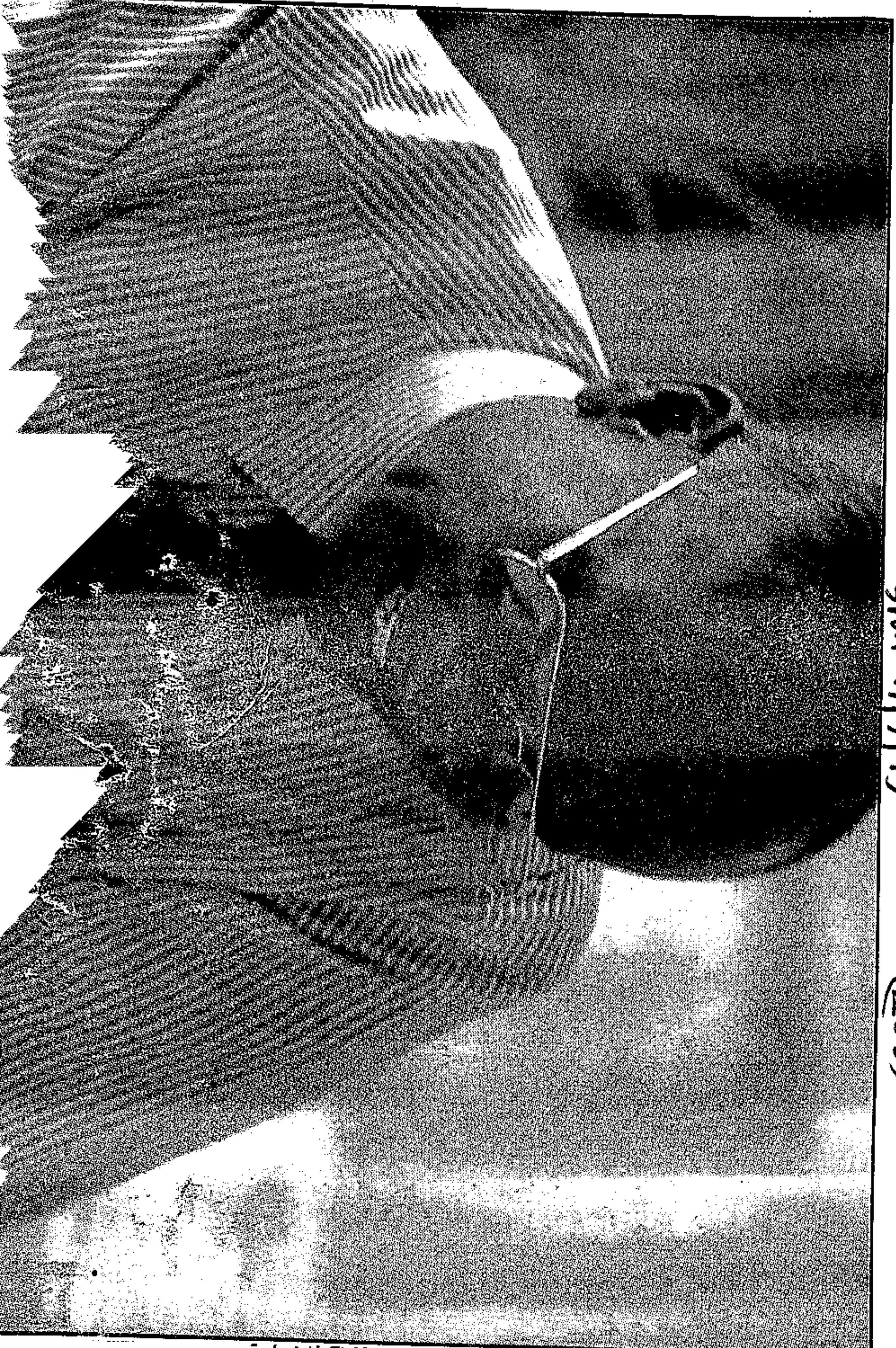
THE National Olympic Committee of South Africa (NOCOSA) is investigating allegations that millionaire businessman Raymond Ackerman might have entered into Olympic contracts without the proper authority.

This has given rise to concern that the Pick 'n Pay chairman, who resigned this week as co-chairman of Cape Town's bidding committee for the 2004 Olympic Games, might be guilty of a conflict of interests.

Olympic chief Sam Ramsamy refused to comment yesterday on specific allegations. He did say, however, that he and Minister of Sport Steve Tshwete had met this week with six high-profile "committed sponsors" for the 2004 Games.

"Several of them are relieved that he (Ackerman) is no longer involved in the bid. They believe that one of the sponsors (Pick 'n Pay) should not be leading the bid because that would prejudice the involvement of other sponsors. In fact, some of these sponsors told him so themselves.

"Yes, there is a perception that there could be a conflict of interest because the company is a sponsor."



Mar 11/3/95

(288)



he had all these concerns, why didn't he raise them last year? All those documents we're talking about were available (to him) then."

Asked why Cape Town City Council officials were apparently still in the dark as to the exact cost of the Olympic bid, Ramsamy replied: "They probably don't know because Ackerman was keeping this all close to his chest."

## In order

The crunch came when Ackerman, in a clear acceptance of the draft bid contract, faxed NOCSA on February 6 this year to confirm that "the proposed date of February 16 for the meeting to sign the contract is quite in order from our side."

On February 7 NOCSA secretary-general Russell MacMillan faxed Ackerman as follows: "Please be advised that the proposed meeting with CT 2004 officials (Ackerman's bid committee) is intended to take place after the signing of the bid contract with the Cape Town City Council earlier on the same day. The meeting (with you) is not for the purpose of signing the contract. We will advise you as soon as possible whether the contract between NOCSA and the city council will be signed in time for the proposed meeting (with you)."

In effect, NOCSA was telling Ackerman that they did not believe he had any authority to sign the bid contract on behalf of Cape Town.

On February 13 the city council confirmed in a letter to Ramsamy that it had "neither appointed any body or person to act as its authorised authority... to sign any agreement, document or the like on behalf of the city in this regard".

could be a conflict of interest because the company is a sponsor.

## Two contracts

Ackerman was not available for comment last night. He was a guest on a radio talkshow prior to celebrating his birthday at a private party in Cape Town.

His secretary, June Hanks, said she was aware of only two Olympic contracts in his file, both of which originated from NOCSA headquarters in Johannesburg.

His spokesman Kevin Kevany said: "Mr Ackerman is quite satisfied that he has never entered into any agreement without the proper authority. He is completely bored and disgusted by the amateur smear tactics."

"The legal position will be adequately established in time. He will be reserving his legal rights with regard to any interferences of impropriety."

Ramsamy also expressed concern that "certain parties bent on mischief-making" might now be trying to scuttle Cape Town's bid to host the 2004 Games, following the acrimonious publicity surrounding Ackerman's resignation.

"The NOCSA president gave the assurance, however, that it was 'Cape Town or bust' and that no other South African city would be invited to step into the breach."

Should Cape Town not be able to de-

TOP PAGE 2

FROM PAGE 1

# Ackerman

liver on time, his personal view was that South Africa should withdraw from the 2004 race and instead open a fresh bidding process, involving all interested cities, for the 2008 Olympics.

Ramsamy expressed confidence, however, that Cape Town could yet win the 2004 Games bid. He called on all parties, including Ackerman, to unite in this effort. The costs could be met by way of "advancing certain long-term projects".

The view on the NOCSA executive committee, however, is that the Pick 'n Pay boss has now adopted a "scorched earth" policy.

"He seems to have taken the attitude that if he can't run the bid then there will be no bid," said a NOCSA source.

Ackerman claimed that he had been granted authority to sign the bidding contract with NOCSA on behalf of the Cape Town City Council. NOCSA and the council say this is not true.

When Ackerman realised this week that he was not going to be allowed to sign the contract — and thus take charge of Cape Town's 2004 bid — he resigned.

Describing his meeting with Ackerman in Sandton on Monday, chaired by Tshwete, Ramsamy said: "It wasn't an acrimonious

meeting and I have nothing personal against Mr Ackerman. But I felt that I was dealing with a shopkeeper in an Arab market who was going out of his way to sell products to me I didn't want."

Ramsamy denied emphatically that NOCSA was holding a gun to Cape Town's head to the tune of R271-million as minimum expenditure for its bid.

"Certain parties are coming up with figures that suit them," he said.

Ramsamy showed the WeekendStar a copy of the draft agreement with Cape Town showing that the figure of R271-million is incorrect.

Figures leaked to the press suggesting that NOCSA has instructed Cape Town to provide R190-million for South Africa's participation in the 1998 Winter Olympics are also incorrect.

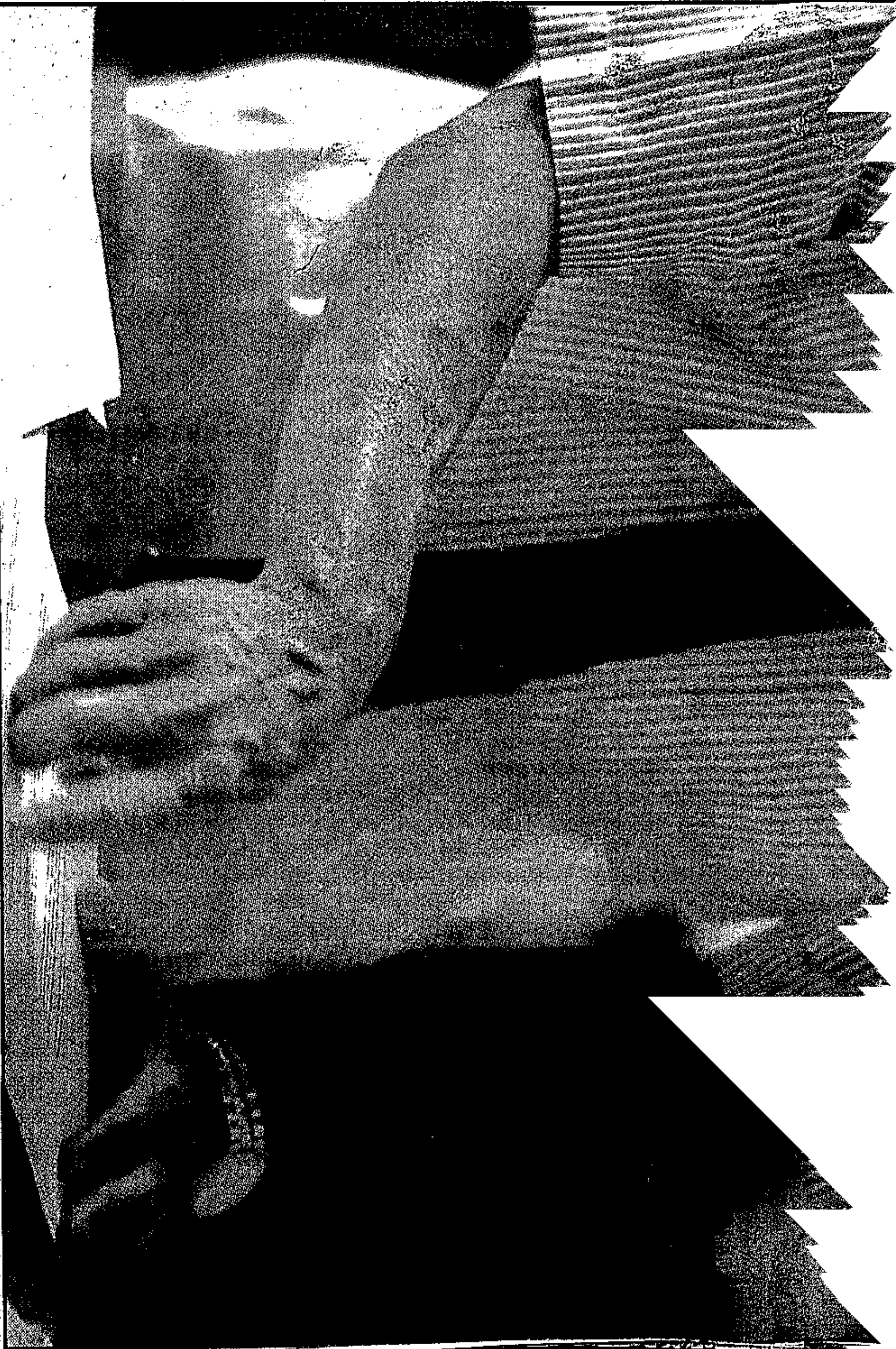
The contract shows that most of this money will be used for South Africa's participation at the 2000 Summer Olympics in Sydney and the 2004 Games.

Ramsamy said the money that NOCSA stood to receive would be raised by selling certain Olympic marketing rights. Cape Town ratepayers would not pay an extra cent.

The NOCSA money would be used to train athletes and supply facilities.

stay 11/3/95

NOCSA CHIEF SAM RAMSAMY: "I lay the blame fully on Mr Ackerman."



PHOTOGRAPH BY KEVIN NICOLAOU



# Sharif's R600-m gamble

**VENILLA YOGANATHAN**  
Weekend Argus Reporter

DURBAN. — Multimillionaire film star Omar Sharif has earmarked a site at the Point, Durban, area for a R600-million project which includes a casino "bigger than the Wild Coast Sun", a five-star hotel and a shopping complex.

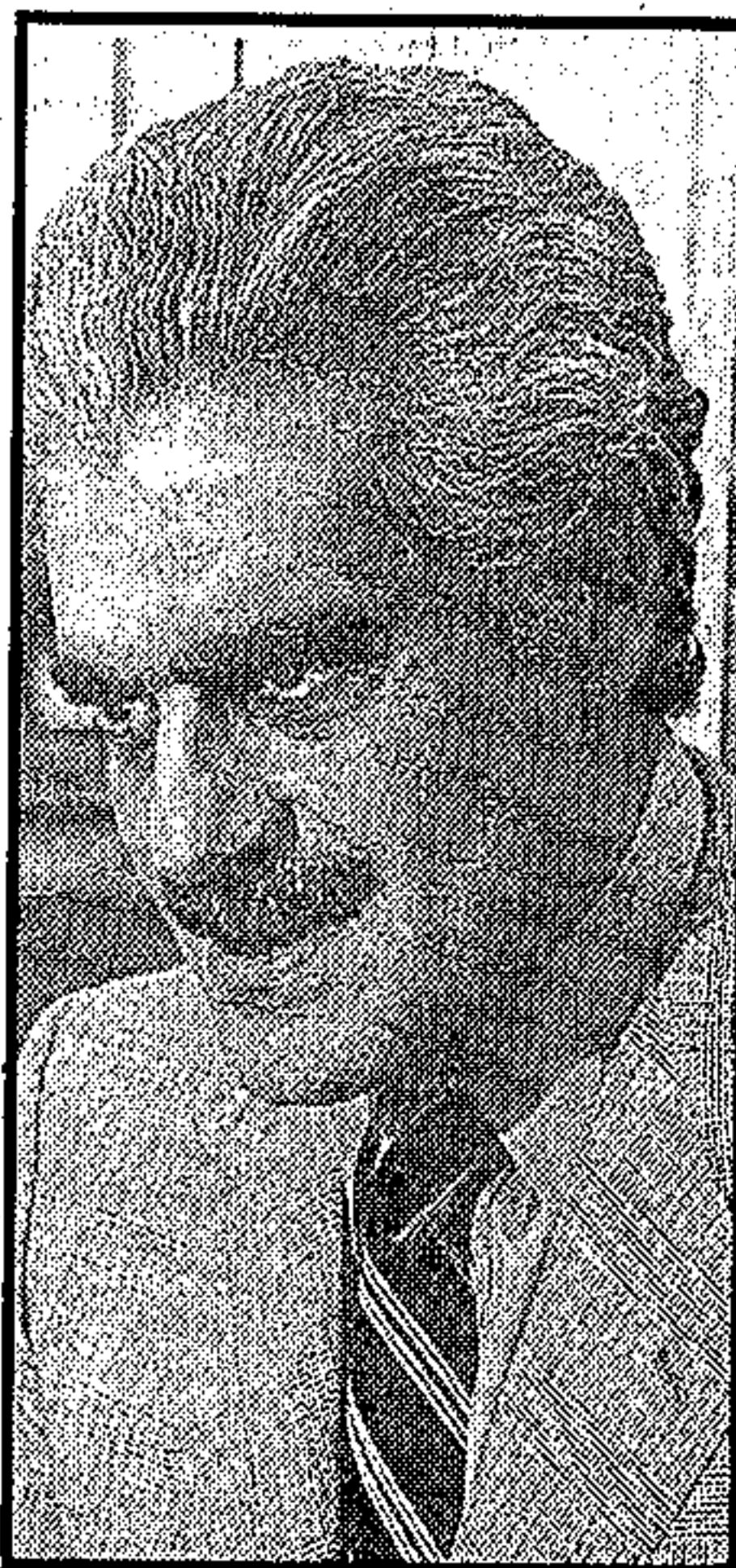
The project is one of the biggest to be launched in the city and even exceeds the ambitious International Convention Centre to be built at a cost of R200 million.

Mannie Hirsch, head of the Omar Sharif Southern Africa Games Corporation, yesterday said that representatives of the international businessman and star of the famed movie *Dr Zhivago*, had put forward a tender for the site.

Sharif, who owns several casinos throughout the world through the Omar Sharif Worldwide Games Corporation, was "very serious" about plans to build casinos in several parts of South Africa, Mr Hirsch said.

The site earmarked for the ambitious Durban casino is in the Point Road area where Durban's old military museum was situated.

■ Film star, bridge champ, international businessman and gambling magnate Omar Sharif plans a huge casino development on a prime site in Durban. (288) ARG 11/3/95



□ **OMAR SHARIF:** Plans for huge Durban casino.

The company has other sites in the province in mind if it is not successful in gaining the Point site.

If its application for a licence to operate a casino is successful, Sharif's company

will forge ahead immediately with its plans.

These includes a casino bigger than that at the Wild Coast Sun; a five-star hotel with a "magnificent design"; a shopping complex; and a parking garage.

"Durban is very exciting to us and we believe KwaZulu-Natal has the greatest potential of all the South African regions," Mr Hirsch said.

Mr Hirsch will be in Durban next week to negotiate the purchase of other sites in the province, where casinos could be built on a smaller scale.

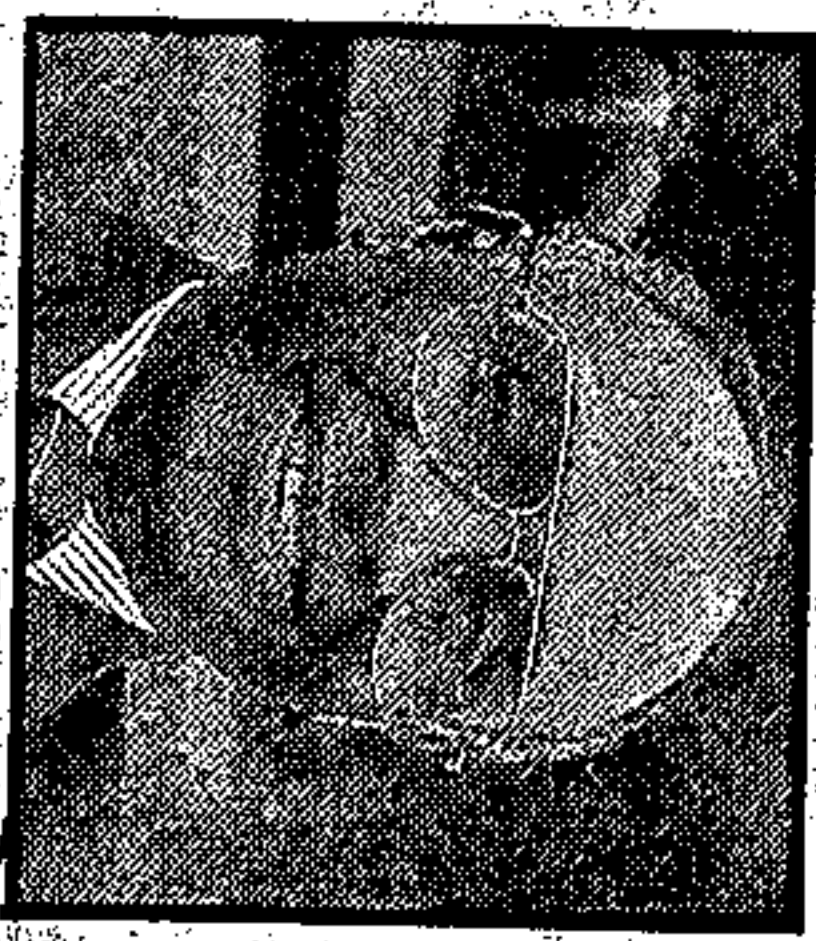
It is expected that construction on the first phase of the project will be completed within 18 months of starting.

Mr Hirsch and his family have close business relations with Sharif and will be responsible for all his South African ventures.

Following the release of the Lotteries and Gambling Board's recommendation this week, it is believed that KwaZulu-Natal will get the bulk of the 40 new licences to be granted.



# Olympics: It's Cape Town or bust



Sam Ramsamy

288 11/5/95

(288) AEG 11/3/95

Assurances have been given that Cape Town's bid for the 2004 Olympic Games will go ahead.

**RODNEY HARTMAN**  
Weekend Argus Correspondent

**JOHANNESBURG.** —

National Olympic Committee of South Africa (Nocsa) president Mr Sam Ramsamy has given the assurance that it's "Cape Town or bust" for the Olympics 2004 — and that no other South African city would be invited to step into the breach. Should Cape Town not be able to deliver on time, his personal view was that South Africa should withdraw from the 2004 race and re-open a fresh bidding process instead — involving all interested cities, for the 2008 Olympics.

It is reported from China that Beijing is poised to bid for the 2004 Olympic Games, a senior International Olympic Committee (IOC) official confirmed here yesterday. The Chinese bid is expected to be announced when IOC president Juan Antonio Samaranch arrives in China for the world table tennis championship in May.

Mr Ramsamy expressed confidence yesterday, however, that Cape Town could still win the bid for the 2004 Games, in spite of the furore. He called on all parties, including Pick'n Pay chairman Raymond Ackerman, who resigned from the committee this week, to unite in this effort "for the good of all South Africans". He believed the climate was right to pursue the Games and that the costs could be met by way of "advancing certain long-term projects" which were on the drawing boards. Nocsa is investigating allegations that Mr Ackerman may have entered into Olympic contracts without the proper authority. Mr Ackerman was not available for comment last night, but his secretary, June Hanks, said she was aware of only two Olympic contracts in his file, both of which originated from Nocsa headquarters in Johannesburg.

His spokesman Kevin Kenevany said: "Mr Ackerman is quite satisfied that he has never entered into any agreement without the proper authority. He is completely bored and disgusted by the amateur smear tactics being used against him."

"The legal position will be adequately established in time. He will be reserving his legal rights with regard to any interferences of impropriety."

Concern grew that there might be a conflict of interests if the Pick'n Pay chairman continued his involvement in leading the bid. Mr Ackerman resigned this week as co-chairman of Cape Town's bidding committee for the 2004 Olympic Games.

Olympic chief Sam Ramsamy refused to comment yesterday on specific allegations. He did say, however, that he and Minister of Sport Steve Tshwete had met this week with six high-profile "committed sponsors" for the 2004 Games.

"Several of them are believed that he (Mr Ackerman) is no longer involved in the bid. They believe that one of the

■ To page 3

sponsors (Pick'n Pay) should not be leading the bid because that would prejudice the involvement of other sponsors. In fact, some of these sponsors told him so themselves.

"Yes, there is a perception that there could well be a conflict of interest because his company is a sponsor."

Mr Ramsamy also expressed concern that "certain parties bent on mischief-making" might now be trying to scuttle Cape Town's bid to host the 2004 Games after the acrimonious publicity surrounding Mr Ackerman's resignation.

The view on the Nocsa executive committee, however, is that Mr Ackerman has now adopted a "scorched earth" policy.

"He seems to have taken the attitude that if he can't run the bid, then there will be no bid," said a Nocsa source.

"Mr Ackerman consistently claimed he had been granted authority to sign the bidding contract with Nocsa on behalf of the Cape Town City Council."

Both Nocsa and the Council say this is not true.

"When Mr Ackerman realised this week that he was not going to be allowed to sign the contract — and thus take charge of Cape Town's 2004 bid — he resigned.

In describing the atmosphere at his meeting with Mr Ackerman in Sandton on Monday, chaired by Mr Tshwete, Mr Ramsamy said: "It wasn't an acrimonious meeting and I have nothing personal against Mr Ackerman. But, I felt that I was dealing with a shopkeeper in an Arab market who was going out of his way to sell products to me which I didn't want."

Mr Ramsamy also accused Mr Ackerman's associates of putting out "selective and misleading" information to the media about Cape Town's contractual obligations for the 2004 bidding process.

Mr Ramsamy denied emphatically that Nocsa was holding a gun to Cape Town's head



# Hosting the Olympics could cost SA as much as R21-bn

By MARTIN GILLINGHAM  
and CLAIRE ROBERTSON

**HOSTING the 2004 Olympic Games is expected to cost South Africa roughly R21-billion — almost four times the widely reported estimate of R5,6-billion.**

President of the National Olympic Committee of South Africa Sam Ramsamy said this week that he had told Cape Town two years ago that it should expect the double-digit cost if its bid to host the Games was successful.

He said the R5,6-billion figure circulated by the former Cape Town bidding committee "could only include the cost of facilities and the direct expenditure in relation to the Games" and not the cost of upgrading the city's infrastructure, which includes redeveloping the airport.

But at the time it was first projected, the lower figure did in fact include a detailed breakdown of the cost of new road and rail networks and upgrading the airport.

Asked to clarify the discrepancy, Cape Town executive committee deputy chairman Llewellyn van Wyk said yesterday: "We don't have any figures yet."

He said the first task of a new bidding committee to be established before May would be to undertake detailed planning and costing.

He said a lot of the city improvements would include "work that has to be done anyway" and not all the cost would be borne by Cape Town taxpayers.

Cape Town would probably concentrate 20 years' capital expenditure into the next 10 or so years, and re-prioritise spending.

"And we may get Coca-Cola to build a stadium, or Nedbank to put up some other facility, for example."

In the original estimate, R3-billion was earmarked for improving transport facilities. Twenty-three percent of the cost was to be borne by the SA Rail

ST 12/3/95

(258)

Commuter Corporation, 19 percent by the Department of Transport, 22 percent by provincial government — and just eight percent each by local authorities and the private sector and six percent by the Olympic Bid Committee (acting for the city of Cape Town).

The new committee — with two more members — is to be established in terms of a new contract between Nocsa and the council drafted this week.

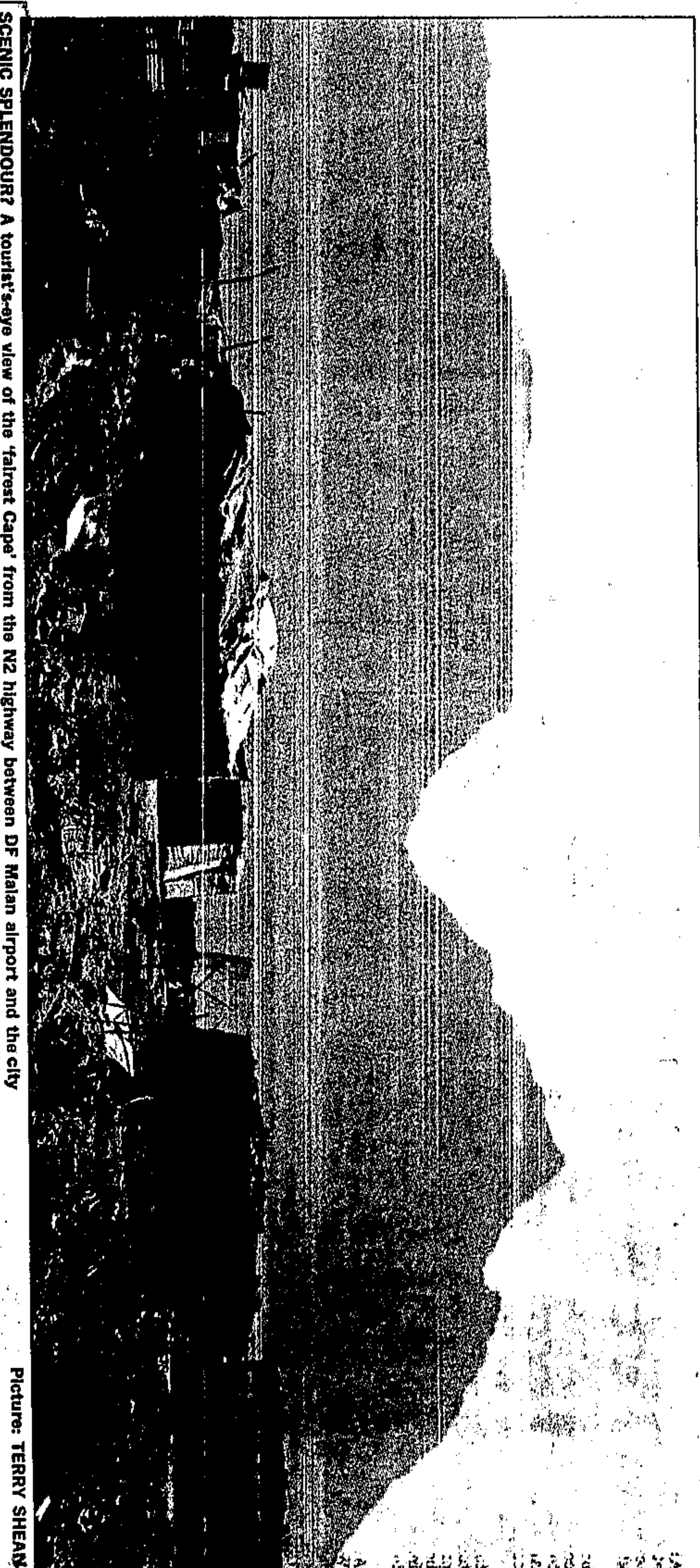
In it, Mr Ramsamy has dropped his original demand for a R150-million handout from the Cape Town City Council in return for supporting its bid to host the games. Also missing in the contract that will be debated by the Cape Town council this week is the controversial "confidentiality clause" intended to keep the payout out of the media.

Moss Mashishi, a member of the Nocsa executive and the man who handles all Mr Ramsamy's legal and contractual matters, admitted yesterday that mistakes had been made in the contract's negotiation. "We assumed people understood more about Olympic planning."

But he said there were no regrets about having made the demands. "We are duty bound," he said. "As custodians of the federations we must negotiate the best possible deal for the athletes. We must dispel the rumour that we are a self-enriching organisation."

Mr Mashishi stressed that, although the demand has been dropped from the bidding contract, Nocsa and Cape Town will have to negotiate a figure for Cape Town's host city agreement if they win the International Olympic Committee's nomination to host the 2004 Games.

This amount will compensate Nocsa for its everyday running costs between 1997 and 2004 as well as cover the preparation for, and sending of, South African teams to the 2000 and 2004 summer Olympic Games as well as the 1998 and 2002 winter Games.



SCENIC SPLENDOUR? A tourist's-eye view of the 'Tallest Cape' from the N2 highway between DF Malan airport and the city

Picture: TERRY SHEAN

## For pity's sake, no!

says CHARLOTTE BAUER

CAPE TOWN — as Cape Townians never tire of reminding us — is a beautiful city.

"Our mountain" is spoken about in the reverential tones generally reserved for the Statue of Liberty's celling. And you'd be forgiven for thinking Cape Town patented "our ocean" (the one you can't swim in without risking hypothermia).

In or out of season, finding accommodation or hiring a car in the mother of all cities is like trying to find a Cape Townian at the office after 4pm, all of which leaves a question mark over its ability to service the zillions of sports fans expected to pitch up for the 2004 Olympic Games.

After 4pm, Cape Townians can be found jogging along the Sea Point promenade sweating Erian water and listening to whale music on their Walkmans. You get the feeling they wake up each morning with that Sea-ly-Futurepedic feeling.

Cape Town's lack of facilities is the least of its problems. The people who live there have been perfecting their disdain for tourists for years by practicing on "Vaalies". Some of them sulk

the whole summer and try to distinguish themselves from the bumper hordes by wearing hostile T-shirts which are probably being updated right now to read "Go Home Gauties."

Cape Town culture is about keeping people out, not letting them in. Its citizens are possessive of their liberal stance during apartheid, but even though they let blacks on their buses years before the rest of the country, they voted for the National Party in the elections.

Cape Townians aren't much moved by politics — what really gets their blood boiling is the fynbos, their own indigenous scrub under constant threat from alien vegetation. Actually, they treat everyone who's not from Cape Town like alien vegetation.

Aesthetic threats will be the last thing on Olympic tourists' minds when they drive out of the tatty airport (revamped by them, I'm sure) and come face to face with the squatter camps flanking the highway.

But they may get a foretaste of how the city treats outsiders when the five-ring circus is not in town.

## Yes, Cape Town has a plan

says MAZEEM HOWA

(286) ST 12/3/95

WHEN Cape Town was nominated as South Africa's bid city for the 2004 Olympic Games, many people assumed it was because of its attraction as a tourism destination. Nothing can be further from the truth. The Mother City's bid was successful because it came closest to developing a plan which would see the Games pay for itself.

Cape Town had deliberately developed a private-sector driven plan. At the same time, the bid promised to provide infrastructural improvements to benefit disadvantaged communities directly.

It did include an element of public-sector funding, but only a fraction of the amounts proposed by rival cities.

When the judges named Cape Town as the official bid city, its tourism potential must have influenced them. But, more important was the professional and business-like approach adopted by bid leaders.

Concerns that Cape Town's burgeoning squatter

has been identified as the site for the Olympic stadium. This opens the way for the creative use of surplus land to benefit disadvantaged communities living in the Goodwood area.

Another direct benefit is the 42 000 permanent jobs for hosting the games is expected to generate in Cape Town. Concerns about the lack of hotel accommodation in Cape Town may also be justified. But several major international hotel groups are considering options in the city. If only a few of them proceed with their plans, it will go a long way towards providing adequate accommodation.

The complaints about a lack of available accommodation at the moment must be seen in the context of South Africa's re-entry into the international community and Cape Town's marketability as a tourist

destination. Perhaps it will hold us in good stead when the International Olympic Committee decides which city will host the Games in 2004.

Poor service in the Mother City also seems to have developed into a motivation for renovating the bid from Cape Town. Perhaps it is something we need to work on. But, at the same time, it allows visitors ample time to soak in the ambience, to enjoy the scenery and to look at Table Mountain.

At the end of the day, Cape Town won the race to become SA's official bid city in fair competition. It was selected on the basis of its professional and business-based plan.

The bid is now a South African one, and we should all throw our weight behind it to ensure that our country hosts Africa's first Olympic Games.



# Bid decision this week

By JULIAN DREW

THE quarrel surrounding Cape Town's Olympic bid has reverberated around the world and has now convinced its biggest rival to enter the race.

Beijing, which lost by just two votes to Sydney in the bid for the 2000 Olympics, indicated on Friday that it would be mounting an aggressive campaign to host the 2004 Olympic Games.

Cape Town must now put the troubles of the past behind it and get its house in order if it is to make South Africa's Olympic dream become a reality.

The first step along that path will be taken this week by the new Cape Town City Council.

Its 98 councillors will cast a vote on what action it will take over the contract which must be signed with the National Olympic Committee of South Africa (Nocsa) – should Cape Town wish to be nominated next January to the International Olympic Committee (IOC) as a candidate for the 2004 Olympic Games.

At a bitter meeting in Johannesburg on Monday, which saw the resignation of the co-chairman and main driving force behind the present Bid Committee, Pick'n Pay boss Raymond Ackerman, the council was given three options.

It can vote on whether it, the present Bid Committee, or a newly created authority will negotiate and sign the contract with Nocsa.

It can of course also decide that it no longer wishes to bid for the right to stage the Olympics.



## Cape Town 2 0 0 4

But it now seems certain that the council will elect to sign the contract itself and it has already negotiated a new draft contract with Nocsa over the past week.

This contract has omitted several clauses which were the centre of so much controversy last week and appeared to be part of a malicious and deliberate disinformation campaign to mislead the public.

Unfortunately the complexity of the bid process and the secrecy surrounding it allowed the media to be manipulated in this way.

Claims were made that the ratepayers of Cape Town would have to foot R271 million to fund the bid, send teams to the Winter Olympics and support Nocsa's allegedly luxurious lifestyle.

In fact none of the money mentioned was to come from the ratepayers.

The cash was all to come from the same Nocsa marketing programme which is currently supporting the preparation of South Africa's athletes for next year's Olympic Games in Atlanta.

The only reason it was included in the contract was because Nocsa would be ceding the rights to this marketing pro-

gramme to the Cape Town Bid Committee until 2004 if the bid was successful.

Nocsa therefore had to cover itself with a provision for revenues it would have been able raise were the bid not taking place.

This money will cover Nocsa's day to day running expenses together with the preparation of Summer and Winter Olympic teams until 2004.

The amount of money requested by Nocsa was much lower than that allowed for in the new 2004 Olympic Games. The IOC allows for 10 percent of revenues raised to go to the National Olympic Committee (NOC).

The Sydney Bid Committee had to provide R500 million to its NOC in the lead up to the 2000 Olympics.

The amounts Nocsa will receive have been removed from the contract and will now be negotiated over the next year between Nocsa and the new bid committee which will be formed after Cape Town has signed the contract.

On Tuesday Cape Town's councillors will be briefed on the Olympic bid and they must then make a decision by Thursday over the signing of the contract.

However, what is alarming about Tuesday's briefing is that the consultants who were involved for more than two years in bringing the bid to Cape Town were not invited to give their views to the council.

It must surely be in everyone's interests that the councillors receive all available information before they cast their votes.

This omission is an indication of how far the rift has developed between the present Bid Committee and the council but it is certainly not in the interests of the people of Cape Town.

Once the contract with Nocsa is signed a new bid committee will be created with a board of directors containing not more than 13 members, who will meet at least on a quarterly basis.

It will have an executive committee, a full time operational management staff and a widely representative general assembly.

The new bid committee must then consolidate the work undertaken by the present Bid Committee, hopefully by including as many members and consultants as possible from the previous structure onto the new structure.

In June the IOC will request nominations for candidate cities to stage the 2004 Olympic Games and must be submitted by 10 January 1996.

The bid committee will then have to prepare a candidature file containing its plans to stage the Games and canvass the 96 members of the IOC.

The IOC will then vote for a city to stage the 2004 Olympic Games in Lausanne in September 1997.



National Olympic Committee of South Africa's Sam Ramsamy

## Scales of injustice

By JULIAN DREW

LIFE has not been kind to Wits University law student Hendrik Ramala. South Africa's student cross-country champion. He believed he had a chance of winning the national team for the world cross-country this year, and so he should have!

In an extremely close finish Ramala placed in a trials race in Port Elizabeth in February the criteria laid down by Athletics South Africa (ASA) for the selection of the teams – he was not selected.

But life is not that simple. With the first selection separated by only three seconds there was confusion as to who finished where! Ramala was given fourth, Verste Makhosonke Fika sixth and Owen MacHelm place.

However, incorrect results were printed in paper and it was these that the cross-country selection used when they chose the team.

According to ASA guidelines the men's team be selected from the first three at the national championships in Kimberley and not less than 70 of the remaining six places from the trials Elizabeth.

The outstanding 30 percent could be selected athletes who competed in Kimberley but no trials, due to overseas commitments or comparable reasons.

That means that at least four of the remaining places should have been filled on the basis of the results and Ramala should therefore be in the team. Convener of the selectors, Ben Oliver, said there were four selectors and we selected the team on the national championships and trials, nothing more. It is up to ASA if they accept the teams that were submitted to them.

From conversations with two of the other selectors it is apparent, however, that the incorrect results from the trials were used for the selection.

The real issue is providing justice for an athlete not covering up the bungling of administrative officials. If criteria are set and then met, a athlete has a right to be selected. Says Chris Lawrence, captain of the Wits cross country team.

"We spent R900 to send Hendrik to Port Elizabeth because we knew he could make it."

"They've made a stuff up and they must otherwise what is the point of even having trials? Perhaps even more alarming is the fact that the top athletes warned Ramala not to complain he would be discriminated against in the future. He himself admits that he is afraid of the selectors and what might happen."

An official complaint has been lodged by Wits University. It is now up to ASA to see that justice is done.

# NEWS



# Who Pays for What from now until 2004

By JULIAN DREW

## 1996 ATLANTA OLYMPIC MARKETING PROGRAMME - (R21 MILLION)

NOSCA requires R21 million and has already raised R15 million from six sponsors. It expects to raise a further R15 million from six more sponsors and will donate R9 million of this to the Cape Town bid. The money is being used to prepare the athletes for next year's Olympic Games and fund Nosca and its current support programmes.

## THE BIDDING PROCESS (R60 MILLION)

This will cover the expenses of running the bid until the IOC vote in September 1997. It is estimated that it will cost at least R60 million with an upper limit of around R100 million. This money will be raised from sponsors who will pledge R10 million each to be part of the bid marketing programme. Six sponsors have already committed themselves to this programme although Philips withdrew last week.

## NOSCA BUDGET FROM 1997 TO 2000 (R60 MILLION)

This figure of R60 million will now be negotiated over the next year. It will come from money raised by the Organising Committee for the 2004 Olympic Games should Cape Town win. It will be paid to Nosca because it will have ceded its normal marketing rights to the Organising Committee until 2004. The money will be used to prepare teams for the 1998 Winter Olympics and the 2000 Summer Olympics together with the day to day running of Nosca and all its programmes.

## NOSCA BUDGET FROM 2000 TO 2004 (R90 MILLION)

This figure of R90 million will also be negotiated over the next year and will be used to prepare teams for the 2002 Winter Olympics and the 2004 Summer Olympics together with Nosca's expenses for this period.

NB: New IOC regulations allow Nosca to claim up to 10% of all revenues raised to host the Olympic Games to cover the costs in items 3 & 4 above although Nosca is requesting considerably less. It is these figures that will be negotiated over the coming year.

## CAPITAL PROJECTS PRIOR TO 1997 (R627,3 MILLION)

Costs in millions:	
Infrastructure	R211.1
Sports Facilities	R376.1
Olympic Village Site	R40.1
Total	R627.3

Funding in millions:	
Private Sector	R259.3
State	R121.36
Province	R 66.02
Metropolitan Authorities	R180.62
Total	R627.3

It should be noted that the infrastructure referred to above would be needed sometime in the near future regardless of the Olympic bid and that the process of providing it has just been brought forwards. The ratepayers of Cape town are only liable for R180.62 million which they would have paid for this infrastructure at some time in the future anyway.

## HOSTING THE GAMES (1998 - 2004)

a. Operating Budget (R millions)	
Revenues	3 762
less:	
Operating Costs	(2 827)
Construction of Olympic Facilities	(812)
Surplus for Distribution	123

In the above table revenues relate to money raised from television rights, marketing rights, ticket sales, souvenir sales, etc. Operating costs relate to the costs involved in actually staging the Games but do not cover the construction of any facilities or infrastructure. Construction of Olympic facilities relates to facilities to be built solely for the Games.

b. Accelerated Projects (1998-2004) - Costs (R millions)	
Infrastructure	1 344.9
Sports Facilities	213.5
Olympic Village Site	696.1
Total	2 254.5

c. Accelerated Projects (1998-2004) - Funding (R millions)	
Airports Authority	125.00
SA Rail Commuter Corporation	22.50
State	469.79
Province	391.05
Metropolitan Authorities	117.36
Private Sector	1 148.80
Total	2 254.50

Included under accelerated projects are items such as upgrading the airport, railway and roads infrastructure together with other facilities which would eventually be needed in Cape Town. Although the State and Province will contribute substantially to the above funding, the ratepayers of Cape Town will pay very little. The largest contributor is the private sector.

While all the preceding figures are the estimates of the present bid committee and may change, they do illustrate that the Games are affordable and that the ratepayer's of Cape Town will not be unnecessarily burdened. In none of the above calculations have the immense benefits to the regional and national economy, which will be generated from staging the Olympics, been taken into account.

# TO CHANGE IN SOUTH AFRICA

The Ministry for Welfare and Population Development is embarking on a restructuring process which will fundamentally transform the welfare system in South Africa.

All South Africans are invited to make submissions which will provide policy guidelines on some of the following aspects:

- a national social welfare strategy
- changing the social security system such as pensions, disability grants, child and parent allowances
- meeting new needs and challenges such as children and families, age management, disablement, women, youth, violence and reconciliation, alcohol and drug abuse, offenders and their families, victims of crime and their families, mental health, urban and rural development and social relief.
- financing the welfare system.

Written submissions should reach us by 10 April 1995.

Send your submission to: White Paper for Welfare

Ministry for Social Welfare and Population Development  
Private Bag X901  
PRETORIA  
0001

Placed in the Interest of Welfare by the Ministry for Welfare and Population Development





NICO VERMEULEN ... falling rand likely to raise prices

## Southern Sun in R300m splurge <sup>(288)</sup>

ST (BT) 12/3/95

HOTEL group Southern Sun on Friday announced a R300-million expansion programme in the current financial year in preparation for an expected surge in foreign visitors.

As part of the programme, the group will launch two new hotel chains this year: the Holiday Inn Express for the budget market and the Holiday Inn Crowne Plaza for luxury customers.

Southern Sun holds the franchise rights for Holiday Inn in Southern Africa.

Almost R50-million will be spent on establishing two Express Hotels and two Crowne Plaza hotels, says Southern's operations director, Helder Pereira.

In addition, Southern Sun plans to build 10 new Formule 1 low-budget hotels at a cost of R50-million, bringing the number of Formule 1 hotels to 21 by year-end.

Southern Sun has joint control of the chain with French firm Accor.

Mr Pereira says: "South Africa does not have the capacity to cater for the increasing number of tourists and business visitors, especially in the peak October to March period."

"Last year the number of international visitors rose from 500 000 to 750 000. This

By SVEN LUNSCHÉ

is still a low base and growth will continue over the next few years," he adds.

The two Crowne Plaza hotels in Sandton and Pretoria will be ready in time for the Rugby World Cup through a R16-million upgrading of existing Garden Court hotels.

Mr Pereira is also considering upgrading the Jan Smuts Holiday Inn at a cost of R12-million.

The location for the two Express hotels has yet to be decided but they will be ready in about a year's time at a cost of about R25-million.

Southern Sun has also taken the first step in expanding to other countries in the region. Recently it took over the management contract for the Ridgeway Hotel in Lusaka, which is owned by Anglo American.

Launching the expansion programme, managing director Ron Stringfellow said he was confident of receiving several gambling licences.

He said there was a possibility of initiating three "mega" casino projects in Gauteng, KwaZulu-Natal and the Western Cape.



# Local hotels have woken up to improved service

BD 13/3/95

(288)

THE next time you see a foreign tourist or businessman in a hotel lobby, offer a silent word of thanks: he is arguably the main reason that the SA hotel industry is looking a lot better that it has in a long time.

The industry is slowly awakening from a slumber of indifferent service, inadequate facilities and lack of competition brought about by more than a decade of political and economic isolation.

With our re-entry into the international fold, there is now a palpable sense of urgency in meeting the challenges presented by the growing numbers of foreign tourists and businessmen flocking to our shores.

During November last year 75 000 visitors entered SA through our major international airports, an increase of nearly 50% on the same month in 1993. Of the 1,52-million bed nights sold to tourists last year, 33% went to the Cape and 25% to Johannesburg, SA's main business destination.

An interesting development is the increasing importance of visitors from Africa. Because they are here largely for business reasons, they are heavy users of hotels and are beginning to outnumber arrivals from the UK, traditionally SA's largest source of foreign visitors. This trend can only increase as agencies such as the UN, traditionally based in other African countries, start eyeing SA as a possible relocation site for their re-

## RON STRINGFELLOW

gional offices.

SA hotel users have also played a part in the "big squeeze". SA is enjoying positive growth after one of the worst recessions the country has known and hotels have been among the key beneficiaries.

While the leisure side of the industry has not yet fully recovered, increased economic activity has meant more business travel, accommodation and conferences.

Even the increasing number of sporting, music and cultural events being held in SA — from the Rolling Stones to international cricket — has contributed to increased travel and accommodation.

Contrary to popular opinion, the rugby World Cup has not been the biggest factor in creating the shortage of hotel rooms in SA — though it might well be the most visible. Occupancy levels in Southern Sun's 10 000 rooms countrywide have been running at high levels since late last year. All the rugby World Cup has done is put two people to a room rather than fill empty rooms: nearly all the 70 000 room nights of World Cup supporters booked at Southern Sun hotels are for two guests a room.

The SA hotel industry faces two key challenges vis-a-vis the overseas traveller. The first is capacity, illustrated by the fact that there are only

about 20 000 hotel beds in the three-, four- and five-star categories, which foreign travellers tend to use. This compares with 750 000 tourists — as measured by airline arrivals — that the SA Tourism Board recorded up to the end of November last year. Small wonder, therefore, that familiar international names in these categories are springing up like mushrooms to meet demand. The Hyatt is under construction, a Hilton is on the way and Southern Sun's new Holiday Inn Garden Court Sandton City is likely to be fully booked two months ahead of its scheduled opening in May.

The second challenge is one of standards. For too long, SA hotels have catered largely for a local clientele who, while certainly not indifferent to quality, accepted a level of service which many of their counterparts overseas might not have readily tolerated. Whatever the reasons — cultural, political or economic — this situation simply has to be improved.

Technically and infrastructurally, our hotels are among the best in the world; it is on service that they sometimes fall down.

SA is back in the international arena, and the local industry must rise to that challenge. A world-class hotel system will help SA produce the growth and development from its increasingly open and international economy.

□ The author is Southern Sun group MD.



## Southern Sun holds talks with international group

BD 13/3/95

ROBYN CHALMERS

HOTEL group Southern Sun is holding talks with an international hotel group as part of an expansion programme which will see it investing R300m this year.

Southern Sun MD Ron Stringfellow said a joint venture had been proposed to exploit opportunities in southern Africa. It was expected to be finalised by the end of the month.

He did not name the partner, but sources believed it could be the Tokyo-based Westin Hotels & Resorts. Other names mentioned included Hyatt International and US giant Sheraton.

"It is critical that we get a five-star global partner, as the Southern Sun name is not well enough known internationally to be chosen by the global traveller."

"There will be a growth in international brands here and foreign travellers

will soon be able to choose from a lot of better known international names," Stringfellow said.

The number of international visitors to SA had increased significantly over the past few years and was expected to grow further in the next decade. Foreign visitors increased to 650 000 last year from 500 000 in 1993 and could grow to 2 million by 2005. (288)

To meet the increased demand, Southern Sun would be restructured into two separate hotel and casino divisions. It would also launch two new hotel chains at a cost of R300m.

Three new hotels would be built during Southern Sun's financial year starting next month, and another five in the following financial year.



# Olympic deal for city

CT 13/3/95

(288)

**AN OUTCRY** from the public and business has led to "ugly clauses" — mainly about secrecy and high financial demands — being dropped in a new contract for the city's Olympic bid.

**MELANIE GOSLING** reports.

**I**N a dramatic turnabout, the National Olympic Committee of SA (Nocsa) has decreased its financial demands on Cape Town for the city's Olympic bid and scrapped the contract's secrecy clause.

This follows a public outcry from ratepayers and organised business over demands in the secret contract which gave Nocsa extensive powers and made the city liable to foot the bill of R190 million for the Winter Olympics in 1998 and 2002.

The new contract will be discussed at a joint meeting of exco and the council's Economic Development Committee tomorrow. A full council meeting will decide on Thursday whether to sign the new contract with Nocsa.

A major report on Cape Town's bid compiled by City Council officials — including town clerk Mr Keith Nicol — which will also be discussed tomorrow, has recommended that the council approves Nocsa's new contract.

It also recommends that the council gives city officials the go-ahead to have a new bid committee in place by April 18.

The new Nocsa contract still holds the city liable to pay Nocsa R60m for the bid, but no longer demands that the city pay for the Winter Olympics.

Nocsa's demands for free office accommodation remain, but the new contract omits claims for fitting out the offices with luxuries like reverse cycle air-conditioning, an oven and dishwasher. Instead the contract states that Nocsa's office fit-out "will not be inferior to" that of the bid committee.

Clauses in the contract which made the city liable for all travel and accommodation costs of Nocsa officials and of any person the Nocsa president deemed necessary to accompany them, have now changed to read all

"reasonable" costs.

The confidentiality clause, which prevented parties to the contract from revealing its contents and financial information, has been scrapped.

Commenting on the new contract, councillor Mr Leon Markovitz said yesterday: "The furore around the earlier document has forced Nocsa to soften it. A lot of the ugly clauses are out."

The report puts the capital expenditure on infrastructure, accommodation, sports venues and facilities for the Olympic Games at R5,4 billion.

Possible funding sources will be R778m by central government, R1bn by "quasi-government sources", R783m by provincial government, R547m by Metro Council and substructures, R812m by Olympic revenues and R1,4bn by the private sector.

## Affordability

The bid report speaks of "a major feeling of unease" whether the city can afford to stage the event. "The other cause for concern about affordability is the memory of the financial failure of the 1976 Olympic Games in Montreal."

The report warns that the after-use and operating costs of the larger sporting venues should be examined in the planning stage of the bid.

It says the candidate city has to provide municipal financial statements for the previous five years.

"The level of arrears and issue of non-payment for services could raise doubts with the IOC evaluation committee," the bid report said.

● Rondebosch resident Mr Andrew Massyn has called on ratepayers to endorse their rates cheques to former Olympic bid chairman Mr Raymond Ackerman until the R8m he spent on the bid has been repaid.

Mr Massyn has endorsed his electricity account cheque of R305 to Mr Ackerman.

"I heard with disappointment that the council had decided to contest any repayment to Mr Ackerman for the money he had lent to the city for the Olympic bid," he said.



# Changes to street aim to boost (288) tourism

Staff Reporter

ARG 13/3/95

A MORE attractive town, better traffic control and controlled informal businesses are some of the objectives of a plan by Somerset West council to re-zone a portion of Main Street.

The project will form part of a bid to improve tourism in the town.

City engineer Hennie Roux said major changes could be made once the stretch of Main Street between the Andries Pretorius/Bizweni intersection and Victoria Street fell under the authority of the council and was no longer a provincial main road.

Included in the council's plans were paved sidewalks and islands with Victorian-style furniture and lampposts in the streets, complemented by cafés and small shops.

Large parking areas next to, but separate from, the street also would be built.

Mr. Roux said the project would be financed from the existing budget and would involve no extra costs to the ratepayer.

There had been several accidents on Main Street in the past. The new pedestrian-friendly street would zig-zag between the parking areas, forcing motorists to slow down to at least 40 km/h.

"I want to emphasise that any informal businesses on sidewalks will be under strict control," he said.

People have until March 24 to object to the proposed closure of Main Street.



## Metcalfe condemns purge campaign

THE lack of employment for many black teachers had nothing to do with white teachers employed in black schools, Gauteng education minister Mary Metcalfe said yesterday.

Metcalfe was commenting on the killing of East Rand teacher Cornelia Peters in Tembisa on Friday.

The killing had been tied to claims that Azapo youth wing, the Azanian Students

Movement, was campaigning to purge whites from East Rand schools.

Metcalfe said all mass organisations should condemn the campaign.

Azapo denied the student movement was involved in the killing, but said it was unfair that white teachers who could get jobs in town worked in the townships.

Meanwhile, DP senator William Mnisi criticised the SA Democratic Teachers Union for "obstructing those trying to handle school problems". He said teachers who wanted to transfer said they had to get the union's permission.

Union spokesman Thula Nxesi denied this. He said transfers should be negotiated with teachers and headmasters.

## Unions urged to develop worker decision-making

IF BOTH labour and management were against the workplace forums proposed in the draft negotiating document on the Labour Relations Act, "there must be something good in it" ANC secretary-general Cyril Ramaphosa told a workshop last week.

Discussion at the workshop on democracy and work in Midrand, aimed at exploring ways of accelerating democracy in the workplace, revolved around the establishment of workplace forums.

He called on the union movement to develop its capacity so workers could participate in decision-making in the workplace. This could be achieved by deepening democracy within union structures and strengthening channels of accountability between leaders and members.

He warned that the union movement needed to prevent the hijacking of worker struggles by elements intent on advancing their own agendas. Unions had to guard against the possibility that the process of workplace democratisation could "be derailed by unaccountable people creating anarchy out of legitimate grievances".

Management should use its resources to develop the capacity and independence of the unions.

A shift in position by both the union movement and management needed to occur regarding involvement in strategic and task decision-making, Avril Joffe of the sociology of work unit (Swop) at Wits University told the workshop.

Numsa's Gavin Hartford said to change attitudes on the shop floor, a different type of process was required as the parties were not mature enough to deal with production and distributive issues together.

Swop director Eddie Webster said the creation of workplace forums would provide the "solution to the stalemate on the shop floor".

Head of the team drafting the negotiating document, Prof Halton Cheadle, said there was always an initial element of compulsion in collective bargaining. The best way to establish participation in the workplace was by co-operation. However, that process was too slow, he said.

Mark Swilling of Wits Business School said that from his experience of community forums, they operated effectively only when formed around stakeholders who had the capacity to deliver.

## Black business launches tourist initiative

THE National Tourism and Environmental Initiative, a non-governmental organisation established to seek direct black participation in the tourism industry, took form at the weekend with a consultative workshop in Johannesburg.

A cross-section of black business, community organisations and tourism ministers from four provinces attended the workshop, which looked at a draft document in preparation for the formal inauguration, spokesman Moss Ngwenya said.

National Black Business Caucus (NBBC) executive director Danisa Baloyi told the workshop the organisation was born out of a realisation blacks did not take part in

tourism, even as consumers.

She said there was a need for direct black involvement in tourism.

The initiative's committee members included NBBC member Peter Mbolekwa, Southern African Business Assessment Consultants (Sabac) executive director Manelisi Ndibongo, Thebe Investment subsidiary Moribo Investments MD Most Mashishi, Thandi Bosman from the SA National Civic Organisation (Sanco), Eastern Transvaal traditional chiefs representative Ephraim Mogale and Ngwenya of Imkitha Travel Tours.



## Cabinet approves new Satour board

THE Cabinet had approved the restructuring of the Satour board, Environmental Affairs and Tourism Minister Dawie de Villiers said in Pretoria yesterday.

Announcing this at a media conference, De Villiers also predicted that tourism to SA would generate R700m in foreign exchange and create more than 13 000 jobs this year.

He said about 800 000 visitors were expected this year following a dramatic increase in international travel to SA since last June — but the tourism infrastructure was unable to handle the flood.

De Villiers said the new Satour board would consist of 15 people, nine of whom would be appointed by the provincial premiers and the remainder by the Cabinet from nominations received from the public and organisations.

The new board members would not serve as representatives of particular interest groups but in their individual capacities.

Provincial and central government office-bearers and public servants were excluded from nomination.

Public nominations for the six Cabinet appointees had to be submitted to the

THEO RAWANA

director-general of the Department of Environmental Affairs and Tourism, Private Bag X447, Pretoria, 0001 before April 13 this year, De Villiers said.

On the growth in the industry, De Villiers said a constant monthly growth rate of well above 20% had become characteristic of SA's tourism market.

Overseas arrivals at SA airports increased by 49,3% in November compared with the same period the previous year.

Final figures for 1994 were expected to show a 10% growth over 1993.

Consumer and trade inquiries on travel to SA had soared since July, De Villiers said.

The major drawcard for international visitors this year would be the Rugby World Cup, expected to draw 30 000 overseas visitors with an estimated direct effect of more than R300m on the economy and indirect benefits of at least R1bn. It would be seen on television by an audience of about 2-billion in 125 countries.

He said tourism's current 3,2% contribution to the GDP would increase.

## Banks urged to assist tourism

NICOLA JENVEY

DURBAN — The establishment by national banks of a specialised tourism division to provide soft loans of 5% below prime would promote tourism as a viable job-creating industry, the Tourism Summit workshop was told yesterday.

Funding and finance workshop coordinator Brainsky Sokopo said capital approved at these rates would speed up development of a tourism culture in KwaZulu/Natal.

"Bank employees working within the specialised division must be sensitive in evaluating the potential of tourism projects and be willing to provide financing to small and medium enterprises."

He said the role of government should be guiding rather than driving, stressing the risks of individual tourist ventures had to lie with the bank and the investor.

The workshop proposed a new taxation structure to promote tourism development, which included a write-off of buildings over a straight 10-year period and furniture over three years, as well as low taxes during the start-up phase. "Exchange controls must also be abolished."

Greater Durban Marketing Authority CEO Geoff Austin said the convention industry could generate more than R150m next year.

However, bookings to date for the International Convention Centre due to open in 1997 meant Durban would need between 1 500 and 3 000 new hotel rooms before the year 2000. "The lack of hotel rooms in the city poses a serious problem," he said.



*Airport arrivals up 49%*

# South Africa tourist flavour of the year

(288)  
Star 15/3/95

■ BY JUSTICE MALALA

South Africa's popularity among international travellers has "increased drastically" after the country's peaceful transition to democracy.

Environment Affairs and Tourism Minister Dawie de Villiers said yesterday that airport arrivals for November 1994 had increased by 49,3% over the previous year.

International arrivals worldwide increased by 3% and arrivals into Africa by 1,5% over the same period. He said although SA's tourism growth rate should stay ahead of the world trend for "several years", it depended on South Africans to ensure stability, good service and "tourist friendliness".

About 800 000 overseas visitors will enter South Africa this year — 100 000 more than

last year. De Villiers said this would earn the country R700-million in foreign exchange and create thousands of additional opportunities.

But in terms of the world average for contribution to the gross national product, the SA tourism industry was underperforming, contributing 3,25% to the GNP, whereas the world average was 6%.

He said the influx of visitors into South Africa had pressurised the tourist infrastructure, adding that accommodation establishments had experienced bed occupancies of more than 80% since December last year.

Indications were that the private sector was responding to the new demands. The overall investment in tourism infrastructure for this year was expected to be at least R3-billion.



# BOLD PLAN TO BRING RAYMOND ACKERMAN BACK INTO 2004 BID

# Olympic rescue deal

**IN DRAMATIC** moves to rescue Cape Town's teetering 2004

Olympic bid, a proposal to re-install Raymond Ackerman as bid co-chairman in charge of finances was put to City Council and Nocsa executives yesterday. The plan will be discussed by council committees tomorrow. **MELANIE GOSLING** and **PETER DENNEHY** report.

**A** BOLD attempt to bring supermarket magnate Mr Raymond Ackerman back into Cape Town's 2004 Olympic bid was launched by two city councillors yesterday.

A new 12-point plan, proposed by councillors Mr Clive Keegan and Mr Leon Markovitz, proposed that Mr Ackerman should be re-installed as co-chairman of the Olympic Committee, and be in charge of finances.

In a further development National Olympic Committee of SA (Nocsa) and the city council also agreed that the deadline for Cape Town to sign the bid contract be extended to April 30.

It also emerged that the staging of the Games could cost between R6,4 billion and R21bn.

Mr Keegan said the drama surrounding the city's bid had been the subject of international media coverage and had raised questions overseas about Cape Town's ability and readiness to manage the bid.

"I am perfectly convinced that the departure of Raymond Ackerman was a very, very damaging blow indeed."

The plan was introduced at a top level meeting yesterday attended by council and Nocsa executives.

It will be put to the economic development committee tomorrow.

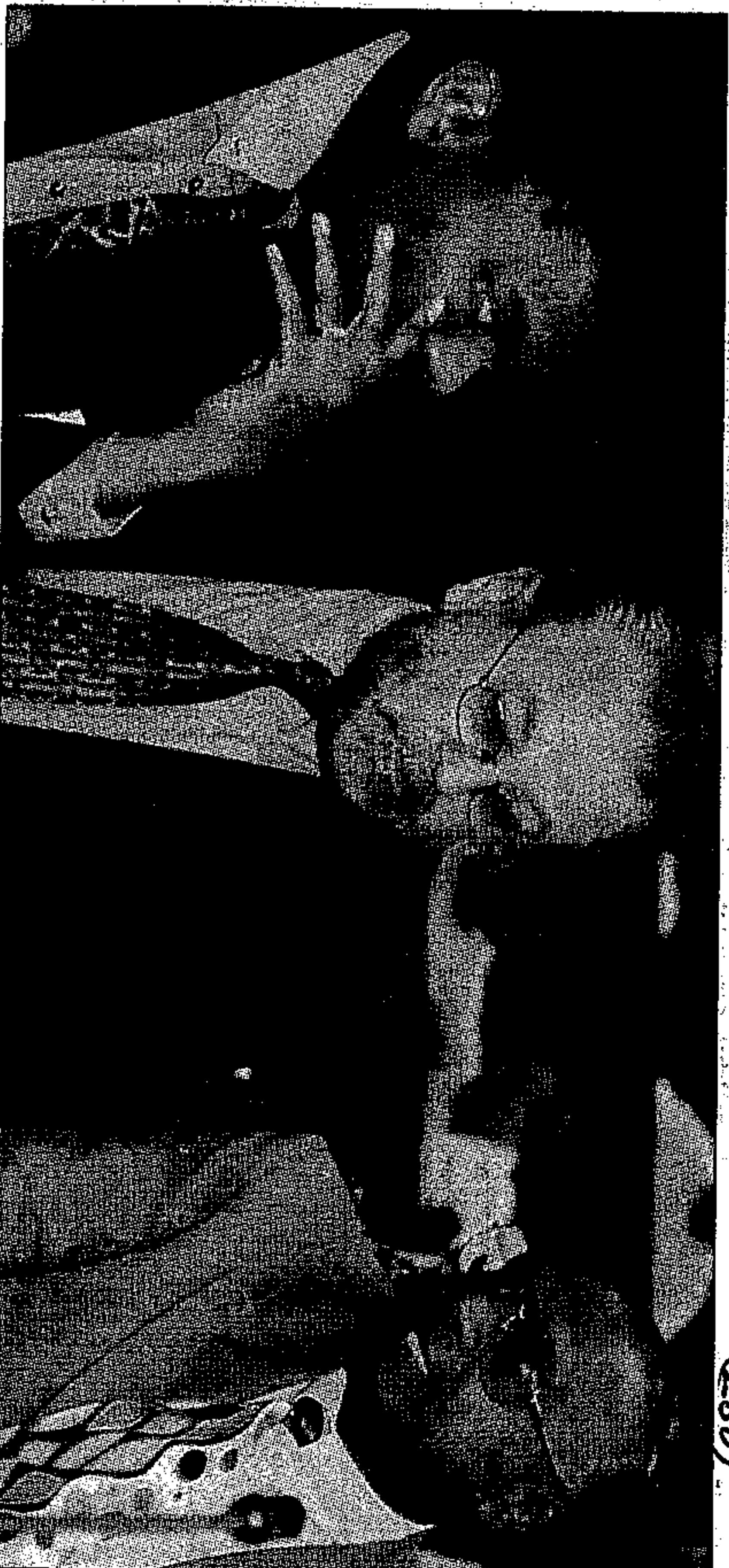
Mr Ackerman said last night: "I have not agreed to, anything. Before I underwrite anything I must be sure that the problems of the past will not be repeated and that I will not be knifed out."

The plan aims to bring both Mr Ackerman and Mr Ngconde Balfour back as co-chairmen of the bid committee — but in positions where they are fully accountable to the board of the bid company still to be constituted.

According to the plan, Mr Ackerman will be responsible for financial affairs and marketing and Mr Balfour for sport, community affairs and government relations.

It also states that Mr Ackerman had agreed to pay immediately the R3 million owed to small suppliers who had worked on the bid, and that all contemplated legal action between the council and Mr Ackerman would be halted.

Asked what Nocsa thought of Mr



**CONFERRING:** Mr Leon Markovitz, co-chair of the City Council's economic development committee (centre), Nocsa member Mr Moss Mashishi (left) and Nocsa president Mr Sam Ramsamy (right) confer during a crucial meeting on the city's Olympic bid yesterday.

Ackerman coming back on board the bid, Nocsa spokesman Mr Moss Mashishi said: "Nocsa will deal with the people Cape Town determines."

After the meeting, Mr Balfour declined to comment on the proposal. Mr Ackerman said last night that

the plan, which he saw for the first time when the Cape Times faxed it to him in Johannesburg last night, contained very important clauses.

"I'm not being autocratic, but one has got to have clear decision-making powers."

"There must be a very clear agreement on the relationship with Nocsa. Not being able to run it as a business, with everyone having a say, will be the death of the bid," Mr Ackerman said.

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THIS structure needs to reflect the different audiences, requirements and realities of what is necessary for an inclusive, representative, transparent, efficient, professional and successful bid.

To that end, we agree upon a structure wherein the key stakeholders have equal equity.

The City Council undertakes to mandate its representatives on the board of the bid company to propose Ngconde Balfour and Raymond Ackerman as co-presidents, with Sam Ramsamy as senior vice-president and a representative each from the City Council executive committee and the provincial government as vice-presidents.

# Olympic bid pact: Full statement

Mr Balfour will have particular responsibility for sport, community affairs and national government relations. Mr Ackerman will have particular responsibility for financial affairs and marketing. They will lobby jointly to secure the necessary IOC votes to win in 1997. These functions will be exercised under the direction of the board.

Budgets for these functions will be agreed by the board.

A chief executive officer, along with other key departmental positions, will

be appointed by the board in consultation with the bid's key stakeholders. All such appointments will be made in a transparent and open manner.

## Re-appointment

The existing consultants continue with their work on the understanding that their re-appointment shall be subject to confirmation by the board of the bid company, it being intended that at all times the board will have the right to

terminate any consultant's appointment on the basis of performance.

To this end, Mr Ackerman undertakes to underwrite the cost of consultants until such time as the board has been established.

Mr Ackerman agrees to make payment of (approximately) R3 million owed to small suppliers and professionals immediately.

Mr Ackerman will undertake to approach sponsors with a view to securing their expression of interest.

Mr Ackerman and Mr Balfour will immediately undertake a series of media interviews and communications assuring the local community, the business community, the Western Cape, South Africa, and the bid's international connections and associates, that all problems have been resolved.

The city's executive committee will also undertake to reassure all of the above audiences of their complete satisfaction with the way in which the situation has been resolved.

No further discussion in the media

will occur regarding difficulties in the past.

All contemplated legal action will immediately be halted.

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R700M IN FOREIGN EXCHANGE

# Tourism to provide major boost for SA

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**PRETORIA:** South Africa's re-acceptance into the international community has resulted in a huge increase in tourism, which is expected to create more than 13 000 jobs this year, it was announced yesterday.

**T**ourism to South Africa is expected to generate R700 million in foreign exchange and create more than 13 000 jobs this year, Environmental Affairs and Tourism Minister Dr Dawie de Villiers said yesterday.

Addressing a news conference here, he said about 800 000 visitors were expected this year following a dramatic increase in international travel to SA since last June.

There has been a constant monthly growth rate of well over 20% in tourism to SA.

Overseas arrivals at South

African airports increased by 49,3% in November compared to the same period the previous year.

Final figures for 1994 were being processed, but were expected to show a 10% increase over 1993.

Consumer and trade inquiries on travel to SA had soared since July, he said.

Comparing January 1994 to 1993, consumer inquiries had risen 67% in Britain, 28% in Germany, 68% in France and 200% in the Netherlands.

The major drawcard for international visitors this year would be

the Rugby World Cup, expected to draw 30 000 overseas visitors with an estimated direct impact of over R300 million on the economy and indirect benefits of at least R1 billion.

Tourism's current 3,2% contribution to the gross national product was expected to increase.

Private sector investment of at least R3bn in tourism infrastructure, such as major hotels and entertainment and conference centres, is expected this year.

Other projects being planned included a tourism complex in Cape Town costing R72,7m, the revamping of the South African Airways fleet at a cost of R4bn, development of the Durban Point Waterfront for R2bn and expansion of luxury coach fleets for about R14,4m. — Sapa



# Satour board change approved

(288)

PRETORIA: The cabinet has approved the restructuring of the Satour board, Environmental Affairs and Tourism Minister Dr Dawie de Villiers said at a news conference here yesterday.

He said the move was in line with the re-assessment of tourism structures and policy in post-election SA, the culmination of which will be a new White Paper on tourism to be tabled in Parliament before the end of the year.

The new board will have 15

people — nine to be appointed by the provincial premiers.

The rest will be appointed by the cabinet from public and tourism industry nominations.

Provincial and central government employees were excluded from these nominations.

Nominations for the six cabinet appointees must be submitted to the director-general of the Department of Environmental Affairs and Tourism, Private Bag X447, Pretoria, 0001 before April 13. — Sapa



# Kalako cleared, wants apology

~~(287)~~ (288) CT 16/3/95  
**CHRIS BATEMAN**  
POLITICAL STAFF

CLEARED yesterday of any misuse of funds during a trip to Australia last year, Western Cape Minister of Sport and Recreation Mr Lerumo Kalako called for a public apology from his erstwhile "adviser" Mr

Nick Malherbe.

A commission of inquiry set up by Premier Hernus Kriel after allegations by Mr Malherbe, found that Mr Kalako had not misused public funds before or after the trip, and that Mr Kalako's behaviour during the trip was "neither unacceptable nor unbecoming".

But the inquiry found that ministerial secretary Mr Kwanda Sojolo committed "serious irregularities" in claiming payment for a surprise birthday party organised by Mr Malherbe for Mr Kalako at Kelvin Grove in December.

Mr Malherbe could not be contacted for comment.



# Inkatha minister linked to hit squads

FAROUK CHOTHIA

DURBAN — KwaZulu/Natal social welfare minister Prince Gideon Zulu and other senior Inkatha officials were involved in hit squad activities, the Durban Supreme Court heard in evidence yesterday.

Convicted hit squad member Romeo Mbambo said Zulu was present at meetings in Ulundi where instructions were given to attack ANC members.

He said other key figures present included MZ Khumalo, a former private secretary of KwaZulu chief minister Mangosuthu Buthelezi, Capt ML Langeni, who was in charge of security in the former KwaZulu Legislative Assembly, and military instructor Daluxolo Luthuli, who recently turned State witness.

Provincial MP Chief Calalakubo Khawula was also present at one of the meetings where instructions were given to remove targets, Mambo claimed.

Leading argument in mitigation before Judge N van der Reyden, Mbambo said they were also given the discretion to identify and launch attacks on targets, but had to report back on their activities.

Asked by defence counsel Kobus Booyens, SC, how he felt being in the company of Zulu, Mbambo replied: "This made me feel important and that I was working for the nation."

Mbambo was convicted late last year, along with Gcina Mkhize and Romeo Mbambo, on six counts of murder allegedly carried out in June 1993.

The Goldstone commission of inquiry had identified the three as comprising a hit squad unit.

Booyens said a KwaZulu Police general

would also be implicated. "The accused will allege they were part of a KwaZulu government-inspired hit squad."

He said Mkhize would testify that he received military training from "white instructors in camouflage uniforms" at a secret military base.

"They were trained to use Eastern bloc weapons and there was a lot of ideological training. They were trained that the ANC was the enemy and the ANC should be killed," Booyens said.

The three were convicted by Van der Reyden late last year for the murder of four youths and a KwaZulu Police officer in June 1993.

The judge ordered an increased police presence in court yesterday after Booyens raised concern about the safety of the three men.

Sapa reports that a clinical psychologist giving evidence said the three were under the impression their activities had been justified because of the high credibility they perceived their masters had.

He said they spent their teenage years in an environment wracked by violence where the stature of the individual was below that of a group, resulting in an atmosphere that depersonalised human life.

Also the rate of unsolved crime became a community norm that led to the belief that taking the law into one's own hands was acceptable.

All three, the psychologist said, also felt their protection from the law by their masters was "absolute", he said.

## Police arrest second man over bodies found on farm

A SECOND person, a man in his mid-twenties, has been arrested in connection with two bodies found buried on the farm Blinkpoort near Heidelberg on the far East Rand.

On Monday UK citizen Tyron Chadwick, 34, appeared in the Heidelberg Magistrate's Court in connection with the discovery of two bodies buried on the farm last Saturday.

Yesterday Chadwick, who is in custody and who is to make a further court appearance on March 28, was assisting police at the farm in a search for more bodies.

East Rand police spokesman Lt Deon Peens said police were digging at a spot where seven bodies were said to be buried.

Claims, not yet substantiated by the police, have been made that up to 15 more corpses are buried on the farm alleged to have been used as a base to train third force elements and members of the Inkatha Freedom Party.

Chadwick was reported to have arrived in SA from the UK in 1993.

He claimed that he joined the AWB before taking up a post as an instructor at the farm. — Sapa.

## Kalako cleared of funds misuse

CAPE TOWN — A three-man commission of inquiry found that accusations regarding the misuse of public funds by Western Cape MEC for sport and recreation Lerumo Kalako were unfounded.

The inquiry was launched after allegations by Nick Malherbe, a Western Cape Tourism Board representative, that Kalako, then the tourism MEC, misused public funds while visiting Australia.

The commission found that Kalako did not misuse public funds before or during the visit and his conduct was neither unacceptable nor unbecoming. — Sapa.

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# Kalako cleared of claims

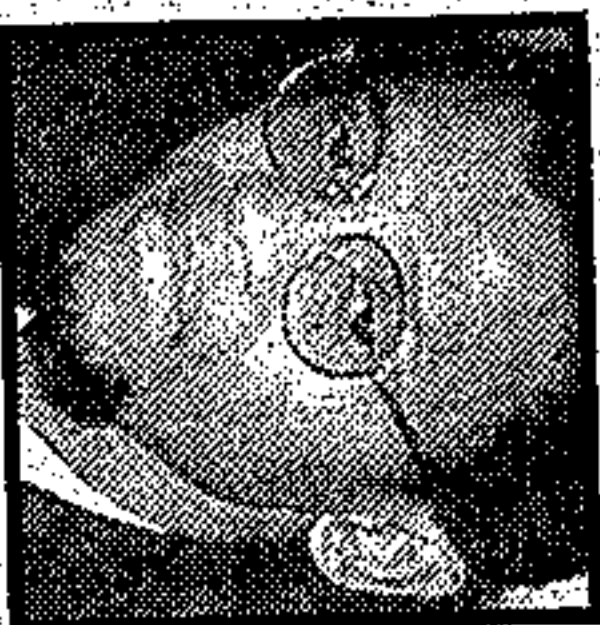
**MICHAEL MORRIS**  
Political Correspondent

**WESTERN** Cape Sports Minister Lerumo Kalako has been cleared of all allegations of misusing public funds and is to remain in the provincial cabinet as a "valued" member.

But the commission of inquiry found that while there were no grounds for suggestions that he mismanaged the department of environment and tourism, two incidents "reveal communication gaps within the ministry which embarrassed the minister."

The commission also found that Mr Kalako's private secretary, Kwanda Sojola, "committed serious irregularities" in handling the account for Mr Kalako's birthday party at Kelvin Grove, but suggested this be dealt with "departmentally."

Premier Hennis Kriel — who appointed the three-man commission under former Cape Attorney-General Niel



**Lerumo Kalako**

*Minister  
to remain  
in cabinet  
for region*

Rossouw — released the commission's 33-page report on the inquiry with a statement clearing Mr Kalako.

It was alleged that Mr Kalako, then provincial tourism minister, had misused or misappropriated public funds during a trip to Australia last year. The allegations were made by tourism consultant Nick Malherbe, who accompanied Mr Kalako and Mr Sojola on the trip.

The allegations were that Mr Kalako: ● Misused funds provided for the trip by the interim Western Cape Tourism

Board by buying a R400 watch for his fiancée, making private telephone calls totalling more than R2 000, and retaining the balance of left-over travellers' cheques totalling R2 014.

● Failed to attend or was regularly late for meetings in Australia or behaved in a way that was unacceptable or unbecoming, and

● Made an improper claim for R3 220 for a birthday party held at Kelvin Grove in December.

However, Mr Kriel said: "It is clear from the finding of the commission that the accusations were unfounded. Mr Kalako will thus stay on as a valued member of the provincial cabinet."

The report concludes that Mr Kalako did not misuse public funds before or during the visit to Australia, that his behaviour in Australia was never unacceptable or unbecoming and that there were "no grounds for concluding that mismanagement of the ministry occurred."

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# Ackerman changes mind on Olympics

Cape Town — Supermarket magnate Raymond Ackerman is prepared to serve on the Olympic Bid Committee as chief executive officer — provided certain criteria are met.

Addressing the Cape Town Press Club at Kenilworth yesterday, Ackerman said he was prepared to come back as co-chairman with Ngcondo Balfour, provided he sees the written agreement for his reinstatement before it is forwarded to the National Olympic Committee of South Africa (Nocsa).

"I think there will be a solution to the problem surrounding the bid committee and the hosting of the Olympics but not before next week.

"There is still drama. We are just holding on by a thin edge, but the way the mood is going there is a strong chance things will get off the ground."

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Ackerman said he was not getting anything out of his efforts. It was for the people of Cape Town. More than 400,000 jobs will be created through the hosting of the Olympics.

"We may not be front-runners in the bid to host the Olympics in 2004, but if we resolve problems this weekend we have got a chance," he said.

Asked if he could give any idea why Nocsa wanted R60-million for the bid, he said they had originally wanted R200-million for teams to take part in the Atlanta games. This stipulation had been removed from the agreement.

■ Staging the Olympic Games in Cape Town would cost in the region of R6-billion, not R21-billion as it had cost Barcelona. Des Correia of the consultants firm Ove Arup told city councillors yesterday.

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# Games cost seen as R6bn (288)

STAGING the Olympic Games in Cape Town would cost in the region of R6 billion and not the R21bn it had cost Barcelona, Mr Des Correia of the consulting firm Ove Arup told city councillors yesterday.

Mr Correia's firm had worked for the "old" bid committee as project managers.

His budget estimates were similar to those presented by Cape Town City Council officials, except he had converted to 1995 rand values — their figures were in 1993 rands.

Asked about the R21bn Nocsá mentioned as the cost of the Games in Barcelona, Mr Correia said that city had used the opportunity to upgrade its infrastructure.



# Ackerman's bottom line

**MELANIE GOSLING  
AND PETER DENNEHY**

SUPERMARKET magnate Mr Raymond Ackerman has agreed to come back into Cape Town's 2004 Olympic bid — but only if he is boss and gets R10m up front as a guarantee to cover costs.

Meanwhile, a city council meeting called to discuss the Olympic bid and Mr Ackerman re-involvement ended in disarray yesterday, as bickering councillors did not have time to discuss councillor Mr Clive Keegan's 12-point plan to rejuvenate the bid.

Berating the councillors, Mr Keegan said the council would be blamed "if we let this opportunity slip through our fingers".

Mr Ackerman yesterday laid out the conditions he had sent to

the council in response to the proposal to bring him back on board the city's teetering Olympic bid:

- that he is chief executive officer of the bid committee

- that the local government provide R10m as a guarantee in case the bid fails

- that the Cape Town 2004 Olympics Trust be authorised as the legitimate bid committee

- that he has the right to negotiate all clauses in the bid contract with the National Olympic Committee of SA before it is signed

- that a marketing agreement is drawn up to release sponsorship money.

"I cannot go back on the bid if I am not given the authority to control the budget. I can't go back on the basis of a three-man bid. I will only go back as chief executive

officer," Mr Ackerman said.

The "three-man bid" suggested in the plan proposes to bring him back as co-chairman — not chief executive officer — with Mr Ngconde Balfour, and with Mr Sam Ramsamy as vice-chairman.

The council's economic development committee had to adjourn after a three-hour meeting yesterday in which they did not get as far as considering Mr Keegan's 12-point plan.

After the disastrous meeting, the executive committee moved quickly to pick up the pieces.

Deputy chair Mr Llewellyn van Wyk said exco had held a meeting last night at which it had been established that everyone wanted to proceed with the Games bid. He said a special meeting would be held soon.



**BOSS:** Mr Raymond Ackerman will rejoin Cape Town's bid for the Olympics — but only as chief executive.

PICTURE: ALAN TAYLOR

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## BUDGET REACTION

# R8bn in tax outstanding

CAPE TOWN — Inland Revenue currently had R8bn outstanding on its books and could collect this money within a very short time if plans to reform the service were implemented quickly, Commissioner for Inland Revenue Trevor van Heerden said yesterday.

Addressing the Parliamentary finance committee, Van Heerden said the service was currently studying the implications of operating autonomously.

He said the international trend was towards autonomous tax collection. Such systems had proved "hugely" successful.

The new system would require a new way of assessing the service's performance. Only those offices that performed should benefit, he said.

Although no immediate measure had been implemented, Van Heerden said he was convinced Finance Minister Chris Liebenberg was very serious about the problem.

In the meantime, Internal Revenue had R8bn outstanding on its books, which he said was more than the total

TIM COHEN

amount allocated to the reconstruction and development programme.

The service could begin to collect that money very soon if the right people could be found, he said.

He said SA spent 0,8% of revenue on collection, substantially less than other countries. Singapore, for example, spend about 1,6% of revenue on collection.

The biggest problem was that staff were often poached by the private sector after they had worked for the service for about two years, he said.

He said the service was completely in the dark about what the administrative consequences of the tax amnesty would be, and could not be sure whether it had the resources to deal with new taxpayers should they come forward in large numbers.

Sapa-Reuter reports Van Heerden told Parliament only one man stood between SA and chaos.

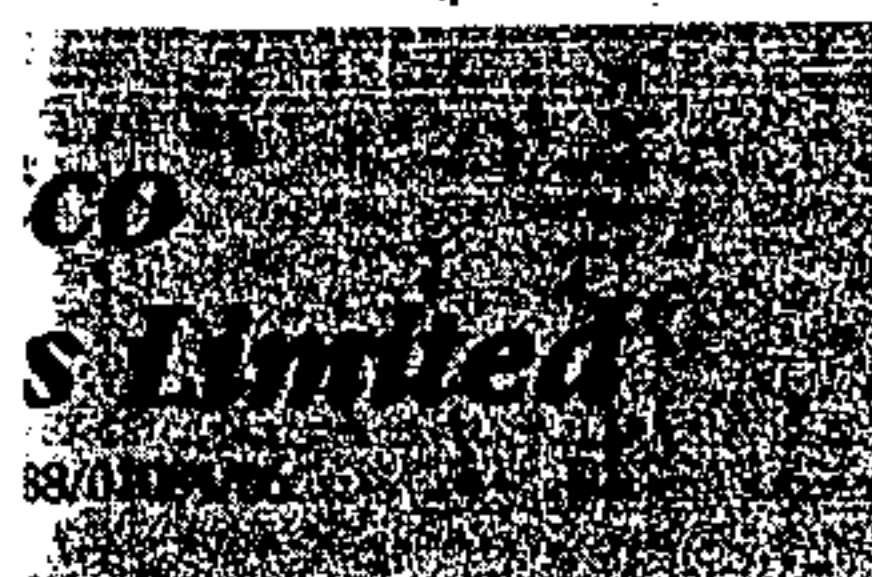
"We have a computer system that was designed in 1962. It was modern

then ... now it really needs upgrading," he said in a plea for a new computer. "In fact, there is only one man who knows how to maintain it. I hope that the buses in Pretoria drive carefully because if they ever knock this chap down, that's the end of us." □ Sapa reports the service's director of legal drafting Ian Meiklejohn said the new income tax tables took effect on March 1.

The changes to income tax tables proposed in Wednesday's Budget would be implemented by employers from May. Larger employers would receive the new tables on computer disks from Inland Revenue. Other employers would probably receive the printed tax tables after June 1.

"They are a lot simpler than the old ones," he commented on the administration of the new income tax structure which has abolished tax discrimination on the basis of sex or marital status.

The increased excise on various goods, like cigarettes and alcohol, came into effect on Wednesday at 3.18pm, a spokesman said.



### Updated results of its subsidiaries December 1994

Months to Dec 1993      Year to 30 June 1994

7 932	16 559
195	375
7 737	16 184
163	313
(3 350)	(6 509)
4 550	9 988
2 018	4 084
2 532	5 904
9,6	22,3
5,0	12,0

## Satour's share is 'peanuts'

THEO RAWANA

THE R57m allocated to the SA Tourism Board in the 1995/96 Budget was peanuts which would make selling SA overseas against well-funded international competition an almost impossible task, Satour executive director Walter Msimang said yesterday.

For this reason, the board would approach stakeholders in tourism soon to impress upon them the importance of investing in the industry that guaranteed the highest returns.

Msimang said Satour's slice of the Budget was R56,7m. It was allocated R79m last year.

Msimang said SA — a "long-haul destination" with markets in the Far East, the US and Europe — could not hope to compete against countries such as Australia and Canada, which spent six times more than SA on tourism.

"About 15 years ago, SA had more tourists than Australia, then the Australians realised the value of tourism and invested in it — and it paid off.

"Today we are looking at 800 000 tourists a year, while the Australians are talking of 3,6-million tourists a year. Even small New Zealand spends more than us on tourism."

For Satour to be able to sell SA overseas, more money should be spent on developing the industry to its fullest potential.

Mining and the manufacturing sectors were faltering as competitors on the world trade stage. SA could depend on the service industries, but even in this area, countries such as the

US and Switzerland were far ahead on information and technology.

"So we are left with tourism to export — and if it is the cheapest way of getting foreign exchange for this country — and the returns are far more than the investment," he said.

"We are going to sit down with the decision-makers — decision-makers in the industry — and demonstrate to them in specific terms how the appropriate level of investment would enhance the objectives of the reconstruction and development programme," Msimang said.

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## **'Immature' committee unable to take decision**

EDWARD WEST

CAPE TOWN — A Cape Town city council economic committee meeting to ratify a 12-point plan bringing former Olympic Bid Committee co-chairman Raymond Ackerman back into the bid was adjourned without the agreement ever having been discussed, economic committee co-chairman Leon Markowitz said last night. (213)(288)

Markowitz said it appeared the committee did not have the political maturity to a simple decision.

The meeting started yesterday with a presentation on the forecast economic benefits and costs of the Games. But after the presentation, discussions and questions among councillors ranged from threats of legal action, complaints that councillors had not read papers allocated to them and claims that more time was needed to assess the likely impact of the Games on the city. BD 1713195

Sapa reports Ackerman said earlier yesterday he was prepared to serve as CEO on the bid committee if certain criteria were met.

He told the Cape Town Press Club he was prepared to come back as co-chairman with Ngcondo Balfour provided he saw the written agreement for his reinstatement before it was forwarded to the National Olympic Committee of SA.

"We may not be frontrunners in the bid to host the Olympics in 2004, but if we resolve problems this weekend we have got a chance."

He was prepared to work with Noca president Sam Ramsamy. The bid committee needed the guidance of Ramsamy, "but we don't need interference".



# Sparks fly over 2004 bid letter

ANDREA WEISS  
Municipal Reporter

INFIGHTING in Cape Town City Council over the bid to host the 2004 Olympic Games has led to threats and counter-threats between councillor Leon Markovitz and city planner David Daniels to sue each other for libel.

The threats arose as a result of a letter signed by Mr Daniels in which he expressed the "deep concern" of a council Olympic liaison team at the "conduct of certain councillors with regard to certain officials involved in the bid".

"This concern includes statements, attributed to councillors in the media and statements made by councillors in committee meetings which impinge on the professional integrity and reputation of officials," the letter said.

"Councillors should be informed that, should individual councillors be interviewed by the media in their individual capacity, they should clearly state that they are speaking in their individual capacity and not on behalf of council."

The letter also said that the matter was being brought to the attention of the three municipal trade unions, with a view to the unions addressing the treatment of senior officials.

At a meeting of the economic development committee this week, Mr Markovitz said he took the "strongest exception" to the letter and "reserved" his rights.

Mr Daniels responded that for the past few weeks officials had been subjected to abuse by councillors in the media.

They had not responded because President Nelson Mandela had asked that the Olympic bid not be turned into a media circus.

He said the liaison committee had felt that the feelings of the officials should be brought to the attention of the council. "I also reserve my rights," he countered.

After the meeting Mr Markovitz approached Mr Daniels directly and a loud argument about the letter followed, with both men threatening to go to court.

The threats came in the wake of a disastrous week for the Olympic bid, during which Clive Keegan and Mr Markovitz, co-chairmen of the economic development committee, failed to get backing for a 12-point plan to bring businessman Raymond Ackerman back into the bid.

This followed Pick 'n Pay chief Raymond Ackerman's reported demand to be reinstated as chief executive officer and that he was not prepared to return as an equal partner with sport personalities Ngconde Balfour and Sam Ramsamy.

But, Mr Ackerman added to the confusion yesterday by saying he would "be delighted to train a new chief executive officer".

He also said the post should be filled as soon as possible.

Mr Ackerman and Mr Keegan agreed the ideal person for the position would be a prominent businessman.

In a day of conflicting reports, Mr Keegan said Mr Ackerman confirmed he would stick to the provisions of a 12-point plan which would reinstate him on the Olympic bid committee.

According to the plan, interim committee co-chairman Mr Balfour and Mr Ackerman would be co-presidents of the committee, Nocs's Mr Ramsamy would be senior vice-president and a chief executive officer would be appointed.

Mr Keegan said "senior Cape Town personalities" were involved in negotiations to get the process back on track.

But, to add to the confusion, while Mr Keegan said yesterday Mr Ackerman had accepted the provisions of the 12-point plan, Mr Ackerman on the other hand told Weekend Argus he had set out definite terms to be met before returning to the Olympic bid process.

He had faxed these demands in a letter to Mr Keegan and fellow city councillor Leon Markovitz, who proposed the 12-point plan.

"If they want me back and they agree to the terms I set out in the letter, then it's fine. If they don't, then I'm out and they will be entirely on their own," said Mr Ackerman.

In the letter, he said it would be essential that a R10 million guarantee be obtained either from regional or central government to give security to "nervous sponsors".

Mr Ackerman also said that in order for him to meet the Olympic Trust's financial obligations it was important that arrangements be made to ensure that money paid into the trust was secured.

This would give trustees personal security of knowing that they were not personally liable.

He said he believed it was necessary for him to see the new contract between the city council and Nocs and "if need be, alter it".

He said he would like to "operate on a handshake and a basis of personal trust and I feel we should clear up even small difficulties in advance".

The full city council which has the final say, has yet to consider the 12-point plan after a chaotic meeting this week. Their next meeting is planned for March 30.

But, Mr Keegan said "all of us realise that unless this matter is settled

■ The Cape Town Olympic bid is close to collapse as feuding factions fail to find common ground.

WILLEM STEENKAMP, HENRIËTTE GELDENHUIS  
and TYRONE SEALE  
Weekend Argus Reporters

CAPE TOWN'S faltering Olympic bid see-sawed on the brink of collapse in a day of confusion.

Early in the day of drama, city council Olympic kingpin Clive Keegan said the bid process was "dead".

# Olympic bid on verge of collapse

ARt 18/3/95

(288)



# Olympic bid reaches stalemate situation

(288)

■ From page 1

unambiguously by the middle of next week, we may well find that Nocsa, the government and other essential Olympic interest groups may well instruct Cape Town to abort the bid"

Sport and Recreation Minister Steve Tshwete is against moving the Olympics to another South African city and he will continue to try and persuade all parties concerned with the Cape Town bid to find a solution.

Addressing the senate yesterday, Mr Tshwete said he still believed Cape Town was the ideal place for the 2004 Games and the private sector had be involved.

However, he said: "Raymond Ackerman is not a synonym for the private sector; he is a member of the private sector."

Mr Tshwete was speaking in a heated debate in which Western Cape senator and African National Congress chief whip Bulelani Ngcuka said he wanted to see the the Olympic Games, "not the Pick 'n Pay Games", in Cape Town.

Senator Mark Wiley (NP) argued that the controversy around the bid was rooted in political intrigue, as it had, by International Olympic Committee (IOC) acknowledgment, been a successful process — until four city council officials went overseas to discuss bid plans.

This had been part of a coup that had been planned for months.

Mr Tshwete said the ANC had nothing to gain from political manoeuvring.

In his speech, Mr Ngcuka quoted IOC rules stipulating that bids to host the Games could be ratified only if agreements existed between the national Olympic committee of the country concerned and the host city which had the right to delegate authority to a co-ordinating body.

The Cape Town City Council had not yet delegated this authority to another person or body, but had said it did not want to run or control the bid as it did not have the skills and human resources to do so, said Mr Ngcuka.

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MONDAY  
MARCH 20, 1995 ★

## 12-POINT PLAN FOR GAMES PROGRESSES

# Ackerman approves bid salvage proposal

**THE PLAN** to get Mr Raymond Ackerman back into the Olympic bid has his support. By our **Staff Reporter**.

Mr Raymond Ackerman has endorsed the essence of the 12-point plan of Mr Leon Markovitz and Mr Clive Keegan to get him back on to the Olympic bid.

In a letter to the two he raised some "housekeeping" issues but said they should not interrupt the progress of the plan through the economic development committee which Mr Markovitz and Mr Keegan co-chair, nor its progress through exco.

He also suggested that the bid company needed a managing director, and hinted that he would not be that person: "I believe an MD needs to be appointed as soon as possible ... Ngconde (Balfour) and I should then be released from our executive roles and give our full support.

"The situation with the team, the sponsors and various events

that are planned needs to be bedded down immediately. I am prepared to lead this in the short term only, in the interests of the bid."

He praised Mr Markovitz and Mr Keegan, respectively members of the NP and ANC, for putting the bid above party politics.

### 'Adverse publicity'

Mr Ackerman said that since his responsibility would be financial management and marketing, and the Nocsa contract was vital to the bid's financial viability, "we need some time to examine and, if need be, alter (the contract)".

Meanwhile, Mr Arthur Wienburg hit back at officials who suggested last week that a public relations firm be hired to counter "adverse publicity" from councillors criticising their own officials.

"Not another cent of ratepay-

ers' money should be squandered in defending the indefensible," he said. "To suggest ratepayers be taxed to save their image has all the elements of a Victorian farce."

He accused city officials of derailing the progress of the bid, and now "turning on councillors who disapprove of the way this debacle has been handled".

At Thursday's meeting of the economics committee city planner Mr David Daniels circulated a report from the Olympic Liaison Team criticising councillors for their public criticism of officials. The officials said they were not trying to make or break the bid, but to do their work professionally.

Mr David Erleigh, a metropolitan councillor for the Southern Suburbs, said the Wards 14 and 15 (Claremont and Wynberg) ratepayers' association had decided unanimously the Metro Council should take over the bid.

● Save the Games or get out — page 10.



# Airports to lay on special facilities for rugby tourists

(288)

BD 20/3/95

AMANDA VERMEULEN

SA's airports are gearing up for the rugby World Cup and the expected influx of 30 000 spectators, laying on additional facilities such as passport and customs processing while passengers are en route.

An Airports Company spokesman said yesterday the major airports would be operating at maximum volumes during the month-long World Cup period, and several measures had to be taken to ensure that terminals would not be overloaded.

"Special arrangements are being made to handle passport control, immigration and baggage for passengers on chartered flights into SA.

"Passengers will be able to transfer directly from the aircraft on to buses to their hotels," he said. "Their passports and immigration details will be processed either during the flight, on the buses or at their hotels."

Other plans being investigated were to make Terminal One — previously Terminal C — at Jan Smuts Airport a dedicated terminal for the rugby teams and spectators, and to introduce a dedicated baggage handling system at Jan Smuts Airport.

A temporary terminal at Jan Smuts would be erected in the form of a marquee. Roads to this area were being surfaced.

The spokesman said extra security staff would be deployed to ensure the safety of the baggage handling system, and additional temporary parking would be provided.

"Public relations, information and assistance services will be upgraded, using additional information kiosks and multilingual information assistants."

Similar measures would be taken at the Durban and Cape Town airports.

"Airport management is envisaging at least 15 000 rugby players and spectators in 70 aircraft at Durban Airport during the World Cup period, and 15 000 to 20 000 spectators from about 25 chartered flights to Cape Town's airport."

The Airports Company was also having talks with Satour about the regional airports in East London, Port Elizabeth and Bloemfontein to ensure that passengers would be handled efficiently.



# Ackerman 'prepared to take a back seat'

ARG 21/3/95 (288)

**ESANN de KOCK**  
Staff Reporter

RAYMOND Ackerman is no longer interested in heading Cape Town's 2004 Olympic bid and is prepared to take a back seat to help revive the process.

Announcing a desperate effort to save the bid at a Press conference in the city last night, national Sport and Recreation Minister Steve Tshwete said a one-day summit of all Olympic bid rôle players would be convened early next month.

This decision comes after approaches to Mr Tshwete from the chairman and deputy chairman of the Cape Town City Council's executive committee.

At the Press conference, city councillors, Mr Tshwete and Nocsa president Sam Ramsamy said they believed the summit would achieve agreement on a structure for a new Olympic bid committee.

A Section 21 (non-profit) company and other appropriate structures could be formed to consolidate Cape Town's bid and immediate steps taken to ensure that all sectors of the nation supported bringing the Games to South Africa and the African continent.

Mr Tshwete said he had discussed the proposal with super-market tycoon Mr Ackerman, who had agreed it was essential that all who could contribute to a successful bid be involved.

"He is fully supportive of this idea in order to get the bid back on track. Mr Ackerman has displayed magnanimity," Mr Tshwete said.

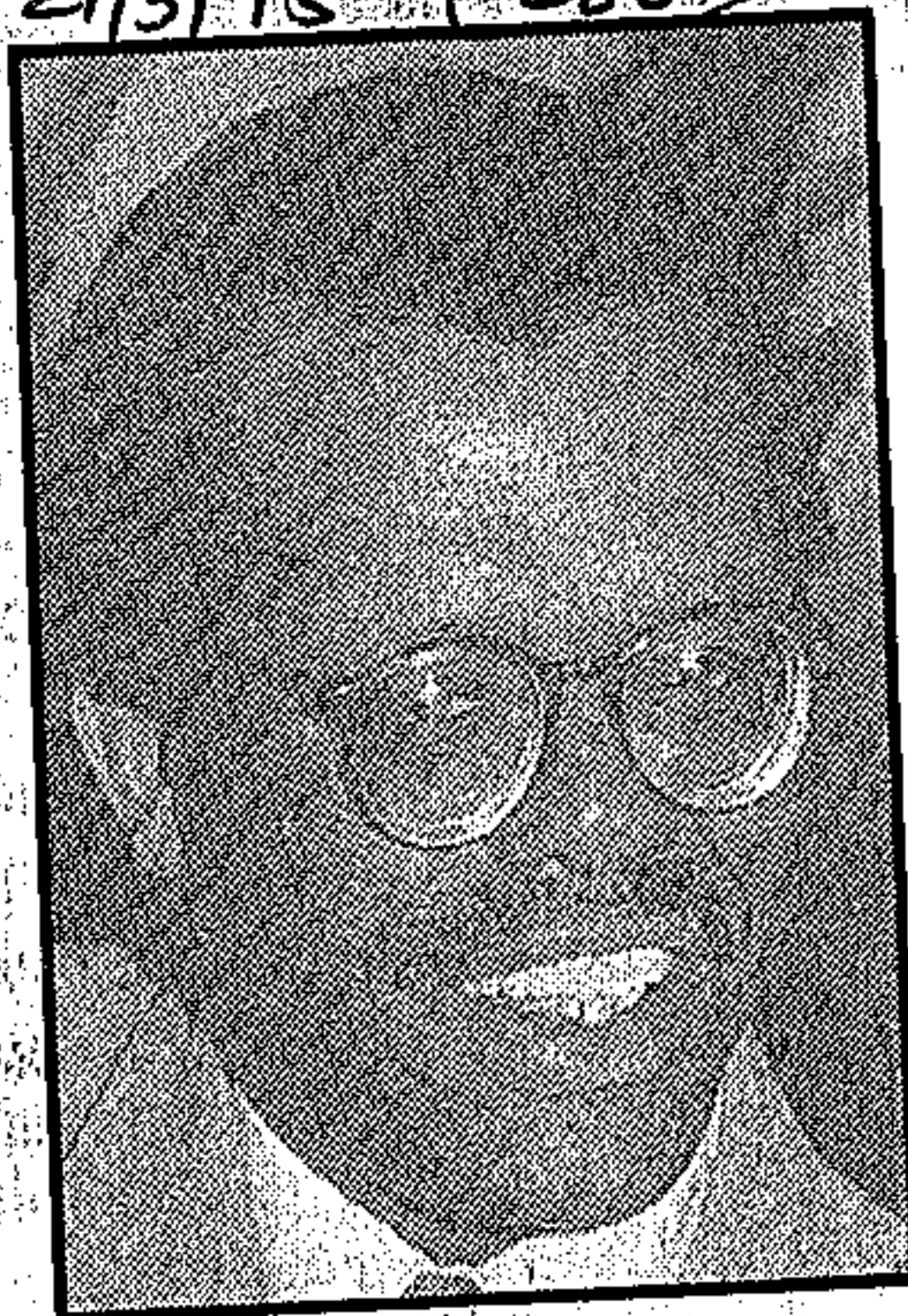
He emphasised that Mr Ackerman was not interested in heading Cape Town's bid.

"He is not interested in the job and said so to me in no uncertain terms."

Mr Tshwete emphasised that the leadership position was still open.

He warned everyone, including the media, to avoid speculation that the bid would be dropped if one person was absent.

"Our drive as a city, South



**Steve Tshwete**

Africa and Africa is to project a collective kind of leadership. It is our desire to lock hands and move on."

Defending Cape Town's chances, Mr Ramsamy said efforts by Rome and Beijing to enter the race for the 2004 bid had "nothing to do with what has been happening here".

Mr Tshwete said the provincial and national government, sports organisations, the private sector, metropolitan council, non-government organisations and community-based structures were all still enthusiastic about the bid.

"There are also some disgruntled individuals out there, but that is mainly out of disgust with what has happened over the past few weeks.

"People are still extremely enthusiastic about the bid and are pushing us to proceed," he said.

Nothing that had happened so far had affected Cape Town's bid internationally.

"But we need to steady the boat and we are convinced we can do an excellent job."

Mr Ramsamy said the Olympic feud in Cape Town was not unusual.

"It has happened in most successful bids in the past. In fact, it is a saving grace for us that it has happened early."



# Government-owned Wild Coast hotels lost R700 000

BY BARRY STREEK  
POLITICAL STAFF

(288)

CT 21/3/95

said.

THE government-owned hotel resorts on Transkei's spectacular Wild Coast were operating at losses of nearly R700 000 in the 1992 financial year, Transkei's auditor-general's office reported yesterday.

The Transkei Development Corporation had, however, invited developers for proposals to establish casino hotels at Port St Johns and Gxara River Mouth.

Areas had also been identified for non-casino hotels, the office

Rothschild Bank had identified an area south of Mzamba "where they want to construct and develop a tourist resort with 600 beds conforming to international standards to attract foreign tourists to the southern African region".

The TDC's five hotels, Kob Inn, Second Beach, The Haven, Ocean View and Lagoon, ran at a loss of R683 612 in 1992, up from the losses of R603 887 in 1991.

The office said the hotels were running at a loss "due to the recession and the violence".



# Joint tourism mooted

SOUTH African Tourism Board executive director Mr Mavuso Msimang yesterday stressed the need for joint tourism marketing and development programmes to attract more international visitors to Southern Africa. Preliminary tourism results worldwide last year had reflected a total number of arrivals of 528 million people from whom about R120,5 billion was earned.

*(288) source*  
**Foreign arrivals** 22/3/95

While the rest of the world had enjoyed an average increase of three percent in foreign arrivals, Africa had a modest increase of half that figure.

Addressing the Zimbabwe Hotel and Restaurant Association at Kariba, Msimang said there was a challenge to develop a solid framework for co-operation and co-ordination in the region.

"There is ample space for the development of tourism in our region and we must join hands and get on with the job."

Tourism is about building bridges. Let us use tourism and our unique African hospitality to the benefit of all," he said. He warned against the tendency of most African countries to concentrate on international tourism at the expense of strengthening domestic tourism. — Sapa



## Protea blazes trail from Cape to Cairo

STEPHANE BOTHMA

288

PROTEA Hotels has spent more than R90m over the past 18 months on upgrading its existing hotels and acquiring new ones in SA alone.

During the same period, Protea, which owns and manages hotels, had become the largest hotel group in Africa by expanding its operations from "the Cape to Cairo". Protea group marketing services director Allan Duke said yesterday.

In addition to the 70 hotels Protea operated locally, the group had seven hotels in Malawi, four in Tanzania, two in Kenya and one each in Egypt, Uganda, Swaziland, Mauritius and Reunion, Duke said.

"Two years ago — before the election — we took a gamble by deciding to invest heavily in anticipation of a tourism boom. We are now being rewarded by the massive upswing in tourism," he said.

According to Duke, in the past four months Protea's trade had been better than during the preceeding 10 years.

He said R38m had been spent on the Balalaika Hotel Crown Court in Sandton, R10m to refurbish San Lameer on Natal's South Coast and R4m to upgrade the rooms of the Capetonian. These hotels were part of the group's new Premier brand hotels.

More than R2m had been spent to refurbish the Protea Piggs Peak Hotel and Casino in Swaziland late last year.



# French love us, but not our hotels

CT 23/3/95 (288)

## SPECIAL CORRESPONDENT

PARIS: Record numbers of French tourists are visiting South Africa and returning with high praise for the friendliness they received, but are disappointed with some hotel and restaurant standards.

There is also a serious language barrier — but this handicap is overcome, the tourists say, by "the wonderful generosity from everybody at every level".

But there was widespread disappointment over hotels, except for those in the luxury class.

A frequent refrain was: "The country's hotel and restaurant sectors are in general below European standards."

"Service is poor and the welcome is no great shakes. Counter clerk staff look on French franc banknotes as Mickey Mouse money — they just want American dollars or traveller's cheques. They don't really take French tourists seriously."

Certain hotels in small towns were criticised for lack of amenities, shabby furniture and an unacceptable noise level from bars.

Often reservations went astray.

Restaurants were criticised for their curious habit of dim lighting, making it difficult to see what one was eating. Steaks were often far too large and tough. Salads were little more than lettuce leaves.

But all agreed: "Everybody was so nice and friendly that it did not matter."

An official at the Satour office here said that 26 000 French tourists and businessmen visited South Africa in 1994, a giant leap from the average 16 000 who went annually during the apartheid era.

## Olympic levy for W Cape?

### MUNICIPAL REPORTER

WCAJOR adviser to the provincial government has said regional legions may have to be drawn upon to pose an extra levy on rates or income tax to pay for the Olympic Games.

Mr Donald Craythorne drew up a paper for former Olympic Bid chairman Mr Raymond Ack-

er. Craythorne said among the priorities that could be negotiated was a "piggy-back rate levy on all and RSC levies" or a special levy rate.

He said the existing system of income tax levy in the Western Cape.

## Rates to stay 'for at least three to five years'

### MUNICIPAL REPORTER

PROPERTY rates would not be phased out for at least the next three to five years, Mr Andrew Boraine, an executive member of the Institute for Local Governance, said yesterday.

He was commenting on a report from Durban that property rates could be on the way out.

Mr Boraine said existing sources of finance had to be normalised in the short-term. This meant the property rates system should be spread to the entire city.

He said the existing system should be updated and made more efficient. For example, Cape

Town's continued use of a 1979 valuations roll was seen as unfair.

In the longer-term, if property rates were not an efficient form of taxation, "then we must look at an alternative", he said.

But he warned that between 30% and 40% of local authority income was from property rates.

Mr Murphy Morobe, who heads the Financial and Fiscal Commission which will look into local government finances and consider proposals from local government and provinces, said the commission would look at sources of income "not necessarily in substitution of, but in addition to, existing sources", he said.

be built next to the Vincent Pallotti Hospital in Pinelands.

The blocks will be built for about R50 million on a 16 000m<sup>2</sup> site.

The site was once earmarked as a potential location for Cape

The new complex, to be known as The Park, will be built in two phases.

Building on the first phase, which comprises 7 000m<sup>2</sup> of lettable space on five levels and 157 underground parking bays, has

the head lease and will occupy 2 000m<sup>2</sup>, managing director Mr Richard Colledge confirmed yesterday.

He said the building of the second phase, which will provide a similar amount of lettable space,

## French love us, but not our hotels

CT 23/3/95 (288)

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# Greens slam Kalako on Cape Point ruling

PETER GOOSEN  
Staff Reporter

WESTERN Cape Premier Her-nus Kriel has been asked to rescind a decision of his Minister of Sport, Recreation and Tourism, Lerumo Kalako, giving the green light to the development of a new restaurant and funicular railway in the Cape Point Nature Reserve.

In a letter to Mr Kriel signed by the branch manager of the Wildlife Society, Andy Gubb, and conservation ecologist, Marlene Laros, reference is made to a letter Mr Kalako sent to the Western Cape Regional Services Council.

In it he allegedly said: "I hereby wish to inform your good office that I have no objection to the proposed development taking place at the Cape of Good Hope Nature Reserve."

The Wildlife Society letter to Mr Kriel said: "As was the case with the proposed Transnet development on the banks of Rietvlei, Mr Kalako did not inform interested and affected parties of his decision, in spite of the fact that in both instances there was considerable public opposition to the proposals."

"The doubt which the Wildlife Society has with regard to the Western Cape regional government's commitment to open and transparent decision-making has been strengthened by these actions of Mr Kalako."

"The Wildlife Society wishes to register the strongest possible protest against the fact that again there is no public record of Mr Kalako's decision."

In terms of the Environmental Conservation Act of 1989, the Cape of Good Hope Nature Reserve fell within the Protected Natural Environment and any development needed a permit from Cape Nature Conservation. No permit had been supplied, the letter said.

Decision-makers should at least insist on an adequate environmental impact assessment being undertaken prior to making decisions.

In his letter, Mr Kalako listed eight conditions under which he would have no objection to the Cape Point proposal.

"The Wildlife Society in general supports these conditions but is concerned about the fact that the wording of the letter does not require that these conditions be met."

SPORTS

Ramsamy -  
man in the middle  
- p29

INSIGHT

■ CITY BOWL

# Noon gun could be part of tourist boom

Staff Reporter

(288) ARG 23/3/95

PLANS are shaping up to make the noon gun fired from Lion Battery on Signal Hill a tourist attraction, with its firing marked by a short but colourful pageant every day.

Opening the battery to visitors has been under discussion between the SA Navy, Captour and tour operators for several months.

Officer commanding SAS Wingfield Gerrie de Vries, said the navy had had many requests from historical, cultural and social clubs, schools, upliftment groups and youth movements.

"Naval headquarters has agreed in principle to work towards opening the battery. I personally envisage the firing of the noon gun becoming a short daily pageant. A demonstration of loading the gun, the hoisting of a "five minutes to noon" flag, a whistle at 30 seconds to noon, the big bang followed by a demonstration of sponging out the gun and covering it until the next day could be a 'must' for tourists."

Commander De Vries said he had contacted the city council and the parks and forests department about the access road. He said the navy had done a lot of work on the

site already but there was more to be done to make it safe for the public.

Captour boss Gordon Oliver said he wholeheartedly supported the plan and was happy to be part of a lobbying process to get the project moving.

"This would be a unique attraction which no other city has. It would be most viable using business initiative and enterprise."

Leading tour operator Margi Biggs said the noon gun was fired six days a week and was a special event in the daily lives of Cape Town people.

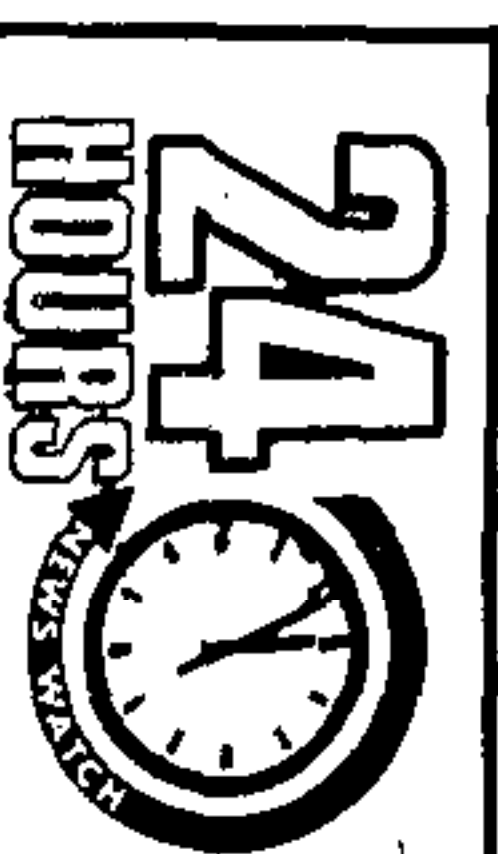
"We hear it, check our watches and get on with our lives. This could be an event visitors would enjoy being part of. The quiet environment where these guns stand has spectacular views of the city and the bay. What is needed is planning to market the area, cleaning of the site and parking and an access road."

She said the Hong Kong Publicity Association's campaign urging visitors to 'Stay an extra day' could be developed here with another "must do" experience to keep the tourist in the city for an extra day.



THE row involving Nocsa, the Cape Town City Council and Raymond Ackerman in the past two weeks has taken up a lot of Nocsa president Sam Ramsamy's time. Now he's looking forward to a new bid committee being set up where everybody's role will be clearly defined. He spoke to JOHN FREUDENBERG of The Argus sports staff.

23/3/95 Argus



23/3/95

# The man in the middle

(288)

ITH all the in-fighting that has so far dominated Cape Town's bid for the 2004 Olympic Games, one could be forgiven for thinking Sam Ramsamy and his National Olympic Committee of South Africa (Nocsa) are out to pull as many strings as possible.

Not so, says Mr Ramsamy, who insists his organisation wants to get less involved in the bid and concentrate on more immediate issues like ensuring a greater representation of black athletes in the national Olympic team.

The row involving Nocsa, the city council and Raymond Ackerman during the past fortnight has taken up more of Mr Ramsamy's time than he would have wanted and he is looking forward to a new bid committee being set up where everybody's role will be clearly defined.

"There has been a lot of misunderstanding and deliberate misinterpretation surrounding the proposed contract between Nocsa and the council, and that is why the deadline for signing has been postponed to April 30 so the councillors can examine everything.

"I am confident the bid will go ahead — that has never been in dispute and

it's still on course."

Just what Mr Ramsamy's role will be during the bid remains unclear. Most of his experience in sports administration has been in orchestrating boycotts of South Africa during the apartheid era but he will now use those same contacts built up over 20 years to try to secure the world's greatest sporting spectacle for Cape Town.

"My main role will be lobbying to get the votes to ensure Cape Town wins the bid and I think that will be crucial," Mr Ramsamy said.

"In this business it's not what you know but who you know and I don't think there is anyone in Cape Town who has the contacts on the international sporting scene or the capacity to lobby that I have."

Mr Ramsamy says Nocsa doesn't want to head the bid but as the International Olympic Committee's representative in South Africa, Nocsa provides the expertise on how the bid should proceed. The thrust, however, must come from the people of Cape Town and their representatives.

But Nocsa's most pressing issue, according to Mr Ramsamy, is its development programme. "The thing I am constantly asked about by the overseas media is

why we have so few blacks in our national teams," he said.

"It's embarrassing for us and while we will never sacrifice teams being selected purely on merit in any way, we have to put in place a structure to ensure that the majority of the population have the opportunities that were denied them in the past.

"This is our priority at the moment and while it is not realistic to expect a truly representative team for next year's games in Atlanta, we are looking to this for Sydney in 2000," he said.

Forty-one national sporting bodies are affiliated to Nocsa and dealing with these daily takes up most of Mr Ramsamy's time.

"For instance, we have the national swimming championships coming up in Durban soon and we are looking to boost our swimming representation for the Olympics.

"We are monitoring all the athletes to ensure we send a strong team to Atlanta. We took 95 athletes to Barcelona in 1992 but we aim to whittle that down to about 60 individuals for Atlanta. We want to take a quality team.

"That figure will vary, of course, depending on whether

er teams for events such as soccer and hockey qualify.

"There were too many holiday-makers at the Olympics in 1992 — competitors who were eliminated from their events on the first day and spent the rest of the time on holiday — so we don't want that situation again.

"For Atlanta, those individuals who have no possibility of reaching the quarter or semi-finals stage won't be going.

"Understandably, each sporting affiliate wants as many of their athletes going to the Games as possible. Nocsa's task is to try to make what they want compatible with what we actually need," he said.

Nocsa's small office — Mr Ramsamy, two officers, two secretaries and a switchboard operator — handles about 500 telephone inquiries a day, ranging from questions from other sporting bodies to those from schoolchildren.

"I personally take about 250 calls a day. The other day, some schoolchildren wanted to know why the Olympic symbol was made up of five rings. It may seem trivial but it was important to them and I try to

deal with every call," said Mr Ramsamy, who begins his working day at 7am and is rarely finished before 7pm.

"I try to avoid as much travel as possible because there is so much to be done here. I was invited to go to Britain this week for the five-nations rugby. The IOC has recognised rugby as an Olympic sport but I was just too busy to attend," he said.

Between now and 1997, when the IOC decides the host city for the 2004 Games, Mr Ramsamy and Nocsa can expect to be confronted with a herculean task. Not only do they have to sell the bid to sceptical Cape Town ratepayers concerned about the cost, they will have to compete against sophisticated marketing and lobbying strategies — not to mention the usual dirty tricks and smear tactics — from other nations.

"Hosting the Olympics is like staging 30 world championships within 16 days," Mr Ramsamy said.

"We want to know from Cape Town whether they can do it and whether they will have the facilities. I'm very confident Cape Town can."

**SAM RAMSAMY:** Confident Cape Town is capable of hosting the Olympic Games in 2004.





## French tourists flocking to SA

■ BY JAMES TOMLINS  
STAR FOREIGN SERVICE

Paris — Record numbers of French tourists are visiting SA and returning with high praise for the friendliness they met, but disappointed with some hotel and restaurant standards.

There is also a serious language barrier as relatively few French speak English or any of the other official languages. But this handicap is overcome, tourists say, by "the wonderful generosity from everybody at every level. And it is much cheaper there than here."

But there is widespread disappointment over hotels, except for those in the luxury class.

A frequent refrain is: "The country's hotel and restaurant sectors are in general below European standards."

"Service is poor and the welcome factor is no great shakes. Counter clerk staff look on French franc banknotes as Mickey Mouse money — they just want American dollars or travellers' cheques. They don't really take French tourists seriously."

Certain hotels in small towns were criticised for lack of amenities, shabby furniture and unacceptable noise levels from bars. Reservations often went astray.

Restaurants are criticised for their curious habit of dim lighting, often with candles, making it difficult to see what one was eat-

ing. Steaks are often far too large and tough, and sauces non-existent. Salads are little more than lettuce leaves.

But all agree that "everybody was so nice and friendly that it did not matter".

An official at the Satour office in Paris said 26 000 French tourists and businessmen visited SA in 1994, a giant leap from the average 16 000 who went annually during the apartheid era.

The most popular choice for tourists is the two-week package deal offered by SA Airways at FF18 000-FF120 000 (R12 850-R14 285).

But many also prefer to buy a two-week return air ticket, hire a car at Jan Smuts Airport and

drive around the country.

There is also a major difference in the class of French visitors. They are no longer from the rich and upper-middle class, but also from the working class, like Jules, a Paris taxi driver.

He returned from SA last weekend with his wife after a two-week drive around in a hired car.

"A perfect country for tourism, but it will take a couple of years before their inexpensive hotels catch up to European standards. One hotel room had a hole in the roof, another's showers did not work and the toilet door would not close. Otherwise, fine," he said.

(288) SPAN 23/3/95



# Rioting students hit rector's office

DURBAN — About 400 students went on the rampage at Natal Technikon's Berea campus yesterday, damaging the rector's office.

A Natal Technikon spokesman said it was believed the students wanted to present demands to the rector, Prof Andre du Preez. However, Du Preez was in Pretoria, and the students left without presenting their demands.

At Free State Technikon in Bloemfontein, about 100 students were arrested after they failed to respond to a police order to disperse.

MDUDUZI KA HARVEY reports that Natal Technikon spokesman Kim Roderick said students had met Du Preez on Wednesday to complain about a fee increase, bursaries, accommodation and the institution's council.

Although they were told he would be in Pretoria yesterday, they decided to demand that he address them again. Then they ran amok.

Du Preez will meet the students today to address their demands.

At Free State Technikon 200 students gathered on campus at 10am and began singing and chanting.

Free State Technikon spokesman Cas Vorster said a messenger of the court was called and conditions of an interdict barring them from certain activities on campus were explained to students before they were asked to disperse.

Students who refused to disperse were arrested. The conditions of the interdict were explained to them again, and they were released.

A police spokesman said that if the same students were arrested again, they would be charged.

In Port Elizabeth, students at Vista University renewed a class boycott after suspending their protest for Queen Elizabeth's visit to the campus on Wednesday. Vista students' representative council president Lungile Dick said the SRC would review its actions on Saturday.

The national class boycott would continue until students "thoroughly understood the meaning of a letter" sent to them by national Education Minister Prof Sibusiso Bengu.

In Cape Town, NP Senator David Malatsi said drastic action was needed urgently to combat unrealistic demands and exaggerated expectations resulting in lawless disruption and intimidation at colleges and universities. The arrogance springing from an attitude of "demand" rather than "deserving" was making a joke of tertiary education.

The ANC had cultivated this attitude and should take responsibility for the lack of discipline and the lack of a learning culture, Malatsi said.

It also had to take responsibility for the vandalism and intimidation on campuses. The legitimacy of universities as autonomous institutions was being discredited and, as a result, SA was losing valuable expertise and leadership.

Funds essential to the RDP were now being spent on repairing the results of campus vandalism, Malatsi said.

Classes at Peninsula Technikon in Bellville, near Cape Town, resume today after a 10% across-the-board fee increase and a 5% residence fee increase were negotiated by students and the institution. Agreement was also reached on a number of measures to provide support for students needing financial assistance. — Sapa.

□ See Page 14

## Townships plan 'toyi-toyi' tourist trade

EIGHTY former self-defence unit members may change the face of SA tourism when they announce plans to integrate "toyi-toyi" into township tourism at their graduation from the Thuso Tourism and Hospitality Academy tomorrow.

Recruited from units in the East Rand townships of Thokoza, Kaituma and Vosloorus last year, the cadets have completed phase one of the academy's programme, an "introduction to tourism".

They are expected to announce the formation of a co-ordinating body for tourism in these townships at the ceremony.

The Pretoria-based academy was formed in November with the aim of empowering the largely unemployed and

INGRID SALGADO

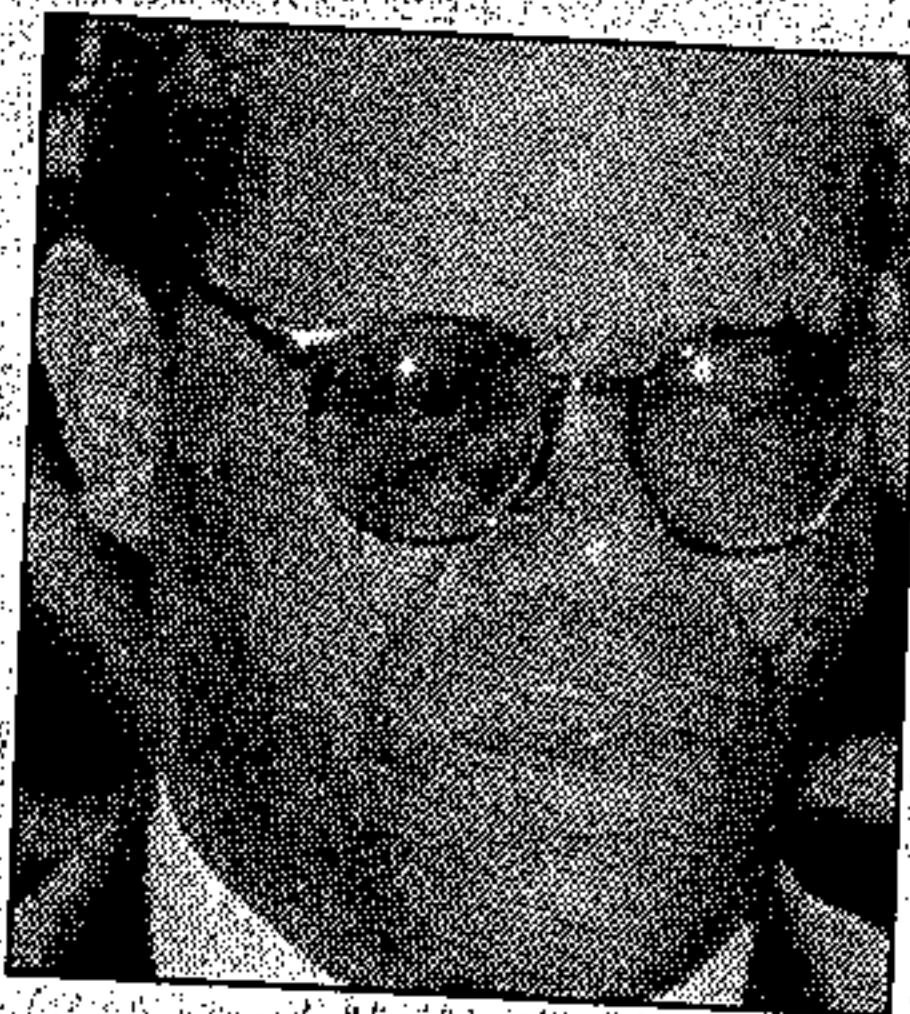
marginalised self-defence unit members. It was felt that curbing violence would bring tourists to the East Rand and members were in a strong position to do so.

"The first phase of our training programme has been tremendously successful," academy chairman Busi Radebe said.

"The primary aim was to create an awareness of tourism and motivate participants to come up with workable ideas for tourism developments in their own areas."

After graduation, they have the opportunity of completing phase two, which focuses on practical aspects, such as setting up a business and tourism structures.

the second half ahead exports into the UK



**CHAIRMAN:** Mr Steve Tshwete

## Olympic bid 'firmly back on track'

CT 24/3/95

### MUNICIPAL REPORTER

THE city's Olympic Games bid is firmly back on track, according to reports to the City Council's executive committee yesterday.

A summit meeting to decide upon the new Olympic bid structure and the board of directors will probably be held on April 3, exco deputy chairperson Mr Llewellyn van Wyk said yesterday.

He said the proposed summit had received support from the highest levels of provincial and metropolitan authorities, and from the Chamber of Commerce and Industries.

Minister of Sport Mr Steve Tshwete will chair the summit, which will be attended by National Olympic Committee of SA president Mr Sam Ramsamy.

Mr Van Wyk said he hoped the presidents of sports federations of various African countries would also be present, as part of an attempt to make Cape Town's bid a "bid for all of Africa".

The exco also committed itself to re-initiate the technical side of the bid, which has been frozen since private sector funders and the state held back their money pending the resolution of infighting.



# Olympics 'set to hit the ratepayers'

ARGUS 25/3/95 (288)

KAREN STANDER

Weekend Argus Reporter

RATEPAYERS in Cape Town will fork out billions of rands to fund building of infrastructure for the 2004 Olympic Games, an expert in local government warned.

This shock message comes from former Cape Town administrator Donald Graythorne and directly contradicts assurances by National Olympic Committee of South Africa's

(Nocsa) Sam Ramsamy, who said recently ratepayers would not pay "an extra cent" towards the Olympics.

But, Dr Graythorne, now an advisor to the Western Cape provincial government, told Weekend Argus this week: "Then he (Ramsamy) doesn't know how municipalities operate."

Estimates of the cost of hosting the 2004 Olympics have ranged from R5.6 billion to a

massive R21 billion. Among the suggestions on how to collect from ratepayers are a piggy-back rates-levy on all rates and regional levies, a special property rate and a special levy on income tax for the province.

This blow comes as city treasurer Eddie Landsberg warned at a city council executive committee (exco) meeting this week that Cape Town rates could increase by up to 21 per-

cent this year.

Cape Town's bid to host the Olympics has been racked by controversy, with public slanging between leading players, including Mr Ramsamy, Pick'n Pay chairman Raymond Ackerman and various representatives of the Cape Town City Council and led to the resignation of Mr Ackerman as bid committee co-chairman.

Yesterday, Mr Ackerman

■ To Page 3

'The poor will suffer' (288)

■ From Page 1

confirmed he would return to the Olympic bid committee if conditions he had set for his return were met.

A summit meeting to decide on the new Olympic bid structure and the board of directors is to be held on April 5 and councillors are to debate the contents of a contract between the city council and Nocsa on Monday. ARGUS 25/3/95

Dr Craythorne told Weekend Argus the "bottom line" was Cape Town ratepayers would pay for the facilities needed — essentially an Olympic village to house 15 000 athletes and a sophisticated stadium to seat 100 000.

"It is a matter of how you arrange it (for the payment) and what you do with the infrastructure afterwards."

He was commissioned by the Olympics Trust to do an analysis of the proposed contract with Nocsa and to come up with a plan on how to get the bid back on its feet.

In his report, he said there would be a need for the regional legislature to enact a law to create a City of Cape Town Olympic board.

Expenditure would be on public sports venues (the local authorities to pay full costs of facilities) and on the Olympic village (the cost of which could be off-set against sale price of units).

As a method of paying for these facilities, Dr Craythorne made four suggestions:

■ The Olympic board to issue debentures or bonds;

■ Fund-raising;

■ Piggy-back rates-levy on all rates and RSC levies. Alternatively, the provincial legislation could provide for a special property rate; or

■ The province to promote a special, perhaps one-time, levy on income tax (requiring national legislation).

■ Democratic Party provincial legislator Richard van der Ross said yesterday he doubted the Olympics would benefit Cape Town's poor.

"I'm beginning to get worried about the Olympics ... especially now that the price tag has gone up from R6 billion to about R21 billion.

"We are asking: Is this really necessary?"

# French tourists love SA but...

(288) Souetan 27/3/95

**PARIS**—Record numbers of French tourists are visiting South Africa and returning with high praise for the friendliness they meet — but disappointed with some hotel and restaurant standards.

There is also a serious language barrier, for relatively few French speak English and none speak Afrikaans or any other of the official languages.

But this handicap is overcome, tourists say by: "The wonderful generosity from everybody at every level. And it is much cheaper there than here."

But there was widespread disappointment over hotels, except for those in the luxury class.

A frequent refrain was: "The country's hotel and restaurant sectors are in general below European standards."

"Service is poor and the welcome factor is no great shakes. Counter clerk staff look on French franc banknotes as Mickey Mouse money — they just want American dollars or travellers cheques."

"They don't really take French tourists seriously."

Certain hotels in small towns were criticised for lack of amenities, shabby furniture and unacceptable noise level from bars. Often reservations went astray.

Restaurants were criticised for their curious habit of dim lighting, often with candles, making it difficult to see

what one is eating. Steaks are often far too large and tough, and sauces nonexistent. Salads are little more than lettuce leaves.

But all agreed: "Everybody was so nice and friendly that it did not matter."

One French couple said: "The South African tourist industry uses the French wartime D-system." The letter DDD stands for the verb *debrouiller* and means literally "making do with what you've got."

An official at the Satour office in Johannesburg said that 26 000 French tourists and businessmen visited South Africa in 1994, a giant leap from the average 16 000 that went annually during the apartheid era. — *Foreign News Service*.



# Quality of tourist guides under fire

□ Angry operators lay blame on Satour

JILYAN PITMAN  
Staff Reporter

THE quality of tourist guides graduating from local colleges and courses is poor and Satour is to blame, according to local tour operators.

Aggrieved operators say many graduates are only in the business for a job. What is missing is personality and commitment, they say.

Garth Luxton, owner of a tour company in Muizenberg, said he was appalled at the quality of graduates.

"The right calibre of graduate is not coming out of these colleges," he said. "We have had many complaints from the public about them. We have actually asked some of them to leave. I've been told some graduates are being passed because they have the right language skills only. We feel colleges must accept the right people for the profession."

He said his company had to go back to a pool of "old" good-calibre guides who were prepared to work over weekends and when they were wanted.

When he trained to be a guide three years ago the fees were R400 a course. Now the

fulltime courses ranged from a minimum of R870 to over R3 000 a year and "the guides are worse".

Tour operator Margi Biggs said there were many guides in the industry but Satour in Pretoria was making it difficult to hire good guides because they insisted guides do the final exam only after they had taken a course.

"People wanting to get into the tour guide industry can't do it because of the cost and because Satour dictates," she said. "If we use non-qualified guides there is a stiff fine. I should be able to employ people to do my company proud but I'm forced to use graduates from courses. I know there are some wonderful people who would make excellent guides without any courses."

Damelin's James Lizamore said there was a certain amount of truth in the complaints but said his company took only a limited number of students and did specific screening to make sure the right people came on to the course.

"We have to have a minimum of 7 and the maximum of 15 students to make the course viable," he said. "We follow Sa-

tour's syllabus and a tour guide can only operate after being passed and registered by Satour. Our four-month course is comprehensive because of what a guide needs to know and we feel it cannot be done in seven days or less."

Satour is being blamed for its stranglehold on the industry because it lays down the syllabus and then insists guides do the final exam after they have taken courses at various institutions.

Greg McManus of Satour's Pretoria office said there was "collusion going on at every level of the industry, with hotels and others using illegal and unregistered guides. We will cancel registrations of bad guides if operators let us know. Anybody can register their own training programmes with Satour. An ad-hoc approach to training is not acceptable. We have a system based on sound principles and it's working".

Tour operators are also concerned at taxi drivers acting as tour guides without registration, and that Captour is briefing taxi operators on how to handle rugby fans and issuing temporary permits without consultation with tour operators.

## Most visitors were on holiday

(288)

ARG 28/3/95

PRETORIA. — Nearly two-thirds of foreigners entering South Africa last year came on holiday, the Central Statistical Service said in Pretoria.

This was an increase in tourism by 11 percent on 1993.

Compared to 1993, there was also an overall rise — 17 percent — in the number of foreigners visiting South Africa in 1994.

About 22 percent of the total of 785 574 entered the country for business reasons. — Sapa.



# 'Fundless' tourism body given R3-m

Political Staff

(289)

BETWEEN September 1993 and February 1994 the National Tourism Forum, chaired at one stage by Peter Mokaba, was given more than R3 million, of which R143 000 was not entered in the organisation's books.

Speaking in the national assembly interpellation debate yesterday, Francois Jacobsz (NP) said the forum, which had achieved "nothing to date", had folded due to a lack of funds.

Auditors had identified potentially irregular payments of R900 000 for travel, accommodation and cellular telephones for which there had been no authorisation.

Dr. Jacobsz said Mr Mokaba was paid R246 000 a year by the forum.

ARG 30/3/95

NO REPRESENTATIVES YET FOR CRUCIAL SUMMIT

# Bid proposal: Council bungle stalls adoption

CT 30/3/95  
(288)

**THE METRO** Council could not adopt crucial recommendations on the Olympic Bid last night because most committee members failed to attend the meeting.

**DALE GRANGER** reports.

A CRUCIAL meeting to propose that the metropolitan council adopt the Olympic bid recommendations of town clerk Mr Keith Nicol failed last night when exco and the economic management committee were unable to achieve a quorum.

Less than half the committee members arrived.

Councillor Mr Arthur Wienburg was angry to learn that council had adopted recommendations on Monday amending their proposed contract with the National Olympic Committee of South Africa (Nocsa).

Mr Wienburg objected that he had only just learned of the presentation and the amendments.

Deputy exco chairman Mr Llewelyn van Wyk said, however, that notice of the meeting had been sent to all councillors.

The amendments included a recommendation that Grinaker Sports, contracted to Nocsa for their marketing, succeed Mr Raymond Ackerman's Olympic bid team and enter into a written agreement with the city council as the official marketing agents of Cape Town's bid.

## Summit

The contract was also amended to state that Nocsa's expenses for the bid should be negotiated with the council before being approved.

Last night's abortive meeting comes just days before next week's crucial summit of Olympic bid players from the government, the

private sector and the council to elect a new bid committee.

The council has still not elected the four members to represent them at the summit.

● A motion by Mr Wienburg calling on Cape Town not to sign any agreement with Nocsa before a full financial risk-benefit analysis was done was ruled out of order yesterday.

## Analysis

Metro chairman Mr Willie van Schoor said the council had already adopted an executive committee recommendation that every effort should be made to save the bid.

Mr Wienburg had wanted the analysis to be conducted by a committee which would report back to the council by the end of May.

This is about a month after the deadline set by Nocsa president Mr Sam Ramsamy.



# Call for probe into 'Mokaba's forum' (288)

**ANTHONY JOHNSON**

POLITICAL CORRESPONDENT

AN investigation into the National Tourism Forum — chaired until recently by ANC MP Mr Peter Mokaba — has revealed the now defunct body received over R3 million from donors by the end of September last year.

The probe, conducted by the accounting firm Deloitte, Touche, Tohmatsu, found R2,9m of this money was recorded in a cashbook as having been received but R142/619,84 was not recorded.

The accountants found salaries paid to forum staff "fluctuated significantly from month to month" and recommended the reasons for the fluctuations be investigated.

CT 30/3/95

They have also recommended in a report that the numerous payments to forum members for travel purposes be investigated.

The report has led to the NP calling on Mr Mokaba — chairperson of the parliamentary standing committee on tourism — to resign.

It has also asked the ANC for an independent inquiry after claims Mr Mokaba paid himself R246 000 annually as chairman of the forum (besides his R190 000 annual salary as an MP).

Mr Mokaba has denied he is implicated in any corruption or wrong-doing. He sent a report to ANC secretary-general Mr Cyril Ramaphosa last month following his own investigation into alleged corruption in the forum.

# Olympics: City council to go ahead with bid

ARG 3113195 (288)  
**ANDREA WEISS**  
Municipal Reporter

THE Cape Town City Council has made the all-important decision to proceed with the Olympic bid by agreeing to send four representatives to a summit on Wednesday called by sports minister Steve Tshwete.

At its monthly meeting yesterday, the 98-member council agreed that "with pride and humility" it would accept an invitation to bid on behalf of the city, the metropolitan area, the region and South Africa.

It also decided to nominate four representatives to attend the summit at the invitation of Mr Tshwete so that a formal bid structure could be established.

This structure could also be given the right to sign a contract with the National Olympics Committee of South Africa on behalf of the city.

But former mayor Patricia Kreiner also called on new mayor

William Bantom to convene a public meeting if the summit was not able to fully inform people about the bid.

Arthur Wienburg and Kenneth Penkin were the only two councillors who voted against the proposal to proceed with the bid.

Mr Wienburg asked that no decision be taken before a full financial assessment was done and reported back to council.

But he was countered by other councillors who said that the bidding process would reveal the financial implications.

Leon Markovitz, co-chairman of the economic development committee, said there could be no more delays over the issue.

"We must stop the bloodletting and the anti-Olympics talk because it is bad for the image of Cape Town."

He added: "Unless we move forward we are going to become the laughing-stock of the country."

But he said heed should be taken of Mr Wienburg's concern.

Clive Keegan, also a co-chairman of the economic development committee, said Mr Wienburg was trying to delay the process so as to make the bid impossible.

The whole purpose of bidding would be to undertake the kind of financial analysis Mr Wienburg was asking for in the next 17 months.

He said if it became apparent during that time that the city and the country could not afford the Olympics, "we reserve our right to pull out".

Faldiela de Vries of the SA National Civics Organisation accused Mr Wienburg of using facts selectively. She said the Olympic bid should also be assessed for how much it would benefit the underprivileged, particularly with regard to housing and employment.



HOTELS

(288)

FM 31/3/95

## **Up for the cup**

**Rugby World Cup** fever has hit the hotel industry and even far-off hoteliers are bargaining on some good returns on recent room expansions. But sufficient accommodation is not the only passport to a successful return to international tourism, warns Eastern Transvaal Economic Affairs & Tourism Minister Jacob Mabena.

Speaking at the opening of a new wing at Hazyview's Protea Hotel, Mabena expressed concern whether the SA tourist industry can face up to the approximately 800 000 foreigners expected to visit the country this year.

"If they form a good impression on their first visit, they will become our publicity vehicle, said Mabena. "Equally, if the first impression is bad, they will go back and spread the bad news."

Hazyview Protea owner Wicus Pretorius says expansion has been necessitated by a 60% increase in tourism during the last three months. "I expect the international market to increase substantially."

While Protea Hotels are not the official world cup hotel group, the overall accommodation shortage has benefited the group. The shortage of rooms has been underlined by SAA's announcement that it will pay employees R150 a night for accommodating passengers stranded in SA during the month-long competition.

Another hotel, the Boulevard, in Pretoria, has just completed a R4m refurbishment programme. It also expects to benefit from the tournament. ■

BY SHIRLEY WOODGATE

South Africa is experiencing the first stages of a tourism boom that is set to wipe out the 10 years of economic stagnation which started to bite after the introduction of sanctions in 1985.

Satour spokesman Martin van Niekerk said South Africa's tourism figures — which showed there had been an 11% improvement in 1994 — were almost four times better than international figures, where a mere 3% increase was notched up in 1993.

The Central Statistical Ser-

vice said about two-thirds of the 785 574 people who entered the country last year were holidaymakers and about 22% came for business reasons.

Most tourist hotels were very busy, and SAA spokesman Leon Els said the airline's international operation had become profitable again, with the national airline planning to announce details of its "upgraded and expanded" fleet soon.

Three aircraft manufacturers — American-based Boeing and McDonald Douglas, and French-based Airbus — have been asked to present proposals for the best SAA fleet composition.

Els said tourism to and from Australia, Europe, the Far East and the US had taken off since the '94 election, and particularly in the past few months.

"Passengers comprising

SAA's 14% international growth rate include a mixture of business and leisure visitors, and there has also been a spin-off for the domestic market. Losses in the international market until October last year have been turned into a profit for the first time in four years."

Satour's Van Niekerk said continuing feedback from the industry was that tourism was growing "like you can't be-

lieve", and hotel occupancies were up — an upsurge which had taken effect even before the prospect of the Rugby World Cup, which will bring about 40 000 tourists to the country in May and June.

"A World Tourism Organisation visitor who was here last week wanted to stay an extra day in Johannesburg. We phoned 12 hotels before we could get him a room for a

night," said Van Niekerk.

Statistics provided by Environment Affairs and Tourism Minister Dawie de Villiers revealed that airport arrivals in November last year were almost 50% up on November 1993.

In January, inquiries on travel to South Africa were up by 200% in Holland, 68% in France, 67% in the United Kingdom and 28% in Germany.

# SA rides crest of new tourist boom

(288) Star 3/4/95

## SA on crest as tourism boom becomes reality

From Page 1

also good".

The huge hotel chain unveiled a refurbished four-star Holiday Inn in Pretoria on Friday. The refurbishment cost R7-million.

A R500-million, 2 000-seat convention centre and casino was being planned by the Three Cities Hotels group for Johannesburg's Carlton complex to attract a share of the world's lucrative conference market, said chairman Russell Stevens.

This project would go ahead by the end of the year if the relevant casino licence were tied up, said Carlton Hotel general manager Christopher Trimble.

### Reopen

Occupancy of the 500-room city centre hotel — mainly catering for businessmen — is 45% up on last year.

"If the current trend continues, we will consider 1996 as the date when we will reopen the seven floors which were shut down in 1988," he said.

Protea Hotels sales and marketing director Danny Bryer reported a dramatic increase of between 80 and 100% in occu-

pancy in the group's mostly three and four-star hotels over 1993, but cautioned that this was judging off a low base because hotels were running only 55% full before the election.

He said Protea's plans included upgrading and refurbishing existing outlets, and identifying tourist pressure points around the country to build new hotels.

Sheraton is investigating the South African market, and Hyatt International comes to SA with the launch of its R165-million five-star hotel in Rosebank, Johannesburg, in November. This group is investigating two other sites in Durban and Cape Town, said Rosebank's Park Hyatt general manager Robert Desmond.

"Cape Town, Johannesburg and sites in and around the Kruger National Park are top of the priority list ... we will be looking at more deluxe units," he said.

Captour chief executive Gordon Oliver said: "Satour estimates Cape Town gets about 70% of all foreign tourists.

"Since October, our hotels have been running 80 to 100% full, and they are currently fully booked until after the Rugby World Cup in June."

The hotel industry is bullish about the future, mainly because of the dramatic upsurge in bookings since October.

Southern Sun last month expanded its portfolio with the introduction of two new hotel chains to cover the entire market, and 1 650 new rooms (equal to 12% of the group's accommodation at present) would be added in the next year.

Group operations director Helder Pereira said hotels were almost full during the week, and weekends "were

► To Page 3



## Rugby player is 'critical'

The Argus Bureau

PORT ELIZABETH. — A young Port Alfred rugby player is in a critical condition after injuring his head during a game at the weekend.

Riaan Klopper, a 20-year-old furniture salesman, was carried off the field at Port Alfred on Saturday during a match between South Eastern Districts and Fish River Sun.

A spokesman for the Port Alfred rugby club, Ronnie Green, said Riaan was seen jumping for the ball when players ran into him, bumping his legs from underneath him.

It is thought he might have fallen on his neck.

## Smoking law 'aids tourism'

Municipal Reporter

THE Cape Town City Council's new smoking by-law has been welcomed as a boost for tourism.

The National Council Against Smoking said it was important that South African cities should aspire to international standards set in European, American and Asian cities.

Also, British Airways and Cathay Pacific had introduced smoke-free flights to South Africa.

"By restricting smoking, Cape Town will provide a more comfortable, safer and healthier indoor environment, not only for tourists but for all," the council said.

## Health care must reach more

Staff Reporter

A MORE cost-effective and efficient primary health-care system, serving all the communities in the province, was needed to solve the health crisis, delegates to a meeting of the Cape Independent Practitioners Association were told.

The association, representing pharmaceutical companies, hospitals, health services and several paramedical professions, intends finding solutions to the health-care crisis in under-served communities in all parts of the Western Cape.

Chairman Steve Jooste stressed the need to extend services to a greater number of people.

Suggestions for a more cost-effective and efficient health system included:

- Using the most appropriate medicine for the condition to reduce costs for patients.

- Agreeing on a single exit price for drugs to eliminate variable cost structures based on factors such as volume.

- Creating a national code of distribution for drugs to achieve efficient administration of the supply of medicines.

- Guidelines for the best awareness in terms of cost and quality of health care.



# Tourists find the Don's offer hard to refuse

(288) CT (B&C) 4/4/95

**The Don Group's six 'foodless hotels' provide a ready market for its burgeoning grill and pizza businesses**

By John Spira

GAUTENG BUSINESS EDITOR

South Africa's tourism industry has at last reached the slope-face and it's beginning to extract some rich pockets of gold. However, the danger of methane gas leakage is ever present.

That's how Marc Wainer (46), managing director of the Don Group, characterises an industry which has the scope to become the country's largest single source of foreign exchange, but which could falter on a fragile political background.

Wainer, formerly managing director of Investec Property Group, is well qualified to talk on this topic, since the fortunes of his company are closely tied up with the numbers of foreign visitors passing through the gates of Jan Smuts and the amount of money they spend here.

The Don Group operates six "foodless hotels" and a country-wide chain of grill and pizza outlets.

Three years ago, the group didn't exist. Today it is a leader in the self-catering apartments business, having grown from 210 apartments in three establishments to 330 apartments in six locations. Sixty-five of these are top-of-the-range suites on offering accommo-

dation on a par with five-star hotels. The balance are equivalent to three and two-star hotels.

Wainer's aim is to have close on 700 apartments operational by the end of next year.

Almost from the start, the Don apartments enjoyed an average occupancy rate of 80 percent — a statistic which, said Wainer, owed its success to weekend plus mid-week occupancies and a sensible and economical alternative to hotel accommodation.

## 'Foreigners think nothing of spending twice as much as locals on a meal'

"For example, a stay in a Sandton five-star hotel for a fortnight would cost R8 400, with food and drinks extra.

"A one-bedroom platinum suite with fully-equipped kitchen, a TV in the bedroom and living room, and a hi-fi, would cost R3 300. Self-stocked food and beverages would be at normal

retail prices. "The bonus is freedom as absolute as the guest's lifestyle at home."

Sixty percent of the Don Group's business comes from corporates. Several of South Africa's top 100 companies book year-on-year to accommodate clients or executives visiting Gauteng. More than 60 percent of bookings is repeat business.

Originally, the guest profile was almost wholly South African. But with the influx of airlines, overseas companies scouting for business and more tourists, the profile has become more cosmopolitan.

"We'd be full," Wainer maintains, "even if we had double the number of rooms."

Not surprisingly, therefore, he's looking for more units.

"We're more fortunate than the hotel industry. The residential nature of our business means we can look for sites without having to apply for any special zoning requirements."

The nucleus was the Don Pasquale, Don Palazzo and Don Pepe apartment blocks, two of which Wainer and a partner bought in 1988.

They subsequently bought a third, renovated all three to a higher standard and began to expand the self-catering furnished apartment business in line with overseas trends.

In 1993, the Sable property and finance group, headed by John and Paul Nash, bought a controlling interest with Wainer remaining as a major shareholder.

In 1994, the Don Group bought a competitor with apartment blocks in Rosebank and Bruma Lake and built a 42-unit platinum suite block in Melrose.

Then, later in the year, Wainer, as property consultant to the JSE-listed, family-owned Bristol Industrial, recognised that the business was undervalued and underperforming.

He negotiated a reverse

## ROOM FOR EXPANSION



**EYE FOR THE GAP** The Don Group's Marc Wainer sees enormous potential for tourism in South Africa

takeover which led to Bristol becoming the Don Group. "Bristol carried huge overheads. It now runs on one manager and a secretary. We've shaved nearly R1 million a year off expenses."

The Bristol deal and the JSE-listing that came with it facilitated Don's recent acquisition of Interleisure's food companies, which will boost the group's annu-

al turnover to R60 million and contribute around 40 percent to Don's earnings.

Just as heightened foreign tourism is boosting occupancies at the foodless hotels, it is enhancing sales at the Squires Loft, Late Nite Al's, RJs grill houses and at Giuseppe's pizza/pasta stores.

"There's partial synergy in the catering alliance," said Wainer,

"because we promote the eating establishments at our hotels and, in certain cases, even bus our residents to the grill houses."

"Yet it is the latent rather than the patent synergies that make the most sense. The people that came with the Interleisure chain — men like Costa Tomazos, Errol Groلمان, Paul Haggynames, Jimmy Katsikas and Alan Pick — have entrepre-

neurial records similar to ours.

"Opportunism is one of their guiding principles and they are very much alive to the openings for growth that the fast-expanding tourist and entertainment market has to offer for precisely their brand of expertise and experience."

In both the apartment business and food division, Wainer stressed that plans offering realistic returns on investment would be backed by financial resources to make sure it all happened.

Wainer underlined the considerable benefits for the food division held by the embryonic tourism boom.

"Foreigners think nothing of spending twice as much as locals on a meal. They order the best wines and are happy to pay what amounts to half the price of the equivalent meal they would get at home."

He cited a recent conversation with a British tourist, who paid R35 for a steak at Late Nite Al's.

"At home," the Brit told him, "I pay 35 pounds for a smaller steak as tough as my shoe."

Wainer goes to great lengths to describe tourism spinoffs because he is intent on drawing attention to its tremendous prospective benefits for South Africa.

"That a country like Kenya manages to attract twice as many tourists as South Africa is an indictment on our approach to market-

ing South Africa abroad.

"The mindset is wrong. Criticism of the R2,5 million spent on the queen's visit fails to recognise that the publicity it generated for South Africa worldwide could not have been bought for 10 times that figure."

How will the Don group's historic activity of the past few months impact on the group's earnings? Wainer said the differential accounting periods applying to the deals it had clinched would mitigate against obtaining a clear picture from the figures for the year June 1995.

## 'Criticism of the queen's visit fails to recognise the publicity it generated for South Africa'

Don would soon be providing shareholders with full details of the implications of the transactions along with forecasts for next year.

This being the case, he declined to be specific on what is ahead, other than suggest that the earnings forecast would be highly conservative, "since it has been based on our existing business units and takes no account of future expansion."

My guess? A perhaps inaccurate 22c a share for a forward price earnings multiple of 13. The average is 35.

If tourism's momentum continues to build (as it should), and I'm fairly close in my earnings estimates, there's no knowing how high the shares could go a year two from now.





**PENSIVE:** Sam Ramsamy in a serious mood.



**BIG BUSINESS:** Also at the meeting were Pick 'n Pay chief Raymond Ackerman and his wife Wendy.

# Bid crisis summit begins

ARLT 5/4/95

(288)

**ANDREA WEISS**  
Municipal Reporter

AN atmosphere of deep earnestness prevailed today at the start of a crucial Olympic summit involving all role players in Cape Town's efforts to secure the 2004 bid.

Present among the delegates drawn from a cross-section of society was supermarket magnate Raymond Ackerman and his wife Wendy, along with other business people, representatives of sports bodies, and all tiers of government.

Sports Minister Steve Tshwete, who was hosting the summit, appealed to delegates to set aside any differences in view of the importance of securing the bid for South Africa and the continent of Africa.

Mr Tshwete said at a recent meeting of the Supreme Council for Sport in Africa, held in Harare, that the support Cape Town had enjoyed was massive, and he had been told that the bid was no longer just a South African affair.

"It has become a continental bid. I was assured of the 17 votes from Africa at the International Olympics Committee."

Mr Tshwete said the Commonwealth had also shown excitement about Cape Town's prospects.

He warned that if the meeting ended in disarray it would lead to disenchantment and the demoralisation of the people of South Africa.

"I implore you to forget about your individual selves. Forget about how important you are in whatever sphere. We must be inspired about one single vision."

"Forget about the acrimony of the past. Let us bury the bad blood."

Mr Tshwete was referring to public acrimony between Mr Ackerman, who had headed up the Olympic bid committee before he resigned, officials from the Cape Town City Council and Nocsa president Sam Ramsamy.

Opening the summit, Cape Town mayor William Bantam quoted Martin Luther

King's famous words: "I have a dream."

He appealed to Cape Town to ensure that the "jingling discords" should be converted to "a symphony of brotherhood."

"I believe Cape Town is the city for the Olympics 2004. My prayer for you is that the Olympic bid committee will be formed and unity will prevail."

Western Cape Premier Hernus Kriel pledged his support for the bid but said it would have to be properly structured with all representatives included.

All financial role players would have to bind themselves to the financial commitment required. This included central, provincial and local government as well as the private sector.

Mr Kriel said if the summit decided to form a Section 21 non-profit company to lead the bid, its first task would be to confirm the figures put forward by the former Cape Town bid committee and get the commitment from the financial players.

● More reports: page 3



# Cape Town's bid for 2004 still hanging in the balance

□ Staging event would mean 'wealth and instant racial harmony'

MONACO. — Cities seeking to host the 2004 Olympics are likely to face an early elimination procedure reducing the candidates to a shortlist of four.

International Olympic Committee director General Francois Carrard said yesterday about a dozen cities, including Cape Town, Rio de Janeiro, San Juan, Istanbul and Rome, would bid for the Games.

"We are going towards a selection procedure with four final candidates for 2004," he said, adding that the IOC would make a final decision on this at its next session in Budapest in June.

To reduce costs, the IOC last year introduced a shortlist in

the selection procedure for the 2002 Winter Olympics

In January four finalists were chosen — Salt Lake City in the United States, Quebec of Canada, Oestersund in Sweden and the Swiss city Sion — for a final showdown in Budapest.

The city to stage the 2004 Summer Games will be chosen in 1997.

Highlighting another aspect of the Games, Atlanta mayor Bill Campbell predicts that if South Africa succeeds in its bid to host the 2004 Olympic Games, it will not only be a major economic boost for the country, but also lead to "unprecedented" racial harmony.

Speaking at a function hosted by the National Olympic Committee of South Africa (Nocsa)

at Sandton last night, Mr Campbell described how the people of his city had united as one since being awarded the 1996 Centennial Olympic Games.

"It has been remarkable how this has brought people of all backgrounds together under one common banner. And there is no reason why the same should not happen if a South African city gets the 2004 Games," he said.

According to Mr Campbell, it is estimated that next year's event in Atlanta will be worth \$5 billion (R18 billion) to the local economy, enabling authorities to carry social upliftment programmes for needy communities, as well as creating much-needed jobs. "The Games

are not just about gold, silver and bronze, they are about building new housing, public amenities and attracting investment," he said.

The 60-strong delegation which has accompanied Mr Campbell to South Africa on a goodwill visit includes many prominent businessmen, and he told the invited audience at the Sandton Sun Convention Centre that they were actively seeking trade deals with local companies.

"We hope to keep strengthening the bonds between us. We won't forget that our successful bid for the Games was largely thanks to votes from African Olympic delegates," he said. — The Argus Correspondent and Sapa-Reuter.



## Council has no mandate — alliance

THE Cape Town City Council has no mandate to speak on behalf of ratepayers at the Olympic summit meeting in the city on Wednesday, says the Good Hope Alliance, the umbrella body of ratepayer, resident and civic associations. (288)

GHA executive committee member and Metro councillor David Erleigh said it was a disgrace that the city council, whose members had not yet been democratically elected, could make such decisions without consulting ratepayers' bodies. (ARLT 5/4/95)

"Once again the ratepayers are being ignored by an unrepresentative, nominated body," Mr Erleigh said in a statement.

According to informal information, R75 million had been budgeted for June this year.

"The Cape Town ratepayers have yet to be informed of exactly how this R75 million is going to be raised — never mind how much of their money is going to be spent over the next 10 years," said Mr Erleigh.

# R500-m boost for Cape Town transport system

CLIVE SAWYER

Political Correspondent

CAPE TOWN'S transport system is to get a kick-start of almost R500 million to serve all its citizens.

About 30 000 jobs will be created.

The regional economy will be boosted by about R1 billion from the investment.

Transport Minister Mac Maharaj told the senate yesterday that R470 million had been earmarked for improvements to Cape Town's transport system in the next two years.

Of this, R70 million would go to planning, including for the Olympic bid, and R400 million to infrastructure.

The money would come from the state revenue fund to the urban transport fund, and would be channelled through the Cape Town Metropolitan Transport Advisory Board's

consolidated metropolitan transport fund.

Mr Maharaj said the proposed projects were designed primarily to improve public transport and the development of marginalised areas in the metropole.

All proposed projects were measured against the principles and objectives of the reconstruction and development programme.

"Initial indications are that the majority of projects, as proposed, support the RDP very strongly."

Direct benefits from the initial investment would include the creation of about 3 000 jobs in building the infrastructure.

Indirect benefits included the fact that about 60 percent of the road improvement projects would benefit disadvantaged communities throughout Cape Town.

"All the remaining projects are designed to complete a system which will serve all the citizens of Cape Town."

The R1 billion boost to the regional economy would increase the number of jobs created to about 30 000.

Mr Maharaj said the programme would provide tangible evidence to potential foreign investors of South Africa's commitment to macro-development.

"The RDP will be perceived as being a sound programme in its ability to genuinely deliver. Certain projects could be implemented in disadvantaged areas almost immediately."

The "kick-start" programme would provide the impetus to restore public transport as the primary way to commute. This was essential for cities to survive and to grow effectively, Mr Maharaj said.

SOIL

# Russian plans 10 hotels in SA

CT (BR) 5/4/95 (288)

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

The international Marvol group, headed by Russian-born Mark Voloshin, is planning a multimillion-rand investment in hotels and restaurants throughout South Africa in readiness for further growth in tourism.

Voloshin announced at a media conference in Cape Town that negotiations with the US-based Carlson Hospitality Group had resulted in an agreement to build 10 hotels in this country.

The negotiations, started in Minneapolis last month, will continue in South Africa next week.

The choice of sites for the hotels and a chain of "Thank God Its Friday" restaurants will also be discussed.

The preliminary proposal is to locate them in Cape Town, Pretoria, Johannesburg, Nelspruit, Durban, Stellenbosch, Pietersburg and Nylstroom.

Marvol has sizeable investments in South Africa including a 51 percent stake in Concorde Travel Holdings, the only travel company listed on the JSE.

It has a guest house with seven presidential suites and six single suites in Pretoria, and another incorporating three villas overlooking Cape Town's Clifton beaches.

It bought the Hazendal wine estate, dating back to 1704, last year and is in the process of restoring the house and developing the vineyards.

It established Helios Power, which makes solar panels, in 1991.

It is also involved in a venture to upgrade the defence force's Mirage aircraft with the Russian Klimoff engine.

In addition to these business ventures the Marvol Foundation funds the Centre for Russian Studies at the University of Cape Town.

Voloshin, the group's founder and chairman, has also opened a Russian art gallery in Cape Town.



DEMAND FOR BETTER TOILET FACILITIES

# Tourists flushed with displeasure at city loos

CT 5/4/95

(288)

**THE COUNCIL**, inundated with complaints about the city's poor toilet facilities, is in the final stages of a major study of public toilets. **PETER DENNEHY** reports.

**C**OMPLAINTS about street people who relieve themselves in public have led to a demand for more public toilets.

Mr Gordon Oliver, chief executive officer of Captour, said in his opinion the city was underprovided with public toilets. This had been raised, and "we have been told that (the council) is about to finalise a major study".

He said tourists often could not find the public toilets, several of which were underground, and when they did find them, they

were frequently disappointed with the state they were in.

Council officials confirmed that "as a result of continued complaints and allegations that the facilities are inadequate", urgent attention was being directed at public toilets.

Part of the focus of an almost-completed study was on rationalising administration of the toilets, which are presently controlled by three departmental branches: Environmental health, civic amenities and parks and forests.

An amenities branch official said there was no doubt that at peak season there were not enough public toilets on beaches. Council policy was to put temporary toilets there at busy times, as it was not worthwhile to provide permanent structures that were only needed for two months a year.

It would not be a good idea to teach street people to remove manhole covers and use the sewerage system itself as a immediate-access toilet, because few would be likely to replace the covers afterwards and many might do their business into the wrong manhole, fouling up underground services.





**GOODWILL VISIT:** Atlanta mayor Mr Bill Campbell at a cocktail party near Johannesburg yesterday. Mr Campbell is on a goodwill visit to the country. The city of Atlanta will host next year's Olympic Games. Cape Town is hoping to win the right to stage the Games in 2004.

PICTURE: AP

# Olympics: R1bn boost for city <sup>(288)</sup>

LT 5/4/95

(267)

(267)

CAPE TOWN's economy will receive a R1 billion boost and 30 000 new jobs will be created as a result of state investment in the city's transport infrastructure related to the 2004 Olympic bid.

Transport Minister Mr Mac Maharaj told the Senate yesterday that the R470 million of central government money that had been approved to upgrade the city's public transport system would directly serve disadvantaged communities.

"The 'Kick Start' programme will provide the initial impetus to restore public transport as the primary mode of travel, which is essential for our cities to survive and grow effectively," he said.

Meanwhile, the director-general of the IOC, Mr Francois Carrard, has said they would probably introduce an early selection procedure in June, reducing candidate cities to a shortlist of four.

The city to stage the 2004 Summer Games will be chosen in 1997.

Mr Maharaj said the proposed projects were primarily directed at improving pub-

lic transport and the development of marginalised communities in the metropole. The direct benefit would be the creation of about 30 000 jobs in the building of the infrastructure.

The indirect benefits are:

- The region's economy will be boosted by about R1bn through direct and induced expenditure arising from the R400m invested in infrastructure.

- In the road infrastructure, over 60% of the projects will directly serve disadvantaged communities.

## Summit

Meanwhile, a summit is to be held today aimed at getting Cape Town's shaky 2004 Olympic Bid back on track — and supermarket magnate Mr Raymond Ackerman has agreed to attend.

"Now that most of the terms and conditions I set out have been met, I have decided to attend."

He said one of his basic conditions to

return to the bid was that he return as chief executive officer of the bid committee. "I have never backed down on that."

He would train someone to take over from him and had employed two placement firms to look for such a candidate.

It was crucial that the summit meeting put an end to the acrimony surrounding the Olympic bid, he said.

"If the acrimony continues, frankly the bid hasn't got a chance ... it has been an enormous job to keep the people on hold who have done extensive work on the bid. They still have not been paid, so it is crucial to get them back on track."

It was reported from London that ballroom dancing and surfing are the latest pastimes to win recognition, albeit provisional, as major competitive sports from the International Olympic Committee.

They joined rollerskating, trampolining and 15 other sports undergoing two trials before applying to join the official Summer Olympic programme. — Staff Reporters, Reuter, The Telegraph plc



# Runaway World Cup tourist record likely

(288)

AR 6/4/95

**JOHN YELD**  
Staff Reporter

**FREE-SPENDING** fans at the Rugby World Cup are expected to boost overseas tourists to a record 800 000-plus.

At a function at Groot Constantia the South African Tourism Board (Satour) executives said the flourishing tourism industry was expected to earn South Africa an additional R700 million in foreign exchange.

New opportunities in the industry, linked partly to the smooth change to a democracy and to the personality of President Mandela, could see tourism becoming South Africa's major economic force and the main contributor to the government's reconstruction and development programme, said Satour executive director Mavuso Msimang.

"It is our duty to ensure that tourism improves the quality of life of all South Africans," Mr Msimang said.

"A budget for tourism is actually an investment in the RDP because of the potential for job-creation."

But there were constraints on tourism's ability to contribute to the RDP because the government's financial contribution to tourism promotion had been significantly reduced.

"In view of the weak value of the rand, international marketing has become extremely expensive and consistent funding is necessary to achieve long-term goals," Mr Msimang said.

Responding to a question, he said he was unable to explain why the politicians had cut the board's budget in the face of evidence that investment in tourism paid dividends.

Countries with comparable attractions were making more

money from tourism than South Africa.

Tourism contributed about three percent to South Africa's gross national product compared to a world average of six percent.

"Being such a labour intensive industry, the contribution of tourism to socio-economic upliftment could be tremendous, and we all share this responsibility."

Various private sector initiatives were due for completion this year, creating hundreds of new job opportunities in tourism-related projects.

Mr Msimang said there were discussions about a regional tourism organisation for southern Africa which could include regional marketing.

"I think there is wisdom in pulling everyone (in southern Africa) together. There are no sacrifices in doing that... it is truly a win-win situation."



# Ackerman back at Olympic bid helm

ANDREA WEISS  
Municipal Reporter

ARG 6/4/95

(288)

RAYMOND Ackerman is firmly back on board Cape Town's 2004 Olympic bid.

Mr Ackerman's reinstatement took place during a crucial summit on the Olympic bid, to which all stakeholders had been invited by Sports Minister Steve Tshwete.

Among the key decisions made at the summit was for a Section 21 company to be set up with a broadly representative board of directors to guide it.

The post of chief executive officer of the company was likely to be advertised widely to attract a top-calibre business person.

Meanwhile, a steering committee of 14 people, nominated by the summit, appointed Mr Ackerman chief executive officer to pick up where the former bid committee left off until the new company was in place.

This committee meets today to decide on crucial issues surrounding the bid's progress, among them the search for a chief executive officer of the proposed company.

Mr Ackerman's return was welcomed by Clive Grinaker of Grinaker Sports Management, which is involved in finding sponsorship for the bid, who said inclusiveness and accountability was being followed.

After several hours of deliberation immediately after the summit, Mr Tshwete said the committee had decided to elect Mr Ackerman as chief executive officer to reactivate all the work that had been done.

He said the committee would work towards the speedy setting up of the Section 21 company and would carry out the mandate given to it by the summit.

Mr Tshwete said he would chair the committee meetings, assisted by former co-chairman of the bid committee Ngconde Balfour.

The Olympic summit ran smoothly for the most part until Mr Ackerman rose towards the end to put forward his conditions for returning to the bid, including his return as a chief executive officer in the interim.

In an emotional speech, he questioned whether he had the support of the city of Cape Town after more than four years' work on the bid.

He was reassured that nobody was opposed to his involvement in the bid, but that the feeling was the committee should decide who should play a leading role in it.

Mr Tshwete reassured him from the chair: "Ray, I don't think the view is that we don't want you."

He appealed to Mr Ackerman to attend the committee meeting to "reflect" on the mandate the summit had awarded it, as it was not clear at that time whether Mr Ackerman would remain with the bid.

More than four hours after the committee met, it was announced Mr Ackerman had accepted the appointment as chief executive officer.

But, Mr Ackerman said he hoped a new chief executive officer would be found soon, at which time he would consider playing another role.

"I am very pleased the bid is back on stream. I feel our problems are now over," he said.

● The interim committee includes Mr Ackerman, Mr Tshwete, Mr Bal-four, Western Cape Sports Minister Lerumo Kalako, Cape Metropolitan Council chairman Willie van Schoor, Cape Town city councillor Clive Keegan, National Olympics Committee of South Africa member George van Dugteren, Ivan May of Nedbank and Roger Veysey of Murray and Roberts (both representing potential sponsors), Philip Krawitz and Sam Tuntubele representing business, David Bridgman of Wesgro, Ronald Bernickow of Cosatu and Danny Jordaan of the National Sports Council.



# International visits up 25% (288)

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

CT(BR) 6/4/95

International travel to South Africa "couldn't be more buoyant," Mavuso Msimang, executive director of the SA Tourism Organisation (Satour), said at Groot Constantia, Cape Town, yesterday.

He said overseas arrivals in October last year were 25 percent higher than in October last year.

Air links were an important factor in this growth. There were 60 international airlines flying to South Africa now, compared with 20 five years ago.

The latest figures showed tourism providing about 450 000 jobs and contributing three percent of GNP. However, there was still scope for expansion. Msimang said it ranked only fourth as a foreign exchange earner. Worldwide it was the main foreign exchange earner.

Tourism had enormous potential to contribute to reconstruction and development because it was so labour intensive. However, there was a need to make the country safer and to improve productivity and standards of service.

# Framework for bilateral ties (288)

CT 6/4/95

AFRICA needed unity and solidarity to overcome the burdens of under-development and economic recession, Mr Nelson Mandela said yesterday.

Speaking at a banquet in honour of Tunisian president and chairman of the OAU, Mr Zine El Abidine Ben Ali, he said the joint commission to be established by the two countries would provide a good framework for bilateral relations.

The two countries, both blessed with natural beauty, had much to gain from the agreement on tourism signed yesterday.

Reminiscing about his visit to Tunisia in March 1962, President Mandela said he was pleased to reciprocate after three decades the hospitality Tunisia had offered him. — Sapa



# 'Bid must focus on long-term development'

STAFF REPORTER

CT 6/4/95

AN Olympic bid must be based on the long-term urbanisation and infrastructural needs of the city, rather than the requirements of the Olympic Games and the athletes themselves.

This is the view of Mr Josep Acebillo, Barcelona's Olympic infrastructural technical director, who is in the city as guest speaker of the Africa 2000 architectural and planning conference.

Mr Acebillo said yesterday he admired Cape Town's "rich" natural geography but thought the infrastructure of "poor quality".

He said the Barcelona Olympic Games were a long-term success because the Olympic infrastructure was implemented in accordance with the long-term urbanisation needs of the city.

Only 10% of the Olympic budget was spent on sports facilities while 90% was for urban development, he said.

The Barcelona Games had not made a great deal of financial profit but "this was never the intention," he said. Instead, the Games had enabled the different tiers of government in the city, together with the private sector, to undertake large infrastructural development projects that would otherwise not have been possible.



ACKERMAN BACK IN DRIVING SEAT

# City Olympic bid salvaged

**A CRISIS** summit meeting to rescue Cape Town's bid to host the 2004 Olympic Games has resulted in Mr Raymond Ackerman again taking over as chief executive officer and the election of an interim committee. **PETER DENNEHY** reports.

**C**APE TOWN'S Olympic bid was salvaged yesterday — with Mr Raymond Ackerman firmly back in the driving seat.

The supermarket tycoon last night announced that the problems of the past two months "are over", and that everyone at yesterday's Olympic crisis summit had shaken hands on it.

Earlier Mr Ackerman — his wife Wendy in tears, and his voice quavering — came close to walking out of the summit. He was brought back from the brink by "Mr Fixit" Sports Minister Mr Steve Tshwete who immediately called a lengthy meeting of the new interim committee behind closed doors.

At this meeting it was decided that a new non-profit company would be established to form the core of the new Olympic Committee.

There was wide agreement among the different parties at the summit — business, sponsors, sport, all levels of government, non-government organisations and labour — on the proposed composition and organisation of the new body.

It was also agreed that in the time it would take to establish and register the new company, an interim committee would take over the day-to-day business of the bid.

CT 6/4/95

The interim committee elected Mr Ackerman as its chief executive officer. He will stay on in that position even after a new bid committee is established and until a new chief executive officer is trained to take over from him.

Mr Ackerman's near-walkout was sparked off by his feeling that some of the delegates did not want him to head the committee. Those who argued against an interim chief executive officer did not know what was required in the next four months, he said.

## Contract

Mr Ackerman said: "I have never done anything when I am not wanted."

Just weeks ago, Mr Ackerman resigned from the previous bid committee over a disagreement about its status, about proposals to form an entirely new bid committee and about a proposed Noca contract with Cape Town.

Earlier, the tide appeared to be running against Mr Ackerman. Many representatives argued over the length of time the new committee would function and whether a chief executive officer should even be appointed if the body was soon to be dissolved.

While organised business in the Cape wanted Mr Ackerman back as interim head of the bid, Mr Clive Gri-

naker, who said he spoke on behalf of private sector sponsors present at the summit, said the board of the new company should elect a chief executive.

Mr Ackerman had also wanted the power to renegotiate the terms of a proposed contract between the National Olympic Committee of SA (Noca) and the Cape Town City Council.

## R3m owed

This question was not settled at last night's interim committee meeting, another meeting will be held today to decide who must sign the contract, and who will have an input in it.

A budget for the interim committee will also be discussed. Mr Ackerman said at the summit that about R3m was owed to various consultants for work on the bid, and some were in danger of liquidation if they were not paid soon.

Two months had been lost, and it was urgent that work on the bid got restarted immediately, he said.

The members of the interim bid committee are: Mr Tshwete, Mr Ackerman, Mr Ngconde Balfour, Mr Lerumo Kalako of the provincial legislature, Mr Willie van Schoor for the metro council, Mr Clive Keegan for the city council, Mr George van Digtjen for Noca, Dr Ivan May of Nedbank and Mr Roger Veysey of Murray and Roberts, who represent the sponsors, local businessman Mr Sam Tuntubele and Mr Philip Krawitz with Mr Michael Stekhoven as an alternate for the SA Council of Business, Mr Ronald Bernickow for labour, and Mr Danny Jordaan represents the National Sports Council.



**SETTING TERMS:** Supermarket magnate Mr Raymond Ackerman lays down his bottom line at yesterday's Olympic summit meeting in the Civic Centre. Beside him is his wife Wendy

PICTURE: BENNY GOOL



*SAA to mobilise its entire fleet for World Cup*

## Claim about number of visitors disputed

■ BY SHIRLEY WOODGATE

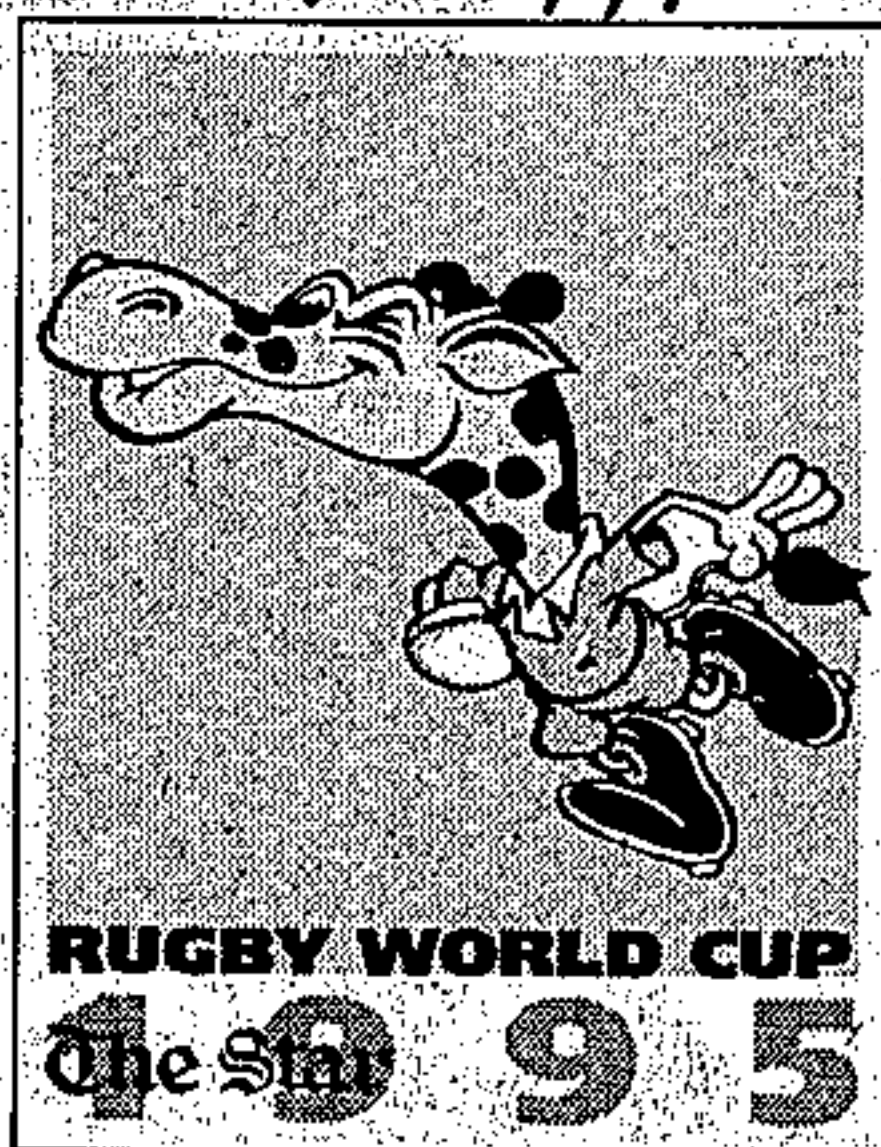
South African Airways has disputed Satour's claim that only 26 000 visitors are coming to South Africa for the Rugby World Cup.

At the latest count, SAA reported that a record 37 000-40 000 additional passengers were expected on international flights during May and June, senior manager, product development, Danie van Wyk said.

These figures excluded people booked on other airlines and included administrators, media supporters, friends, family and team players being transported by the official RWC carrier, he added.

SAA is confident it can handle the influx of fans to and from the country and between venues.

Senior manager for marketing communications Ian Bromley said SAA would mobilise its entire fleet for the event, with longhaul Boeing 747s and 767s with a seating capacity of between 300 and 380 comman-



deered between international flights to shuttle fans between venues during peak periods.

Some 25 additional international flights and 170 extra domestic flights had been scheduled in addition to the 4 000 monthly flights around SA. SA Express, Comair and various charter companies would provide additional flights.

A third of the international fans are expected from Britain, followed by Australia, New Zealand and France.

Commenting on the processing of passengers at the various airports, Bromley said the shortage of accommodation would be addressed by transporting fans to and from away-match venues on the same day.

In-flight processing of international fans through customs and immigration was in place and special SAA client service teams would be stationed at all domestic airports to speed up the flow of passengers.

In some cases the entire load of fans and their baggage would be taken directly from the apron to their bus, and a 24-hour operations control centre would co-ordinate flight scheduling and logistics of moving tens of thousands of fans to and from hotels and match venues.

In the event of flight delays, SAA staff have offered to accommodate visitors overnight in their homes near Jan Smuts Airport, and Rand Afrikaans University has indicated that 300 rooms will be available at short notice.



# 'Remarkable' progress as committee gets to work

Municipal Reporter

ARLT 7/4/95

THE interim Olympic bid committee, elected on Wednesday, has made "extraordinary progress".

This was the view of Clive Keegan, who represents the Cape Town City Council on the committee of 14. He said several very firm decisions had been made at the lengthy meeting.

The committee is under the chairmanship of Sports Minister Steve Tshwete, with Ngconde Balfour as his deputy. Raymond Ackerman is the chief executive officer.

Among the decisions made was a resolution to pay all outstanding debts of the former bid committee.

Mr Keegan anticipated that the registration of a Section 21 company to take the bid forward would happen within a fortnight.

He said the documents were formally lodged with the registrar yesterday morning.

Sponsors including Murray & Roberts, Sun International and Nedbank, which are represented on the committee, had indicated they were still on board and awaiting the creation of the legal body.

Apart from that, the meeting heard progress reports from consultants and departments of the city council, he said.

The advertising of the post of a chief executive officer for the committee had not been discussed because of time, although it was on the agenda.



# Courtyard Group is to expand with new hotels

(288)

B07/4/95

ROBYN CHALMERS

THE Courtyard Group is set to expand by constructing new hotels around SA, a move facilitated by the recent deal negotiated with City Lodge hotels, says Courtyard MD Paul Koep.

City Lodge announced last weekend it had acquired 50% of the Courtyard Group for R18m with effect from April 1. The deal meant City Lodge acquired 100% of the Courtyard Management Company, and stakes in the five hotels under the Courtyard banner.

Koep said the additional muscle of the City Lodge group would allow the Courtyard Group to expand faster than initially expected and provide more Courtyard hotels around SA.

He said plans in the near future included the expansion of the Arcadia Courtyard in Pretoria and the construction of new hotels in Cape Town and Johannesburg.

Further hotels were planned for Pretoria and Durban, but Koep said these were longer term development projects.

The Courtyard Group opened three new hotels last year, a 69-suite Waterfront Courtyard at Johannesburg's Bruma Lake,

a 70-suite Courtyard at Cape Town which incorporated the historic Valkenberg Manor House and a smaller 43-suite hotel in Arcadia, Pretoria.

Koep said the group already had hotels operating in the Johannesburg suburbs of Sandton and Rosebank, and estimated that the current replacement value of the five operating hotels was around R80m.

Courtyard group marketing director Geoff Hindle said all of the hotels were trading well and occupancies for the next three months were close to capacity.

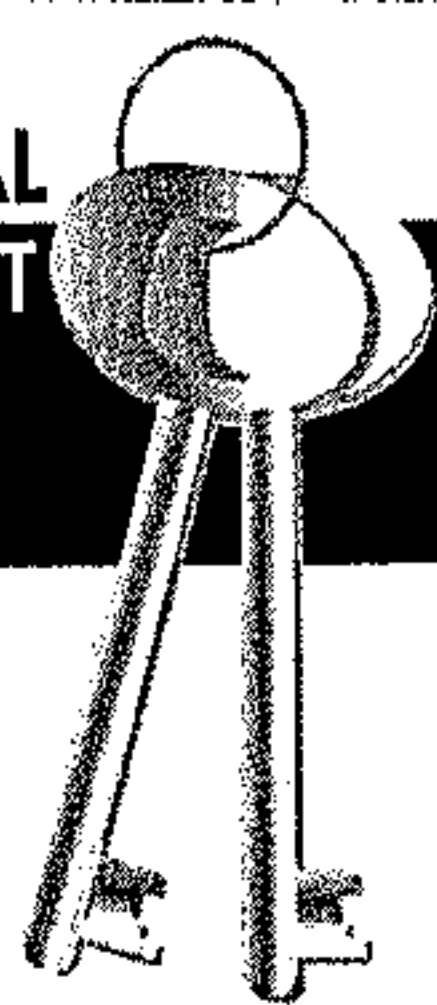
Hindle stressed that the deal with City Lodge would have little effect on the Courtyard group's staffing levels.

Directors were confident the deal would enable City Lodge to benefit from the upturn in the economy as well as the growth in business travel and tourism.

The market has reacted positively to the purchase, with City Lodge's share price rising to R23,75 on Monday from R23 and increasing further this week to close at R24 yesterday.



## PROTEA HOTELS



## Cape-to-Cairo dream coming true

■ In 10 short years Protea has grown into Africa's leading hotel chain (288) FM 7/4/95

The opening next month of the Ein el Sokhnah Tourist Village, comprising 160 villas and a 54-bedroom hotel on the shores of the Red Sea in Egypt, will mark more than just another milestone in the growth of Protea Hotels.

The development represents a significant stride towards realising the group's dream of linking the Cape to Cairo via a network of top-quality hotels throughout Africa.

Executive chairman Otto Stehlik says from a small beginning 10 years ago Protea has grown into Africa's leading hotel chain and the 33rd largest in the world in terms of number of hotels, according to the American magazine *Hotels*, one of the sector's most authoritative publications.

Apart from dominating the South African hotel sector with 52 properties around the country, Protea operates in 10 African and Indian Ocean island countries — Swaziland, Zimbabwe, Malawi, Kenya, Tanzania, Uganda, Egypt, Reunion and Mauritius.

This means the group is ideally placed to develop unprecedented facilities for travellers on the continent's most important tourist axis — the route from Cape Town to Cairo through east, central and southern Africa.

Equally important is the role Protea plays in the development of the hotel industry in SA through its own properties and those it manages, and in some cases, franchises on behalf of owners.

With tourism seen by many analysts as a key factor in the region's economic revival it is crucial that suitable infrastructure should be put in place to cater for foreign visitors and domestic travellers.

Protea executives believe they are ready to meet the challenge. ■

## A world player

■ Protea's growth has earned it an enviable reputation

**Protea Hotels** executive chairman Otto Stehlik faces the dilemma that confronts the CEOs of many growing businesses: how to

reorientate the company without undermining its essential character.

When it was established 10 years ago Protea fostered a family business culture based on three core values: respect for human dignity; the best guest service; and a striving for excellence.

"The group started with the intention of establishing a network of hotels in geographically strategic locations with support infrastructure in areas where we could



Gillis and Stehlik ... linking the continent

add value. This has been largely achieved and our original corporate philosophy has formed the basis for our rapid growth in SA and positioned us favourably for expansion into new areas where Protea has a distinct trading advantage," says Stehlik.

As Protea grew it developed a profile that can best be described as that of a big small company.

But continuing growth is pushing it into the lower ranks of big companies. Stehlik accepts the need for the transition. The challenge is to manage it in the best interests of all Protea's stakeholders.

The change will inevitably mean shedding the family business image and embracing a more formal corporate culture. But change will not be allowed to compromise Protea's core values, principles and beliefs.

"We are committed to growth and the process is irreversible. However, we must try to preserve those small business characteristics that have underpinned our success so far.

"For instance, we must strive to maintain and improve the personal and professional relationship with our guests, our hotel owners and especially our staff. We are committed to staying in close contact with them and to continue with our hands-on management style."

For example, says Stehlik, he and MD Arthur Gillis respond personally to all guest comments.

Equally important will be the need to adapt successfully to the evolution in the hotel business where accommodation is rapidly becoming a commodity and competition is often cut-throat.

Stehlik believes the Protea brand is probably the company's greatest strength in this battle. "Our brand represents credibility. It is an assurance of

quality at a time when the industry lacks a clear definition of what is acceptable as good quality, affordable, full-service accommodation."

Protea's key objective is to become "the best mid-market, affordable, strategically located hotel group in Africa."

The advantage to guests of the number and geographical spread of Protea hotels is obvious.

Less well known, says Stehlik, is what the company has been able to do for hotel owners and investors who have joined the stable under management or franchise agreements.

"To the potential or existing hotel operator or investor the Protea brand and infrastructure represents a partnership in which the prime benefits are the power and economy of scale in the areas of marketing,





sales, operational expertise, bulk purchasing and measurable systems, all of which are essential to ensure survival and profitability."

The success of the partnership, he says, is underpinned by Protea's mission — to take over hotels which could do better if they were managed and marketed better and do just that.

The mission statement recognises the group's ability to use successfully its core competencies — the Protea brand and infrastructure; the group's marketing ability; its management expertise; and its relationship with all stakeholders — to create value for hotel owners, guests, staff and the community in which the group operates.

"Our product is the provision of professional hotel management and marketing expertise and services to owners of hotels which are part of the Protea brand corporate structure," says Stehlik.

The structure of the partnerships with hotel owners varies according to their needs but are based on a management or franchise agreement or a joint venture.

Stehlik believes the partnership concept has worked well for Protea people. It has enabled the group to help people grow through the organisation and also developed the dynamic corporate culture which will underpin growth.

Political transition in SA will obviously buoy Protea's prospects. Stehlik says the coming five years will open many new opportunities for the company, including growth and the improvement of product quality and relations with guests and hotel owners.

"The upswing in tourism and potential for tourism to become the leading earner of foreign exchange must mean more hotel rooms will become available in southern Africa and throughout the rest of Africa.

"This is why Protea's primary aim over the next five years is to improve continuously quality and increase the number of hotels and rooms we are able to offer. At the same time we must integrate into the full spectrum of the accommodation industry from the full-service, first-class Premier concept down to mid-market hotels."

He accepts that it will not be a simple task. Possible obstacles include lack of quality training and human resources, the unpredictability of the political situation and the slow response to technological advances.

Nevertheless, Protea has prepared itself to meet a wide range of challenges in a rapidly evolving sector.

Says Stehlik: "The market's perception of the different hotel types or service facilities has become clouded in the past few years.

If you add the emerging bed-and-breakfast and informal accommodation sector it is plain to see that a different strategy is vital to our future wellbeing."

Part of the response is to segment the Protea product by quality and service through the Premier concept. But a form of horizontal integration is also necessary, particularly on the basis of location.

"We have a high demand from our guests in places such as Windhoek and Harare. With this level of demand we need to address the supply. Plan One, our development division, is also seriously looking at a purpose-built accommodation project and is well advanced in the design and feasibility study."

SA's re-entry into the international economic community obviously underlies much of Protea's strategic planning, but the possibility of new competitors is seen as a challenge rather than a threat.

At this stage it is not even clear what form competition from international hotel groups will take.

"Will they build, invest or simply supply brand? One must also bear in mind that 85% of the guests in most hotels in SA are local. Therefore, we have to ask what international brands and their attributes mean to SA travellers. Another thing we have to consider is how dollar-based fee structures translate into rands," says Stehlik.

He argues that Protea, on the other hand, offers local hotel operators full marketing support in a market that produces 85% of their revenue and provides them with international representation and participation in global distribution and reservation systems at a fraction of the cost of international affiliation.

Stehlik says Protea's vision is to be Africa's premier hotel operating company.

"As an organisation we will not be judged by the speed of our growth or the size of the group, but by the quality of our operation and relationships with our stakeholders.

"We believe our future depends on our ability to focus and co-ordinate the efforts of people inside the organisation and adapt the organisation to the rapidly changing external environment."

This focus, says Stehlik, recognises that Protea's long-term future will be influenced by changes in the external environment across a wide spectrum, including economic, political, legal, social, technological, competition and among guests.

This means the group's success depends very much on its ability to harness the initiative, drive and creativity of its people towards achieving a common vision. ■

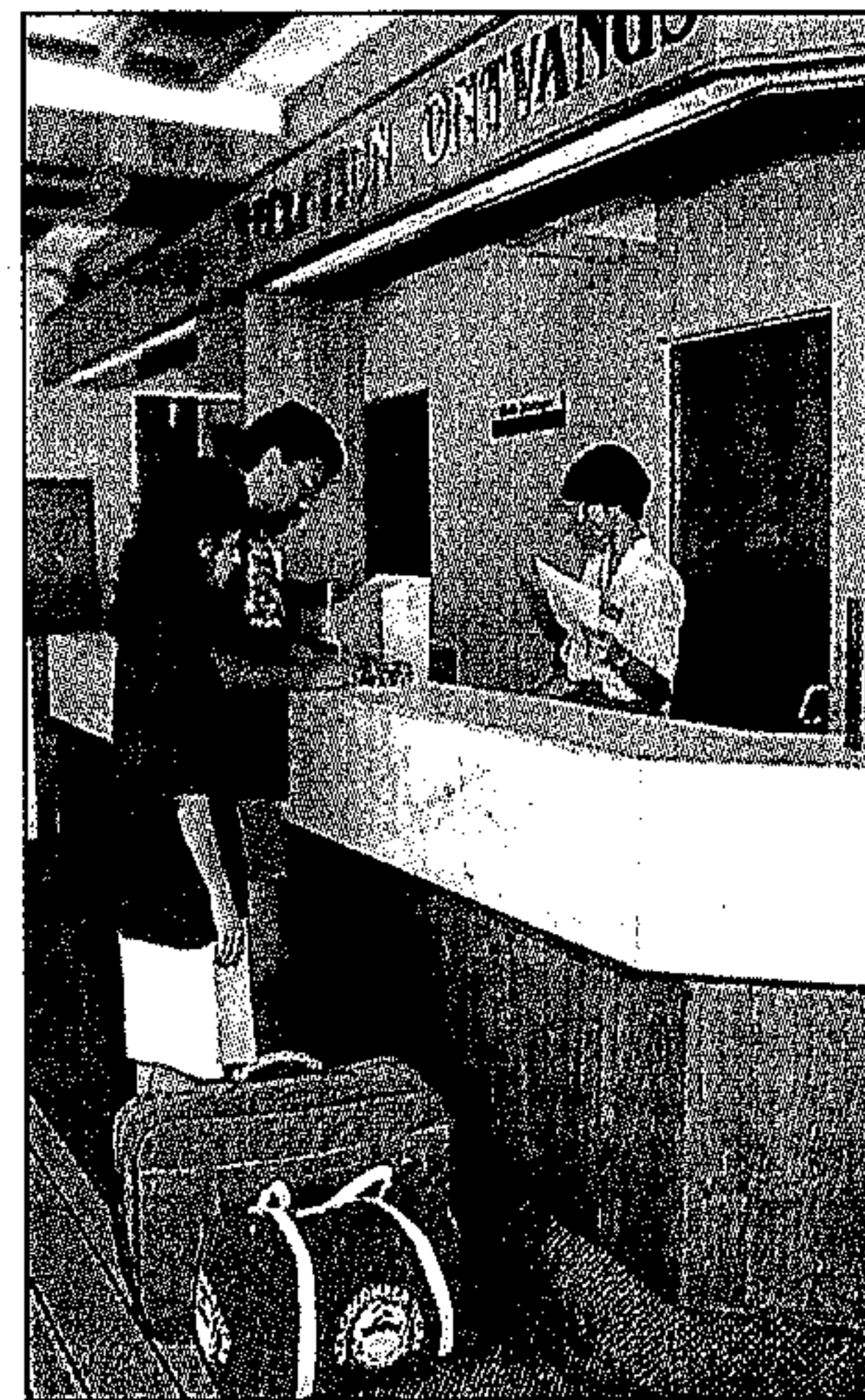
## Boom times return

■ SA is riding the crest of a tourism wave, but can we cope?

**Hotels in** some parts of SA are reporting the highest occupancy levels ever. But, having suffered for so long in a period of economic stagnation, how well prepared are local hoteliers for what appears to be the coming boom?

Protea Hotels MD Arthur Gillis believes much will depend on the classic balance between supply and demand.

"There are plenty of hotel rooms of differing standards available. Refurbishing to meet new demand is a viable option in many cases, but first many operators and owners will need to clear some of their debt incurred during the lean years."



SA hotels ... are they ready for the boom?

There is no doubt that international hotel groups will come to southern Africa and existing local groups will grow. Gillis believes the biggest threat in this changing situation is to independent owners and operators — and it is here that Protea sees scope for further growth.



# PROTEA HOTELS



He argues that one of Protea's key attractions is the fact that during the lean years it was able to maintain and grow its infrastructure, which means it is well positioned for improved trading conditions.

However, Gillis stresses that quality will remain the crucial factor in Protea's expansion drive. To come on board hotels will need to comply with the company's basic standards and be prepared to commit to the highest possible levels of service.

"To give you an example, as we grow into Africa we find hotels that have enormous potential, but which, due to various circumstances, have not been able to keep pace with upgrading or refurbishing programmes.

"Our strategy in cases like this is to offer a consultancy (which means they will not have the Protea brand) and assist the hotels in lifting themselves to the required Protea standard at which time they can be fully integrated into the Protea stable."

Gillis says hotels are incorporated into the Protea group in terms of wide-ranging criteria based on three factors:

□ Geographical location — does Protea

international standards in order to attract and satisfy international guests.

This goal and the recent upturn in tourism has underpinned a wide-ranging refurbishing campaign throughout the group. In the past year new investment has included the R40m Crown Court extension to the Balalaika in Sandton and a R5m upgrade of the Parktonian All-Suite Hotel in Johannesburg.

Another R3m will be spent upgrading the Parktonian even further during this year. ■

## Into Africa

### ■ Protea quickly capitalised on changes in the new SA

With the political situation in SA normalising rapidly after Nelson Mandela's release from prison in 1990, the expansion of Protea Hotels into Africa was a logical move even if not immediately obvious.

A decade of success as an hotel operating company in SA and the accumulated expertise of a closely knit team convinced executive chairman Otto Stehlik that Protea

group approached critical mass in SA and lack of business opportunities, due partly to pre-election uncertainty, forced Protea to look beyond the country's borders. Africa beckoned.

Says regional director for Africa Bernard Cassar: "With SA re-emerging into the world many African countries that were previously forced to deal with international suppliers, particularly in Europe, could suddenly look south.

"Our ability to add value, the strength of our brand, our expertise and our African experience all stood us in good stead. We offered a viable and desired option."

The group's greatest success in Africa so far is arguably in Malawi where in only a year seven hotels owned by the Malawi Development Corporation were returned to profitability and recorded substantially increased turnover under the Protea banner.

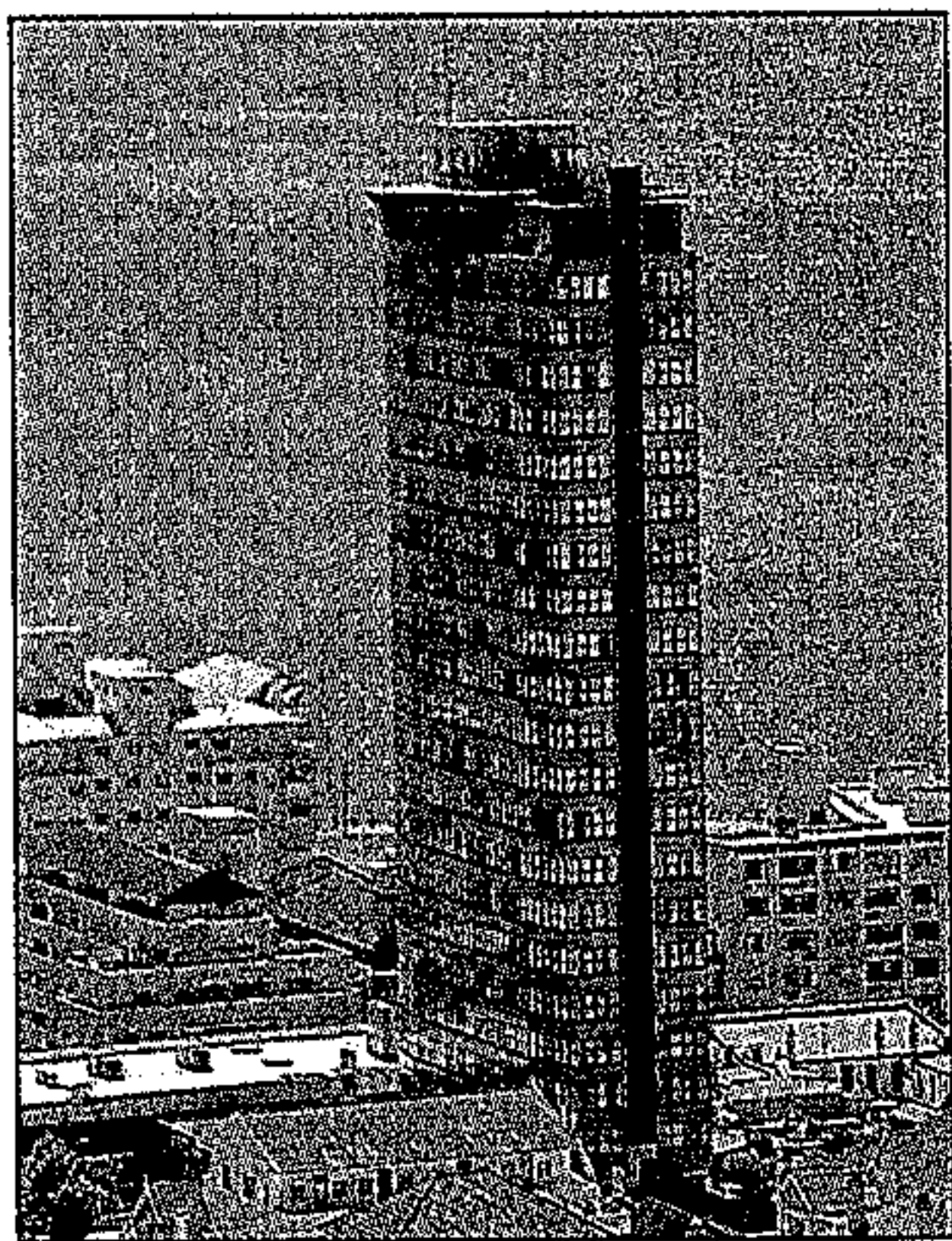
"Our marketing ability and international, national and regional infrastructure allow us to integrate new hotels quickly and effectively into a worldwide network which includes a global reservation system."

For example, Cassar points out that Protea is the African partner of Supranational Hotels, a group with 600 hotels worldwide. The alliance gives the company access to global distribution systems at a price to participating hotels that could not be matched if they remained independent. This sort of facility will become essential as Africa emerges as a major destination for foreign visitors.

"We firmly believe that this continent will become the next prime destination for world tourism and that SA will be the engine room. Our vision is to create an East African tourism axis which reaches from the Cape to Cairo through Zimbabwe, Malawi, Uganda, Tanzania and Kenya."

While continuing to grow the East African axis, Protea will also concentrate on developing a West African axis from SA to Ghana and Nigeria through Angola. Negotiations are already under way.

Attention will also be given to the continued development of Gauteng and the neighbouring provinces, including the Free State, and Swaziland under the control of regional director William Ford; KwaZulu-Natal, Reunion and Mauritius and part of the Eastern Cape under Aart van der Heijden; and the remainder of the Cape provinces under Miso Markovina. The entire Protea operation is backed by the services of financial director Arnold Cloete. ■



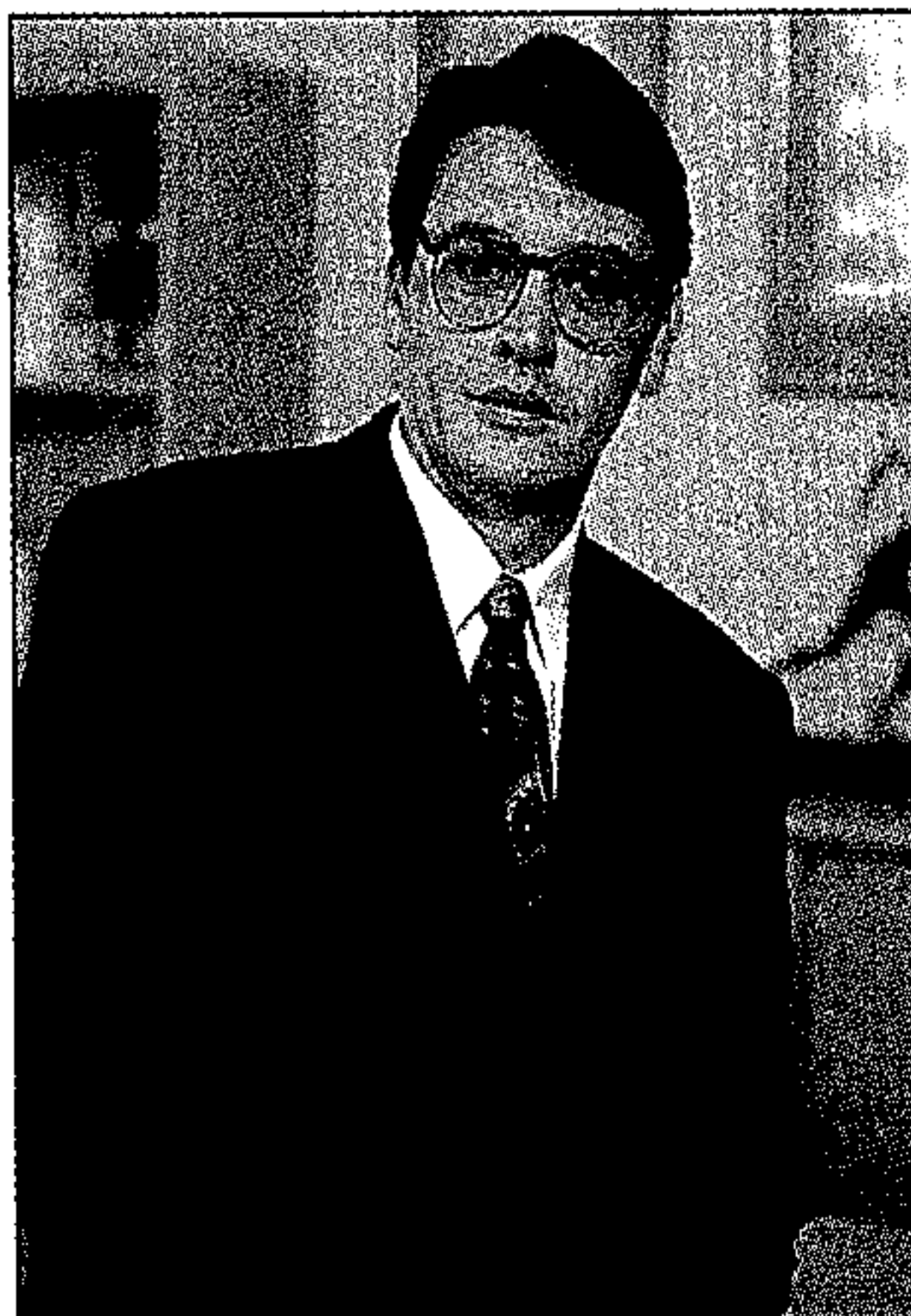
**Quality ... the name of the game at Protea**

have guests who require an hotel in a particular area?;

□ The potential of partnerships taking into account the nature of the mutually beneficial working relationship Protea may have with that particular owner; and

□ The potential of the hotel concerned — could it do better if it were managed and marketed better?

He believes the group's expertise is an important factor in meeting one of the main challenges facing SA hotels — attaining

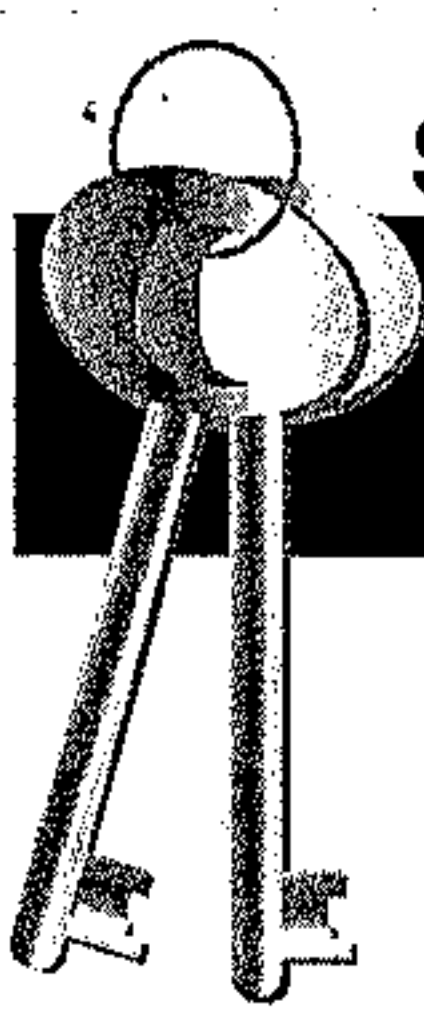


**Cassar ... leading the charge into Africa**

was uniquely placed to offer Africa something more than its European and American rivals.

The business environment was also favourable. A slow-down in growth as the





## Matching world trends

■ Premier hotels are proof of the group's high standards

**Protea's decision** last year to launch the Premier Protea Hotels brand not only bucked the sector's trend toward limited service and down-graded accommodation, but was also a significant demonstration of the group's commitment to providing foreigners with a network of international-standard hotels throughout southern Africa.

The 10 hotels in the Premier class are Protea's flagships offering superior accommodation and services to discerning guests. Protea marketing services director Allan Duke says the Premier concept was a direct result of the region's resurgence as a destination for tourists and business trav-



**San Lameer . . . south coast paradise**

ellers.

"Where national occupancies stood at around 40% in the middle of last year, many of our hotels are now recording occupancy levels well above 70%, which indicates a growing level of interest in

southern Africa," he says.

The problem many visitors faced was that during the economic downswing of the past few years many hotels had been down-graded.

This left them with a severely limited choice of good hotels.

Protea, on the other hand, decided to meet the obvious demand by establishing the Premier brand which includes two hotels in

Malawi, the Capital in Lilongwe and the Mount Soche in Blantyre, the Protea Piggs Peak Hotel & Casino in Swaziland, Dolphin Beach and the Capetonian in Cape Town, the Marine Protea Hotel in Port Elizabeth, San Lameer Estate Hotel on the Natal

## BURGERSFORT: SALE OF POST OFFICE BUILDING

Tenders are invited for the purchasing of the post office building, situated on Portion 14 of Erf 25, Burgersfort.

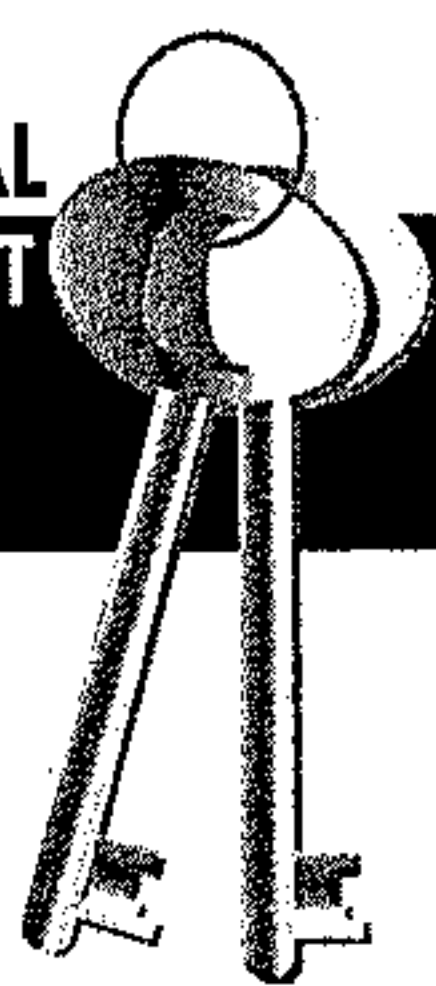
Particulars of the conditions of sale and tender forms are available at the office of the Managing Director, SAPOS Properties (Pty) Ltd, 2nd Floor, Postpark South, Tulbagh Park, 1234 Church Street, Colbyn, Pretoria, telephone (012) 421- 7607, as well as the Regional General Manager: Transvaal, telephone (012) 325-5310 x 2229 at an amount of R100,00 which is not refundable.

Tenders will close at 11.00 on 1995-05-04.





# PROTEA HOTELS



South Coast, and the Parktonian Hotel, the Midrand Protea Hotel and the Balalaika & Crown Court in Gauteng.

Duke says R110m was spent on the 10 hotels to bring them up to Premier standard. All are either newly built or have been extensively upgraded.

For example, the R40m Crown Court at the Balalaika consists of 150 executive rooms and 24 suites in a garden setting with its own swimming pool.

There is also a club room for the exclusive use of guests, separate reception and checkout facilities and a secretarial service.

Technology built into the development includes dedicated fax and data lines in guests' rooms and an advanced telephone switchboard with voice mail facilities.

Balalaika MD Richard Pickering says the Crown Court was essential to cater for the increased number of foreign visitors, particularly business travellers who expect international standards.

Duke says all the Premier hotels were selected on the basis of three criteria: physical appointments; high levels of personal service and individual character.

The Premier brand also offers hotel owners a market positioning that lifts their properties above Protea's other mid-market hotels and allows them to be promoted more exclusively.

For example, says Duke, Premier hotels will be strongly promoted on image while other hotels in the Protea stable will be promoted mainly on rate and location.

The growth of the Premier stable will be limited only by the criteria for admission.

"We strongly believe that the main thrust of Premier's future growth will come in the form of newly built hotels, probably CBD properties."

Nevertheless, Protea will continue to encourage the owners of hotels to aspire to Premier status. Part of this process will be to raise them to the necessary levels of quality. ■

## A success story

■ From a humble five-star receptionist to all-star hotelier

No one paid too much attention when Otto Stehlik initiated the formation of Protea Hotels in July 1984. The big local chains were busy with their own expansion plans and a new group with only four properties

was hardly a threat.

Little was known about Stehlik, who had arrived in SA from Austria 14 years previously to work as a receptionist at Cape Town's five-star Heerengracht Hotel, then owned by TrustBank.

Had his future competitors watched his rise at Heerengracht more carefully they might have been more wary of his subsequent moves.

□ In 1973 Stehlik became the hotel's marketing director and was made MD in 1978. At the time the Heerengracht was rated by the Association of American Travel Agents as one of the world's four best hotels.

□ In 1979 TrustBank bought the Shore Plaza Hotel in Cape Town, upgraded it to a four-star property, renamed it the Capetonian Hotel and placed it under the management of Stehlik's team.

□ In 1980 Sanlam gave the hotel management of its prestige San Lameer resort on the Natal South Coast to the team.

□ In 1981 the Protea Gardens Hotel in Johannesburg was added to the stable.

□ In July 1984, with a base of three hotels and a luxury resort, Stehlik entered an expansion phase. He formed an hotel management and franchise company whose

basic aim was to manage and market hotels on behalf of owners for a fee. Protea Hotels was established with ownership split 60:40 between Sanlam subsidiary Bankorp and Stehlik and his fellow directors.

□ By the end of 1984 another 16 hotels had been added to the Protea stable. The number doubled to 40 three-, four- and five-star hotels by the end of 1987. Hotels were refurbished to improve their grading and bankrupt hotels were restored to profitability.

□ In 1987 Stehlik and his six fellow directors bought Bankorp's share of Protea.

□ In July 1988 a holding company, Protea Hospitality Corp, was formed with three operating divisions: Protea Hotels; Plan One, a project management, development and consulting company; and Protea Properties, which held the properties owned or leased by Protea.

□ In July 1990, for mutually beneficial strategic reasons, the Fedics group, the largest industrial catering company in Africa, acquired 40% of the equity of

## PROTEA HOTELS DIRECTORS 1995

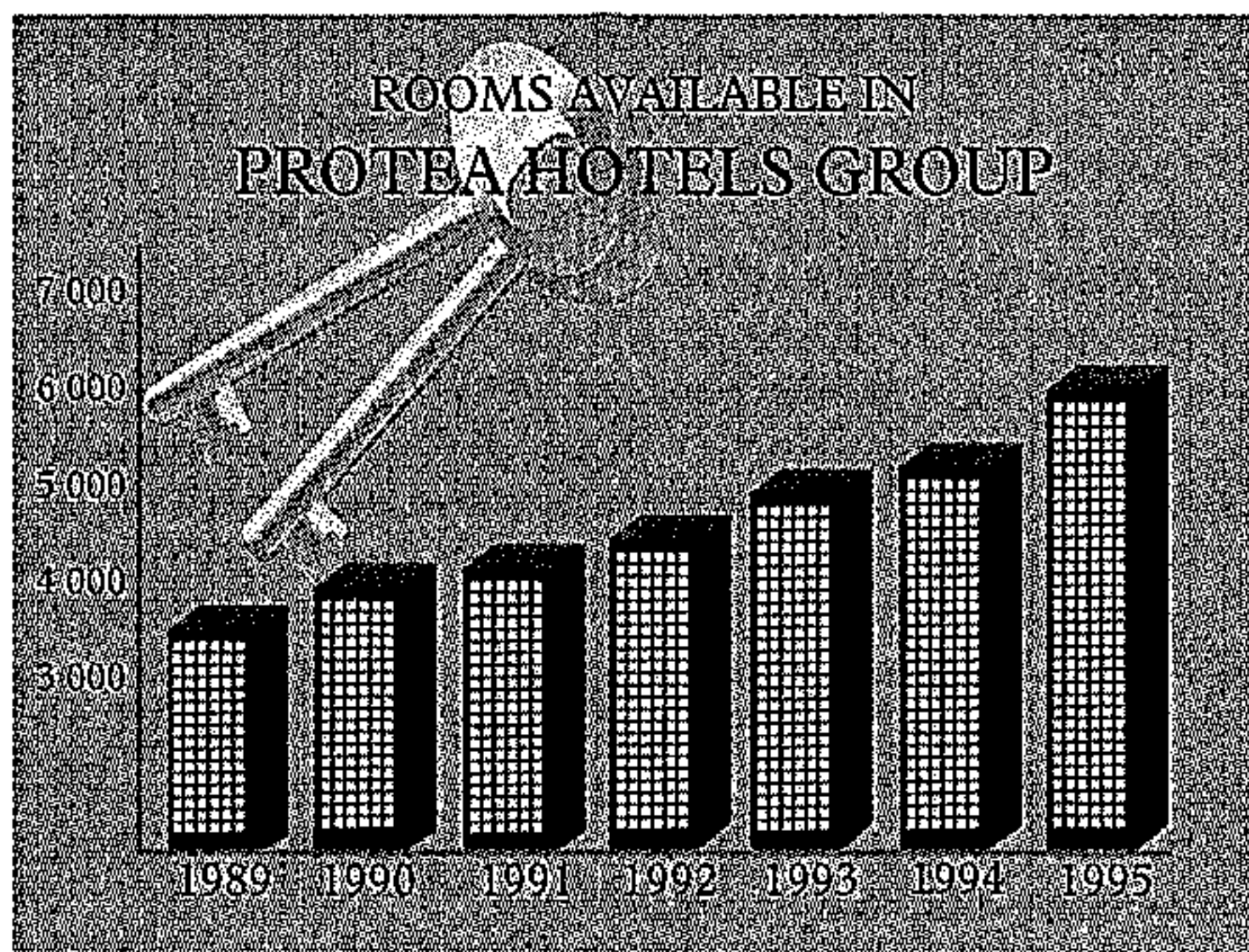


Standing (L to R): Allan Duke, Aart van der Heijden, Miso Markovina, Arnold Cloete, William Ford, Danny Bryer. Seated (L to R): Bernard Cassar, Arthur Gillis (MD), Otto Stehlik (Chairman), Gary Walker





**Success** ... in just over a decade Protea has become a global group



Protea Hospitality Corp. The alliance gives Protea hotels access to Fedics' expertise and to the guest base of its corporate partners who include Barlows, Sanlam, ICS and Servgro. ■

## Group structure

■ The Protea group provides a wide range of services

**Protea Hotels** is one of three operating divisions of holding company Protea Hospitality Corp. The other two are Protea Properties and Plan One.

□Protea Hotels is responsible for the management and marketing activities of the hotels that operate under the Protea banner either on the basis of management or franchise agreements or as joint ventures.

The business of Protea Hotels is to manage and market hotels on behalf of owners for a fee either in terms of a management contract or a franchise contract.

Hotels are managed by Protea when the owner does not have the ability or inclination to operate the hotel personally. Protea appoints a general manager and manages and markets the hotel on behalf of the owner who pays a management and

marketing fee and an incentive fee based on the hotel's profits.

Franchise contracts allow the owner or manager of an hotel to have their property branded as a Protea hotel and take advantage of Protea's marketing expertise and sales and reservation infrastructure for which Protea receives a franchise and marketing fee.

□Protea Properties holds the properties owned or leased by Protea Hospitality Corp. The properties have arm's-length management agreements with Protea Hotels.

□Plan One is a project management, development and consultancy company which undertakes the planning, conceptualising, refurbishing, upgrading and building of hotels. The company serves properties in the Protea group and operates as a consultancy outside Protea Hospitality Corp to many international groups and private hotels. Procurement International is a Plan One subsidiary which specialises in the sourcing and supply of hotel fixtures, furniture and equipment throughout Africa. ■

## People power

■ Staff have always been the backbone of Protea's success

**Perhaps more** so than in any other business, personnel are the shopfront of the hospitality industry. It is therefore understandable that Protea Hotels has concentrated considerable time and resources into developing the best possible interface between staff and guests.

The relationship represents the three core values against which all Protea's actions are measured:

- Respect for human dignity;
- The best possible service; and
- The search for excellence.

Says human resources director Gary Walker: "We believe our people make up the organisation and are its product, which is hospitality. The rooms, facilities, furniture and fittings of our hotels are empty shells without two important components — our staff and our guests."

To stress the importance even further, says Walker, capital letters are always used for STAFF and GUESTS in written communications within the company.

The value Protea attaches to staff means every hotel owner and manager has to subscribe to the company's three beliefs:

□That staff are generally capable of doing what needs to be done. "Ordinary people are capable of extraordinary things. The key to developing responsible staff is to give them responsibility. It's management's responsibility to provide training, coaching and ongoing support to ensure staff are willing and capable of giving the guests the best possible service," says Walker.

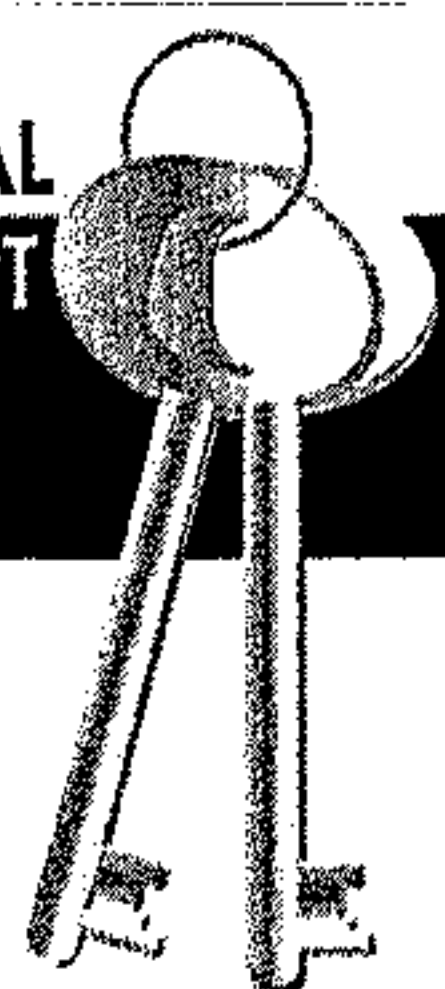
Protea does not emphasise titles, preferring to believe that all jobs are equally important;

□That if people are not treated properly they will not do their jobs properly.

"Mobilising employees to constructive action and providing superior service is less a matter of motivating them than it is of getting rid of factors that demotivate them. We have to create the conditions that enable staff to want to provide excellent service and to take ownership of their jobs."

He says staff will be able to meet the service expectations of guests only if their own needs are met by management. These include recognition of achievements, sound and fair employment practices, a healthy, safe and pleasant working environment and participation in decisions that affect them.





"Against this background Protea requires every hotel in the group to subscribe to fair and enlightened employment practices and sound and effective communication," says Walker. The company's approach to training of staff focuses primarily on improving performance rather than simply putting people through courses.

"We expect every staff member to demonstrate the skill to perform his or her job well, and the knowledge to function successfully, answer guests' questions, be a Protea service representative, and display what we call the Protea approach and attitude towards our guests.

"Management, on the other hand, is expected to train staff and improve skills, communicate to improve knowledge and be actively involved in positive actions to influence staff attitudes. Every manager is expected to review his or her subordinates regularly, provide feedback and, where necessary provide on-the-job training, counselling, discipline and motivation to maintain superior performance and improve performance that may have slipped below standard."

Walker says Protea believes management vision will result in staff commitment. "People are prepared to commit themselves when they have clarity on issues such as goals and values and when they are provided with the competencies that allow them to succeed. But they must also be allowed to participate in decisions. This requires sharing information, resources and support — and listening to them. It is important that staff are shown appreciation for their contributions."

## Keeping 'em satisfied

■ Attitude towards guests is the cornerstone of Protea's success

**Selling hospitality** means far more to Protea Hotels than simply filling beds for the night. Guests and their needs are the central focus of everything the company

does, says MD Arthur Gillis.

The central function of the company's operation, and therefore of every member of staff, is to acquire and retain guests. Unlike, for example, the manufacturing industry where hierarchical structures are the norm, Protea believes organisational structures at any hotel exist to support frontline workers, not to exert control over them.

Says Gillis: "We view our organisation charts not as an hierarchy of control and authority, but as a living service organism that has flexibility and adaptability and which is able to respond to and meet the needs of guests.

In this organic chart management's role is to support frontline staff in their efforts to provide the best possible service to guests."

Gillis says every staff member needs to manage "moments of truth" which he defines as "any episode in which the guest

## ■ A PRESTIGIOUS PORTFOLIO OF PREMIER PROTEA HOTELS

Premier Protea Hotels are aimed at the discerning international and domestic traveller and focus primarily on meeting the differing and individual needs of GUESTS. This is achieved by setting three very important criteria for each of the Premier Hotels - superb physical appointments, high levels of personalised service and individuality of character. Currently there are ten Premier Protea Hotels in the portfolio :

### THE PARKTONIAN SUPERIOR FIRST CLASS ALL SUITE HOTEL

If you're looking for an office away from the office with home from home comfort and convenience, look no further than THE PARKTONIAN.

This leading four star full-service hotel offers you the most spacious hotel GUEST rooms in Johannesburg, every one being a suite, with a balcony and a living room, full-sized desk, and a separate bedroom and bathroom. And this right in the Parktown/Braamfontein business district within easy reach of universities, institutions, major corporations, restaurants, theatres, shopping, exhibition centres and sports facilities.

You can expect a truly relaxed stay with 24-hour room service, integral parking and discreet security throughout the hotel.

The Meridian Restaurant and Cocktail Bar and the Orchard Restaurant provide the very best in dining and you can make full use of the adjacent Health Club. To add to all these facilities, The Parktonian includes a fully equipped conference centre and adjoining exhibition space and a fully equipped business centre, plus airport transfers and a 24-hour transport service for your convenience.



*The Parktonian Superior First Class All Suite Hotel  
Tel: (011) 403 5740*

### THE BALALAIKA HOTEL AND CROWN COURT

Who would expect a haven of privacy and tranquility in a country setting right in the centre of Sandton. Well this is a perfect description of THE BALALAIKA HOTEL AND CROWN COURT.

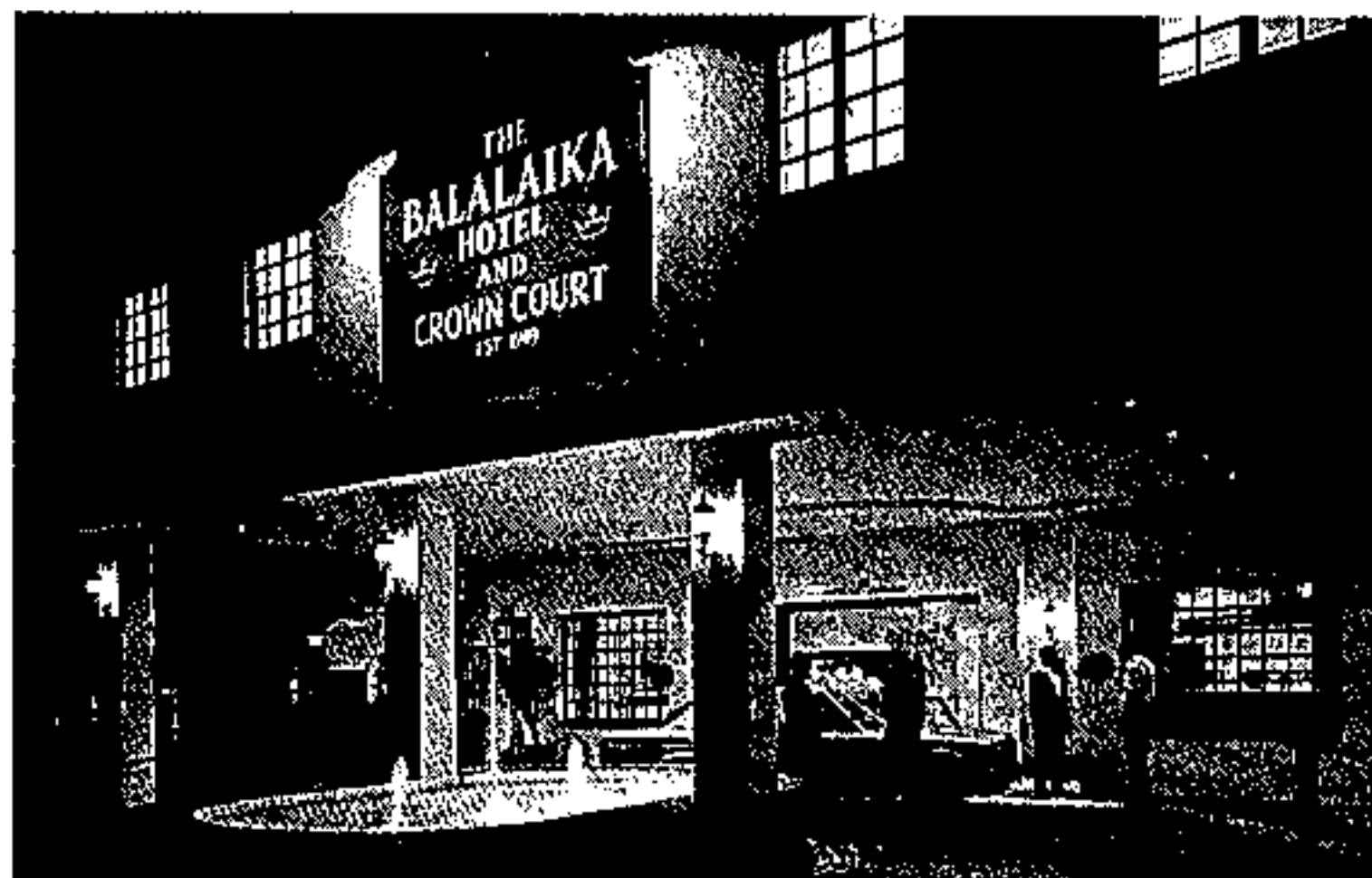
You'll be greeted by friendly hospitality and personal service and the luxurious comfort of gracefully appointed executive rooms and suites overlooking beautifully landscaped gardens.

Right next to the hotel you'll find The Village Walk with over 70 specialist shops, ten cinemas and a variety of top class restaurants. While in the hotel itself the elegant Thatches Restaurant, The Village Green terrace restaurant, the Village Tavern country pub and the sophisticated Lords Bar provide you with a



wide choice of excellent dining and entertainment.

The hotel's nine fully equipped modern conference and banqueting centres will cater for all your functions, from 10 to 359 GUESTS, and the Crown Club Room, which is exclusive to the Crown Court, includes secretarial and business facilities, plus separate showers and rest rooms for your use while checking in or out.



*The Balalaika Hotel and Crown Court*  
*A lovely bit of country in the centre of Sandton*  
*Tel: (011) 322 5000*

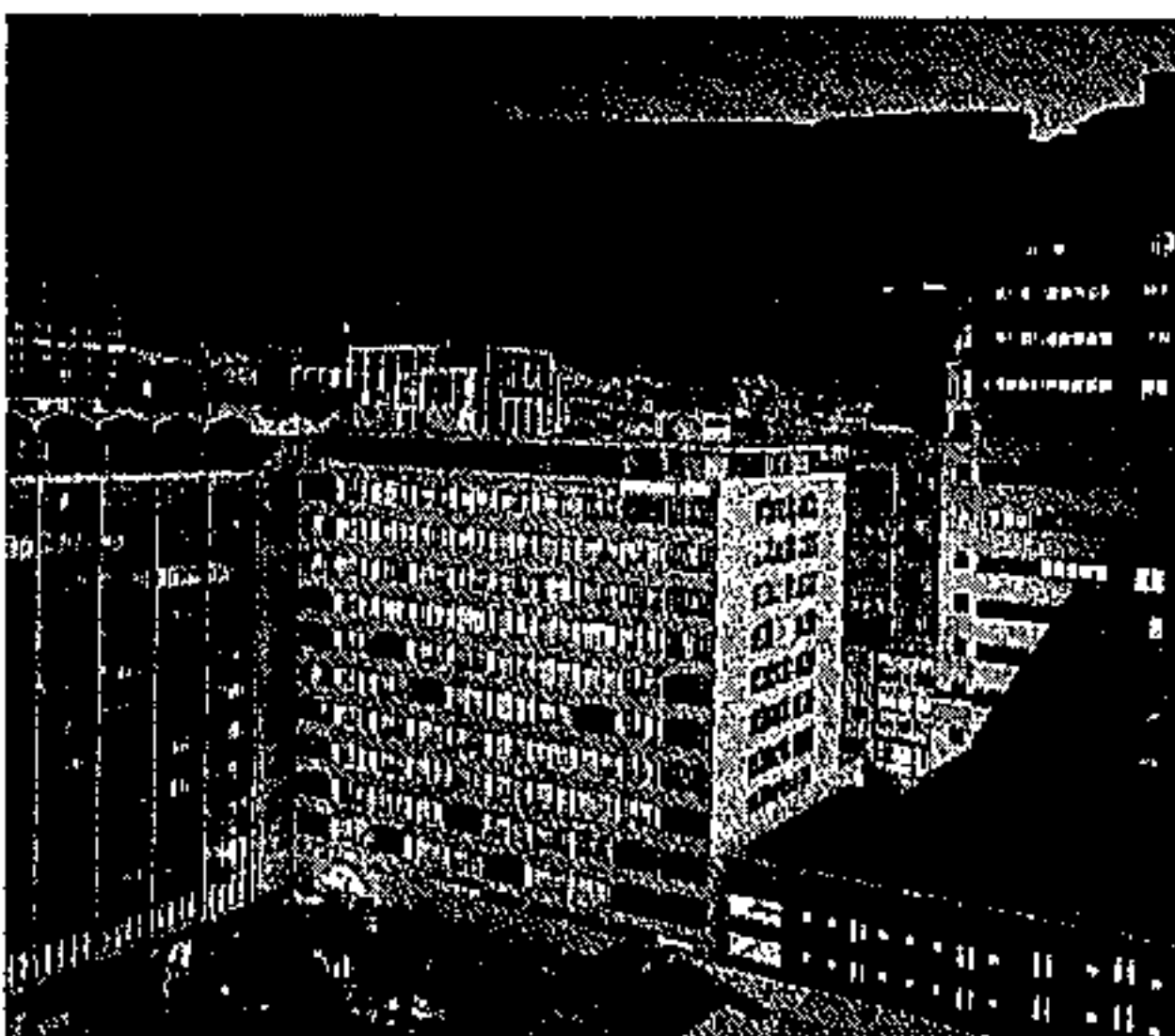
#### MIDRAND PROTEA HOTEL

Situated midway between the business centres of Johannesburg and Pretoria, MIDRAND PROTEA HOTEL is your ideal choice for easy access to businesses throughout Gauteng, with conference centres and company headquarters close by. The hotel gives you the comfort of quality accommodation coupled with excellent personal service tailored to your individual needs. Plus the assurance of 24-hour security.

Your breakfast is served on the terrace over looking the swimming-pool and landscaped gardens of the hotel courtyard, while the Palm Terrace Restaurant offers you casually elegant dining to suite a wide variety of tastes.

At Malone's Cherrywood Saloon you can relax with a huge selection of music to listen to and entertainment channels to watch.

For your meetings, seminars and other functions there is the hotel conference centre which can accommodate up to 120 delegates.



*The Capetonian*  
*The Best of Cape Town with the Waterfront on your doorstep*  
*Tel: (021) 21 1150*

#### DOLPHIN BEACH HOTEL

Arriving at DOLPHIN BEACH HOTEL, you'll be greeted by uninterrupted views of Table Mountain and Table Bay, with Blouberg Beach just a few steps away and unspoilt wetland vleis teeming with bird life as a backdrop. What's more, this unique location is only 15 minutes away from Cape Town's CBD and

the Victoria and Alfred Waterfront, as well as the diverse attractions of the Peninsula.

You can relax in the comfort of sophisticated suites and apartments, offering both full service or self-catering facilities, depending on your needs.

When it comes to cuisine, you'll find an excellent choice on the Restaurant Terrace, or you can try one of the many good restaurants

in nearby Blouberg.

For your recreation, there's golf, tennis and horse-riding, plus the use of the Health & Racquet Club, the hotel pool and secluded beachfront on your doorstep.

Dolphin Beach Hotel also has a full range of up-to-date conference facilities, as well as underground parking and 24-hour security.



*Midrand Protea Hotel*  
*Where you want to stay between Sandton and Pretoria*  
*Tel: (011) 318 1868*

#### THE CAPETONIAN

What could be more convenient than a Premier hotel situated at the heart of Cape Town's CBD and offering all the facilities a business executive or holidaymaker could wish for.

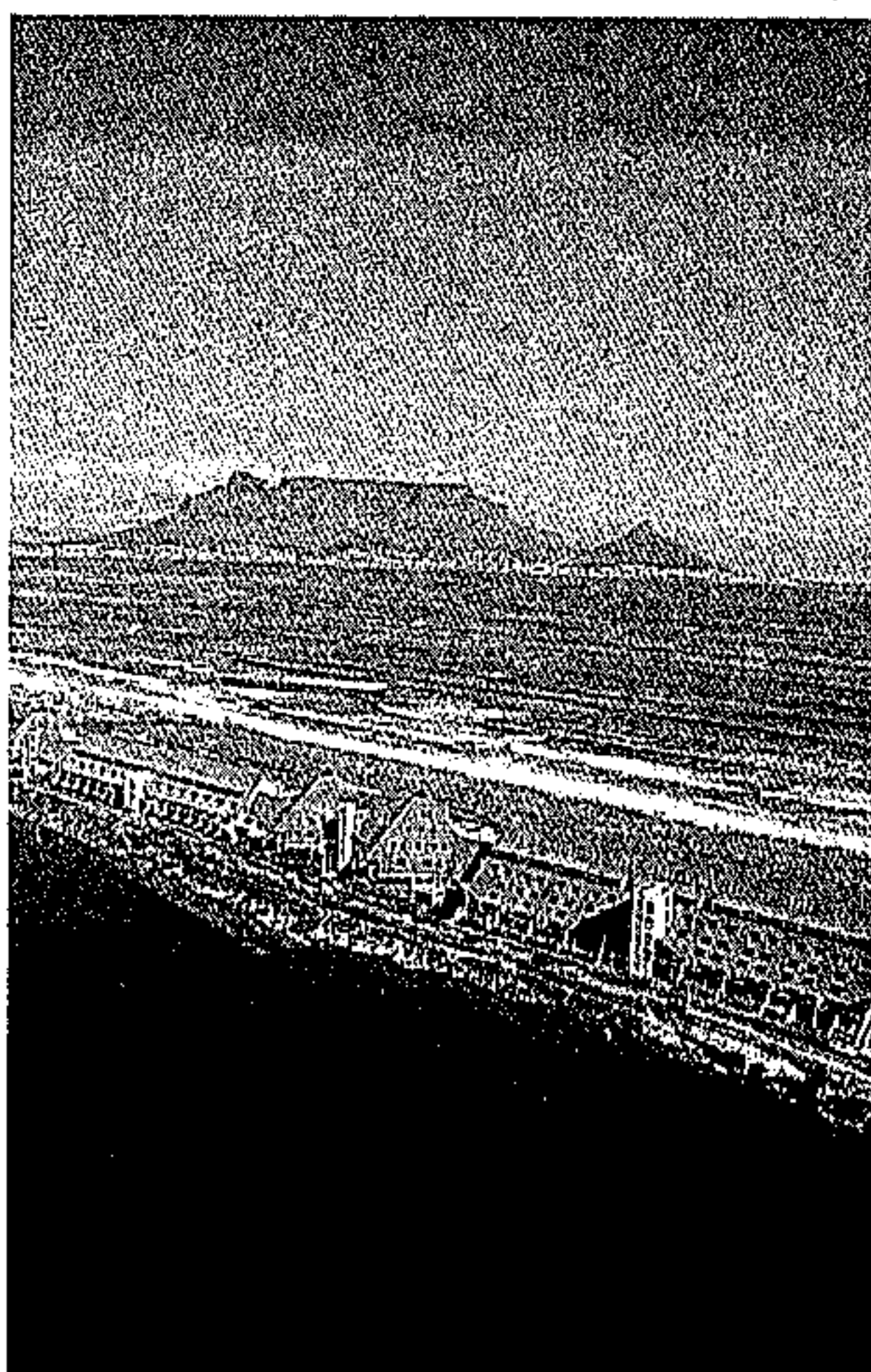
THE CAPETONIAN is all that - you'll have easy access to businesses, the Waterfront and the Cape's beaches, while experiencing the kind of warm hospitality not normally associated with bigger hotels.

Newly-appointed luxury suites and rooms give you the comfort of air-conditioning, two TV channels and M-Net, as well as 24-hour room service. You can enjoy a superb breakfast or lunch in the relaxed atmosphere of Fiorino's, or the very best of traditional Cape seafood in The Galley restaurant.

You'll find the games room equipped with a variety of games, including pool and

backgammon, and you'll also have access to the Cape Town Health & Racquet Club, bicycles to explore the Waterfront, and a radio pager system, free of charge.

All your business needs can be seen to in top-of-the-range conference facilities, with trained STAFF on hand to assist with planning and co-ordination.



*Dolphin Beach Hotel*  
*This is the Life*  
*Tel: (021) 557 8140*

#### MARINE PROTEA HOTEL

Whether you're on holiday or business, you'll appreciate the personal service and luxurious atmosphere of Port Elizabeth's MARINE PROTEA HOTEL.

Overlooking Pollock Beach, all the hotel rooms and suites are beautifully appointed and all include individually controlled colour TV with M-Net, plus an in-house video channel.

Should you choose a suite, you'll enjoy a spacious living area with a superb view of Algoa Bay.

You can have breakfast and lunch in the relaxed atmosphere of the Connaught Room, while the De Kelder Restaurant offers you an intimate cellar atmosphere with both excellent cuisine and choice wines.

The Marine Protea Hotel is conveniently close to the airport and Port Elizabeth's CBD, with the dolphinarium, cinemas, museums and shopping an easy walk away, as well as facilities for golf, tennis, cricket and rugby nearby.

As far as business is concerned, the hotel can cater for all your conference and secretarial requirements in its ultra-modern conference centre.



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## SAN LAMEER ESTATE HOTEL

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Even if you're on a business conference, you can experience what it's really like to get away from it all when you get to SAN LAMEER ESTATE HOTEL.

The hotel is set in acres of tropical scenery, incorporating the San Lameer Lagoon which boasts a wealth of bird species, and a long stretch of private beach, all just 75 minutes from Durban along the Natal South Coast. You can choose between an elegantly appointed hotel room or a fully-equipped luxury villa. A variety of villas can also be purchased or rented.

Then relax on the pooldeck, treat yourself to the delicious variety of dishes at the Lagoon Restaurant, specialising in seafood and buffets. Or take advantage of the 18-hole championship golf course, set in wonderful country club surroundings, watersports, fishing, squash, tennis and bowls, which are all on hand.



*San Lameer Estate Hotel*  
*Your Tropical Paradise*  
Tel: (03931) 30011

If you're a conference-goer, you will certainly be impressed by the San Lameer Conference Centre, which is equipped with the latest presentation facilities, and you'll find the theme evenings are an ideal way to unwind after a hard day's work.



*The Marine Protea Hotel*  
*A sea of fun and enjoyment*  
Tel: (041) 53 2101

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## PROTEA PIGGS PEAK HOTEL & CASINO

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Everyone's heard of the legendary beauty of Piggs Peak in Swaziland, but it's only when you stay at the PROTEA PIGGS PEAK HOTEL & CASINO that you'll get to appreciate just how spectacular the scenery is.

Whichever room or suite you stay in, you'll enjoy breathtaking views of the area.

You can spend your free time taking gentle walks through the lush pine forests or more energetic hikes in the surrounding mountains, or you can tap in on all the sporting activities day and night tennis, bowls, swimming, horse-riding, clay pigeon shooting and a putt-putt course. Or take a scenic 30-minute drive to the golf course.

There's no shortage of good food with a choice of three excellent restaurants ranging from the relaxed atmosphere of the Courtyard Bar and the Forest Restaurant, to the elegant Egumeni Restaurant. And of course, there's no shortage of great entertainment at the Casino, whether your game is American Roulette, Black Jack, Poker, or if you like to play the slot machines.



*Capital Hotel*  
*The Executive's Choice*  
Tel: (265) 78 3388

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## MOUNT SOCHE HOTEL

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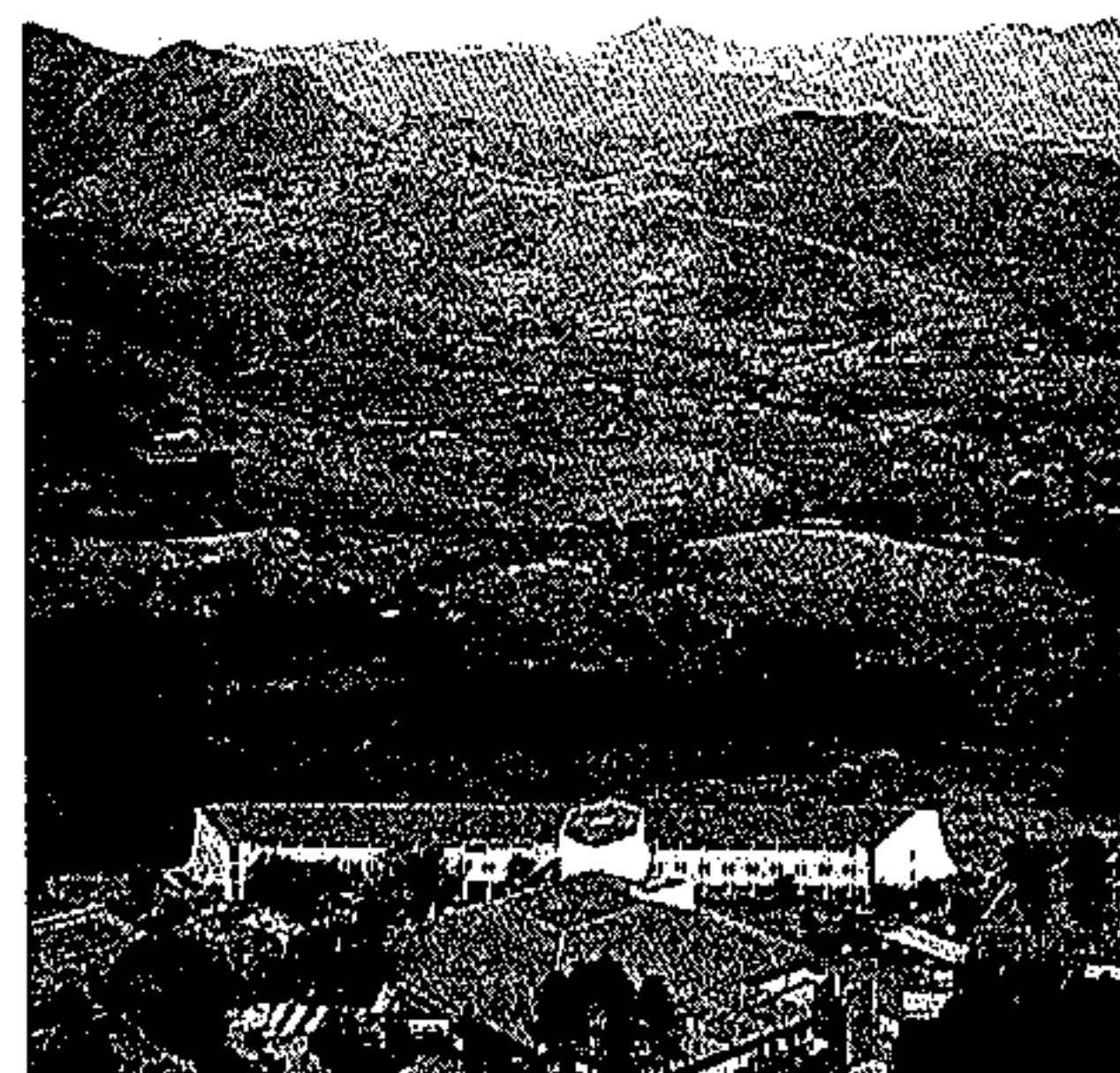
MOUNT SOCHE HOTEL is ideally located to let you enjoy the highlights of Blantyre, Malawi's commercial centre, and the surrounding areas.

Just minutes from Chileka International Airport, the hotel puts you within easy reach of the famous Mfunda Falls, Mpatamanga Gorge and the Lengwe National Park.

Mount Soche's special brand of hospitality, comfort and excellent personal service will make your visit a particularly memorable one, and will no doubt bring you back to Malawi before long.

The hotel has two first class restaurants with panoramic views of Shire Highlands, including The Michiru which is known to be Malawi's premier restaurant.

As a GUEST of Mount Soche you can keep active at the Blantyre Sports Club with a wide choice of sport and camping amenities. And if you're on a conference you'll be well looked after in the hotel's superior business centre, which can accommodate up to 350 delegates, with both audiovisual equipment and an experienced planning team at your service.



*Protea Piggs Peak Hotel & Casino*  
*An hotel to match the view*  
Tel: (268) 71104/5

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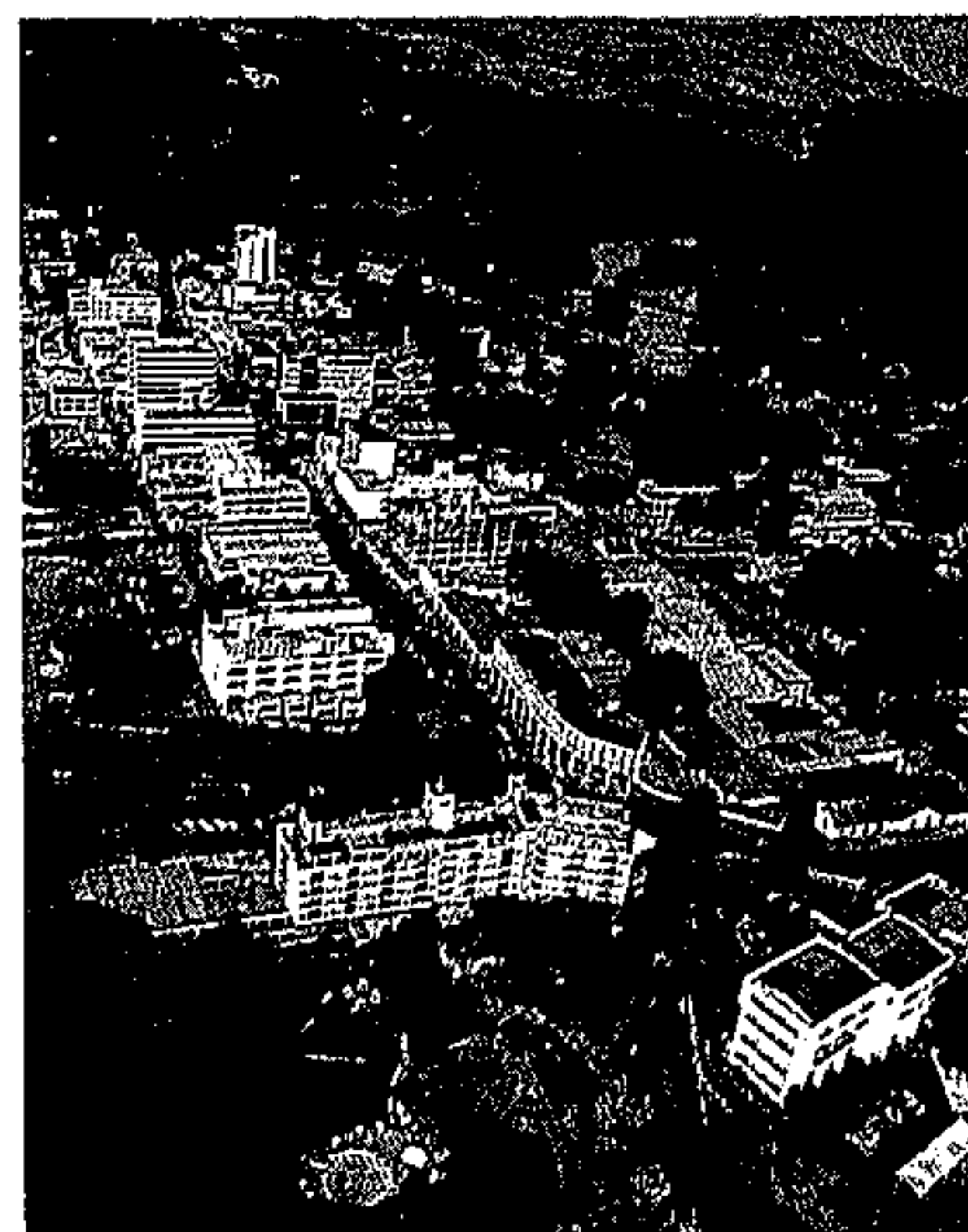
## CAPITAL HOTEL

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When you stay at the CAPITAL HOTEL set in attractive tropical parkland near Lilongwe's Capital Hill, you'll experience all the warm hospitality that is so characteristic of Malawi. A short ride from Kamuzu International Airport and you're there. Then you can start to enjoy all the hotel has to offer - relaxation next to the pool with a professional massage, a game of mega chess, a visit to the nearby Lilongwe Golf Club, where you can also join in a game of squash or tennis.

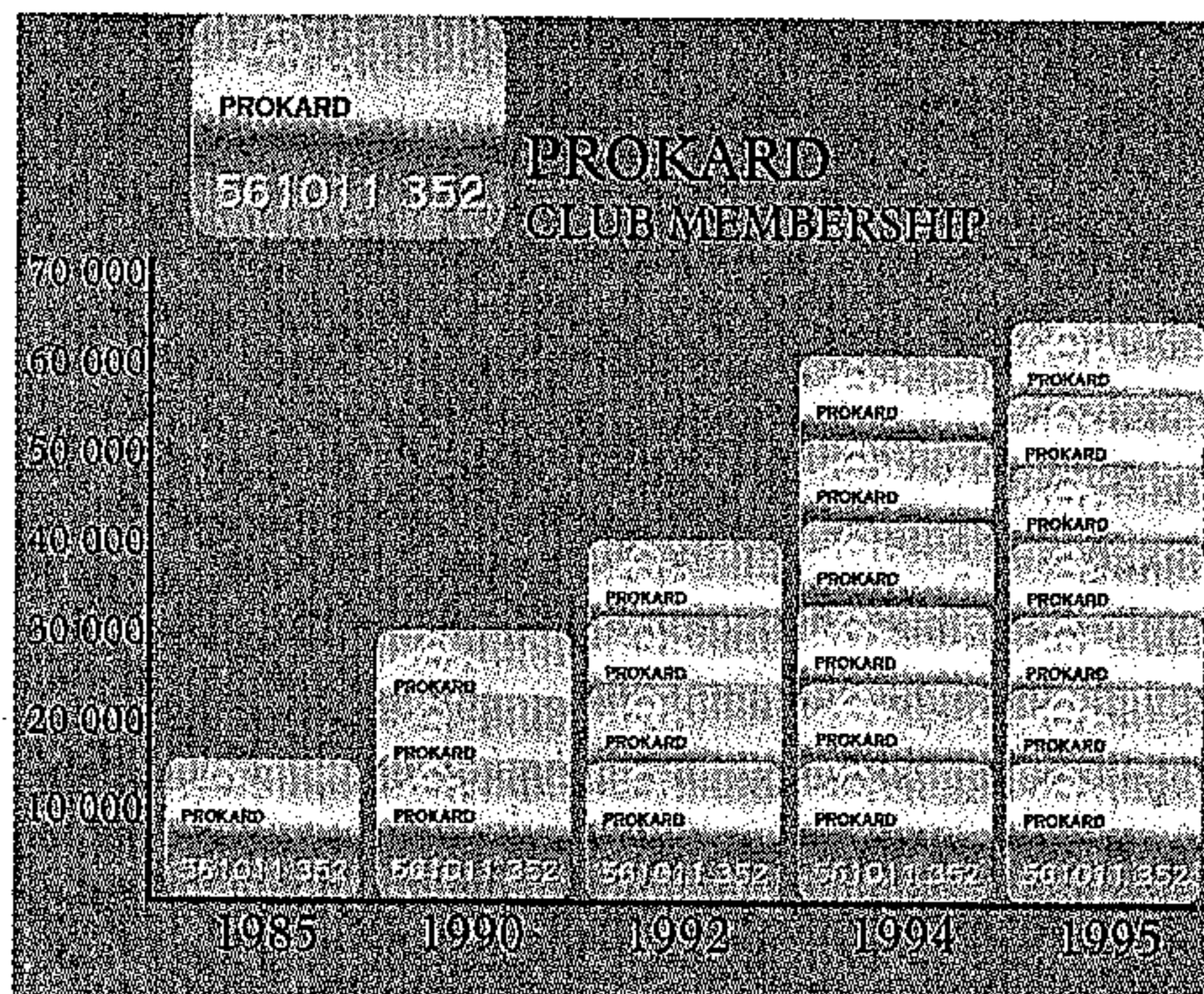
While relaxation is the key word, Capital Hotel also caters for all your business arrangements. The hotel's business centre has a choice of conference rooms, secretarial services, audiovisual equipment and an experienced planning team to give you any assistance you might need.

All the rooms are decorated for optimum comfort, with air-conditioning, television, radio and telephone. The hotel also houses a pharmacy, hairdresser, and airline offices for onward reservations.



*Mount Soche Hotel*  
*Blantyre's Premier Hotel*  
Tel: (265) 62 0588





advertisement for a Protea hotel. Either action could create a positive or negative impression of the particular hotel. The challenge is to make sure that the reaction is always positive.

"Our attitude is that if something does not add value for the guest, don't do it. If systems get in the way of service they must be changed or turfed out."

Gillis believes that if service and quality are taken care of,

He says the only valid feedback on how Protea is performing is guest feedback. "How guests feel about our product is vitally important to us. Our whole focus is on creating return guests."

All staff are therefore encouraged to obtain feedback from guests and to relay it to management. At the same time managers are expected to meet as many guests as possible.

"We also have a very sophisticated guest comment system to monitor feedback and determine our performance in the eyes of the guest."

He says Protea encourages staff to ask the question "what if..." and to never be satisfied with just getting the basics right. "We urge our staff to strive continually to improve their performance. We want to create our own future instead of simply resting in the complacency of past success. We simply have to be alert to the challenges."

comes into contact with any aspect of the organisation and gets an impression of the quality of service."

The moments of truth could include incidents such as a guest telephoning an hotel to make a reservation or seeing an

profits will follow.

As part of the process all employees must commit themselves to a code of guest conduct which regulates their contact with guests. "These are the hard rules of the group on which we will accept no compromise or excuse."



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# PROTEA HOTELS

## Code of service

■ Staff are committed to a detailed code of guest service

To some they may seem trivial, to others very obvious, but Protea's directors believe the company's codes of guest service and guest service leadership are fundamental to the success of all the group's hotels.

Every employee is required to:

- ☐ Smile and greet the guest before he or she greets the staff member;
- ☐ Give the guest undivided attention and ensure that the first 30 seconds count in creating a good impression;
- ☐ Be sincere, honest and friendly;
- ☐ Respond to a guest's needs. Volunteer information and assistance and use the two magic phrases: "May I help you?" and "You're welcome;"
- ☐ Take immediate action and follow up on requests and complaints. Deal with prob-

lems without making excuses;

☐ Be the guest's agent by doing everything possible to assist;

☐ Never give a guest a negative answer. Offer an alternative of what else can be done; and

☐ Take pride in appearance and wear a name badge.

☐ Know his or her job and hotel.

The guest service philosophy is underpinned by management leadership set out in a code which requires management personnel to:

☐ Create a guest service focus and make



**Service...** *fundamental to Protea's success*

# We Agree

Auto Atlantic Claremont and Protea Hotels agree that anything less than a standard of excellence is not good enough. It has been this positive attitude that has led Auto Atlantic Claremont and Protea Hotels to enjoy a long and satisfying friendship.

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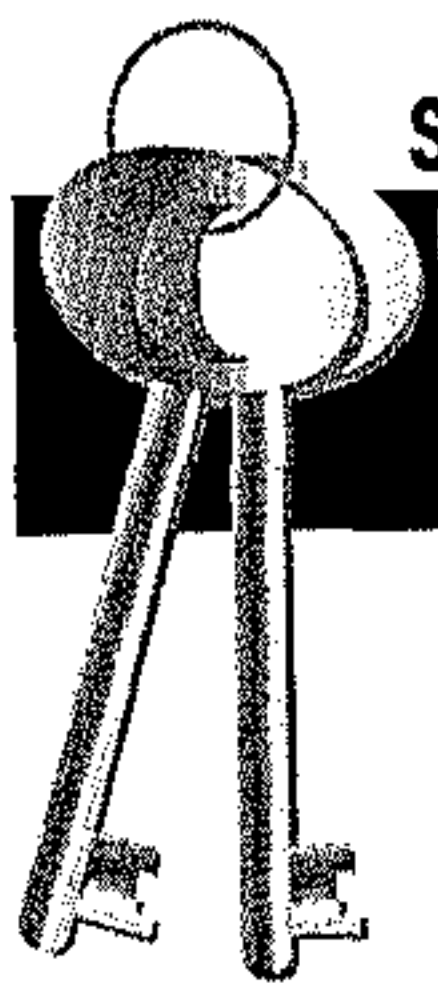
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**Auto Atlantic  
Claremont**



**SHEER DRIVING PLEASURE**





it the primary driving force in the operation of the business. The focus must communicate that the function of every employee in the group is to acquire and retain guests;

□Employ people who are happy to please and serve others. Protea tries to recruit people who have the personalities and attributes well suited to service work and then train them in the knowledge and skills required to do the job. Protea's policy is to employ people who are literate, numerate and, where possible, have at least passed matric. Management must also ensure that employment practices contribute towards motivating and enabling staff to contribute towards the group's goals.

Jobs and organisational structures must be designed around guest service outputs; □Train employees to ensure competency, communicate with them to improve knowledge and lead through positive actions to influence a service attitude.

Protea believes the first few weeks of an employee's service while he or she is still susceptible to first impressions is the only opportunity to instill a guest focus;

□Communicate values, standards and organisational goals. Give feedback on performance and provide ongoing coaching to develop supportive relationships with subordinates and improve employee competency;

□Empower staff with the responsibility, freedom and authority to make appropriate decisions by providing guidelines. Remove unnecessary controls and focus on end results; and □Manage by being available to support and assist frontline staff.

This is achieved by enabling them, through training and communication, support and assistance, and the provision of all the necessary resources, to offer excellent service to guests.

It is the basis on which group employees handle "moments of truth" — the point at which they come into contact with guests — and then turn them into "moments of magic."

## Selling the product

### ■ Marketing strategies must match guest service quality

With competition in the hospitality industry becoming keener by the day, the correct marketing strategies have become crucial to the survival of some hotel groups and the growth of others.

Protea recognises this need and has a comprehensive response, says sales and marketing director Danny Bryer.

The company has grouped its hotels into five specific and distinct market segments:

- Business travellers, including public servants;
- Groups and conventions;
- Sports groups;
- International market for both individuals and groups; and
- The domestic leisure market.

"The key objective of each hotel is therefore to know its guest base and market

## MILLER GRUSS KATZ & TRAUB

ATTORNEYS • NOTARIES • CONVEYANCERS

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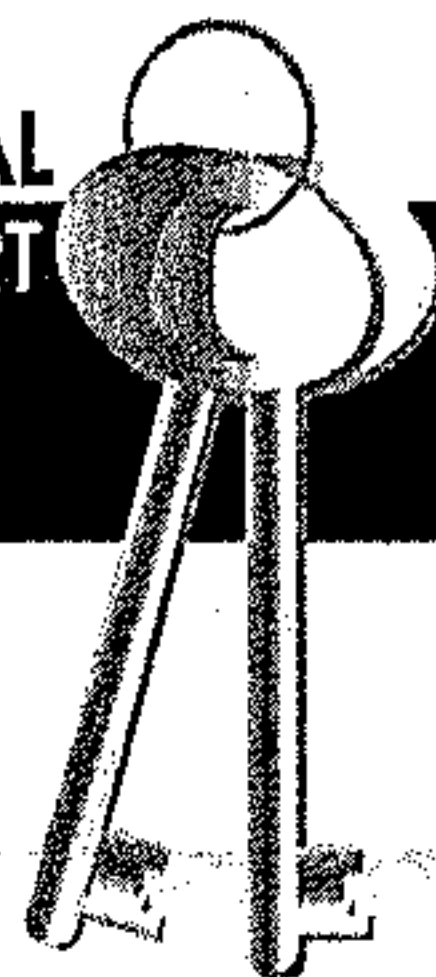
We are proud to have been the legal advisers to the Protea Hotel Group since its inception. Our tourism desk is committed to retaining its pre-eminent position in this fast expanding industry.

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DOCEX 1  
Cape Town

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by analysing its guest profile and market segmentation and maintaining a guest history. It must also develop, review and implement a marketing plan which schedules marketing activities targeted at its identified and potential markets. It is also necessary to forecast expected business and react timeously to troughs in forecast occupancies.

"Finally, the hotels must achieve budgeted revenue through yield management which, in our case, is the achievement of the best possible average daily rate," says Bryer.

The group's marketing services department aims to maintain and enhance the Protea brand as one that is perceived by the identified target market as mid-market hotels that are strategically located, affordable and which offer service and hospitality.

At the same time the brand must be perceived by hotel owners within the group and potential partners and investors as a credible brand worthy of association and with the potential to increase accommodation revenue.

Bryer says the identified brand strategy is dependent on a number of factors, including:

- Recognising the differentials in product within the group;
- Identifying current and potential markets through ongoing market research, competitor analysis and the maintenance of comprehensive databases;
- The development of new products such as Protea Pricebreakers and Protea Flexipass in anticipation of market needs and where such products have the potential to increase business to the hotels in the group;
- A corporate marketing/advertising and promotional strategy combined with individual hotel and regional marketing;
- The sales conversion through a national sales and reservation structure; and
- The ability to measure business generated through specific marketing activities.

Says Bryer: "The brand strategy and approach have been adopted to maintain and grow the Protea brand's top-of-the-mind awareness and to position the brand in its perceived position as the best strategically located, affordable mid-market hotel group in Africa."

The aim is to increase the measurable business attributable to the Protea brand and marketing infrastructure and in so doing show to owners the value of association with the group.

A national/regional and international sales team structure supports the Protea network.

Its objectives include achieving set sales targets, providing a sales service to Protea's

More than 65 000 hotel users hold Protea's Prokard, making it one of the country's most successful guest benefit facilities.

Protea sales and marketing director Danny Bryer says guests and potential clients are encouraged to join Prokard Executive Club for a nominal annually renewable membership fee. Membership entitles them to be issued with a Prokard for which the benefits and privileges include:

- A 20% discount on the normal rack rate of Protea group hotels;
- The opportunity to accumulate a stamp for each night the guest stays at a Protea hotel. The accumulation of 15

stamps entitles the Prokard holder to two nights' free accommodation for two at any Protea hotel;

□ VIP treatment and personal service, including a late check-out facility at no extra charge, and automatic upgrading of accommodation to a more expensive category without additional payment when available.

□ Receipt of *Prokard News*, a newsletter containing details of special deals within the Protea group.

Prokard Gold offers the additional benefit of discounts on food at selected restaurants at Protea hotels. The Prokard membership base is also used for direct mail marketing.

corporate and leisure clients, providing support to hotel general managers and owners in reaching their sales objectives, and maximising the international market.

Protea has a central reservations office in Johannesburg which handles bookings through a sophisticated computer system linked to the national and international Galileo reservation system which links airlines, travel agents and hotels worldwide. The group's international reservations office is based in Cape Town. It has access to the central reservations office and is also linked to the international Supranational Worldwide reservation system. ■

## Premier products

### ■ Gauteng hotels strive to meet the highest standards

Only 10 years ago the Balalaika was the landmark hotel in rural Sandton. Guests who stayed overnight or travelled out from relatively distant Johannesburg for Sunday afternoon tea relaxed in the garden setting and savoured the country air.

But the wheels of progress turned quickly in Sandton and the Balalaika kept pace.

An investment of R80m over the past decade has helped the hotel shed its sleepy hollow image and take on the trappings of a world-class establishment in the heart of

SA's fastest growing commercial hub.

In 1983 there were 30 hotel rooms in Sandton, all at the Balalaika.

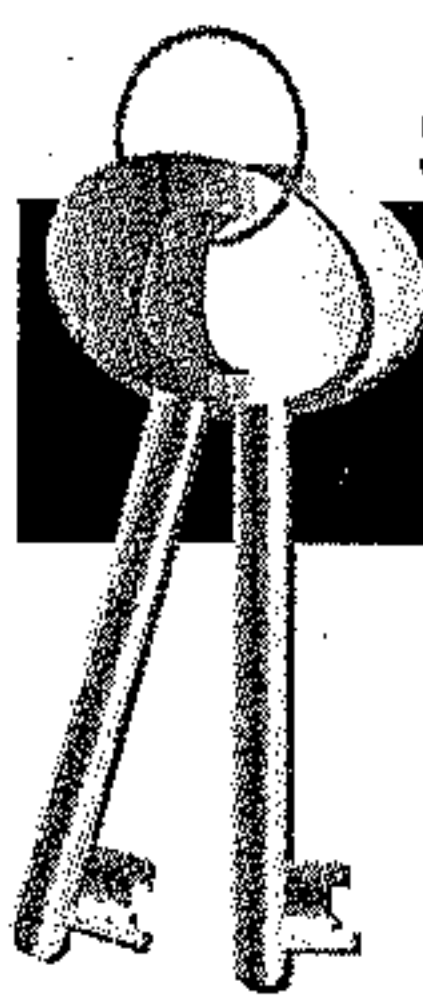
Today the town offers nearly 1 000 of which 325 are at the Balalaika Protea Hotel & Crown Court. Nevertheless, the hotel's managing director, Richard Pickering, says it retains its garden image of greenery and relaxation.

The upgrade of the hotel and construction



Krecklenberg . . . meeting business needs in Johannesburg





**SPECIAL  
REPORT**

## PROTEA HOTELS

of the Crown Court extension is in keeping with Pickering's view that the Balalaika must keep at the forefront of world stan-



Pickering and Van Rensburg ... keeping pace

dards in the four-star class. There is an emphasis on the quality of furnishings and fittings and state-of-the-art facilities for guests such as dedicated fax lines in bedrooms if required. But while Sandton may have lured some guests away from central Johannesburg hotels the demand for upmarket accommodation close

to the city centre remains strong, says Rolf Krecklenberg, GM of The Parktonian All-Suite Hotel in Braamfontein.

He says in the past many hotel guests who did business in central Johannesburg stayed in Sandton because there were no suitable hotels nearer the CBD.

The Parktonian has been upgraded at a cost of R5m to meet this demand.

A further R3m will be spent on additional improvements this year.

As part of the Premier Protea Hotels stable both the Balalaika Hotel & Crown Court and The Parktonian All-Suite Hotel are well positioned to meet what Protea executives believe will be a surge in demand for upmarket accommodation throughout the country. ■

**This Special Report written by**  
**Chris Freimond**

**LIEBENBERG,  
MBEKE,  
BUTHELEZI,  
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**A FEW LEADERS ON OUR MENU THIS YEAR.**

*(NOT ALL APPRECIATED BEING GRILLED.)*

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# HOLIDAYS IN

# HELL

SUNDAY TIMES, April 9 1995

(288) ST 9/4/95  
... that's the conclusion of a number of visitors to South Africa whose complaints have been referred to Satour. This is a sample of their tales of tourist torture. The cases, from the past five weeks, are under investigation and have still to be validated





## ■ RAMPANT RATS

RATS at an Eastern Transvaal game lodge ate a guest's chocolate and chewed holes in his travel bag. He was paying R350 a night. He couldn't bath because elephants had torn up the plumbing. The swimming pool was dirty. And on a game drive the guide scared away a pride of lion with his 'bundu-bashing' driving

## ■ RHINO AHOY!

A GROUP of tourists left their minibus only 15 metres from a rhino and her calf. A former Parks Board ranger saw a male rhino preparing to charge and screamed and waved his arms 'as a last resort'. He managed to scare away the animal

## ■ BELOW PAR

A PARTY of middle-aged women golfers had to sit on wooden planks in a cattle truck 'not fit for animals' on a night game drive in the Addo elephant park. The women, from Switzerland and other parts of Europe, had to clamber over the sides. It was so dark they struggled to see the game. They want a refund of R38 a person

## ■ BIG BUCKS

AN Eastern Transvaal game lodge wanted R963 for accommodation previously quoted at R573 a day. When the Johannesburg executive making the booking for a British visitor queried it, the lodge immediately agreed to the lower price

## ■ TRAIN BLUES

A DUTCH couple discovered that their 'very exclusive train' contained makeshift carriages patched with bits of wood. It was overbooked and they spent the ride assailed by the smell of paint in the carriage and the odour of food from the next-door kitchen carriage. They want their money back

## ■ WILD LIFE

YOUTHS robbed an English Joubert Park, Johannesburg, had warned them about the Hillbrow police station and took their details on a scrap and told them the case would proceed because they were late to England. They were late papers had been filed

# Ants in her pants over lousy treatment

NORMAN and Joan Saunders visited South Africa for the fourth time last year expecting to repeat the "wonderful" experience of their previous trips.

But, instead of taking home snaps of the Big Five, they took back memories of flea bites and invasions of ants. Instead of being able to enjoy balmy evenings on the Durban beach front, they were warned not to leave their hotel after dark.

The British couple, both 63, expected to encounter insects in Africa, but they also expected courtesy and hospitality.

In a letter forwarded to the Sunday Times by a cousin in Port Elizabeth they complain of a "disastrous holiday", poor hotels, appalling food and a changed itinerary.

They say they were distressed by the indifference of staff to their complaints. Mrs Saunders wrote that they had complained to Satour and the four operators "so that no one else will have to experience such a tour".

Their complaints fill pages of faxes between British travel agent Thomas Cook, tour booking agent Southern Africa Travel in York, and tour operators Springbok Atlas Safaris in Cape Town.

Carol Scott, acting manager of Springbok Atlas, said the Saunders had been the only people in their tour group to complain. The others had complimented the operators on the tour and the couriers.

The Saunders' had missed out on places like Shalaland and Pilgrims Rest because they had been booked on an outdated itinerary by SA Travel.

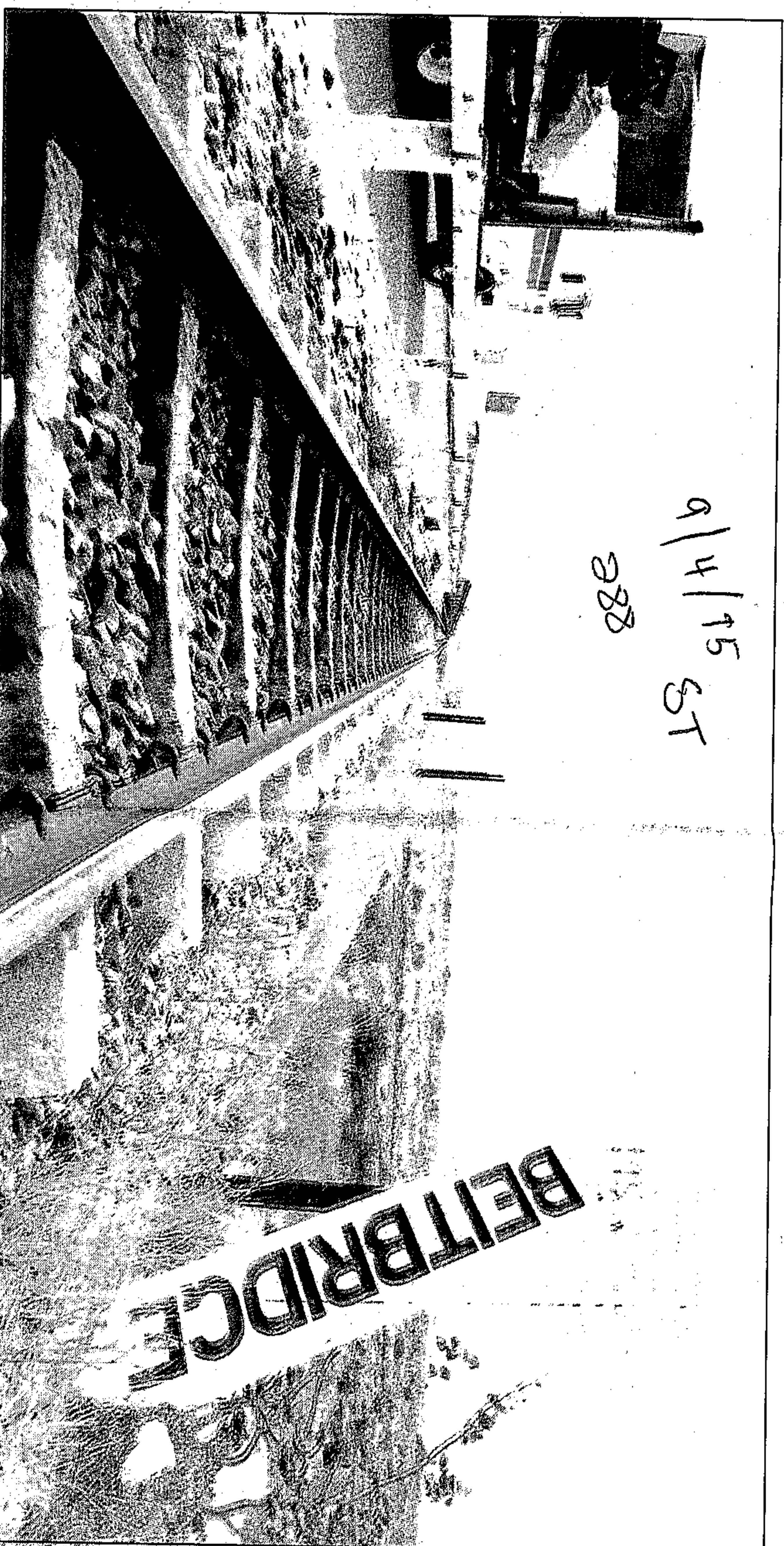
By CAS ST LEGER

Mrs Saunders said they had expected to stay at the Zululand Safari Lodge — but discovered it had burnt down in 1992.

Where hotels had been named on the itinerary, the words "or similar" appeared in case the hotels were not available.

Mrs Scott said Springbok Atlas had checked all hotels and food, and complained were acted upon immediately.

Mrs Saunders wrote that their room at the Bergendal camp in the Kruger National Park had been infested with ants — "even our bath towels were a



9/4/95 ST  
288

seething mass of ants" — and that the breakfast bar at their hotel in Cape Town "had a marching column of ants". No one was interested in their complaints, she said.

In Port Elizabeth, she had developed nine weals on her legs, the result of flea bites.

Mrs Scott said visitors not to go out at night as the area was "unsafe".

African bush conditions, regarding rest camps as crude or primitive. "If she didn't want ants, she should not have come to Africa."

The Saunders said they had been holed up in their hotel in Durban, which did not have a proper restaurant, because they had been advised by their courier

not to go out at night as the area was "unsafe".

A company report on the Saunders' complaints denied the area around the hotel was dangerous.

But Satour spokesman Martin van Niekerk said about getting that business, they'd better get themselves into gear.

The Saunders forked out £4,000 (about R22 400), including airfares, for a 13-day Panorama package

"If we want to attract tourists and keep them

coming back, we must pull up our socks," he said.

The influx of tourists has been quite dramatic since last August. If people in the industry are serious about getting that business, they'd better get themselves into gear.

The Saunders forked out £4,000 (about R22 400), including airfares, for a 13-day Panorama package

"If we want to attract tourists and keep them

taking them around the country. They are demanding £2 400 (about R13 440) back. SA Travel, admitting it booked the couple on an outdated tour, has offered £400 (about R2 240).

In a telephone interview from Nottingham, Mr Saunders said: "Standards have slipped as prices have gone up."

He said there had been so many complaints from the other travellers that a Springbok Atlas representative had boarded the coach at Port Elizabeth and had offered a free trip to Cape Point, worth R150, but many could not take it.

Mrs Saunders said the 30-strong tour party included first-time visitors from the US, Canada, Europe and Britain, "world-wide travellers" who had all vowed not to return to South Africa.

The Saunders had expected a night game drive at Hilltops in Natal, but were told they could not go as the sole vehicle available "was full".

According to Springbok Atlas, the drive was not included on the itinerary.

The Saunders were also disappointed to find that refund administrator in Johannesburg scheduled for goods have left the Common Customs Area.

## NAKED MONSIEUR DIVES DOWN THE LAUNDRY CHUTE

By CAS ST LEGER

IN A snap survey of South Africa's top hotels, the Sunday Times found that managers have their own takes to tell, and sometimes it is their foreign guests who should be doing the explaining. The managers did not want the names of their hotels or guests published.

A Frenchman staying at a Johannesburg hotel came out of his room one morning to fetch his newspaper. He was startled. The door slammed shut and locked behind him. Monsieur X, in panic, slid down the hotel laundry chute in search

of something to cover himself with.

An American film star, guest at a posh northern suburbs hotel, ordered "hot scones" via room service, which interpreted his accent as "hard scones". The kitchen staff rushed around to find the stillest, hardest scones they could. The film star complained.

A Chinese man at a Johannesburg hotel had too much alcohol at the bar and karate-chopped the hotel's service award in half.

At an Eastern Transvaal game reserve, a French couple spotted an elephant as they walked back to their cottage

one dark night. "Ooh, elephant," said the woman, whipping out her camera and snapping by flash. Le elephant lifted its trunk, trumpeted and set off in pursuit, catching up to the couple in a ditch. It smelled them, then stroled away.

A Frenchman ordered a meal in a downtown Johannesburg hotel, then said he was going to his room to fetch a book. Three minutes later, a well-dressed woman entered the restaurant. "Table for one, madame?" the maitre'd asked. "It's me. I'm back," said the Frenchman.

An ambassador from an African country booked a two-person suite at a

Pretoria hotel. He arrived with eight family members. Fold-up, roll-away beds were hastily produced. The largest woman in the party sat on a bed, which promptly folded over her. Hotel staff, helpless with suppressed laughter, spent 15 minutes trying to free her.

At a hotel outside Warmbaths, an scantily-clad European couple accidentally locked themselves out of their chalet early one morning, having emerged for tea. The husband borrowed the gardener's overalls and fetched the manager, who found the wife wearing only her knickers.

The Saunders had expected a night game drive at Hilltops in Natal, but were told they could not go as the sole vehicle available "was full".

# A taxing time at the border problem

## THE PROBLEM

A BRITISH tourist got caught up in South tape when she made a simple inquiry about tions eight months ago.

Last August, Mrs H Eden of Harrogate flew Africa via Jan Smuts. She left the country by Belt Bridge to visit Zimbabwe.

At the Belt Bridge VAT office, when C refund, she was told it was fortunate her purchase exceeded R2 000. If they had, she would have documentation from a Messina bank to obtain from the customs office.

Mrs Eden, a seasoned visitor to South Africa, found it difficult to understand. She had never been asked this procedure at Jan Smuts.

She was even more confused because a friend South Africa from Zimbabwe was asked by VAT officials, on his return via Belt Bridge, for tation to prove he bought his goods with foreign

## THE RED TAPE

MRS EDEN says: "I wrote to Satour as I thought I would be aware of all paperwork visitors are complete.

"To me, my inquiry seemed simple. I used contact address, but no reply was received from Zimbabwe on September 20.

"After my departure a reply was received on September 19, from Satour stating: 'This is to advise you have requested the VAT administrator to supply the correct and relevant information you require.'"

"Another letter was received from the VAT administrators, dated September 16 (posted on said: 'Your letter has been referred to the authorities at the Department of Finance. In the for their direct reply.'"

"The next letter was from the Commission of Toms and Excise dated December 8, saying: 'The of this letter is to advise you that your inquiry customs matters have been taken up with African Reserve Bank and you will be advised outcome in due course.'"

## THE SOLUTION

THIS is what Mrs Eden should have been told. The VAT refund requirement that purchase more than R2 000 require customs clearance to Belt Bridge.

At other ports of exit visitors can claim a refund 14 percent VAT they paid on purchases without the customs clearance.

The only other variations concern the Common Areas countries of Botswana, Lesotho, Swaziland, Namibia. Visitors cannot claim the VAT refund leave South Africa. Instead, they must write refund administrator in Johannesburg with goods have left the Common Customs Area.



## IG BUCKS

stern Transvaal game lodge  
R963 for accommodation  
isly quoted at R573 a day.  
the Johannesburg executive  
the booking for a British  
queried it, the lodge  
ately agreed to the lower price

## ■ TRAIN BLUES

A DUTCH couple discovered that their 'very exclusive train' contained makeshift carriages patched with bits of wood. It was overbooked and they spent the ride assailed by the smell of paint in the carriage and the odour of food from the next-door kitchen carriage. They want their money back

## ■ WILD LIFE

YOUTHS robbed an English couple in Joubert Park, Johannesburg. Nobody had warned them about the area. At the Hillbrow police station a policeman took their details on a scrap of paper and told them the case would not proceed because they were returning to England. They were later told their papers had been filed

# A taxing time at the border post

## THE PROBLEM

A BRITISH tourist got caught up in South African red tape when she made a simple inquiry about VAT regulations eight months ago.

Last August, Mrs H Eden of Harrogate flew into South Africa via Jan Smuts. She left the country by road through Beit Bridge to visit Zimbabwe.

At the Beit Bridge VAT office, when claiming her refund, she was told it was fortunate her purchases did not exceed R2 000. If they had, she would have had to have documentation from a Messina bank to obtain clearance from the customs office.

Mrs Eden, a seasoned visitor to South Africa, found this difficult to understand. She had never been asked to follow this procedure at Jan Smuts.

She was even more confused because a friend visiting South Africa from Zimbabwe was asked by South African VAT officials, on his return via Beit Bridge, for documentation to prove he bought his goods with foreign currency.

## THE RED TAPE

MRS EDEN says: "I wrote to Satour as I thought they would be aware of all paperwork visitors are required to complete.

"To me, my inquiry seemed simple. I used a Zimbabwe contact address, but no reply was received before I left Zimbabwe on September 20.

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"Another letter was received from the VAT refund administrators, dated September 16 (posted on the 21st). It said: 'Your letter has been referred to the relevant authorities at the Department of Finance: Inland Revenue for their direct reply.'

"The next letter was from the Commissioner for Customs and Excise dated December 8, saying: 'The purpose of this letter is to advise you that your inquiries relating to customs matters have been taken up with the South African Reserve Bank and you will be advised of the outcome in due course.'

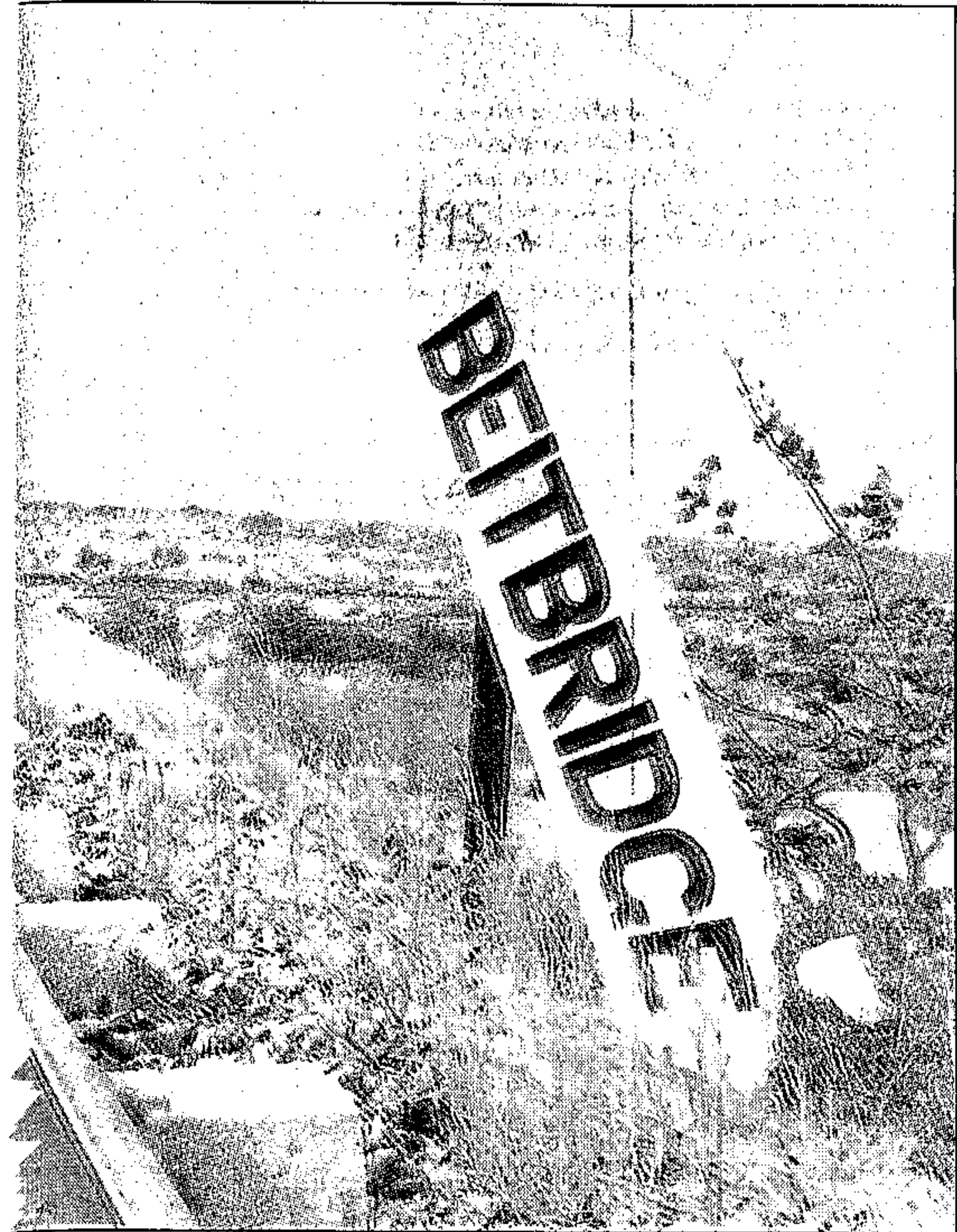
## THE SOLUTION

THIS is what Mrs Eden should have been told:

The VAT refund requirement that purchases worth more than R2 000 require customs clearance applies only to Beit Bridge.

At other ports of exit visitors can claim a refund for the 14 percent VAT they paid on purchases without obtaining the customs clearance.

The only other variations concern the Common Customs Area countries of Botswana, Lesotho, Swaziland and Namibia. Visitors cannot claim the VAT refund when they leave South Africa. Instead, they must write to the VAT refund administrator in Johannesburg with proof the goods have left the Common Customs Area.



g back, we must pull  
r socks," he said.  
ie influx of tourists  
been quite dramatic  
last August. If people  
industry are serious  
getting that business,  
d better get them-  
s into gear."  
Saunders forked out  
J (about R22 400), in-  
g airfares, for a 13-  
Panorama package

taking them around the  
country. They are demand-  
ing £2 400 (about R13 440)  
back. SA Travel, admitting  
it booked the couple on an  
outdated tour, has offered  
£400 (about R2 240).

In a telephone interview  
from Nottingham, Mr  
Saunders said: "Standards  
have slipped as prices have  
gone up."

He said there had been  
so many complaints from  
the other travellers that a  
Springbok Atlas represen-  
tative had boarded the  
coach at Port Elizabeth  
and had offered a free trip  
to Cape Point, worth R150,  
but many could not take it.

Mrs Saunders said the  
30-strong tour party in-  
cluded first-time visitors  
from the US, Canada,  
Europe and Britain,  
"world-wide travellers"  
who had all vowed not to  
return to South Africa.

The Saunders had ex-  
pected a night game drive  
at Hilltops in Natal, but  
were told they could not go  
as the sole vehicle avail-  
able "was full".

According to Springbok  
Atlas, the drive was not in-  
cluded on the itinerary.

The Saunders were also  
disappointed to find that  
museums scheduled for  
visits were closed.

## INDRY CHUTE

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ager, who found the wife wearing only her  
knickers.



# Police investigate Mokaba's forum

By JACOB DLAMINI

THE OFFICE for Serious Economic Offences has begun an investigation into the affairs of the defunct National Tourism Forum headed by ANC MP Peter Mokaba.

The forum was disbanded in January amid allegations of corruption and financial irregularities stemming from the apparent fraudulent withdrawal of more than R100 000 from the organisation's coffers.

The money was allegedly deposited into an account held by the wife of the marketing director, Clive Strugnell. Mr Strugnell told a disciplinary hearing the money had been deposited on orders from the executive director, Ngoako Maphala.

However, the inquiry found that there was no direct evidence to implicate Mr Maphala, who was suspended from his position by Mr Mokaba late last year.

The hearing found that Mr Strugnell had defrauded the forum and that, although there was no direct evidence to implicate Mr Maphala, he had been party to the crime.

It recommended that the matter be taken to the police for criminal prosecution.

"People occupying positions of trust like Mr Strugnell should not be allowed to get away with such conduct," the inquiry's report said.

The hearing also found that Mr Maphala had failed to perform his duties properly.

Mr Maphala is suing Mr Mokaba for unfair dismissal and defamation.

The head of the Office for Serious Economic Offences, Jan Swane-poel, said his office had taken statements from senior forum officials, but the investigation would take at least two months to complete.

"We have been trying with very little success to find all the relevant books so that we can investigate all transactions," he said. "The whole investigation is proving frustrating, but we will complete our tasks."

He said Mr Mokaba, who was the chairman of the forum when it was disbanded, would "probably have to submit a statement as well".

(288) ST 9/4/95



## Games 'will lead to debt'

288) CT 10/4/95

THE Olympic bid could leave Cape Town and the province floundering in massive financial debt, provincial Sport and Recreation Minister Mr Lerumo Kalako has warned.

Addressing the provincial legislature last week, he said the province should become "deeply involved in planning and ensuring strict and clear financial procedures" or Cape Town would go the way of "all other cities which hosted the Games — into debt".

Although the city would have improved infrastructure, it would also have the massive debt which history had shown was the result of hosting the Olympic Games.

— Political Staff



# Bo-Kaap keeps eye on tourism

## Municipal Reporter

KEY sites in the Bo-Kaap are being eyed for redevelopment with a strong tourism theme after lengthy consultation with the community.

The Bo-Kaap has been the subject of a facilitation process initiated by the city planner's department, involving 49 community organisations and more than 100 residents. (288)

Along with social issues for the area, they looked at how the Stables Building in Rose Street, the Block House in Strand Street, Spolander House in Pentz Street, and a vacant site between Van der Meulen and Dorp Streets should be used in the future.

The next step is the establish-

ment of an "inclusive" community development forum to participate in decision-making for the area. *ARC 11/14/95*

During the facilitation process, including public meetings and follow-up interest-group meetings, a number of ideas were mooted for the identified sites.

● Some residents wanted the Stables Building to be developed into a tourism centre by creating an arts and crafts market, trading hive and special theme flea market. Another idea was to use the building as a multi-purpose office for community organisations and the youth.

● The Block House, which consists of the Stone Building and the Fire Station, is being eyed for

a sports and recreation centre along with a proposed Fire Museum.

● Spolander House was a problem area because the community was concerned about the tenants and its poor physical state.

● The vacant site between Van der Meulen and Dorp Streets is being eyed for the development of affordable housing.

Other issues raised by the Bo-Kaap residents through the forum were housing problems, including the sale of flats to tenants, poor streetlighting and roads, the need to create work, the lack of community facilities, and the need to maintain the religious and cultural heritage of the area.



# Atlanta figures support Cape Town bid estimate

PETER DENNEHY

ATLANTA 1996 Olympic Games budget figures have made the chief executive officer of Cape Town's bid, Mr Raymond Ackerman, even more confident of the accuracy of estimates for Cape Town.

Reports from Atlanta indicate that its total Games budget is just \$1,6 billion, (about R5,7bn), most of it coming from the private sector.

Cape Town's latest available figure is R6,4 billion, most of which will come from the public sector (central, provincial, metropolitan and municipal governments).

Mr Ackerman said the bid committee had known from the start that Cape Town could not host the Games as cheaply as an American city could, "because they have so many facilities that we don't".

On the other hand, he said, Cape Town wanted the Games to lead to development in the areas needing it.

He said Atlanta's figures showed that the R21 billion purported cost of the Games — mentioned by Nocsa president Mr Sam Ramsamy, among others — was nonsense. Mr Ramsamy had said that figure was based on an estimate of how much the Games had cost Barcelona.

"We went through our R6,4 billion figure with the Industrial Development Corporation, and (former finance minister) Mr Derek Keys

CT 18/4/95 (288)  
went through them with a fine toothcomb too," Mr Ackerman said.

Asked whether he could give any clue as to who might succeed him as chief executive officer (he has agreed to step down once someone suitable is ready to take over), Mr Ackerman said the post had yet to be advertised again.

A placement firm had been looking for someone for over a year. The previous bid

committee had narrowed down about 100 prospective candidates to three, but since then another three or four names had been put forward.

The interim bid committee feels the post should be advertised again.

Mr Ackerman said the position would be filled on merit. There would be a bias toward a South African, but colour and origin would not matter.

"It's a matter of pride, having someone from your own country leading its bid," he said. "We think there is enough talent in this country but if we have to, we will look elsewhere."

● The City Council's executive committee will meet today to decide whether to recommend to transitional representatives that they loan R1,25 million to support the bid.

The Cape Transitional Metropolitan Council executive committee decided last week to recommend to Metro officials and councillors that they approve a loan of the same amount.

Tomorrow, Sports Minister Steve Tshwete will ask the cabinet to approve a R2,5m loan.



**CONFIDENT:** Olympic Bid organiser Mr Raymond Ackerman.



*Clock-watcher traps angry travellers*  
*Star 19/4/95*

# Row as hundreds stranded at border

■ BY CLYDE JOHNSON  
 LOWVELD BUREAU

Komatipoort — Government officials scurried yesterday to explain why more than 1 200 travellers returning from Mozambique were left stranded in the no-man's-land between the Mozambican and South African gates at the Lebombo border post at Komatipoort on Monday night.

The deputy commissioner of Customs and Excise, Isak Coetzee, said the official who had closed the South African border post had been wrong to do so, but declined to say whether the man would be disciplined.

And the director-general of Home Affairs, Piet Colyn, said his officials could have han-

dled the 1 257 returning South Africans and it was "most unfortunate" that the post had been closed.

Border posts are manned by officials from the Department of Home Affairs and the Directorate of Customs and Excise, which falls under the Department of Finance.

Tempers flared as men, women and children — some of whom had been injured in a bus accident — found themselves trapped between the gates after Chief Customs and Excise officer Daan Colesky closed his offices at 6pm.

Lydenburg attorney Derick van Wyk was among the group of South Africans who had been cleared by the Mozambican authorities, whose offices had closed at 5pm, and

then got stuck in no-man's-land when Colesky ordered the South African gates to be closed.

Van Wyk asked Colesky how he could leave so many people stranded between the two border posts, to which Colesky replied that he and his staff had been on duty since 6am and were tired.

"Certain members of his staff indicated that they were prepared to work, but Colesky threatened to report them if they did not obey his orders."

Van Wyk said there were no toilets or water in the no-man's-land and the stench was unbearable.

The gates were opened again at 8pm and the group was processed by 11.15pm.

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# Olympic bid asks for R1,25m from city's ratepayers

□ 'We want bridging finance' — committee

ANDREA WEISS  
Municipal Reporter

CAPE Town City Council is being asked for R1,25 million in "bridging finance" for the interim steering committee elected at the Olympic summit.

The money is part of an estimated R5 million needed to keep the city's Olympic bid afloat.

The city council's contribution is to be matched by central government, metropolitan government and the private sector to pay for the expenditure incurred after the summit which was held on April 5.

The steering committee's main task is to handle urgent matters before the new Section

21 company, which was registered on April 11, is up and running. This company will manage the Olympic bid until 1997 when the bidding process ends.

It is in the process of inviting various sectors, among them central government, labour unions, the business community and community-based organisations, to nominate directors for the company's board.

Seven council officials have been registered as directors pending the establishment of the board, but they may not make any binding decisions.

The Cape Metropolitan Council's executive committee will also be recommending to its full council meeting early next

month to put up the required R1,25 million.

Among the provisos that the Cape Town City Council is looking at are that:

- The R1,25 million should be linked to similar commitments from the other three sectors.

- Any expenses incurred before April 5 by the former bid committee should be met from the bridging finance after "verification by an independent audit", and the consensual decisions of the steering committee or a board of directors.

- The money will not be paid to the Cape Town 2004 Trust.

The recommendation to provide the money will be put to the city council next week.

(288)

ARC 19/4/95



EXCO RECOMMENDS BRIDGING FINANCE

# Council may loan<sup>(288)</sup> R1,25m to 2004 bid

CT 19/4/95

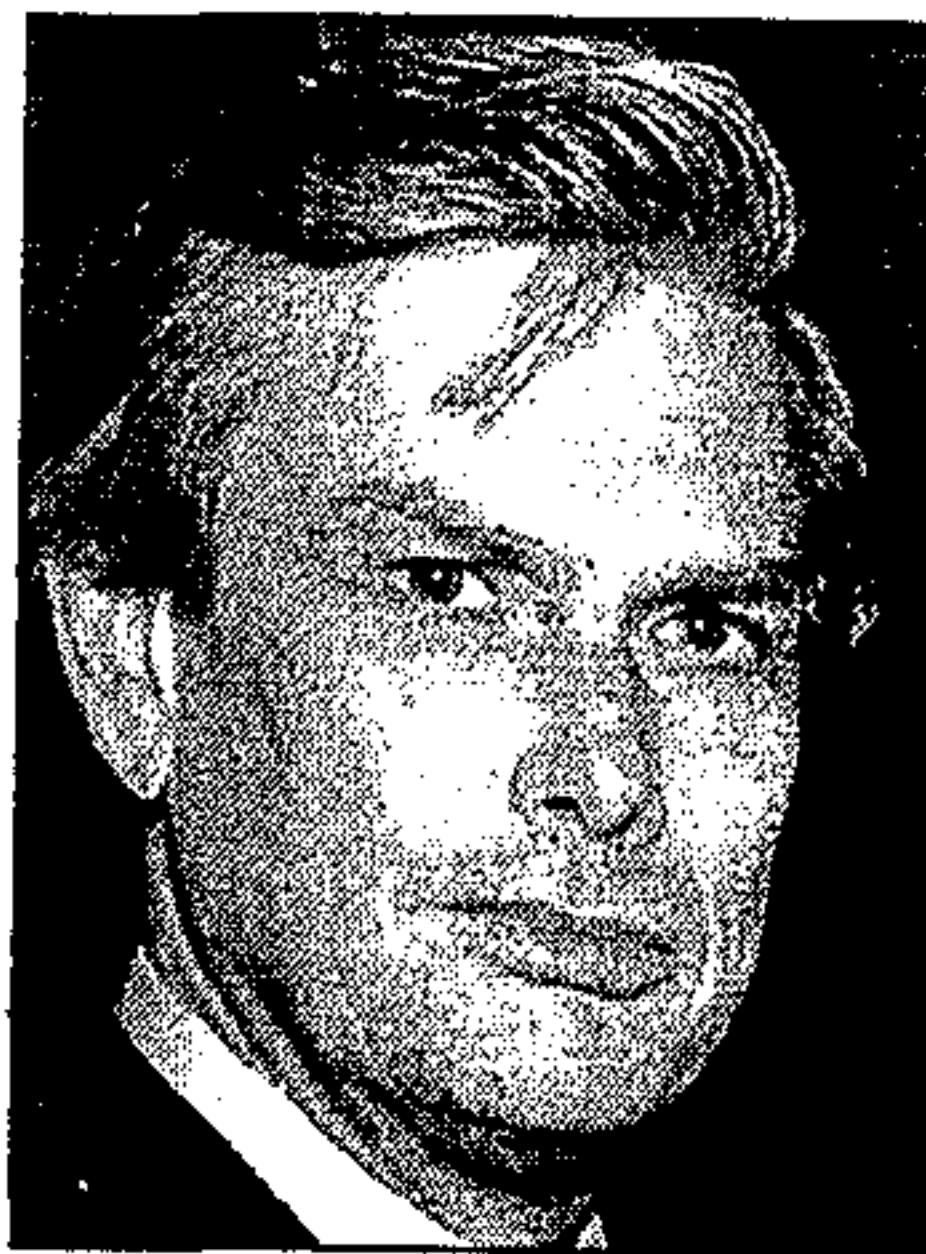
**THE COUNCIL** may grant interim funds to the boost Cape Town's Olympic bid. **PETER DENNEHY** reports.

**R**1,25 MILLION in "bridging finance" should be granted to the Olympic Bid steering committee and the recently-registered bid company, Cape Town City Council's executive committee recommended yesterday.

The money will be paid back by sponsors after the signing of an Endorsement Agreement with the National Olympic Committee of SA (Nocsa).

The endorsement agreement — between Nocsa and the council or its nominee — is due to be signed by the end of this month.

At yesterday's exco meeting, councillors decided to ask for a fur-



**ON BOARD?:** Mr Clive Keegan.

ther extension of this deadline, because the first board meeting of the bid company is only due to take place on May 12, and the bid company's support for the signing

will be obtained if possible.

The sectors to be represented on the board of directors have yet to nominate board members.

The council will have two representatives, who will be chosen at the end of this month.

Mr Clive Keegan is likely to be one of them, as he was nominated at yesterday's meeting before a decision was taken to leave nominations to the full council.

If Nocsa does not extend the date on which the contract must be signed, the indications are that the council will go ahead and sign it on deadline.

Exco recommended that repayment of the bridging finance from the council should have a "right of first call" from the bid company as soon as it starts receiving sponsorship money.



# Retail, hotel sector workers beat inflation

288  
BD 19/4/95  
ABOVE-inflation increases had been achieved in pay talks in the retail and hotel sectors this year, SA Commercial Catering and Allied Workers' Union (Saccawu) collective bargaining co-ordinator Leonard Gentle said yesterday.

Negotiations have been completed with a number of companies including Macro, CNA/Gallo, Checkers, New Metro and Southern Sun.

Settlements in these companies have ranged between 12% and 14%, with across-the-board increases ranging between R150 and R240 per month, Gentle said.

At Checkers, for example, agreement was reached on an across the board increase of R150 per month with a minimum wage of R1 200 for workers in urban areas.

Gentle said that the union's focus this year would be directed towards the removal of differentials between grades and also the reduction of grades.

Other issues to be addressed were centralised bargaining and the establishment of a national training board in the retail sector similar to

RENEE GRAWITZKY

the restructured Hospitality Industry Training Board.

A full 13th cheque, the implementation of service allowances as opposed to service awards, staff discounts, affirmative action codes, the renegotiation of recognition agreements and job security had been typical of the demands presented to larger retail companies like Pick 'n Pay and Edgars, he said.

Gentle said that the union intended renegotiating recognition agreements at a number of companies in light of the proposed draft Labour Relations Act.

Negotiations with Pick 'n Pay move into full swing later in the month.

Negotiations had already started with Edgars.

National negotiator Lea Modiga said that the union was demanding R400 across the board and a minimum wage of R1 800 at Edgars, while the company had offered R200 across the board.



**Logjam**

PM 21/4/95

The tourism infrastructure, especially airports, is not keeping pace with the inflow of foreign tourists, says Kessel Feinstein Con-

**BUSINESS**

sulting CE Delano Caras.

Commenting on the latest Central Statistical Service (CSS) tourism figures, Caras says SA's three main airports — Johannesburg, Cape Town and Durban — will be hard-pressed to cater for the influx, which shows no sign of abating.

The CSS figures show that last year 1,56m overseas arrivals trooped through the three airports, a 63% increase on 1993.

More than half, 785 574, were foreign visitors — a 17% increase on 1993's arrivals. Of those, 173 518 came to SA on business, a 28,5% increase on 1993. In December, 96 858 foreign visitors entered through the three airports, 25,3% up on December 1993, and of those 81% came on holiday, 24% up on December 1993.

CSS statistics on hotel accommodation show that the figure of 185 490 bed nights sold to foreign visitors during January 1995 was 45,9% higher than in January 1994.

"We're not talking about the Rugby World Cup, which will create its own problems, but about ordinary tourism which has been showing healthy increases since June last year, when the revival really started," Caras says.

"Cape Town is suffering severely and I understand it is at peak capacity.

"On a percentage basis, it has had bigger increases in traffic than Jan Smuts because of the increase in flights turning around there."

Stop-gap solutions will not cater for the traffic increases which are expected. "It will cost billions to increase the airports' capacity in the long term. I don't know where the money will come from," says Caras.

Airports Company chairman Jan van den Berg says the company has no track record and so cannot raise cash privately.

It may have to go to the market to raise loans.

The company, which took over the State's nine airports in August 1993, has so far spent R80m upgrading them and plans

to lay out R1,2bn over the next five years, says Van den Berg.

Caras accepts that the company is trying to cope but says it is not succeeding. ■



# Licence allocations the key to SunBop's fortunes <sup>(288)</sup>

SUN International's operation in the former Bophuthatswana, SunBop, was poised for good earnings growth this financial year and next, but could be adversely affected if rival casino resort companies were granted licences in Gauteng, analysts said last week.

6024/4/95  
SunBop's contribution to parent Kersaf's attributable profit slipped to 39% in the 1995 financial year from 42% the previous year. Analysts said the illegal casinos in Johannesburg and Pretoria had seen customers flock to more convenient venues, siphoning revenue away from SunBop.

The share price has declined steadily since November, touching R19 on March 13, down from last year's high of R50 in May.

The drop in price was partly attributed to the number of international music stars holding their concerts in metropolitan venues. One analyst said people were opting to pay hundreds of rands for a concert ticket rather than spend their disposable income on gambling.

Another analyst said the Sun Inter-

AMANDA VERMEULEN

national group stood a good chance of being allocated at least two new licences. A licence in Gauteng would boost its fortunes, particularly against the defection of day trippers.

While there had been a clampdown on illegal casinos, industry sources said they had not been completely eradicated. Sunbop was nonetheless still raking in attractive revenue, one analyst said.

The share was being valued as a good buy after reports that occupancies were about 90% and forward bookings were strong. Analysts put earnings growth in the current financial year at about the inflation level, with equally good or better prospects for the next financial year.

In addition, the idea of temporary casino licences, being mooted by industry players, could be a major shot in SunBop's arm if it was awarded such a licence.

Sun International MD Peter Bacon said at the weekend up to 50% of business stemmed from international tourists, with the trend rising.



# Woman set to head Fair Cape Association

ARG 24/4/95 (288)

## Environment Reporter

FORMER Black Sash national president Jenny de Tolly has been appointed chief executive of the Fairest Cape Association.

Ms De Tolly, an architect, will take up her position on June 1.

She replaces Roger Hulley, who resigned to head the Community Chest.

Announcing her appointment today, association chairman Chris Joubert said the board was "delighted".

"We've been screening applicants for three weeks — and there were some really high-powered people. She fitted the position like a glove.

"We've been like a ship without a rudder for the past few months and we now see great things in store for the Fairest Cape, but Ms De Tolly has got a real task ahead of her."

Ms De Tolly, a mother of two, said she faced "a huge learning curve".

She had last worked actively in the environmental field in Canada in the 1970s while "retro-fitting" Eco House — headquarters of a Canadian environmental watchdog group — with environmentally-friendly infrastructure during the oil crisis.

"I have got an idea of where we want to go with the Fairest Cape Association, but it's a question of getting in there and seeing what needs to be done and of getting people motivated," she said.

Her work for the past 20 years had related to "people-centred development" and that would continue with the FCA, whose new mission was directed at sustainable development.



ART 25/4/95

# We'll drop support for bid, civic bosses warn

(288)

## Municipal Staff

WESTERN Cape civic leaders have threatened to withdraw community support for Cape Town's Olympic bid if they are not afforded equal representation as possible sponsors on the interim bid committee within two weeks.

Representatives from the S A National Civics Organisation, the Western Cape United Squatters' Association, the Western Cape Civic Association, and the Western Cape Community Organisation issued a joint statement reaffirming their support for the Olympic bid, but protesting against their exclusion from the recent Olympic summit.

Sanco spokesman John Neels said it was the first time the different civic bodies had come together to voice their concern over an issue.

This showed the importance the groups attached to the bid.

"But it seems as if the new interim steering bid committee has changed the original development strategy of the bid and wants to sideline community representatives and the disadvantaged communities," Mr Neels said.

He said the recent summit was held without any representatives from the communities being present, yet the interim steering committee claimed to be fully representative.

He said the civics wanted the same representation for the community as for the sponsors presently on the interim committee, four seats on the new board of directors and three on the new executive committee.

"If this matter is not settled within the next two weeks, we will withdraw all our support for the bid," Mr Neels said.



# Hotels don't cover thefts

STAFF REPORTER

(288)

HOTELS do not pay out guests whose property is stolen from their hotel rooms.

The chairman of the National Hotel Association's Western Cape branch, Mr Jos Kahn, said this in response to the plight of two Johannesburg families who had their adjoining rooms broken into in December, and lost all their luggage, cash, clothing and belongings worth nearly R17 000.

The theft took place in the Protea Hotel in Brackenfell.

The thieves had forced open the burglar proofing and stolen the belongings of Mr Albert Makhubalo and his wife and family, as well as those of his friends.

Mr Kahn said hotels could not be held liable for theft from rooms, but hotel managers "could decide whether they would be so nice as to pay guests out in certain circumstances".

CT 25/4/95

Protea Hotel general manager Mr Neil Dorset said he regretted not being able to help, but the hotel's insurers had refused to pay Mr Makhubalo because he had signed a disclaimer on the registration card when he signed in.



OLYMPICS 'MUST UPLIFT OUR PEOPLE'

# Civic groups demand say in Cape Town's bid for Games

**CIVICS** want a say in Cape Town's Olympic Games bid, **MELANIE GOSLING** reports.

**W**ESTERN CAPE civic organisations have threatened to withdraw their support for Cape Town's 2004 Olympic Games bid unless they are allocated three seats on the bid committee's new executive and four on the board of directors.

Neither the number of seats on the executive nor the number of directors has been decided yet.

At a press conference in the city yesterday civic organisations also demanded that:

- Civics receive representation on the interim bid committee equal to that of proposed sponsors.

- The National Olympic Committee of SA (Nocsa) contract be debated with them.

In a statement issued on behalf of the SA National Civics Organisation (Sanco), the Western Cape Squatters' Association, the Western Cape Civic Association and the Western Cape Community Organisation, the organisations said they had been excluded from the Olympic bid summit meeting earlier this month.

"Because of the flawed and rigged invitation list for the summit, the child of that meeting, the so-called interim steering committee, is representative not of the people, but of vested interests, while community representation is totally inadequate," the statement said.

It said they needed reassurance that the original development strategy, with its regional socio-economic benefits, continued to be the central policy for the bid.

The civics also wanted to be



**SIDELINED:** Mr John Neels of Sanco (right) outlines why Western Cape civic organisations want to withdraw their support from the Olympic Bid Committee. With him are civic organisation leaders (from left) Mr Alfred Siphika, Mr J Nongwe and Mr Jerry Tutu.

**PICTURE: BENNY GOOL**

fully involved in the appointment of a new chief executive officer.

Sanco's head of publicity, Mr John Neels, said: "Community organisations have been sidelined from the bid for reasons unknown to us."

"We are interested in the Olympics for one reason only — for the upliftment of our people. The bid will not succeed if it does not have our support."

- Sapa reports that Wildlife Society spokesman Mr Andy Gubb

said yesterday the bid was being controlled by powerful vested interests which had virtually ignored public involvement and the social and environmental impact. Announcing a public meeting on May 4 to address these issues, Mr Gubb said environmentalists were losing patience with vague promises of an environmentally-sustainable Olympics.

The May 4 meeting will assess the social and environmental impact of the Olympic Games.

- Olympic Bid Steering Committee spokesman Mr Clive Keegan said last night accusations that the committee was not committed to inclusiveness and consultation were inaccurate and premature.

Sanco had been part of the bid from the start and was now represented through its people on the City Council.

Mr Keegan reassured civic organisations the new Bid Company would involve "the widest cross-section of Capetonians".



# Aid to Captour draws fire

CT 26/4/95 (288)

## MUNICIPAL REPORTER

A COUNCIL agreement to contribute towards any difference between sponsorship income and the estimated R875 000 cost of a Captour-organised Rugby World Cup festival amounted to "an open cheque policy", Mr John Muir said at yesterday's monthly meeting.

Captour plans a festival at the Villagers Rugby Club during the Rugby World Cup for those who

do not get tickets to matches.

It is confident that it will raise sponsorships for all but R250 000 of the costs. But the council has been burned before when it provided guarantees for a sports event and then had the guarantee called up when the sponsors withdrew.

Mr Muir said the way the World Cup was handled would give an indication of how the Olympics would be handled, so it was distressing that the council did

not seem prepared to force Captour into getting sponsorships by declining to provide more than R125 000 for promotion activities.

Mr Leon Markovitz protested that if Mr Muir's amendment was passed, it would in effect tell Captour to cancel all its arrangements.

Mr Clive Keegan said the matter had already been dealt with by the executive committee, which had given the required guarantee and informed Captour of this.



ACKERMAN UPSET OVER SIGNING DECISION

# New Olympic bid row

(288)

DISCORD follows the city's decision to sign the contract with Nocsa for the Olympic Bid. **PETER DENNEHY** reports.

CT 26/4/95

**T**HE Cape Town City Council decided yesterday to sign a controversial contract with the National Olympic Committee of South Africa — and sparked off a new row with bid chief executive officer Mr Raymond Ackerman.

One of the conditions which Mr Ackerman had set for his returning to lead Cape Town's bid had been that he must be able to go through the endorsement contract with Nocsa with a fine toothcomb, Mr Ackerman said last night.

His lawyer had had a preliminary meeting with council lawyer Mr Howard Firth, "but it was understood that there would be another meeting with myself, and we would then negotiate it (the contract) with Nocsa".

Mr Ackerman also said he was unhappy that the signing of the contract with Nocsa had not been delayed.

Ms Nomalinda Mfeketo, chairperson of the council's executive committee, said at the council monthly meeting yesterday that another postponement of Nocsa's April 30 deadline for the signing had been sought, but Nocsa had refused it.

Mr Ackerman said he did not want to create discord, but he was unhappy. Being excluded from negotiating the contract with Nocsa had been one of the main reasons for his resignation from the bid committee.

## Vital

Mr Ackerman last night, "this should have been handled more sensitively. I must reserve my position on this," he said.

The endorsement contract is vital, because it sets the terms on which Nocsa agrees to submit Cape Town's name as a candidate city to the International Olympic Committee. It has also been made clear that millions of rand in private sector sponsorship money will only be forthcoming once the endorsement contract is signed.

Mr Arthur Wienburg objected strongly to the way the contract had been handled.

He tried to get the council to ask for more time, and to suspend a forfeiture clause that says the council will lose R500 000 if it pulls out of the Nocsa agreement at a later stage.

If a cost-benefit analysis is done in three months and it turns out that the council wants its name withdrawn from the list of candidate cities after that, it would have to forfeit its R500 000 deposit, he said.

Details of the contract could not be obtained by the Cape Times last night.



RESTAURANT, FUNICULAR RAILWAY IN RESERVE

# Development at Cape Point gets go-ahead

**TO THE POINT:** Provincial Environment Minister Mr Kobus Meiring has given the assurance that development at Cape Point will not be an eyesore, **MELANIE GOSLING** reports.

**T**HE provincial cabinet has given the go-ahead for the development of a controversial R4.6 million restaurant and funicular railway in Cape Point Nature Reserve.

Mr Kobus Meiring said in his maiden speech on his environment portfolio yesterday that the cabinet had approved the scheme on condition the final, detailed building plans are submitted to him for approval and an environment officer is on duty during the entire construction phase.

The development includes a curio shop, take-away outlet and information office.

Mr Meiring said the Point was a development node on the edge of a prime conservation area and that siting a restaurant at the point would protect the more pristine areas of the reserve from development.

The proposed restaurant will be sited below the level of and partially under the existing parking areas overlooking False Bay.

It will have indoor seating for 200 and be able to seat another 100 people on a paved area outside.

The restaurant will not be visible when one enters the parking area and the roof will form a pedestrian precinct.

Mr Meiring said the roof of the curio shop would resemble a rocky when seen from the parking area.

"The funicular station, refreshment outlet and information office will be on the parking area in place of the existing kiosk under a concrete slab that will have a overhang to provide protection for visitors in bad weather. Its upper surface will be landscaped and planted so that it blends into the natural land-

scape," Mr Meiring said.

Another 150 parking bays will be built on both sides of the main road approach to the point in addition to the existing 100 bays.

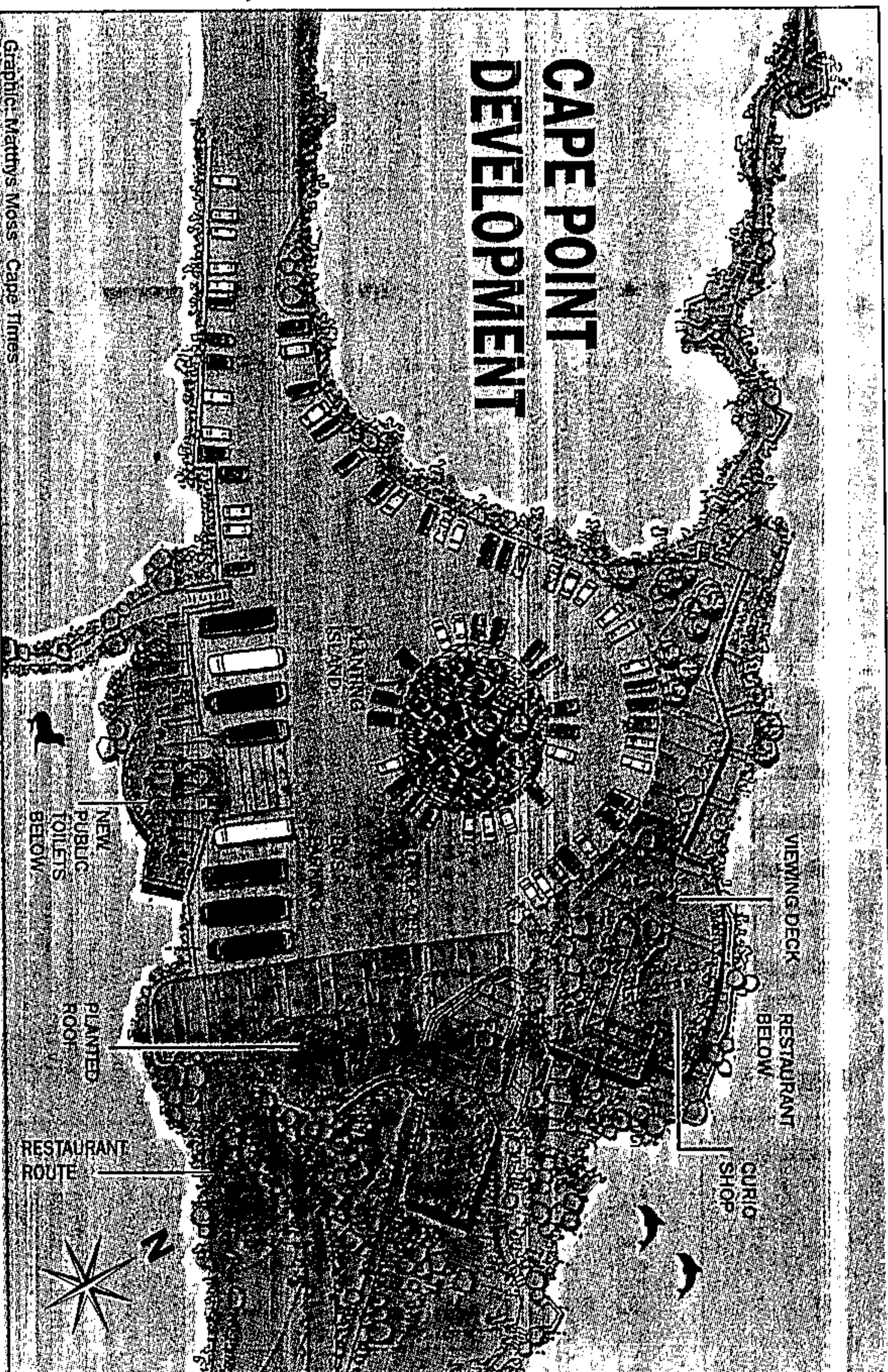
Mr Meiring said public fears that the new facilities would lead to congestion at Cape Point were unfounded.

"Cape Point is far from suburbia and cannot be reached without paying the entrance fees. It can almost be said with certainty that once the novelty has worn off, very few people will go to Cape Point merely to see the restaurant or the funicular," he said.

The Wildlife Society's conservation ecologist, Ms Marlene Laros, said yesterday that Mr Meiring's conditions of approval were "weak".

"The conditions are to do with the construction of the restaurant development only. There is nothing to do with the carrying capacity of Cape Point or with limiting numbers of people or the size of the restaurant," Ms Laros said.

CT 27/54/95



**DEVELOPMENT PROPOSAL-** The above graphic shows the development proposal approved by the Western Cape cabinet. The development includes a R4.6m restaurant and funicular railway.



## Extend levies to all in tourist industry: Fick

Political Correspondent (288)

LEVIES imposed on hotels and guest houses should be extended to all other businesses in the tourism industry, according to provincial Tourism Minister Lampie Fick. ARG 27/4/85

Introducing debate on the tourism budget in the Western Cape parliament, Mr Fick said: "There are various other operators who gain a lot in financial terms from tourism and they should also contribute part of their earnings to the development and marketing of our region."

"Levies should be raised from the whole tourism industry and not only from hotels and guest houses."

The provincial tourism department had no budget "to work with" and levies "as a way of raising money to develop and market our region is an acceptable practice".

But it should be fair.

It was only fair that all who benefitted from the tourism business "should pay their dues", he said.

6. List of newspaper entries by date only;
7. List of resource centres;
8. an index;



# OPEN AFRICA

A MONTHLY SUPPLEMENT TO WEEKLY MAIL & GUARDIAN DEALING WITH TOURISM AND NATURE

Number 8, May 1995

This focus has been made possible by

ENGEN

The Open Africa Initiative

## Indaba '95: RDP goes wild

(288) (ON) Wm 28/4-4/5/95

Next week Nelson Mandela unveils Satour's new programme to make nature travel a part of the RDP.

**Eddie Koch** argues that it will take more than a presidential speech from the podium to achieve this

**O**N the banks of the Luvuvu River, where it twists through the wild and beautiful northern reaches of the Kruger National Park, there stands an ancient baobab tree. It is encircled by the ruins of a church, a school, a trading store and a number of small homesteads. Inscribed in its gnarled bark are three words: Makuleke Tribal Authority.

The tree was the cultural heart of the Makuleke people. Their chief held council with his elders under it and members of the clan came to settle their disputes there. "It was like our Number 10 Downing Street," remembers Sam Chauke. "We named it Deku after an old woman who died while resting in its shade."

Deku and its surrounds are emblematic of the price rural people paid — forced removals, community destruction, economic deprivation — when South Africa created some of its game reserves. The Makulekes were removed at gunpoint in 1969 so that the area between the Luvuvu and Limpopo rivers could be incorporated into the Kruger Park.

Today Chief Joas Makuleke is claiming back the title to his peoples' land. But instead of conforming to the conservationists' dread that villagers will move their cattle back into the park and degrade its pristine habitat, the Makuleke clan is talking to the National Parks Board about setting up a tourism lodge near their old homes on the Luvuvu and using the profits from this business to upgrade the resettlement villages they live in now.

Next week President Nelson Mandela will launch a new set of policies that has been devised by the South African Tourism Board (Satour) to try to ensure that rural communities like the Makulekes will benefit from, rather than be penalised by, the growing number of adventure travel and "ecotourism" ventures into wilderness areas.

The president will tell thousands of delegates at the Indaba in Durban, billed by Satour as the biggest travel trade fair in Africa, that travel through the scenic landscapes and natural ecosystems of the country can bring economic and social benefits to local people while ensuring that natural resources are effectively protected.

"Surveys conducted recently show 60 percent of international tourists visiting South Africa come to enjoy an ecotourism holiday experience. Scenic beauty is consistently voted South Africa's most popular feature, followed by its year-round sunny climate, rich heritage of wildlife and fascinating cultures," says a new policy document prepared by Satour for the Indaba.



Rapid development: Groups of up to 250 canoeists queued up at the Richtersveld's popular rapids over Easter

PHOTO: GIDEON MENDEL

■ To PAGE 2

## Beside A Stream, On The Slopes Of A Mountain- What A Perfect Place For A Vineyard.

If it sounds idyllic, we can assure you, it is. Nestled in estate-like parkland, The Vineyard Hotel offers a blend of setting, age old Cape hospitality and proximity to the city that is unique. Here a business



traveller can effortlessly put the day's pressures behind and look forward to good service, accommodation and cuisine, in a country house atmosphere. Telephone (021) 683-3044 Facsimile (021) 683-3365



## Welcome to Open Africa

**O**PEN AFRICA is a regular supplement to the *Weekly Mail & Guardian*.

It looks at how nature tourism lends itself to economic growth and rural development on the subcontinent.

The publication is made possible through the support of Engen, which shares the ideal that tourism can provide ways of redistributing wealth among the people of the region.

The journal was the idea of the Open Africa Initiative, which champions community involvement in tourism and the sound use of Africa's natural resources.

An advisory group provides advice and ideas, but the final selection of material and writing is carried out by the WM&G. We take full responsibility for its contents.

The supplement's editorial policy is to promote constructive debate about effective uses of tourism in the South African economy and to ensure that the views of a neglected constituency — the rural poor — are heard by the public.

Comments, letters and suggestions for editorial content are welcome.

Editor: Eddie Koch

Design: Fiona Macleod

Editorial Advisory Group: Noel de Villiers, Michelle Girardin, Derina Holtshausen, Zeph Nyathi, Rams Rammulla

# Adventure: A risky business?



## Tourism Intelligence

Graham Matthews

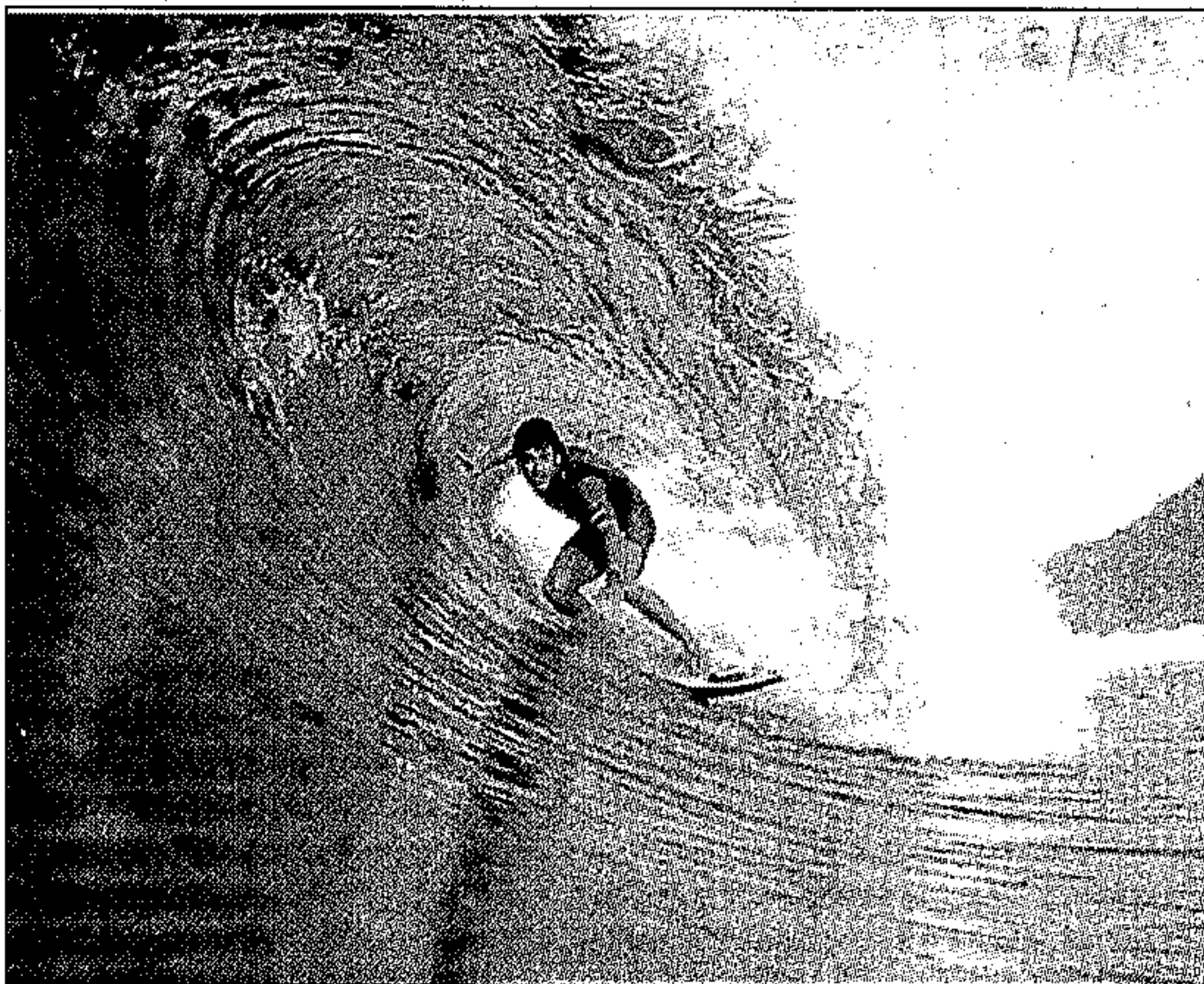
**I**N Durban next week the South African tourism industry is on show to the world at its four-day international trade fair, Indaba '95. This is the event at which the South African Tourism Board (Satour) is to launch its 1996 marketing focus on nature-based and adventure tourism.

Meanwhile, thousands of adventure seekers will be taking advantage of the long weekend to beat a trail to the wilderness. In some instances it is difficult to know whether they are a greater threat to themselves or to the environment.

Graeme Addison, professor of communications studies at the University of the North-West (formerly University of Bophuthatswana), ecotourist and "river man", believes increased enthusiasm for canoeing is becoming a danger to riverine ecosystems, as banks are scoured for firewood and litter is deposited by water-borne visitors.

Ironically, sheer volume of traffic also threatens the essential attraction of some of South Africa's remotest destinations. At times over the Easter weekend, for example, canoeists were queuing in groups of up to 250 to experience the more popular rapids of the Richtersveld's Lower Orange River.

According to Ernie Heath, Satour's chief director for tourism promotion, the board has identified the need for greater emphasis on product development in the 1996 marketing year. (After all, on the demand side Satour has more than achieved its immediate targets in terms of global arrivals figures.)



On a roll: Safety in adventure is a serious concern

PHOTO: SATOUR

Last October, to sponsor an orderly development of adventure travel and help minimise the attendant risks (to adventurer and environment), Satour initiated a series of meetings of South Africa's most ardent swashbucklers, convened by Andy Dott of Drifters Adventure Tours in Johannesburg.

In March these gatherings of the truly dangerous from the South (and Southern) African leisure industry culminated in the founding congress of a body with the improbably safe and serious name of the Council of Adventure Travel Associations of Southern Africa.

Led by Addison and Dott, the council is serious about its work and safety is at the core of its concerns. Thankfully, though, it also goes by an acronym, Catasa, that (depending upon which of South Africa's languages you consider your own) evokes images of catastrophe, extreme fatigue

or a variation upon ice-cream the way mama used to make it.

Of course, risk is the key element of adventure travel, and so the need to manage danger is central to Catasa's purpose. To this end it plans to establish a structure of accreditation based upon the existing licensing practices of some of its constituent organisations, such as the Field Guides' Association of Southern Africa and the Professional Hunters' Association.

**F**urther north, Victoria Falls has become a teeming mecca for adventure travellers. (You can even bungy jump from the no-man's land of the famous iron bridge which reaches from Zimbabwe across to Zambia.)

Whether by the strength of their graphics or the ubiquity of their billboards, they have made Victoria Falls begin to look like a company town

established by white-water experts Shearwater.

If you stand outside to watch the videos of yesterday's white-water rafting and then are fool enough to wander in to Shearwater to ask, "But isn't this dangerous?", they tell you: "Yes. It's dangerous." But if that puts you off, you were never a likely customer anyway.

There are fatal accidents on the Zambezi, and on South African rivers too. According to Addison, however, only five paying customers of South Africa's commercial adventure companies have died on the country's rivers since 1982. This is a remarkable record, given that every year in South Africa more than 30 000 people are taking river trips of one night or longer.

If you find that difficult to believe, imagine how the insurance companies feel about it. Insurance is another of the down-to-earth concerns of Catasa's adventurers. So Addison's honours students are setting about proving just how safe the professional danger business is in South Africa.

Their goal is to compile the sort of database which will convince the actuaries there is money to be made carrying known risks in a well-regulated adventure-travel industry.

These are early days for Catasa and a lot remains to be done. Indeed, there are so many ways to be dangerous that Catasa isn't even sure yet that its catalogue of 42 adventure-travel activities is a comprehensive list of what we are all up to in our free time.

So, if you have your own brand of professional danger, go along to Indaba '95 and make sure it's on the list.

Graham Matthews is a lecturer in economics at the University of Swaziland and a correspondent for the Economist Intelligence Unit in London

*"In the new social order emerging in this country, there is nothing that can do so much for so many in less time... and for longer, than environmentally balanced tourism development for the benefit of all."*

**Rob Angel, 1994**  
CEO, Engen Limited

  
**ENGEN**

## The wild RDP

(288) WM(OA) 28/4-4/5/95

■ From PAGE 1

"Ecotourism can add considerable and significant benefits to South Africa's Reconstruction and Development Programme, creating employment opportunities, generating a healthy economy and earning millions of rand in foreign currency. The country's communities stand to reap the rewards of well-managed ecotourism in the new South Africa."

The document, to be unveiled by Mandela, along with a campaign to promote South Africa as one of the world's prime ecotourism destinations in 1996, notes that local people often bore the costs, including forced removals in the colonial and apartheid eras, without receiving any of the material and spiritual benefits that can be derived from the travel industry.

"But this is changing. Progressive private-sector and state conservation agencies have introduced several innovative... development initiatives based on the provision of tangible benefits to communities living in and alongside ecotourism areas," says the document.

"In many ways they are microcosms of South Africa's peculiar history of racial conflict, a remarkable ability to negotiate solutions to these and a new emphasis on the need to reconstruct and develop the country. Historically, local people were alienated from the conservation estate because they weren't receiving a share of the benefits. Now some pilot projects... are finding ways to restore the pride of communities in their natural heritage by sharing the substantial benefits of tourism with them."

The policy paper notes that these initiatives are in the very early stages of development and it is too soon to tell whether they are successful or potent enough to offset the negative image that conservation has because of its past association with apartheid.

But it notes that a recent survey conducted in the residential areas around the Pilanesberg National Park, from which a large number of

shift from attitudes of antipathy and hostility that were displayed at the time the park was created.

"The option of utilising land for developing tourism facilities, as opposed to (more environmentally degrading) agricultural or pastoral use, is being seriously considered by pending land claimants in areas involving some national parks," the document says.

To make these prototypes of a new conservation model work, the Satour document recommends that peoples' land rights have to be respected and programmes need to be implemented that will boost the capacity of rural people to run their own tourism projects. "With all parties concerned working together, formerly impoverished rural areas can be developed into sustainable income-producing ecotourism attractions."

Although Mandela will put his political weight behind these principles when he launches the campaign on Monday night at the Indaba next week, there are signs that other sectors of government are less enthusiastic about using tourism and nature travel as a form of rural development.

Though tourism received some belated mention in the last draft of the ANC's version of the RDP, it has been totally ignored in the White Paper version of the programme adopted by the government of national unity. Promises that the omission would be rectified when more detailed sectoral studies would be drawn up to supplement the White Paper have failed to materialise.

Satour has scored a coup in getting Mandela to endorse the principle that nature tourism should play a role in the nation's reconstruction. But it will take more than a presidential speech from the podium to ensure that the organisation's latest ideas are developed and implemented in the countryside.

A long and hard programme of lobbying will be needed — along with material support for pioneering projects that have already been implemented — for the organisation's vision to be converted from rhetoric to reality.

Unless this happens, in years to come visitors may find cattle grazing on degraded banks of



# But Raymond Ackerman not happy, says document is flawed

ARL 28/4/95

(288)

**ANDREA WEISS**  
Municipal Reporter

CAPE Town has crossed its first hurdle in the bid to win the Olympics for 2004 with the signing of a legal agreement between the city council and the National Olympics Committee of South Africa.

The agreement was signed by mayor William Bantom and Nocsa president Sam Ramsamy today.

The signing marks the official start of Cape Town's efforts to persuade the International Olympics Committee that the Olympics should be held here.

The agreement secures a R470 million grant to the Cape metropolitan area from central government for a transport overhaul, which was dependent on the document being signed.

It will also release private sector sponsorship which was being held back pending the signing.

But Raymond Ackerman, chief executive officer of the interim steering committee for the bid, is unhappy with the development.

Mr Ackerman said up until this morning he had asked the Cape Town City Council not to proceed with signing the document.

He and a number of other non-council members of the steering committee were not present at the signing.

He labelled the council's actions as a "fundamental breach of promise" and said the document was flawed.

In terms of the document, Nocsa is handing over certain marketing rights to the city, which will pay for certain of Nocsa's expenses in promoting the bid.

Mr Bantom said he was pleased that the contract could eventually be signed.

"I really hope from here on things will go smoothly and that Cape Town will be the city to host the Games in 2004."

He thanked Mr Ramsamy for his patience during a period when there was "much acrimony" around the bid.

He also paid tribute to Sports Minister Steve Tshwete: "Without his help the bid would not have moved forward."

Exco chairwoman Nomaindia Mfeketo said it was an historic moment and thanked the city's officials who had done "great work" on the contract.

Mr Ramsamy said the mayor and exco chairwoman too had exercised "great restraint" in the past weeks and had not allowed "petty arguments" to sidetrack the bid.

● The Olympic bid will be run by a Section 21 company which has advertised for a chief executive officer. Nominations for directors on the board close today, and the first meeting is on May 12.

The International Olympics Committee will invite Nocsa to nominate a city in June. Nocsa has until January 10 next year to put forward its candidate city, after which representatives of candidate cities will be invited to Lausanne for a briefing.



**OLYMPIC SIGNING:** Sam Ramsamy, left, president of the National Olympics Committee of South Africa, and Cape Town mayor William Bantom sign the Olympic bid contract. To their right is city administrator Gys Hofmeyr, and at the back are, from left, Moss Mashishi of Nocsa, Nomaindia Mfeketo, exco chair, Howard Firth, city legal advisor, and Gill Bolton, assistant city administrator.



Olympic bid is  
signed — at last



## A shot in the arm

(288) (4973)

■ Infrastructurally, the Olympics will mean R5bn to Cape Town

FM 28/4/95

If the International Olympic Committee decides that the 2004 Olympic Games should be staged in Cape Town it will unleash the biggest building programme yet seen in SA.

David Johnson, spokesman for Cape Town 2004, the body organising the city's bid for the Games, says current indications are that nearly R5,5bn will be spent between 1994 and 2004, of which R2,25bn will come from Olympic and private sector funds and the rest from local, regional and central government.

The investment process has already started and if plans are adhered to R1bn will be spent up to 1997 on infrastructure, sports facilities and villages. Between 1997 and 2004 another R4,3bn will be invested, including R100m for "contingencies."

The R695m allocated to infrastructure between 1994 and 1997 will go to improving the international airport and road and rail systems, acquiring additional rolling stock and building a light rail system.

Also provided for will be services for the 17 cruise liners and 10 other vessels that will be moored in Table Bay harbour. Infrastructural spending will increase to R2,8bn between 1997 and 2004.

The cost of providing competitive sports and training facilities will absorb R410m up to 1997 and another R570m up to 2004. Only R40m will be spent on villages up to 1997, but that amount will increase to R835m as 2004 approaches.

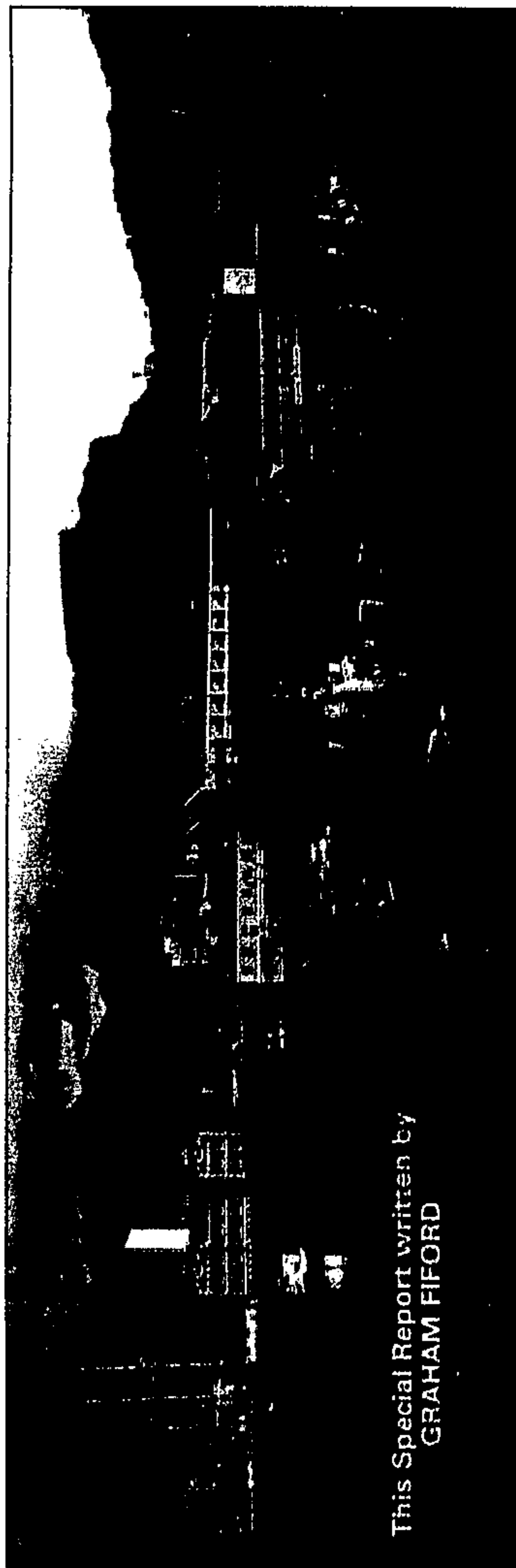
Cape Town is expecting an influx of about 205 000 people for the Games. Of that 98 000 will be foreigners, including about 15 000 athletes and 15 000 media members.

Johnson says the Olympic plan provides for accommodating 60 000 people daily

FINANCIAL MAIL • APRIL • 28 • 1995 • 77

# Capital Projects

SPECIAL REPORT



This Special Report written by  
GRAHAM FIFORD

**Cape Town's waterfront . . . much more spending is needed if the city is to gear up for the Olympic Games**

during the Games, which will last from September 18 to October 3. As people don't usually stay for the entire duration of the Games, demand for accommodation will be staggered over the entire period.

Cape Town's airport is being upgraded. Johnson believes if an airport can cope with 10m-11m passengers a year it can cope

with the demands of the Olympic Games. Peak demand, which will be experienced just before the opening ceremony and just after the closing ceremony, will be 35 000 passengers a day.

When the Games end Cape Town will be left with a vastly improved urban mass-passenger transport system, sporting fa-

cilities, villages that can be converted into conventional housing, housing for the elderly, housing catering for families sharing dining, food preparation and social facilities, and work-related facilities where the ground floor can be converted to commercial and light industrial use, and the upper floor to housing.



# Many race for Olympic Bid job

■ In less than a month Cape Town's bid for the 2004 Olympic Games should be up and running with a new chief executive and a board of directors.

**WILLEM STEENKAMP**  
Weekend Argus Reporter

APPLICATIONS for the position of chief executive of the Olympic Bid company have been flooding in after the job was advertised last weekend.

Gill Bolton, spokeswoman for the Cape Town Olympic Company, said inquiries had come from a broad sector of people.

The closing date for applications is May 10.

Miss Bolton said several directors had been nominated to serve on the board of the Olympic Company. The names of the full board should be announced towards the end of next week.

The directors will have the final say on who to appoint chief executive after Raymond Ackerman steps down.

Organisations which have been asked to nominate directors to the board include the central government, regional and local governments, Nocsa, the city of Cape Town, the private sector, patrons, sponsors, regional business, academic institutions, other African countries, labour unions and other

major cities. **AR 29/4/95 (288)**  
Miss Bolton said it was difficult to understand civics organisation Sanco, who demanded that at least four of its members serve on the board.

"Sanco already has representatives on the City Council of Cape Town, who obviously represent their viewpoint.

"Furthermore, it was agreed that directors would be nominated by the National Economic, Development and Labour Council (Nedlac) as Nedlac represents a broad sector of non-governmental organisations, including civic organisations, throughout the country."

Miss Bolton pointed out that after the local elections Sanco would presumably have councillors on the Cape Town City Council, which would have directors serving on the board of the Olympic Company.

Several task groups accommodating people at grassroots level would be formed to advise the board on the issues and concerns of people at ground level.

"We want everyone involved and part of the process and we do not intend excluding anyone. The success of Cape Town's bid depends on this," said Miss Bolton.



# Ackerman vows to fight Olympic agreement 'tooth and nail'

**PATRICK FARRELL**

**Weekend Argus Reporter**

RAYMOND Ackerman has vowed to "fight tooth and nail" against this week's signing of the Olympic agreement between the Cape Town City Council and National Olympic Committee of SA (Nocsa).

The agreement marks the beginning of Cape Town's efforts to persuade the International Olympic Committee that the 2004 games should be held here.

It was signed by Cape Town Mayor William Bantom and Nocsa president Sam Ramsamy.

In terms of the agreement, Nocsa is handing over certain marketing rights to the city, which will pay for certain of Nocsa's ex-

penses in promoting the bid.

The signing of the agreement secures a R470-million grant to the Cape metropolitan area from central government for a transport overhaul.

It also will release private-sector sponsorship which was being held back pending the signing.

Supermarket chief Mr Ackerman, the chief executive officer of Cape Town's interim steering committee for the Olympic bid, describing himself as "angry", said the signing was "illegitimate".

"I am bound to fight this on behalf of the citizens of Cape Town."

Mr Ackerman, who walked out of the steering committee in March and returned when a deal was brokered, said he had been

promised he would be allowed to go through the agreement with his team before it was signed.

He said the agreement was signed without "those meetings (of the team with the council) reaching any conclusion".

He said he had not been invited to the signing ceremony and the date of the signing had been "cleverly picked" by the council and Nocsa because it fell on a long weekend.

He described the timing of the signing as "devious and not transparent".

He confirmed he had held negotiations with lawyers, but did not elaborate whether he would use the courts to fight the signing.

"I will see Sports Minister Steve Tshwete next week to discuss the agreement. If he doesn't give us support, then we'll use any

means possible," he said.

In reaction, Mr Tshwete said last night he was "hurt" by the way that Mr Ackerman had handled the signing.

"He is not creating a positive mood... the message he is sending to the cabinet is that all is not well with the bid."

He said he was aware of Mr Ackerman's reservations over the agreement and had indicated yesterday he would sit down with Mr Ackerman on Tuesday to discuss the matter in a responsible way.

"This is a delicate matter that must be handled with utmost care.

"We cannot undermine the authority of the city council... there is no way the bid will work without them," said Mr Tshwete.

■ See picture on page 3.

ARG 29/4/95

(288)



# Western Cape takes top tourism awards

AR 2/5/95 (288)

Staff Reporter

DURBAN. — The Western Cape swept the board at Saturday's inaugural tourism awards, winning best hotel and best guest-house of the year.

The V&A Waterfront's managing director David Jack also won a special chairman's award at the ceremony in the Durban City Hall on Sunday.

The event was attended by dignitaries from more than 30 African countries.

Guest House of the Year is Mimosa Lodge in Montagu, whose owners Adin and Sharon Greaves were also voted hosts of the year.

The top hotel is Grand Roche in Paarl.

The awards ceremony coincides with the biggest tourism exhibition in Africa, the Indaba, as well as an all-Africa convention of the World Tourism Organisation.

It was attended by Tourism Minister Dawie de Villiers, who said that South Africa had the potential to become the world's number one eco-tourism destination.

Dr De Villiers suggested that international tourists would be better accommodated if there was one tourism visa for the entire African continent.

"We should share a vision of tourists visiting our continent from south to north and from east to west, in the same way

they cross the American and European continents," Dr De Villiers said.

World Tourism Organisation statistics for last year showed international arrivals in this country had increased by just over 10 percent.

The secretary-general of the World Tourism Organisation, Antonio Savignac, described South Africa as a "tourism powerhouse" with the potential to help develop its neighbours' tourism capabilities.

But air fares and airline policies were a major restricting factor.

He said an example of the problem was that most of the African delegates from 36

countries had to fly north to get a connection to South Africa.

The limited supply of flights was limiting tourists. Aviation was over-protected and over-priced.

● President Mandela assured visitors that the government had a major programme to ensure their safety.

Speaking at the official opening of the Indaba last night, Mr Mandela said tourism was the fourth largest industry in South Africa and an important part of the RDP programme. It was labour-intensive, creating half a million jobs in rural areas where they were desperately needed.



# Tourist surge delight for hotel industry

(288)

CT(BR)2/5/95

Hotel occupancy hit a five-year high in January, and monthly arrivals since August show a 20% increase over 1993

By ROY COKAYNE

There has been a dramatic increase in tourists visiting South Africa since August last year, according to figures released by Central Statistical Services (CSS).

The increase is reflected in the average hotel room occupancy rate which surged to a five-year high in January this year — up by 12,2 percent to 49,3 percent. This is the highest rate for January since 1990, CSS said.

Bed occupancies followed a similar pattern with the rate rising by 10,3 percent to 36 percent.

Satour spokesman Martin van Niekerk said the figures were confirmation of the dramatic increase in foreign tourism.

He said tourist arrivals had, since August last year, risen on average by 20 percent month-on-month, compared with the previous year.

This is good news for South Africa's hospitality industry.

The overall increase in foreign arrivals to South Africa last year was 13 percent compared with

1993. This is high when compared to the average growth in foreign arrivals internationally of 3 percent in the same period, he said.

Figures released by CSS revealed that room occupancy of hotels on the Garden Route rose by 28,9 percent in January this year — the largest increase of the areas surveyed.

Next best was the East Rand at 28,8 percent.

The South Coast and Interior had the largest increase in bed occupancies at 37,4 percent while the Northern Transvaal registered the biggest increase in hotel income at 53,6 percent.

## Four-star

CSS revealed that one and two-star hotels achieved the biggest increases in all three categories, registering a 25,1 percent rise in room occupancy, 23 percent increase in bed occupancy and 44,6 percent hike in hotel income.

Four-star hotels were next best in hotel income at 32,2 percent, the figures showed.



CONTRACT 'FLAWED FROM TOP TO BOTTOM'

# Ackerman in bid to overturn Nocsa deal

CT 2/5/95

(288)

THE Olympic bid contract with Nocsa is the focus of a new row, with Mr Raymond Ackerman describing it as 'flawed from top to toe', our **MUNICIPAL REPORTER** writes.

OLYMPIC bid committee chief executive officer Mr Raymond Ackerman is expected to meet Minister of Sport Mr Steve Tshwete today to discuss the possibility of overturning the National Olympic Committee of South Africa's (Nocsa) controversial contract with the Cape Town City Council.

Mr Ackerman regards the Nocsa contract, which was signed on Friday, as "flawed from top to toe, commercially naive, flawed legally, and bad for the city, the ratepayers and the bid".

The contract deals with the basis on which Nocsa will support Cape Town's candidature to host the 2004 Olympic Games.

At the most recent full City Council meeting, a decision was passed by an overwhelming majority of councillors — with the notable exception of Mr Arthur Wienburg — that the contract in its present form be signed.

One of the controversial items

seems to be the granting of exclusive rights to the Olympic logo and merchandising to a single, Nocsa-appointed company.

The contract says the bid committee will negotiate with the current official marketing agent of Nocsa (Grinaker) and appoint an exclusive fund-raising agent and merchandise licensee.

Mr Ackerman said the bid steering committee wanted to have had a say in the contract.

"I came back (into the Olympic bid) on various conditions, and this was the main one," he said.

The contract is a requirement for the release of sponsors' money for the bidding process.

Asked whether the sponsors' money was now available, Mr Ackerman said the latest row would obviously affect their willingness to put down their money.

The City Council last night rejected Mr Ackerman's claim that its signing of the contract was "devious and not transparent".

Mr Llewellyn van Wyk, exco deputy chairman, said it had been well known that the deadline for the signing of the contract was April 30.

He said the mandate given to the interim steering committee had been restricted to ensuring the Bid Company was registered as quickly as possible. The precise terms of the mandate had never been properly spelt out.

"The people of Cape Town are represented politically by the City Council (which) has clearly expressed its mind on this matter.

"It is therefore unfortunate that Mr Ackerman now seems to be saying he has a stronger right to speak on behalf of the citizens of Cape Town than does its political authority," Mr Van Wyk said.

He also expressed concern over Mr Ackerman's allegations that the council was "commercially naive" and contract with was Nocsa was "flawed".

"The implication is that, while the council was incapable of knowing what was in its own best interests, Mr Ackerman knew exactly what would be good for the council."

Too late for classification

## DEATHS

### GREENBLATT

Isaac (Sakkie) passed away peacefully Saturday 29th. Deeply mourned and sadly missed by his sister Louise, brother-in-law Ruby and family.

### GREENBLATT

Isaac (Sakkie) passed away peacefully Saturday 29th. Deeply mourned and sadly missed by his sisters Esther Solomon and Toby Jacobs.

MARGOLIS

## Making SA safe for tourists (288)

CT 2/5/95

DURBAN: President Nelson Mandela in his opening address at the Indaba International Tourism Workshop here yesterday said the government had in place a major programme to ensure a safe climate for overseas visitors.

"I am confident that the close and active co-operation of communities with the police on which this programme is based, will assure its success," he said.

He predicted a possible increase

of 25% in the number of overseas visitors for 1995, with the Rugby World Cup being only one of many events in the tourist calendar.

In light of this he challenged service enterprises to make 1995 a year of improving service.

"We need also as a nation to make a concerted effort to continually increase the levels of hospitality and friendliness, and the general level of service."



# Govt's pensions plan challenged

CT(BR) 2/5/95 (288)

By CLAIRE GEBHARDT

ECONOMICS EDITOR

The proposed redirection of state pension contributions to fund improvements in public servants' salary and service structures should be challenged as either illegal or imprudent, Edward Osborn, independent economist, said on Friday.

Osborn said the statement by the ministry for public service that an additional R840 million could be found by reducing the state's contributions to pension funds, illustrated the impossibly tight provisions for public service salaries in the recent Budget.

In an interview with Reuters, he said the R2,5 billion provision was a net increase of only 3,25 percent for the improvement of salaries, "even normal notch increases are supposed to account for about

3,1 percent". This had probably been done to achieve a deficit before borrowing of 5,8 percent of GDP, and to gain international applause for financial prudence.

Further, it was probably intended to indicate to public service staff associations the absolute limits of what the state could afford.

Osborn said government was in a cleft stick as far as the pension funds were concerned because of appallingly profligate decision-making in the past about improving pension benefits.

What needed to be cleared up was whether such monies had been provided for as part of the programme to enhance the actuarial funding of the pension funds, or whether they were simply part of the state's current contributions to the funds as employer.

Osborn said the diversion of the

employer contributions would worsen the actuarial deficit and could be contrary to the State Pensions Act or the contractual terms of employment.

The actuarial deficit of the funds was about R39 billion and government had committed itself to a programme of improving on this over an extended period.

"But there is no indication in this year's Budget year that the programme of making special transfers has commenced — apart from the issue of R6,9 billion government paper to the funds by Derek Keys in March 1994."

Chris Liebenberg, the finance minister, had stated in his Budget speech that government aimed to enhance the level of actuarial funding by 2,5 percentage points every three years.

"To the extent that the annual employer and employee contribu-

tions do not meet this requirement, government will be required to top up any arrears when progress is assessed every three years."

Liebenberg was clearly not giving way for the moment as his credibility was at stake, Osborn said.

"But sooner or later an increased provision for the improvement of conditions of service will have to be allowed for and the deficit widened to the 6 percent plus level.

"On the other hand, if there is an explicit provision for the reduction of the actuarial deficit this year then a diversion of this for augmentation of the salary provision is feasible."

Osborn said that with a Budget deficit of the order of R28 billion there was no question of diversion of funds, it was simply a diversion of a bit of deficit.

## Tariff cuts 'key to US-SA trade'

CT(BR) 2/5/95 (288)

By ROSS HERBERT

STAFF WRITER

Reducing tariff and non-tariff trade barriers is the top United States trade priority with South Africa and the greatest limitation on expanding trade, US Commerce Secretary Ron Brown said in a satellite interview.

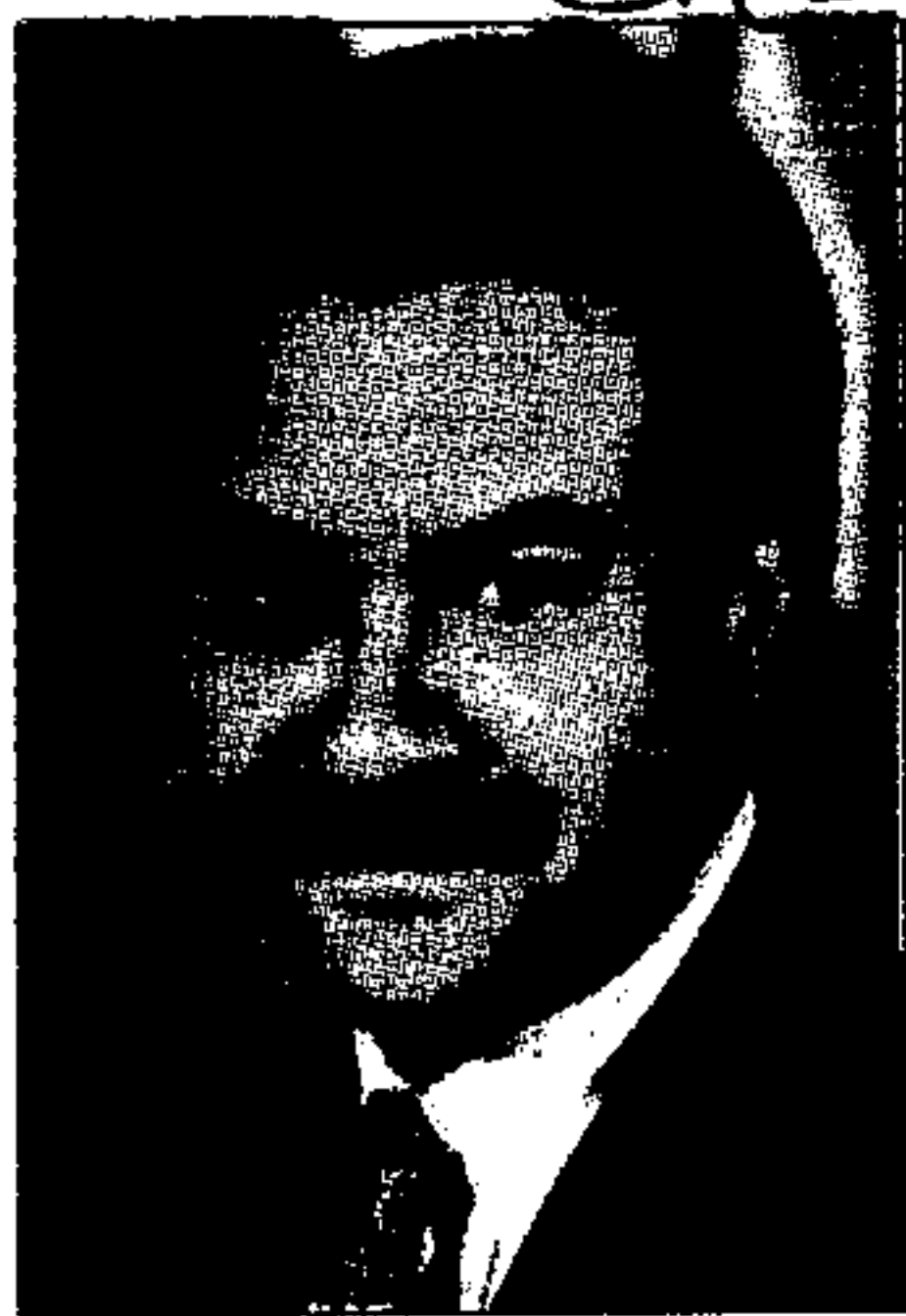
"We are not pleased with restrictive tariffs. They do not do anything in the interests of an open relationship," he said.

Brown said South Africa had to realise there was "tremendous competition for foreign investment".

"The countries which take that seriously are the ones which get the investment. South Africa has a golden opportunity now." Brown said South Africa was one of the top 10 developing markets and central to US policy towards Africa.

Brown said he would visit South Africa in September with US Vice-President Al Gore and other officials to build US-SA trade.

Brown and Trade and Industry Minister Trevor Manuel head a joint business development committee that is drafting recommen-



**TRADE TERMS** US Commerce Secretary Ron Brown

dations on trade and investment between the two countries.

Brown said legal issues also played an important role in trade. As a result, the US government and the South African departments of justice, and trade and industry, would sponsor conferences on legal aspects of US-SA trade in Cape Town, Durban and Johannesburg from May 22 to 27.

Brown said the US investment community was pleased with the

political and economic performance of the government, but "would be shaken" by a withdrawal by Inkatha. "We certainly are disappointed by the harsh (Inkatha) rhetoric. If they pull out, that would be a very disappointing turn of events," he said.

"We need to put into perspective what has happened. The world hasn't been pleased by reports of violence, but it has been much less significant than opponents of change had predicted," he said.

Brown said US investment in South Africa had "increased dramatically", but there was intense political pressure to limit US expenditure on foreign aid and fierce competition for US aid dollars.

He said the US commerce department had only one special councillor for world trade — and that diplomat, Millard Arnold, had been posted to South Africa.

Arnold said he thought anxieties over South African competitiveness were temporary: "This is a competitive nation. It likes to win. And those are the qualities that make an economy grow," he said. "I guarantee that over time, South Africa will become a major player."

## Germans head for SA shores

By AUDREY D'ANGELO

TAPE BUSINESS EDITOR

Tourism from Germany to South Africa was expected to rise by about 15 percent in the coming year, an official from the Association of Southern African Travel Agents said at the weekend.

Michael von Kotze, the vice-chairman of the association's tour operators' section, warned that Germans were concerned about their personal safety in South Africa.

Other limiting factors included rising costs, insufficient hotel rooms and trained guides.

"There is a serious lack of trained manpower with language skills," said Von Kotze. "This is due to the reluctance of the government to issue work permits. We must also offer training for students and temporary staff to provide an effective support structure."

Von Kotze also called for more incentives to invest in infrastructure for tourism.

"Although tourism is a recognised invisible export, incentives to invest in it have been removed."



# Olympic bid runs into a new hurdle

MARK SMIT

CAPE TOWN 2004 interim bid committee CE Raymond Ackerman said last night he hoped to bring financial pressure to bear on the National Olympic Committee of SA (Nocsa) and the Cape Town city authorities to "tear up the agreement they signed on Saturday and start over again".

Ackerman will meet Sports Minister Steve Tshwete on Thursday to discuss the contract which was signed "behind the steering committee's back and in contravention with the spirit of the agreement" reached after the last split between the feuding bodies.

Repeating his claim that the agreement was "commercially naive and legally flawed", Ackerman said if the issue was not cleared up soon, SA would lose all hope of hosting the 2004 Olympic Games. He said almost every clause in the contract gave Nocsa "onerous control over the bidding process from Johannesburg."

"It is creating a noose around the neck of the steering committee".

Ackerman specified two clauses — "although I could show you another 10" — that were causing concern.

One was the "lack of transparency" which had led to Nocsa's marketing agent Grinaker Sports Management being granted "full rights for all fundraising and marketing of the rings and merchandise right through to 1997."

"It seems there was no question of putting the job out to tender to find the best possible people. I might also point out that this is Nocsa's marketing agent. So there was no transparency, which is completely against the spirit of the agreement we came to a

few months ago."

The second clause disputed by Ackerman "and others in the bid committee" stipulates that Nocsa would immediately receive 10% of all funds raised by the bid process "with no limits on the amount."

"This could make the bid short of funds because we owe a lot of money ... with so much money going to Grinaker and Nocsa, this agreement will give us a cash flow problem."

"Hopefully we can bring enough pressure to bear, via the business community, to have this agreement torn up and a new start made, because if there is one thing the authorities cannot afford to do, it is to alienate the business community."

Ackerman said this latest development should not be seen as the start of a new row: "The last thing we need now is another row. I just want this matter cleared up."

Sapa reports, meanwhile, that New South Wales Olympics official Michael Knight said staging the Games in Cape Town might cost R3bn. The Australian state is to host the 2000 Olympics.

Knight said Cape Town would have to provide not only world-standard facilities for all sports and many thousands of spectators and athletes, but also many other services at great expense to taxpayers.

He said "confusion, jealousy and duplication of tasks" had characterised Australian preparations to date.

However, Australian Olympic Committee executive president John Coates said Sydney was on target to host the Games, with 75% of facilities already in place.



## SA popular with tourists

MDUDUZI KA HARVEY

SA WAS becoming increasingly popular as a tourism destination and operators reported excellent advance bookings, more repeat visits and great interest in tours, the Association of SA Travel Agents' incoming tour operators' vice-chairman Michael Kotze said.

In a statement at the World Tourism Fair in Berlin, he said overseas partners were booking right through 1997. The German market — traditionally a loyal supporter of the SA product — was expected to grow by 10% to 15% (288)

However, he said there were still inhibiting factors, among them widespread concern for personal safety and the 10%-15% increase in air fares. (215/95)

He also cited lack of sufficient hotel rooms.



# Ackerman in bid to cancel 2004 contract

## OWN CORRESPONDENT

Cape Town — Olympic bid committee chief executive officer Raymond Ackerman is due to meet Minister of Sport Steve Tshwete today to discuss the possibility of overturning the National Olympic Committee of South Africa's controversial contract with the City of Cape Town.

Ackerman regards the Nocsa contract which was signed on Friday as "flawed from top to toe, commercially naive, flawed legally and bad for the city, the ratepayers and the bid".

The contract deals with the basis on which Nocsa will support Cape Town's candidature to host the 2004 Olympic Games. At the most recent full city

council meeting a decision was passed by an overwhelming majority of councillors, with the notable exception of Arthur Wierburg, that the contract in its present form would be signed.

A serious stumbling block seems to be the exclusive rights to the Olympic logo and merchandising to a single, Nocsa-appointed company.

The contract says the city "shall cause the bid committee to negotiate and enter into a written agreement with the current official marketing agent of Nocsa (namely Grinaker) in terms of which the bid committee will appoint such agent as its exclusive fund-raising agent and merchandise licensee."

There is, in effect, a trade-off between use of the Olympic

logos and fund-raising from sponsors.

Ackerman said everyone in the steering committee agreed that the signing had been contrary to what was decided upon at the steering committee because the steering committee itself should have had a say in the contract.

This is not reflected in the minutes of the first two meetings of the steering committee but sources close to the committee say there was subsequently a big dispute over the inclusiveness of those minutes.

Ackerman said a 1½-hour discussion had been held on the night of the summit meeting about the signing of the Nocsa contract.

"I came back on various con-

ditions and this was the main one," he said.

The most important point about this contract was that it was a requirement for the release of the sponsors' money for the bidding process, he said.

Ackerman said he had wanted the entire matter settled six months ago but Nocsa president Sam Ramsamy had refused to sign the contract with the former bid committee.

Asked whether the sponsors' money was now available, Ackerman said the latest row would obviously affect their willingness to put down their money.

A meeting with Tshwete has not actually been set up yet but he said he would call Ackerman today and Ackerman said he wanted to see the minister in the light of Friday's signing.

(288) SPAN 2/5/95



*Industry has already created 450 000 jobs* (288)

## Tourism punted as SA's top earner

Star 2/5/95

### ■ OWN CORRESPONDENT

**Durban** — Tourism has the potential to become South Africa's largest industry, surpassing mining and manufacturing, Deputy Minister of Environment Affairs and Tourism Bantu Holomisa said on Sunday.

He told a tourism gala award ceremony in Durban on Sunday night that this had become clear after last April's election when there was a sudden boom in foreign visitors and an increase in foreign airlines introducing routes to South Africa.

"Tourism generates more than R6-billion in foreign income annually and has created 450 000 jobs in SA," the deputy

minister told 600 guests from 37 African countries who are in Durban for the Africa Commission meeting of the World Tourism Organisation (the biggest travel and tourism show in Africa) and the annual Indaba.

South Africa wanted standards to be high in every segment of the hospitality industry and had a vision of a uniform standard "stretching across the African continent ... some African countries north and south of the Zambezi are already consulting with us in an attempt to have us work jointly with them in the promotion of tourism," Holomisa said.

Telling delegates about

the Xhosa word "ubuntu" — meaning the quality of being human — the deputy minister said the word was an African philosophy that promoted commonality.

"Africans must work together in the spirit of ubuntu, bury the hatchet and smoke the peace pipe ... We would like to see all Africa share in the riches of this continent."

The tourism awards, which were established this year to recognise and promote excellence in the industry, were made by the SA Tourism Board and five co-sponsors.

Guest house of the year award went to Mimosa Lodge, Montagu,

whose owners, Adin and Sharon Greaves, also won the hosts of the year award.

Other awards were: hotel of the year: the Grande Roche of Paarl; newcomer of the year: Umghazi River Bungalows; self-catering establishment of the year, Swadini Aventura near Hoedspruit; housekeeper of the year, Margaret Wilson of the Sandton Towers Hotel; marketing campaign of the year, Cayley Lodge, Winterton for the individual campaign and City Lodge for the group campaign. The chairman's award went to David Jack, managing director of Cape Town's Victoria and Alfred Waterfront.

## Govt 'safety for tourists' plan

Star 2/5/95 (288)

**Durban** — President Nelson Mandela in his opening address at the Indaba International Tourism Workshop in Durban yesterday said the Government had in place a major programme to ensure a safe climate for overseas visitors.

"I am confident that the close and active co-operation of communities with the police, on which this programme is based, will assure its success," he said.

Mandela predicted a possible increase of 25% in the number of overseas arrivals for 1995, with the rugby World Cup tournament being only one of many events in the tourist calendar.

In light of this he challenged service enterprises to make 1995 a year of improving service.

"We need also as a nation to make a concerted effort to continually increase the levels of hospitality and friendliness, and the general level of service. The international tourist market places a very high premium on these aspects," he warned.

Mandela expressed the belief that with international support tourism could become one of the cornerstones of sustained economic growth in the country.

"Tourism brings us a

large revenue in foreign exchange earnings. But, more importantly still, it makes a significant impact on the reconstruction and development programme," he said.

Many of the almost half a million job opportunities provided by the industry were in rural areas where jobs were "desperately needed".

Mandela called on the industry to welcome all South Africans into its fold, not only as semi-skilled workers but also as entrepreneurs, colleagues and as tourists. He said that local tourism was an even bigger creator of jobs than international tourism. — Sapa.

## Savimbi no to govt post

**Lome (Togo)** — Angolan rebel leader Jonas Savimbi, on a west African tour ahead of peace talks this week with civil war rival President Jose Eduardo dos Santos, said in Togo at the weekend that he sought no specific post in any future government.

Unita leader Savimbi, who meets Dos Santos in the Zambian capital Lusaka on Friday, said in Ivory Coast on Sunday he was confident that peace was within reach.

He said his main concern was to ensure that all those who followed him during three decades of war had a future. — Reuter.



# Jobs boost in casino plans

By Joshua Raboroko

TWO European hotel barons and local business have formed a consortium to boost tourism and to create jobs in South Africa.

Casino Austria International and Radisson Hospitality Group have formed the Casino Austrian Consortium which plans to establish many casinos and hotels.

The South African players are: FirstCorp Merchant Bank, Innovate Resorts and Murray and Roberts Construction.

Internationally acclaimed Casino Austria's president Dr Leopold Wallner told *Sowetan* in Johannesburg during his seven-day visit that they intended building casinos in all nine provinces.

His company runs one of the largest casino operations in the world, having more than 100 casinos.

The company was established, he said, to ensure that its foreign business was handled in a professional manner and to allow for further expansion.

"It is with this in mind that we have considered South Africa for various casino rights throughout the country. We are therefore seeking licences in all nine

regions," he said.

They will also negotiate joint ventures with black business as part of an empowerment process.

Wallner says his company believes in affirmative action programmes that will empower blacks: "We are committed to promoting entrepreneurial skills in the black community."

Chief Executive Officer of Radisson Hospitality Group Mr Bartels say they will build more hotels in South Africa to promote tourism.

The two business deals are likely to lead to millions of rands being invested in the country, sources say.

(288)  
*Sowetan* 2/5/95



# Tourism at risk as Cape Town sinks under tons of litter

## Environment Reporter

CLEANLINESS and security are vital to the survival of the tourism industry — a major component of the Western Cape economy — but Cape Town is being threatened by a tidal wave of litter.

This was the message from Kendal Kaveney, director of the Cape Town City Council's cleansing services, at the Clean City Award presentation.

The 1994 award was made to BP Southern Africa for its schools environment programme, involving primary and senior schools throughout the Western Cape.

Mr Kaveney said about 3 000

tons of litter was dropped on the city's streets each month.

Because the council's cleansing budget had remained static, the same number of cleaners using the same equipment were trying to cope with a growing problem.

"The 1995 Clean City Award is one of the ways of encouraging people, organisations and companies to contribute to keeping the Mother City clean."

Tourism was one of the city's biggest business investments, and two areas vital to this industry's survival were security and cleanliness.

"We need all Capetonians to support the award by keeping a look-out for people and compa-

nies who can be nominated for their efforts.

"By doing this, citizens are not only helping to keep Cape Town beautiful for residents, but are indirectly helping to protect and create jobs in the tourism industry," he said.

Finalists for the 1994 award were BP, Consol Glass, Protea Assurance, 3 Medical Battalion of the South African National Defence Force, Victoria & Alfred Waterfront, and Metroprop.

● Nominations for the 1995 award can be sent to the Fair-est Cape Association, Box 97, Cape Town, 8000, or the Cape Chamber of Commerce and Industry, Box 204, Cape Town, 8000.

APR 3/5/95



## SA receives (288) tourism boost

THEO RAWANA

DURBAN — SA's membership of the World Travel Organisation would allow it to enjoy co-operation in six key areas of tourism, its secretary-general Antonio Saviganac said yesterday.

These were tourism development, education and training, environment and planning, quality of services, statistics and market research, and communication and documentation.

Satour executive director Mavuso Msimang said SA was expected to play a crucial role in the development and promotion of southern Africa as a tourist destination.

BD 3/5/95  
"It is envisaged that a new regional tourism promotion body will be formed within the next few months," he said.

"However, we will be careful not to dominate. There will be an exchange of expertise from all sides."



# Council official responds to Olympic criticism

CAPE Town City Council executive committee deputy chairman Llewellyn van Wyk yesterday hit back at Raymond Ackerman, the CE of the Cape Town 2004 bid's interim steering committee, about remarks made at the weekend.

Van Wyk responded to Ackerman's comments labelling the signing of a contract between the City Council and the National Olympic Committee as "illegitimate". (288)

He responded amid reports that potential bid sponsors, fed up with the public airing the fighting over the

MARK SMIT

contract had received, were planning to tell both parties to do their fighting behind closed doors.

"The date of the signing of the contract was not 'cleverly picked by the council and Nocs' as it has been suggested," said Van Wyk.

"The council only debated and approved the signing of the contract towards the end of its meeting last Tuesday. During that meeting it was generally agreed that the contract should be signed as soon as possible.

BD 3/5/95  
"Because the necessary arrangements had to be made and because Thursday was Freedom Day, the only possible day for the signature was the last working day of April — Friday."

Van Wyk said the Olympic bid had the potential to do much for Cape Town, the Western Cape and SA.

"If Mr Ackerman is truly as committed to Cape Town's bid as he has said he is, I would appeal to him to exercise restraint in the way he chooses to respond to issues relating to the Olympic Bid," said Van Wyk.



# Council threatens to sue Ackerman

CT 4/5/95

(288)

**PETER DENNEHY**

OLYMPIC bid acrimony burst into the open again yesterday with the City Council threatening to sue Mr Raymond Ackerman and the Chamber of Commerce for allegedly denigrating the council over its deal with Noca.

In a stinging letter to Mr Ackerman

the council said he had implied incompetence and impropriety on the part of the council, which "intends to hold you personally liable for any damages which they have suffered or may suffer in consequence".

In the letter to Mr Michael Stekhoven, President of the Chamber of Commerce, the council said

Mr Stekhoven's assertions implied impropriety and incompetence on the part of council.

Mr Ackerman said the letter was "ridiculous", and he too reserved his rights. "If this is the way they want to run the bid, it has no chance of succeeding," he said yesterday.

● See Page 3



# Home comforts are still going begging<sup>(288)</sup>

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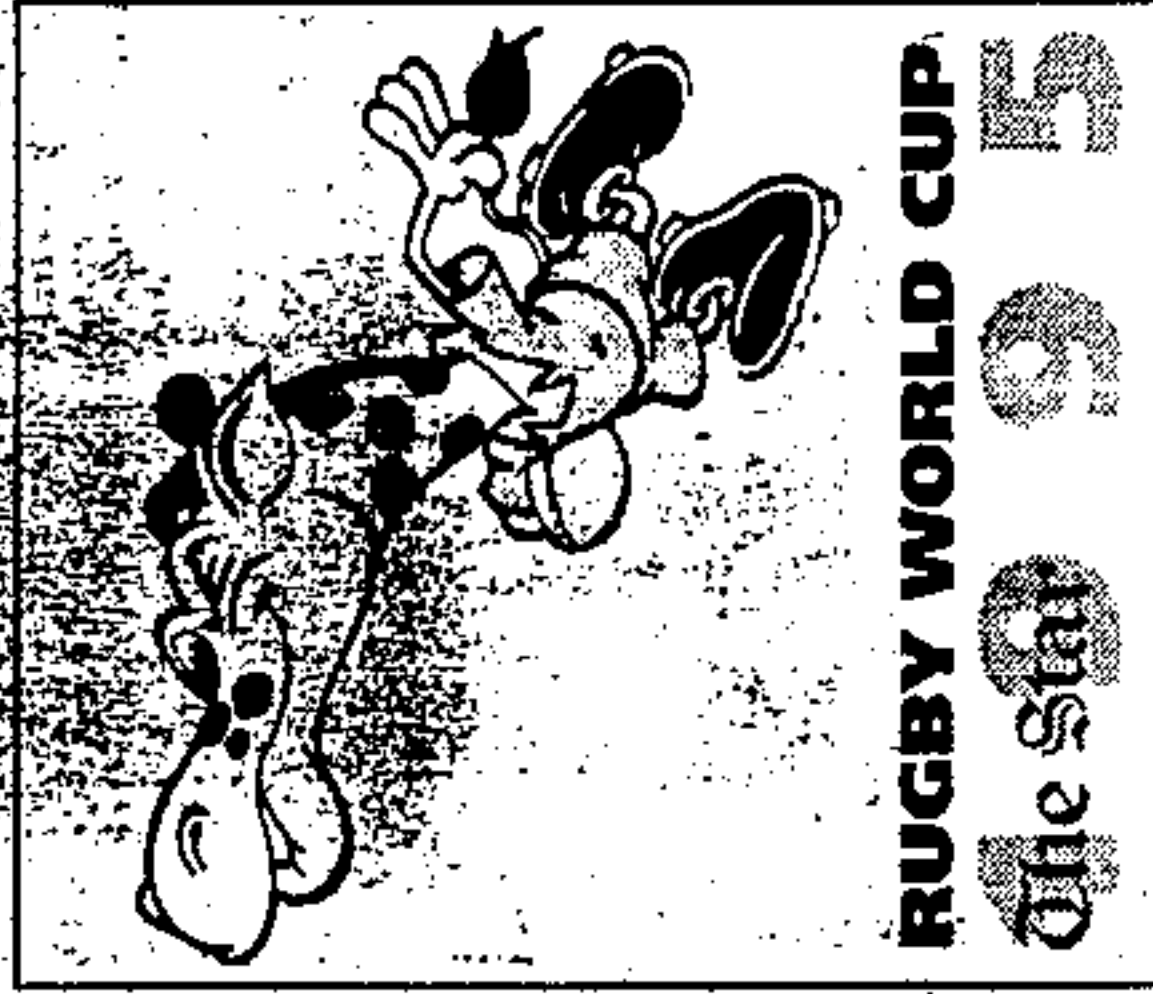
■ BY SHIRLEY WOODGATE

The expected rush for bed-and-breakfast accommodation during Rugby World Cup month has not materialised, despite indications that a flood of more than 40 000 rugby tourists will visit the country from May 20.

Dirk Odendaal of Just Accommodation, one of three bureaux officially licensed by Gullinjet Sports Travel to provide private accommodation during RWC month, said there was an "incredible oversupply" of rooms in houses and flats all over the country.

"Bed-and-breakfast bookings have been taken in the main centres, but a couple of thousand beds at between R100 and R150 a night are still on offer," he said.

Two different packages have been sold by 64 official tour operators to rugby supporters, mainly from England, Australia and New Zealand. One includes airfares, tickets and accommodation in three to five-star hotels mainly in the Southern Sun stable, while bed-and-breakfast outlets were relying on a "free-wheeler" package offering only flight tickets and entry to the matches.



A spokesman for Durban-based Edusport said only about 400 beds had been booked in Durban, but there was still hope of a last-minute rush after SAA had confirmed flights.

Accommodation in Durban ranged from luxury beachfront pads at up to R360 a night to standard overnight space at about R180.

John Read, who heads long-established Johannesburg-based Bed 'n Breakfast, said demand for accommodation during the tournament had been massively overestimated.

Read said, however, that he expected an increase in demand

after the RWC's unsold tickets were sold off in South Africa.

SAA spokesman Leon Els meanwhile denied there had been delays in confirmation of flights. "About 98% of 41 000 seats have been confirmed for supporters or people visiting their families in South Africa."

"SAA is using Air Mauritius, Air Singapore and Qantas to do some of the domestic flights and we are confident we will handle the additional loads," he said.

Public fears about safety and security during the RWC have been addressed by the police and rugby officials.

The South African Rugby Football Union and the South African Police Service said yesterday in a joint statement that a combined strategy had been worked out to achieve the greatest possible safety.

Potential visitors should bear in mind that although South Africa also experiences the worldwide trend towards high crime rates in certain areas, crime here is no worse than that of other major tourist destinations in the world.

"As in any democratic country, the prevention of crime in South Africa depends to a large extent on individuals showing common sense and discretion."

## Gripe over late payment of salaries

■ BY BONGIWE MLANGENI

Some Greater Soweto council officials have been forced to work without salaries for weeks because the Greater Johannesburg Transitional Metropolitan Council (TMC) has delayed paying them, according to the council's chief executive officer Dennis Rogers.

About five newly appointed officials had to struggle every month to get their salaries despite their appointments being discussed and resolved with the TMC, Rogers said.

The officials started work in December last year and were paid their salaries only three weeks after other council employees, he said.

"We have discussed the issue with the TMC before but it seems to get worse. This would never happen with white officials," Rogers said.

A TMC official denied there were any irregularities regarding payments, saying there had been problems with the appointments of some of the officials.

"The matter is at present under investigation and steps will be taken to rectify it. The problem is caused by the failure of the chief executive officer to follow the correct procedure when appointing officials."



# Regional passport mooted for S Africa

(288)  
27 Jan  
Soweto  
4/5/95

By Mzimkulu Malunga

## ■ OPEN BORDERS 'Southern African countries to phase out visa requirements':

**S**OUTHERN AFRICA HAS TO be marketed as a unit if it is to become a haven for international tourism, says a confidential document from the Southern African Development Community.

Tourism officials within SADC last month proposed that countries in the region gradually phase out visa requirements as the first step in the introduction of an SADC passport.

This proposal is described by regional analysts as part of a long standing SADC programme to facilitate free movement of labour in the region.

The document, authored by the Southern African Hospitality Association — of which South Africa is a member — says as the first step in the integration of the tourism industry, SADC members should remove visa charges when people travel in between countries.

SAHA chairman Enzo Rossi is quoted as having said the second step would be to scrap visa requirements altogether for regional nationals and residents with the eventual aim of

introducing a regional passport.

Part of this programme will be to introduce a SADC visa which will facilitate tourists' free movement in the region.

However, due to the current economic situation in the region where the relatively successful countries like South Africa, Botswana and Namibia have to cope with an influx of people from their neighbours, SAHA's proposals appear to be farfetched.

The three countries are also known to have opposed SADC's proposal that there should be free movement of labour in the region.

Africa Institute economist Kenneth Kotelo says while this proposal could have positive economic benefits for the region from a foreign investment point of view, it can only be practical in the long term.

Foreign investors, he argues, look at southern Africa as a unit. It makes sense for them to

establish a business in South Africa but also be able to open branches in the other parts of the region.

Investors' sentiments are fortified by the fact that the whole region is awash with mineral wealth.

However, in the short term nationalistic feelings and economic realities would deter proposals such as the scrapping of visa requirements and the establishment of an SADC passport.

Kotelo says if this proposal is to be implemented now, a number of countries in the region will definitely experience a brain drain while others will have to cope with an influx of people.

In the long term, southern Africa, particularly if the war in Angola stops and stability continues in Mozambique, could become the bread basket of the whole continent, he says.



# 'Apathetic' city businesses lag behind for World Cup (288)

CT 5/5/95

## STAFF REPORTER

WITH barely two weeks to go to the Rugby World Cup, traders in the city's central business district had made virtually no preparations to attract custom, a meeting heard last night.

Captour marketing and public relations manager Ms Lauren de Wet told businessmen and women

at the meeting that apathy and a lack of promotional activities were causing Cape Town to lag behind other cities hosting World Cup matches.

Ms De Wet and Zoo Promotions head Mr Allan Barnard argued city businesses had failed to market themselves and had not shown willingness to invest in World Cup-related ventures.



# Tshwete backing me — Ackerman

DALE GRANGER

CT 5/5/95

CAPE TOWN Olympic bid chief executive officer Mr Raymond Ackerman said last night he believed he had the support of Minister of Sport Mr Steve Tshwete for today's crucial meeting with the bid's interim steering committee to iron out the row over the Olympic bid agreement signed with Nocsa.

Mr Ackerman was speaking at the Graduate School of Business after a meeting with Mr Tshwete yesterday to resolve renewed strife over the contract — which Mr Ackerman said had angered businesses involved in the bid who were upset that the contract was signed without their input.

They were chiefly concerned

about clauses on commercial aspects, giving Nocsa 10% of sponsorship money raised, as well as 10% of any goods donated, without a ceiling on the amount.

He said last year it had been agreed the ceiling would be R50 million for Nocsa, but now this was on the table for negotiation.

"We don't want to be cut out of liquid finance," he said, and the current agreement would ensure Nocsa "get their figure regardless of performance".

Mr Ackerman said he had no problem with the figure of 10% but was worried about cash flow problems resulting from money coming into Olympic bid coffers and "going out too quickly" to Nocsa.



# Threat to sue Ackerman 'unauthorised'

CAPE TOWN — A letter by the city's legal adviser threatening legal action against Cape Town Olympic bid committee CEO Raymond Ackerman had been sent without the authorisation of the council and had caused it embarrassment, councillor Clive Keegan said yesterday. (288)

It emerged this week that city council legal adviser Howard Firth had written letters to Ackerman and Cape Chamber of Commerce and Industry president Michael Stekhoyen threatening to sue them for "impugning the good name of the council".

Keegan said last night the letters had

EDWARD WEST

been written without the authorisation or knowledge of the council. It discussed the matter yesterday, and he hoped it would be settled in a day or two. Firth could not be reached for comment.

Earlier last night Ackerman said "sticky clauses" in the agreement between the council and the National Olympics Committee of SA (Nocsa) would hopefully be altered at today's bid committee meeting.

Ackerman said his meeting with Sports Minister Steve Tshwete yesterday had

been positive and he believed the row over the signing of the agreement would be resolved today. Concerns related mostly to commercial aspects of the agreement.

In particular, and although the necessity for Nocsa to obtain sponsorship funds was not disputed, the plan envisaged in the agreement would result in funds flowing to Nocsa too quickly and would result in cash flow problems for the bid.

Although Nocsa had revised its original claim for R200m to 10% of bid sponsorship funds, no ceiling had been placed on funds flowing to Nocsa, he said.



# Changing face v ruining natural

288

ARLT 6/5

■ Rapid economic development will drastically change the face of the Western Cape over the next decade. Provincial authorities plan legislation to manage the change without destroying the Cape's beauty.

**DAVID BREIER**  
Weekend Argus Political Staff

THE Western Cape provincial government is preparing a comprehensive new law to control the massive economic development that threatens to ruin South Africa's most beautiful province over the next decade.

Rows of skyscraper hotel blocks hiding the glorious Cape coast are out — and managed growth is in.

Provincial Planning, Tourism and Agriculture Minister Lampie Fick told Weekend Argus that large-scale economic development of the Western Cape was inevitable as the world discovered it.

"We will have to manage the unavoidable foreign interest in the Western Cape so we do not lose the very character which attracts investors and tourists to the province," he said.

Mr Fick also disclosed that the provincial cabinet would decide by the end of this month whether to give the go-ahead for the controversial Iscor steel plant at Saldanha, which could affect the Langebaan environment.

Provincial Premier Hernus Kriel is studying the environmental impact of similar steel plants in Austria and Germany while Mr Fick leaves shortly to examine similar plants in the United States and Canada next to major waterways including Lake Erie and the Mississippi.

Mr Fick disclosed there was concern that Iscor steel products could be subject to inter-

## Skyscraper coasts a no-no in Cape — managed growth IN

national boycotts, due to pressure from world conservation groups, unless authorities thoroughly applied their minds to the environmental effects of the plant.

"We have to convince the public we are doing everything possible to reach a decision in the interests of all," he said.

He also disclosed that international developers wanted to build one of the world's "top 10" convention centres in Cape Town.

It is understood this is earmarked for the foreshore area.

Mr Fick also disclosed that the developers were not interested in linking the proposed convention centre to casino rights, as was previously thought.

They were merely interested in building the conference centre, linked to a hotel, because of the Cape's growing world importance.

Many of the world's major hotel chains, including the Sheraton, Hyatt and Hilton groups were planning hotels here, but they were also not linked to casinos, he said.

Up to seven casino resorts, however, were due to be dotted around the province.

Mr Fick cautioned that with the rapid influx into the Cape, the population of the Cape Town metropolitan area was expected to double by the year 2010 to more than 4 million.

This would put severe pressure on the thousands of hectares of "green lung" open space in the Peninsula.

He said it was important to protect this land from squatter invasion as well.

"In 10 years the Peninsula could be so built-up it would be unrecognisable," he said.

With such large-scale economic and tourist developments mushrooming throughout the Western Cape, the province had decided to pass a comprehensive law to manage development and prevent it wrecking the character of the Cape.

Mr Fick said it was expected the new laws could be tabled in the provincial parliament next year.

He said the legislation would introduce a "hierarchy" of plans controlling development at the widest level down to the most detailed local plans.

Mr Fick said there would be:

- A province-wide guide plan.

- A strategic plan for each region in the province.

- A plan for sub-regional development.

- Detailed local action plans.

He said the Western Cape lacked a comprehensive guide plan to cope with the scale of development.

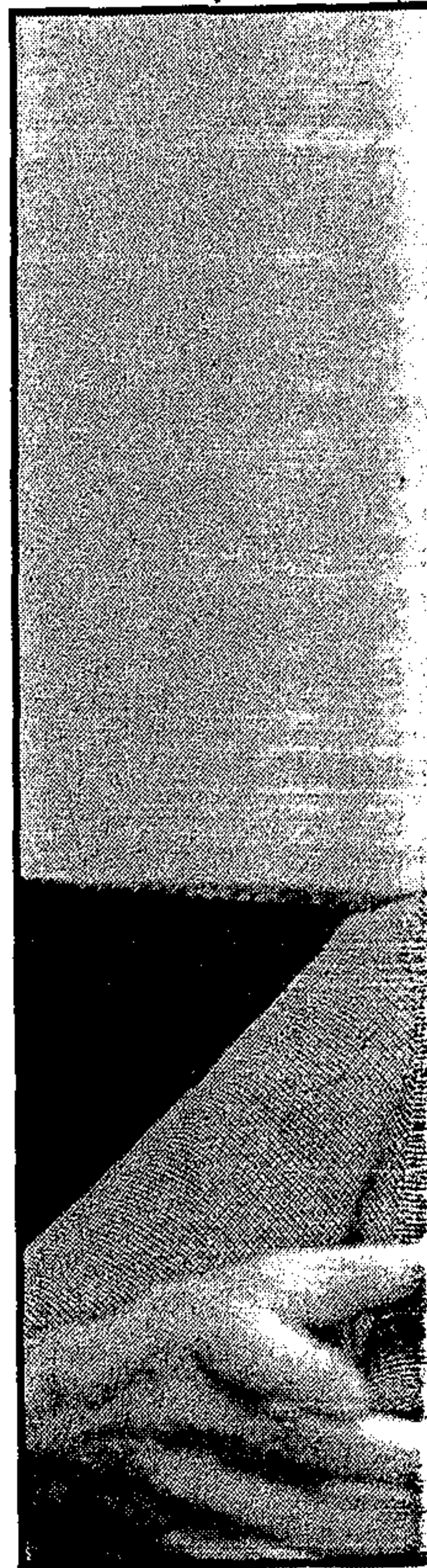
"We cannot have fragmented plans without overall planning," he said.

"We must be very careful not to destroy the 'product' — that is the atmosphere of the province, its beauty and its lifestyle," he said.

Mr Fick said that until now, agriculture had been the largest industry in the province.

But five years from now tourism would be the province's biggest money-spinner and provide major employment opportunities in fields such as hotels, restaurants, travel, tours and the manufacture of curios and souvenirs.

He believed this would happen whether or not Cape Town hosted the 2004 Olympics.



□ **CONTROLLED GROWTH**  
that vast economic and to

The informal sector would benefit greatly from tourism.

For example, stallholders at Greenmarket Square exist because of tourism, he said.

Tourism would develop "little economy of its own" and new job opportunities developed in related fields. He urged young people looking for career prospects in the province to become involved in tourism.

He said the influx of development "is not being decided



# ing face without natural beauty

ARG 6/5/95

(288)

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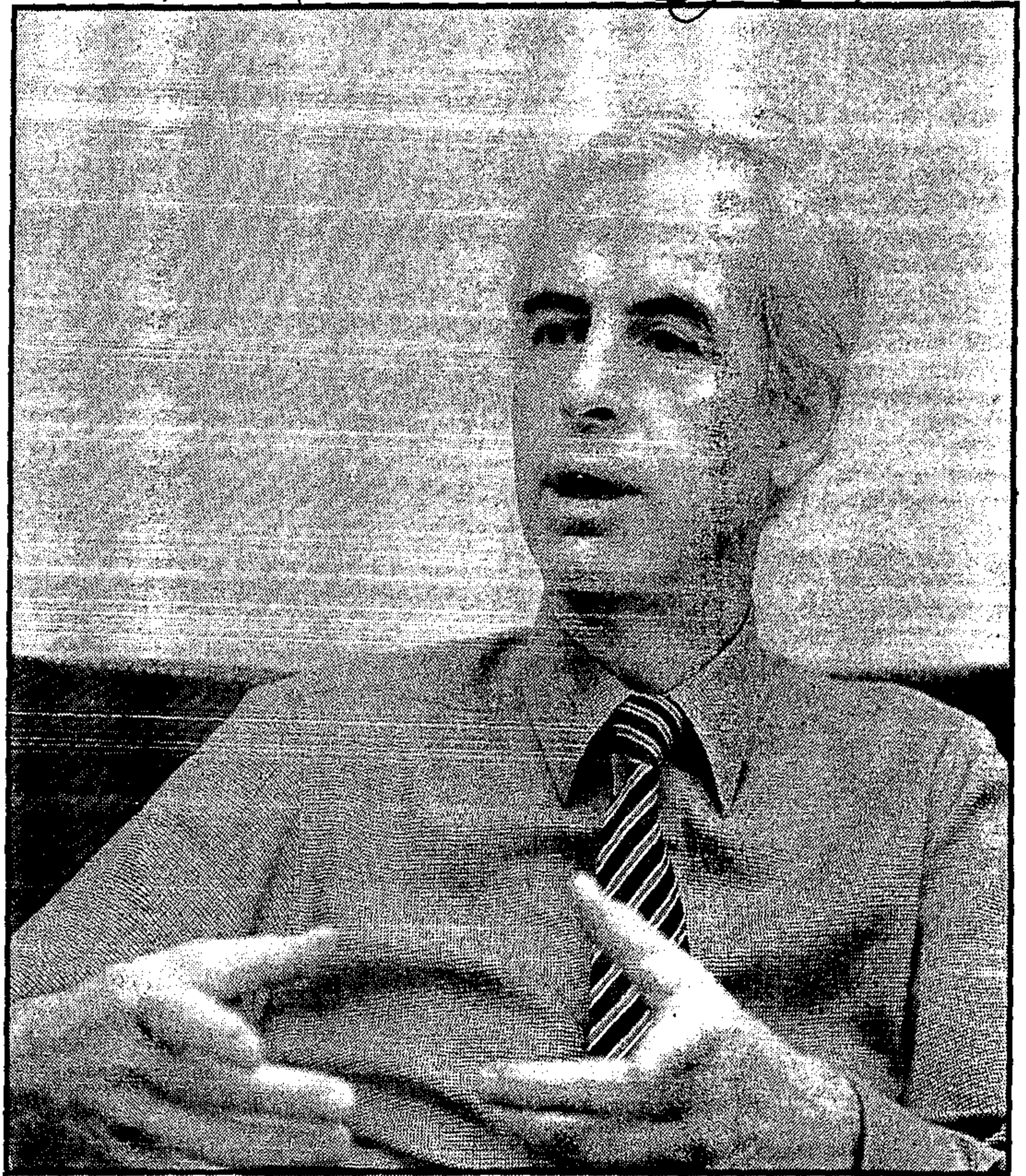
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Picture: ROY WIGLEY, Weekend Argus.

**□ CONTROLLED GROWTH:** Western Cape Planning Minister Lampie Fick is determined that vast economic and tourism growth will not be allowed to wreck the beauty of the province.

The informal sector would benefit greatly from tourism.

For example, stallholders on Greenmarket Square existed because of tourism, he said.

Tourism would develop a "little economy of its own" as new job opportunities developed in related fields. He urged young people looking for career prospects in the province to become involved in tourism.

He said the influx of development "is not being decided

by us, but for us".

At least 42 percent of tourists to SA came to the Western Cape — the biggest slice of the tourism cake.

"We are under pressure to respond to events that are happening," he said.

Mr Fick said he would be opposed to a casino in Cape Town's city centre as this would discourage capital investment in casinos which could be built in rural areas

where residents would benefit greatly from job opportunities.

The minister said large-scale economic and tourist developments in the province would not threaten the Cape's relaxed lifestyle that visitors found so attractive.

He said the tourists would head for venues such as the Waterfront, the proposed new Cape Point development and the proposed casino resorts, and would not affect suburban tranquillity.



# SA tourism back in the big league

Star 6/5/95 (288)

**THAT tourism is set to boom is without question, says Travel Editor CAROL LAZAR who attended Indaba 1995, SA's top annual tourism showcase.**

AFTER 46 years in the wilderness, South African tourism is once again set to become a world player.

This was nowhere more evident than at the official opening of Indaba, South Africa's top showcase travel exposition, in Durban on Monday night. President Mandela opened Indaba in a rousing speech to over 3 000 international and local delegates and participants.

"The warmth with which our new democracy has been embraced by the world is reflected in the 50 countries represented here," he said.

He emphasised the importance of tourism as a kickstarter to the South African economy. "Never before has tourism offered us such possibilities. We believe that, with international support, tourism can become one of the cornerstones in the generation of sustained economic growth so critical to the building of our nation ... As the fourth largest industry in the country,

tourism is making an important and valuable contribution to the South African economy. It can do so on an even greater scale."

Some 750 000 tourists visited South Africa in 1994. Tourism is beginning to boom and it is hoped that the country will host a million visitors this year.

The upcoming Rugby World Cup will swell tourism figures by about 30 000 and the impact for South Africa will be enormously beneficial.

Although there's bound to be chaos in some areas — the arrivals and departures at Jan Smuts Airport can hardly be called streamlined — South Afri-

ca will receive substantial publicity from the World Cup.

Over 2-billion people in more than 125 countries will watch the tournament and there will be over 3 000 media personnel covering it.

Minister of Environment Affairs and Tourism Dawie de Villiers is highly optimistic. "There's no doubt," he said, "that tourism's current 3,2% contribution to GDP will increase." He added that although there was room for improvement, South Africa's good tourism infrastructure enhanced the prospect of increased tourism.

SATOUR executive director Walter Msimang said: "South African tourism is coming of age. International travel to South Africa is soaring and now is the time to capitalise on all new opportunities presented to us.

"The widespread international interest in our country is good news to the industry and to the country as a whole."

To show how seriously the world regards South Africa in the international tourism stakes, the prestigious World Tourism Organisation held its Africa Commission at Indaba and over 30 tourism ministers from across the continent attended.

Last year, tourism created over 470 000 jobs and earned more than R7-billion in foreign exchange.

A survey by SATOUR last year reveals that visitors come to South Africa because of this country's remarkable scenic beauty, rich wildlife heritage, all-the-year-round sunny climate, diversity of attractions and because South Africa is particularly good value for money.

Worries about safety and about bad service are still prevalent among overseas visitors. Perceptions are that South Africa is a violent country and President Mandela, in his address, stressed the importance of the need for peace.



**PRESIDENT MANDELA:**  
Valuable contribution.



MONDAY  
MAY 8, 1995 ★

NEW

'CONTRACT OPEN TO NEGOTIATION,' SAY BUSINESS LEADERS

# Nocsa statement rejected

(288)

CT 8/5/95

**NOCSA** has said its Olympics bid agreement with the Cape Town City Council is no longer open to negotiation.

A statement on Saturday that the National Olympic Committee of South Africa (Nocsa) would not allow a review of its Olympic bid agreement with Cape Town has been rejected by Western Cape business leaders.

In the Nocsa statement, secretary-general Mr Russell MacMillan said Nocsa had "gone as far as it was prepared to go". Business leaders said this flew in the face of agreements.

Bid committee chief executive Mr Raymond Ackerman had resigned from the bid and withdrawn his sponsorship because of the agreement between Nocsa and the Cape Town City Council. After much in-fighting it was agreed a new bid committee formed by

Sport Minister Mr Steve Tshwete would approve the agreement before it was finalised.

Cape Chamber of Commerce and Industry president Mr Michael Stekhoven agreed with Mr Ackerman, after Nocsa signed the agreement with the City Council last weekend.

Business in the Western Cape regarded the agreement as open to negotiation and approval by the bid committee, including those specifically relating to Nocsa.

Chief executive of the Western Cape development body (Wesgro) Dr David Bridgman said business in the province had come to firm understandings with all parties on Friday.

"We must stop rocking the

boat and start acting responsibly," Nocsa president Mr Sam Ramsamy said after the Nocsa press conference on Saturday.

The general public and Cape ratepayers especially had to be brought into the Olympic bid process and be informed, Mr Ackerman said after a last round of meetings during the week.

Top of the new programme of action was to disclose in detail the financial implications of the bid to confused ratepayers and taxpayers, Mr Ackerman said. He wanted the media to have full access to all information and debates about the bid.

Mr Ackerman said his meetings with Mr Tshwete and the bid committee on Friday affirmed the terms of the Nocsa contract would remain open to negotiation.

"We remain unhappy about a

number of clauses, and Nocsa has agreed the terms are not bound in concrete. The importance of getting the clauses right is now accepted," he said.

Mr Ackerman said the 41-member board of the African National 2004 Bid (Cape Town) company — the bid's non-profit management company — would meet on Friday to begin work.

Dr Bridgman said action on the Cape Town Olympic bid this week "has already unlocked millions".

He said on Saturday the central government would now provide nearly R500 million in funds, urgently needed to upgrade transport facilities, including D F Malan Airport.

"We are looking at a three percent growth rate in the past year, and a jump of up to seven percent in the near future," he said. — Sapa

## CRIME FILE

### Table View woman raped

A Table View teenager was abducted and raped by two men after hitch-hiking early yesterday — and a man who tried to rescue her was shot and wounded in the leg.

The woman, 19, was forced into a car and raped. A passerby confronted the assailants, who shot him in the leg.

### Executive held for murder

A PROMINENT Cape Flats businessman has been arrested in connection with the murder of Ms Shariefia Moolajee, 19, who was two months pregnant, police said.

### Man killed during quarrel

MR Yusuf Isaacs, of Delft, was shot dead during an argument on Saturday. A man, 23, has been arrested.

### Son arrested for stabbing

A BELLVILLE man, 20, has been arrested in connection with the murder of his father at their home on Saturday. The man's father was stabbed in the neck and shoulder.

## Hospital guards held hostage

STAFF REPORTER

CT 8/5/95

TEN Groote Schuur Hospital security guards were held hostage for more than four hours on Friday afternoon by about 350 workers protesting against searches of their lockers for stolen goods.

The workers were reportedly angered by the searches, which they claimed breached an agreement that searches would be done without embarrassment or inconvenience to workers or management.

Hospital superintendent Dr Peter Mitchell said that management had met the workers on the issue on April 26 and explained the circumstances behind the searches, but this had not been accepted by the workers.

It was for this reason that a demand by the protesters that the security officers involved be suspended could not be acceded to, he said.

Yesterday, a hospital spokesman said there had been no further incidents over the weekend. Spokesmen for the workers could not be reached.

## World Cup buster of f

OWN CORRESPONDENT

DURBAN: The Rugby World Cup has called the services of SA's top pirate merchandiser Mr George Moyo as fake parapher advertising the tournament has begun to flood the streets.

Several criminal charges have already been laid and thousands of fake T-shirts have been confiscated by police commercial crime units.

With the tournament just three weeks away, the pirate industry is starting to place its print orders and losses for legitimate businesses are beginning to mount.

Mr Moyo's recent successes in cracking huge TDK and Levi jeans pirate markets in Johannesburg-based company Corporate Protection prompted Grinaker Sports Management, which holds the manufacturing distribution rights for Rugby World C



# Langebaan resort planned

THE National Parks Board planned to develop a resort complex at the Langebaan Lagoon near Saldanha Bay despite the possibility of Iscor building a steel mill less than 1km from the lagoon, board acting CEO Dick Parris said at the weekend.

The lagoon, which forms part of the West Coast National Park, has been designated a wetland of international importance. Iscor's plans have raised a storm of objections from environmental groups.

Parris said the board had not established to what extent the steel plant could detract from the area's scenery. However, as other structures, including a harbour, were already visible from the lagoon, it could not be regarded as pristine.

Iscor was awaiting approval of its construction plans from the Western Cape government.

If the plans were accepted, government would have to rezone the proposed site for the mill from agricultural to industrial.

The mill's proximity to Langebaan

INGRID SALGADO

would have a negative effect on the lagoon. It was certain to cause pollution, Parris said. However, building the plant could be in the best economic interest of the Western Cape.

About 4 000 jobs would be created during its construction period, and another 600 permanent jobs would be generated. The board would finalise its position on the mill towards the end of the month.

The existing parks board site at the lagoon, Langebaan Lodge, would be demolished to make way for the new development. The dilapidated lodge, which had been too costly to maintain, had been closed.

The board would develop a jetty, restaurant, and picnic and boating facilities at the lagoon, and planned to establish family accommodation units and an information centre in the town of Langebaan. The final product would be more in keeping with traditional national parks facilities.

Meanwhile, the Northern Cape government has urged Iscor to con-

sider siting the plant at Sishen, a source of iron ore.

The province needed to create wealth and employment, and new technology favoured the siting of steel plants near their material source, the premier's office said.

"As we do not have highly sensitive parks and lagoons like Saldanha, it is conceivable that the steel plant in the Northern Cape would have much less adverse environmental impact. Furthermore, the location ... will cost less in environmental control."

The Campaign for St Lucia last week said the planned plant would endanger the Langebaan wetland system. This could be avoided by placing the steelworks in a less ecologically sensitive place.

Government should not make a decision on the plant until the Ramsar convention — to which SA was a signatory — had investigated.

□ Sapa reports the Water Affairs Department has been ordered to report to Minister Kader Asmal on the effect the proposed steel mill will have on water resources in the area.



# **Ships, tourism battle for space in harbour**

288  
ARL 9/5/95

**ANDREA WEISS, Municipal Reporter**

CAPE TOWN harbour is becoming the hottest property in town as increased shipping trade jostles for space with the tourism industry.

Urgent moves are afoot to mount a joint planning initiative to ensure that Cape Town does not lose out as an economic boom puts pressure on harbour land.

At odds are Portnet's need to expand to accommodate more ships visiting the Cape with cargo or for repairs, and the city, which has long eyed harbour land for an international convention centre.

This has emerged from a report by the city planner's department, which has pointed out that the success of the Waterfront development is creating a demand for expansion west towards Granger Bay and east towards Duncan Dock.

But the port will not be able to operate at optimum capacity if cargo handling in Duncan Dock is combined with tourism and leisure activities because Portnet also needs to expand its operating capacity.

The Cape Town City Council is seeking a joint partnership with Portnet and the provincial government to decide whether the harbour should place its emphasis on

trade or tourism, and ultimately whether harbour expansion should be shifted to Saldanha Bay.

But economists have also suggested that Cape Town has the potential to become a regional distribution hub of the order of Rotterdam, Antwerp, Singapore or Hong Kong.

"Is Table Bay harbour's core role that of a working harbour servicing the needs of industry or should its major role be as a stimulus to the tourism-leisure industry?" the city's planning department wanted to know.

According to the report, Portnet's prediction of a five percent a year growth in traffic has been far exceeded, with present tonnages expected to grow by between 15 to 20 percent. The number of vessels calling at the harbour has increased by between 25 to 30 percent.

At present, the Ben Schoeman terminal is trying to handle 15 percent more container movements than the capacity of the facility. The delays have compelled Safmarine to divert one of their large container vessels to Port Elizabeth.

Continued congestion could result in a shipping surcharge, which would diminish the price competitiveness of South African exports and raise the price of imports.



# Olympic bid 'bankrupt'

29/5/95

(288)

## STAFF REPORTER

"CAPE TOWN's Olympic bid is bankrupt," National Olympic Committee of South Africa (Nocsa) president Mr Sam Ramsamy said yesterday.

He charged "the Cape cannot raise enough money to pay for the internal bid. They have been bankrupted by this thing ... it is quite serious when they can't raise a few million and rely on Nocsa to raise billions".

Olympic bid chief executive Mr Raymond Ackerman conceded the bid trust fund was insolvent.

The original bid committee had wanted the City Council to sign the contract with Nocsa last November, which would have

released funds from seven major sponsors who had each pledged R10 million to finance the bid.

Since the strife among leading players earlier this year, sponsorship funds had been frozen and the number of major sponsors pledging R10m had dwindled from seven to "three or four".

## Reimbursed

Mr Ackerman said he had stood surety for a R5m loan from Good Hope Bank to meet some outstanding costs and had also spent R2,8m of his own money. He said R3,5m was still owed to consultants.

He and the consultants owed are claiming reimbursement from

the trust fund.

City councillor Mr Clive Keegan, who represents the council on the newly formed bid committee, said last night this would be one of the first items on the agenda when the committee meets for the first time on Friday.

"Mr Ackerman literally ran the whole thing last year. It was always understood he would be reimbursed," Mr Keegan said.

The formation of the new bid committee has met one of the criteria for releasing sponsors' funds, with the launch of the section 21 company. A further prerequisite for releasing funds has yet to be resolved — the committee still has to review disputed clauses in the contract.



# City's Games planners 'must fit in with RDP'

CHRIS BATEMAN

CT 9/5/95

(288)

CITY Olympic bid planners will have to concentrate on RDP objectives to succeed in providing the necessary local infrastructure, Western Cape Transport and Public Works Minister Mr Leonard Ramatlakane said yesterday.

"We want to be proud of the asset created by the Olympics after the 14 days are over. I want to see assets near Khayelitsha and Philippi that we can use afterwards," he told the first hearing of the Western Cape's Transport Advisory Commission.

"In terms of the RDP we must ask ourselves whether we are planning for the integration of the

city." Mr Ramatlakane said his department's involvement was not about spending money but about a "holistic programme" with its principal objectives embodied in the RDP.

Mr Des Correia, project manager for the city's Olympic interim feasibility study team, presented the city's original (January 1994) bid submission at the hearing.

He said there was a plan to dock 27 cruise liners at the Victoria and Alfred Waterfront for accommodation during the games.

An Olympic village and a media village, each housing about 15 000 people, would be built near the main stadium at Wingfield.



'PERSONALITY CLASHES INEVITABLE'

# Residents' Olympic gripes answered

ET 10/5/95

(288)

**COUNCIL** officials met opposition to the Olympic bid last night, but convinced Rondebosch residents there were benefits to hosting the Games. By our **STAFF REPORTER.**

**I**NITIAL opposition to Cape Town's Olympic Bid by Rondebosch residents turned to a grudging acceptance last night when members of the Bid Committee spoke at a Rondebosch Civic Association meeting.

Councillor Mr Clive Keegan, deputy city treasurer Mr Peter Lever and Mr Des Correia, project manager of the Olympic bid, all spoke and answered questions by about 70 people.

Mr Lever said the Olympic bid could only go ahead if the city could afford it and if it received something in return.

The government had undertaken to pay the city R400 million to improve public transport. This money would not otherwise have been available, he said.

The city has to pay Nocsa a R500 000 deposit when the bid documents have been completed in September next year to enter Cape Town's bid to host the Olympic Games.

The city must also pay the International Olympic Committee \$100 00 (about R362 000) as a deposit. The money was, however, refundable along with the interest, Mr Lever said.

Mr Keegan agreed that efforts to consult the public had been "woefully inadequate". "We have to ensure that every ratepayers association and every parent-teacher association is allowed to make an input."

Referring to recent acrimonious exchanges with Mr Raymond Ackerman, Mr Keegan said there were

"still certain lingering personality tensions" but it was inevitable that a project of this magnitude would attract powerful people. "I'm confident we've reached a settlement and that when the bid committee meets this Friday it will be presented with a bid that's back on track".

In reply to a question on whether the city would have to pay Nocsa's costs, Mr Lever said the costs incurred in regard to the promotion of the bid would be borne by the non-profit company which would receive private sponsorship.

Mr Correia stressed that the games could be used as a catalyst for development in areas like Khayelitsha and Philippi.

Mr Keegan added that an Independent Development Corporation study had concluded the Olympic Games should to generate hundreds of thousands of long-term jobs, particularly in tourism.



# Tourism bosses condemn 'irresponsible' reports

□ Survey on safety in S Africa 'lacks credibility'

## The Argus Correspondent

JOHANNESBURG. — Tourism bosses and hoteliers have condemned "irresponsible and misleading" reports in the British Press yesterday describing South Africa as one of the world's three most dangerous holiday destinations.

A survey by the British Consumers' Association (BCA) claimed that more than one in 20 visitors to South Africa, Poland and Hungary were attacked during their stay.

But local tourism officials say the survey — involving 16 000 readers of the BCA's own magazine — lacks credibility and accuracy. And they challenged the association to prove their story.

Said Mike Fabricius, director of tourism development for the South African Tourism Board (Satour): "We would very strongly dispute these claims,

which are both irresponsible and misleading."

The latest of Satour's six-monthly surveys of foreign visitors, coincidentally completed yesterday, paints a different picture of local safety problems.

The survey, conducted by an independent research company, asked overseas tourists awaiting outbound flights at South Africa's international airports for their perceptions of the country.

A total of nine of those questioned said they had felt unsafe during their trip, yet only two said they had been victims of theft, muggings or other crime.

On a scale of 1-10, the average level of overall holiday satisfaction was 8.8. For visitors from Britain the figure was 9.24.

"I think that put things in

perspective," said Mr Fabricius.

"Some 70 000 overseas tourists came to South Africa in 1994. For the BSA to suggest that about 35 000 of these people were attacked by criminals is ludicrous. For them to base their survey on their own magazine's readership is totally unacceptable to us."

Mr Fabricius doubted whether the BCA-claims would affect Rugby World Cup attendances.

According to the BCA, Holland and Belgium are the safest countries for tourists. In spite of recent bad publicity about a spate of muggings in the United States "sunshine state" Florida, only 0.3 percent of those surveyed reported being mugged there, it said.

"New freedoms in countries where less liberal regimes

once held sway may cause problems for tourists."

One of Johannesburg's largest city centre hotels, the Carlton, expects no major problems with the hundreds of rugby supporters who have booked accommodation there for the World Cup.

The hotel employs its own 72-strong security force to protect guests during their stay. The patrolmen, dressed in conspicuous green-and-yellow uniforms, carry radios, truncheons and handcuffs, and regularly patrol a 10-block radius around the building. Three of the men carry guns and use motorcycles.

"Since we introduced this extra security in April 1994 muggings of our guests have fallen by 85 percent," said Carlton general-manager Chris Trimble.

ARG 11/5/95

(288)



# Marais joins in bid row

CT 11/5/95 (288)

**CHRIS BATEMAN**  
POLITICAL STAFF

LOCAL Government Minister Mr Peter Marais entered the Nocsa Olympic bid contract row yesterday, saying the Cape Town City Council was not legally entitled to enter into a contract with an "outside party" or one it (the council) had not budgeted for.

It also emerged that neither Western Cape Premier Mr Hernus Kriel nor Housing Minister Mr Gerald Morkel (acting premier in Mr Kriel's absence), have signed approval for the Nocsa endorsement contract as required by the 1974 municipal ordinance.

Mr Frikkie Odendaal, a spokesman for Mr Kriel (who is in Europe), said the premier had

signed no approval — although he had received a letter from one of the council's deputy city administrators, Ms Gill Bolton, on April 28.

Mr Marais said that as far as he knew, the council was not entitled to enter into a contract with an outside party as this was "not directly in terms of their line function".

Mr Marais said he had called for the Nocsa contract two days ago and his lawyers were studying it before reporting back to him. Mr Morkel confirmed this.

However, ANC provincial chief Mr Chris Nissen said the province had played a pivotal role in the bid, with three Western Cape ministers being members of the new bid company, including the convener, Mr Lerumo Kalako.



**'NOT LEGAL':** Mr Peter Marais

And city councillor Mr Clive Keegan said the council had taken every precaution before signing the contract with Nocsa and had followed the correct legal procedure when it did so.



(288)  
SA 'a dangerous  
place to holiday'

ST 11/5/95  
LONDON: South Africa, Hungary and Poland are the most dangerous countries for tourists, a British Consumers' Association survey claims.

More than one in 20 visitors to these countries is attacked, according to a survey of 16 000 readers of the association's magazine.

In response, Captour said Cape Town was known "as the safest tourist destination in South Africa". The Netherlands and Belgium topped the poll as the safest countries for tourists. — Sapa, Staff Reporter



# Hotels not all World Cup winners

BY MAGGIE ROWLEY

CT(BK) 11/5/95 (288)

The "great rugby myth" — that all South African hotels are fully booked for the Rugby World Cup — has seen occupancy rates outside peak game periods fall below last year's levels, says Arthur Gillis, managing director of Protea Hotels.

Gillis said hotels in the group were fully booked for the nights before and after World Cup games, but then occupancy rates fell sharply to around 40 percent lower than May last year.

"There are rooms aplenty available except for the opening and final matches, yet the perception

exists that there is no accommodation to be had anywhere."

Gillis said low occupancy in hotels was not only bad news for the hospitality industry but for the whole economy which has been enjoying the spin-offs from increased travel and tourism.

Richard Carter, spokesman for Sun International, which operates in the different market of casino resorts, said most of the resort hotels were booked to capacity over the World Cup period.

"Many of the bookings have come from groups of overseas travellers attending a few of the games and tagging on a holiday at one of our resorts."



THEO RAWANA

TRAVEL and tourism in the Asia-Pacific region was set to grow up to 80% in real terms over the next 10 years, and SA's support for its tourism industry would help it to benefit from this growth, Cathay Pacific Airways said yesterday.

Cathay Pacific southern Africa GM James Morley-Kirk, releasing the airline's annual report, said global research conducted by the World Travel and Tourism Council had shown that tourism in the Asia-Pacific region was growing at almost twice the pace of the rest of the world.

Direct and indirect employment was expected to increase from today's 134-million jobs — one in every nine workers — to more

than 240-million jobs over the next decade.

He said the SA government recognised tourism's development potential.

"Overt support for tourism development, given by President Nelson Mandela and Tourism Minister Dawie de Villiers at last week's travel conference Indaba, is very welcome and well-timed," he said.

"However, language and culture here lend themselves most readily to cater for English-speaking nationals. More effort from the private sector is needed to prepare for the vast potential of tourism revenues from Asia."

Morley-Kirk said the

## Asia-Pacific tourism growing

Asia-Pacific region's economic growth was expected to be matched by a surge in air traffic.

He said the SA government's support was in line with council president Geoffrey Lipman's assertion that it was essential for governments to develop strategies to integrate travel and tourism into policy-making processes.

"They must work with the private sector to capitalise on the industry's enormous potential to generate wealth, jobs, trade and investment," Lipman said at the AGM.

Economic forecaster and author John Naisbitt told the meeting that travel and

tourism, together with information technology and telecommunications, would become one of the three super industries driving the economy of the next century, and it would be fired by the Asia-Pacific.

Cathay Pacific's chairman Peter Sutch said in the annual report that despite some isolated signs that the worst might be over for the airline industry, last year had again proved to be a difficult year for his airline.

"I believe our net profit of HK\$2 388m to be creditable under the circumstances, presenting a 4.1% increase over the past year."



## SA a tourist nightmare

**LONDON** — South Africa is one of the three most dangerous countries in the world for travellers, says a consumer holiday magazine.

A survey for Britain's *Holiday Which?* reveals that one in 20 tourists are attacked ... compared with only three in a thousand visitors to Florida.

Hungary and Poland tie with South Africa for top-of-the-danger-league placing. (288)

They have displaced Morocco and Gambia to fourth and fifth places, respectively.

The Caribbean is now regarded as more dangerous than the United States, Egypt and Kenya, all countries where tourists were murdered. —

*Sowetan Foreign Service.*

*Sowetan 11/5/95*





END OF THE LINE:  
Raymond Ackerman

☐ 'I now wish to reconfirm my decision to withdraw

# Ackerman

... with an extremely heavy heart?  
**quits bid**

ARG 12/5/95

JOSEPH ARANES  
Municipal Staff

(288)

RAYMOND Ackerman, Cape Town's Olympic Bid Committee chief executive officer, has withdrawn from the bid.

His resignation came on the eve of today's first board meeting of the Section 21 Company which will run Cape Town's bid for the 2004 Olympic Games.

At today's meeting Sports Minister Steve Tshwete was elected chairman of the new board, with Clive Keegan and a not-yet-nominated National Olympic Committee of South Africa (Nocsa) representative as deputies.

In another development, the meeting today decided to re-issue an invitation to Mr Ackerman to be involved as a director, but he has not responded.

Mr Ackerman said he had told Mr Tshwete last night about his decision.

In a statement today, Mr Ackerman said he had over the past few days reflected on the way forward for the bid process and "the nature and extent of the role which I may be able to play."

For the bid to succeed, it was essential for the committee, and in particular its executive, to work closely with Nocsa and city officials.

He said it was with an "extremely heavy heart" that he was withdrawing from the process.

"In the best interests of the bid process, I now wish to reconfirm my decision to withdraw.

"I realise the bid process is far bigger than any individual involved in it but I simply cannot forget the many years which I have spent working on the realisation of my dream.

"Nor can I wish away the intensity of my belief in the many wonderful benefits that could flow for the city and the country from hosting the Olympics pro-

(To page 4, col 5)

## Ackerman quits Games bid committee

Tshwete in Sandton, but was persuaded to return after being flooded with messages of support.

"Unfortunately the situation has not worked out, culminating in the incident of the signing of the Nocsa agreement a fortnight ago.

"This agreement was not negotiated according to promises made, and is vital for the whole bid."

"I just hope they continue to use the very competent team of advisers and consultants that the old bid committee had assembled as I don't believe a new team could be assembled in time to submit a potentially successful bid to the International Olympic Committee."

Mr Ackerman said he had first decided to cut his ties with the bid process on March 6 after a lengthy meeting with Nocsa president Sam Ramsamy and Mr

(From page 1)

viding the bid is properly and prudently managed.

"I wish the new bid committee, Nocsa and the city council every good fortune in their endeavours to pursue the bid and to secure the 2004 Summer Olympics."

He said the bid had to be run on sound business principles and could not become a political football.



# Reports on SA tourist danger 'irresponsible'

CT 12/5/95 (288)

## SPECIAL CORRESPONDENT

JOHANNESBURG: Leading SA tourism and hotel bosses have condemned as "irresponsible and misleading" reports in this week's British press describing SA as one of the world's three most dangerous holiday destinations.

A survey by the British Consumers' Association (BCA) claimed that more than one in 20 visitors to SA, Poland and Hungary were attacked during their stay.

But local executives said the survey — involving 16 000 readers of the BCA's magazine — lacked credibility and accuracy and challenged the association to prove their story.

Mr Mike Fabricius, director of tourism development for the South African Tourism Board (Satour), said: "We would strongly dispute these claims, which are irresponsible and misleading."

The latest of Satour's six-monthly surveys of foreign visitors, coincidentally completed this week, paints a different picture.

The survey, conducted by an independent research company, asked overseas tourists awaiting outbound flights at SA's international airports for their perceptions of the country.

Nine respondents said they felt

unsafe during their trip, yet only two said they were mugged or experienced other crime.

On a scale of 1 to 10, the average level of overall holiday satisfaction was 8.8. For visitors from the UK, the figure was 9.24.

"I think that put things in perspective," said Mr Fabricius. "Some 700 000 overseas tourists came to SA last year. For the BCA to suggest that around 35 000 of these people were attacked by criminals is ludicrous. To base their survey on its own magazine's readership is totally unacceptable to us."

Mr Fabricius doubted if the BCA's claims would affect attendances at the forthcoming Rugby World Cup.

The BCA said Holland and Belgium were the safest countries.

One of Johannesburg's largest city centre hotels, the Carlton, expects no major problems with hundreds of rugby supporters having booked for the World Cup.

The hotel employs its own 72-strong security force to protect guests during their stay.

Carlton Hotel general manager Mr Chris Trimble, who thought the BCA's figures were too high, said that since the extra security was introduced in April last year, the number of muggings of the hotel's guests had fallen by 85%.



# Protea signs on two more hotels

(288) ST(BT) 14/5/95

PROTEA Hotels, Africa's largest hotel group, has won the management contracts for the Gaborone Sheraton Hotel and Gold Reef City Hotel.

Protea will manage and market the Gold Reef City Hotel complex on the outskirts of central Johannesburg for entrepreneur Keith Lodewick, who has spent about R4-million on the hotel since acquiring it last year.

"Gold Reef City is a gold mine; we just have not picked up the nuggets yet," says Mr Lodewick.

There are plans to build a new 250-seat conference centre near Gold Reef City Hotel and 40 new bedrooms at the hotel. This will bring the new investment in the hotel to R13,4-million.

Protea will also manage and market the Gaborone Sheraton Hotel on behalf of Global Resorts, the

By ZILLA EFRAT

vehicle for Rand Merchant Bank's involvement in the gaming and leisure sector.

In line with its agreement with this group, Protea will not enter the casino market as licence holders. Instead, it will apply its experience in hotel and resort management and will operate Global Resort's hotels.

To be renamed the Grand Palm Hotel and Casino, the troubled Gaborone Sheraton was rescued in a R25-million bid by Global Resorts with the Botswana Development Corporation as a partner.

A further R15-million is to be spent on building a casino and entertainment complex.

The deal makes Botswana the 11th African country in which Protea Hotels operates.

SHEAN

stair



# Boost for jobs, tourism likely (288)

ARG 16/5/95

## Southern Reporter

A SNAKE park, a primary school, an ethnic village and an elegant restaurant are among the ambitious plans for historic Imhoff's Gift near Ocean View.

The developments could provide employment opportunities and a big economic boost for the area.

The first project to be launched will probably be Brian Vorster's snake park. His

plans are being scrutinised by the Cape Metropolitan Council at present.

If he gets the go-ahead the park could open next month in the area next to the bird park.

Plans for a primary school to be built on a section of the entire 6 ha area of Imhoff's Gift are more long-term but will be put forward to the relevant authorities by E J "Junior" van der Horst, owner of Imhoff's Gift and leading light in the Ocean View and Kom-

metjie communities.

Plans for the ethnic village displaying Zulu, Xhosa and Khoi lifestyles as well as crafts and local items made by potters and others already busy in the complex are expected to go forward soon.

"The existing buildings with 17 small business entrepreneurs — including a kite maker, a ballet school, a silver-smith, art and music centre, a computer centre and a coffee

shop — are all full now and we get many requests for space so we are going to have to expand outwards," said Mr Van der Horst.

"If we can preserve old buildings to show how colonists lived we can surely show how people before them lived."

There are plans to turn the original farmhouse, which dates to about 1743 and where he came to live when he was four, into a restaurant.



# Cape ministers nominated for Olympic bid company

## Municipal Reporter

THREE provincial ministers — Lerumo Kalako, Lampie Fick and Kobus Meiring — are among the directors nominated to the board of the Section 21 company formed to take Cape Town's 2004 Olympic bid forward.

Representatives of potential sponsors have not yet been named.

National government nominees are Johan van Wyk from the Public Works department, J D Fourie of the Department of Sport and Hentie Joubert from the Department of State Expenditure.

The National Olympics Committee of South Africa will be represented by Kurt Hipper, Danie Malan and Moss Mashishi.

The National Sports Council has put

forward Mluleki George, Danny Jordaan and Elizabeth Cameron-Smith as their representatives.

Organised business has nominated Philip Krawitz from the South African Chamber of Business, Temba Pasiwe for National African Federated Chamber of Commerce and Brian Ebdon for the Foundation for African Business and Informal Business.

David Bridgman of Wesgro will represent development bodies.

Cape Town City Council will be represented by Clive Keegan, who will be vice-chairman of the board, and Patricia Kreiner.

The Cape Metropolitan Council has nominated Roger Hulley and Danile Landinge.



## NOMINATED

... Lerumo Kalako, top left, Kobus Meiring, above, and Lampie Fick, left.

(288) AR4 16/5/95



# Fedics Group boosts turnover to R664m

(288)

CT(BR) 16/5/95

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

Fedics Group, an unlisted catering, travel and tourism group held by Servgro, grew turnover by 27 percent to R664 million in the year to March as a result of strong support from clients and customers and the implementation of quality programmes, Fedics Group managing director David Wigley announced this week.

Attributable profit was R17,8 million, but Wigley declined to reveal the percentage increase other than saying it showed strong growth. Because the company is not listed, it is not obliged to publicise detailed figures.

In catering, both the corporate and industrial sectors reported a good performance. Several major contracts were secured, including the Development Bank of SA, Western Platinum, the SA Mint, Absa and Alusaf Hillside Smelter. In meal management services, a number of SANDF contracts was secured.

Wigley said growth in the food services division would be related to the privatisation of government catering services, as it was hoped that various areas of government now doing catering in-house would widen their scope.

In travel and tourism, which is expected to grow at a slightly faster rate in 1995, Fedics owns a services division, Travellers Retail Services, two in-flight catering companies and a 40 percent stake in Protea Hotels.

Over the past 30 months, Fedics has spent R8 million within Travellers Retail Services at Johannesburg and Cape Town and plans to spend another R4,5 million at those two airports and Durban airport. Wigley said this year's expenditure is the last stage of a programme to upgrade services in these areas and it planned no further spending.

The stimulus the Rugby World Cup will give to the group's travel and tourism side will be concentrated into about four weeks, Wigley said. During that period many domestic travellers are likely to defer travelling plans.

He was optimistic that local industry would be able to cope with the large number of visitors, although there would obviously be some pressure.

Aside from the World Cup, Wigley expects that, if there is a fairly secure environment and levels of crime and violence fall, relatively strong growth in international and domestic tourism will continue.



## Call to market whole region (288) 'Africa should share its riches'

CT 16/5/95

THE whole of Southern Africa must be marketed as a unit, rather than trying to attract tourists to a single country, SAA chief executive Mr Mike Myburgh told the Afro-tourism '95 conference in the city yesterday.

He said airlines were forming alliances to open up the whole of Southern Africa to tourists.

"People need a specific focus — two or three places they particularly want to visit — in order to attract them there," he said.

"We can make Southern Africa more attractive if we offer several focus points — not the Waterfront and Sun City alone, but also other places." — Staff Reporter

AUDREY D'ANGELO  
BUSINESS EDITOR

AFRICAN countries "must work together in the spirit of ubuntu to share the riches of the continent", the Deputy Minister of Environmental Affairs and Tourism, Mr Bantu Holomisa, told the Afro-tourism conference in the city yesterday.

Promising that the restructuring of South Africa's tourism industry would "proceed swiftly" he said a White Paper would be published in September, followed by the necessary legislative framework.

The role of the national tourism organisation would be mainly in the fields of policy-making, facilitating and co-ordinating.

Provinces would be able to compete within the parameters of an integrated national strategy.

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# Southern Sun links up with Intercontinental

CT(BE)17/5/95

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

Southern Sun has entered a joint venture with the huge Intercontinental group to run hotels throughout Africa.

From now on, three hotels in the Southern Sun group — the Cape Sun, the Sandton Sun and Towers and the Beverly Hills Sun — will carry joint branding as Southern Sun-Intercontinental Hotels Africa.

Southern Sun group's operating executive, Helder Pereira, said in Cape Town yesterday that his own group would continue to run these three hotels.

Intercontinental would put its nine hotels in Africa, including those in Nairobi and the Ivory Coast, into the joint venture.

Any future management contracts in Africa would be in the joint venture. Those in southern Africa would be managed by Southern Sun "and hotels in places like Nigeria will be run by Intercontinental".

Pereira said his group anticipated increased travel between African countries. "A lot of South Africans are already travelling to neighbouring countries.

"And statistics show that arrivals in South Africa by air from other African countries exceeded even those from the United Kingdom last year."

The joint venture would ensure that customers found hotels of uniform standard everywhere and would give Southern Sun access to Intercontinental's global booking service.

A statement issued by Southern Sun yesterday said the joint venture would give it access to Intercontinental's upmarket customer base, "75 percent of which consists of repeat business".

Southern Sun's managing director, Ron Stringfellow, said the joint venture "has an aggressive development target into Africa over the next 10 years".

Stringfellow said the agreement resulted from "a strategic initiative undertaken by Southern Sun 18 months ago to form an alliance with a global five-star player. It is in line with the group's commitment to globalising its portfolio".

The Southern Sun chain has developed a training scheme for local staff which is suitable for use in neighbouring countries. Intercontinental has 158 hotels in 58 countries.



# Lack of unity may cost Olympic bid, Young warns SA

ARG 17/5/95

(288)



**Andrew Young, Atlanta Olympics co-chairman and former United States Ambassador to the United Nations.**

Staff Reporter ROGER FRIEDMAN in Atlanta

UNLESS the South African government and business rally to present a unified bid, Cape Town will lose out on hosting the 2004 Olympic Games, says Andrew Young, Atlanta Olympics co-chairman and former United States Ambassador to the United Nations.

Richard Pound, the International Olympic Committee's overseer of next year's Games, to be held in Atlanta, issued another warning: "You have to have your act together at home before you can take your show on the road."

Mr Young, a former two-term mayor of Atlanta, hinted that bidding for the 2004 Summer Games could come down to a two-horse race: Cape Town and Beijing.

At least three other cities — Paris, Istanbul and Stockholm — are known to be pursuing the 2004 Games.

The Olympics have never been held in Africa, and Stockholm's vice-mayor Carl Cederschiold — in Atlanta for a drugs conference — admitted that Cape Town would be "a very tough competitor".

Mr Young said it was disappointing that Cape Town had won the opportunity to bid for the Games but that the bid was characterised by bickering.

"Cape Town won, but it lost... it won the opportunity, but it has not been able to put it together."

But all was not lost. "If South Africa is together, it will get the Olympics," Mr Young predicted.

"The Olympics is not really a sports festival — it is an occasion for expressing moral leadership and vision for the future.

"South Africa and Nelson Mandela do that better than anyone else alive now — even with all your faults."

Mr Young, who advised South Africa to submit a national, multi-city bid, said he still felt this was a better option than a Cape Town bid.

"I don't think any one city can afford it," he said.

"The South African government cannot afford to put enough infrastructure in any one city."

Mr Young said his message to South Africa was that the Olympics would come to South Africa — be it in 2004, 2008 or 2012.

When it did, South Africa would enjoy similar benefits to those enjoyed by his beloved state of Georgia over the last five to 10 years.

The Atlanta bid generated 95 000 new jobs last year, while private investment into the city had run to about \$10 billion (R36.5 bn) a year.

Georgia had "led the nation" in economic growth for the last five years and was listed by *Fortune* magazine as the fourth "prime place" behind London, New York and Hong Kong to invest worldwide.

"We were nowhere before the Olympics," said Mr Young.

The IOC's Mr Pound, addressing the ninth six-monthly Atlanta Olympic coordinating committee in Atlanta, said he was satisfied that preparations for the 1996 games were on track.

Questioned after the meeting, Mr Pound warned: "If Cape Town is not fully committed it will be very hard to persuade others to support you."

Stockholm's Mr Cederschiold said his city had been forced to "lie low" while a Swedish bid to host the Winter Olympics in 2002 was being processed.

Stockholm had already conducted an extensive investigation and had drafted a preliminary budget.

He said if Sweden won the 2002 Winter Olympics, Stockholm would not pursue the 2004 bid.

Atlanta mayor Bill Campbell, who met a number of officials preparing Cape Town's Olympic bid last month, said the bid had to take advantage of President Mandela — "a resource more valuable than any other".

"His currency in the world is such today that he must be an integral part of any bid."

"The one thing that was instrumental in Atlanta's successful bid was that all parties were unanimous in their support."

Atlanta's principal competition for the 1996 games — Toronto — was thought to have had the edge but withered because of internal problems, Mr Campbell said.



**LONDON:** British travel agencies have angrily denied making package tours for the Rugby World Cup too expensive and blame SAA and local hotels. **IAN HOBBES** reports.

**S**OUTH AFRICAN hotels and SA Airways have lost the country millions of rand of business for the Rugby World Cup, official travel agents said yesterday.

Angry overseas tour operators blamed inadequate flights, high hotel costs — which they say doubled in some hotels — and inadequate accommodation for the loss of thousands of package deals.

The official travel agents for the World Cup were reacting to a report quoting SA Rugby Football Union president Mr Louis Luyt as blaming the debacle on the organising committee Rugby World Cup Ltd. (Mr Luyt has denied he said this — see Page 3).

In England Mr John Hall, head of Gullinjet, one of seven competing official travel agencies, said a disappointing figure of about 17 000 World Cup packages involving some 60 000 tickets had been sold worldwide. Many thousands of customers had to be turned away.

"It's nonsense to suggest that the travel agencies made their packages too expensive," he said. "There have been seven agencies in direct competition so every-

thing had to be pruned to minimum margins.

"The problem was that the air fares we had to deal with were up about 10% and many hotels as much as doubled their prices. They wanted money up front before we could even guarantee air seats to customers. No wonder so much business was lost.

"The tragedy is that, as we repeatedly said, we could have sold stacks more packages and tickets, and I am talking of thousands and thousands.

## Warned

"To try to shift blame on to the travel agencies and the RWC committee at this late stage is absolute nonsense. RWC warned that responsibility for proper arrangements lay in South Africa."

Mr Hall said that, despite the problems, about 4 500 packages had been sold in Britain and about as many people had bought air tickets only and were making their own arrangements in South Africa.

One irate British agent said: "There has been a lot of completely unnecessary frustration and cost. It was bad for us but much

worse for the agencies in New Zealand and Australia, some of which are considering legal action. "The root problem has been uncertainty about flights.

"Extra aircraft should have been leased for international and domestic use much earlier. This has had a domino-effect on hotel space, particularly when some SA hotel groups have been astonishingly inflexible.

"Some hotel groups have demanded irrecoverable deposits on guaranteed bookings. That is simply not the way to conduct this business, particularly when SA's tourist prestige is at stake."

Claire Bisseker reports the SA Tourism Board has acknowledged they have no control over local accommodation rates, which are purely market-driven — and city hotels have denied inflating prices.

Protea Hotel Group's managing director Mr Arthur Gillis agreed it would do South Africa "terrible damage to kill the goose that lays the golden egg", and said Protea hotels were charging RWC guests the same rate they had been charging all year.

Mount Nelson Hotel manager Mr Luis Pinheiro said: "It doesn't make business sense to try to score big. It is a bonus for Cape Town hotels to have an extended season. But everyone is within his rights if he wants to make a fast buck."

● See Page 3



**JUST LIKE HOME:** Wallaby rugby captain Michael Lynagh made friends with two toy koala bears at his Newlands hotel yesterday. ● See Page 3.

PICTURE: ANNE LAING



17/5/95  
CT  
P88

MILLIONS LOST IN WORLD CUP PACKAGES'

# Agents slam SA hotels



(257)

CT(BR)17/5/95

**Telkom told to consider options:** The telecommunications minister, Páló Jordan, has instructed Telkom to consider options to transform the company into a world-class, customer-driven company, including possible privatisation. Jordan said in parliament that the process of "identifying suitable opportunities for equity restructuring" was being guided by the Telkom board in liaison with himself, relevant cabinet committees and other stakeholders. No negotiations on equity restructuring were taking place yet.

**Miners to mourn:** All Gengold's miners will be given today off on full pay to mourn the victims of the Vaal Reefs disaster last week. Memorial services will be held on all the group's mines.

**Safety achievement:** The Union Section at Rustenburg Platinum Mines is celebrating the achievement of 1 million death-free shifts. This is the third time the mine has achieved millionaire status.

**Labour Relations Bill 'this year':** The minister of labour, Tito Mboweni, has told the senate that he intends to get the draft Labour Relations Bill, currently being considered by Nedlac, before parliament this year despite pressing demands on time.

## COMPANIES

(28)

CT(BR)17/5/95

**Tiger shows its oats:** Tiger Oats has lifted earnings by 25 percent to R222,7 million in the six months to March 1995, according to figures released yesterday. Turnover was 12 percent higher at R6,1 billion, showing volume growth of only 3 percent, but operating income grew by 17 percent to R394,5 million. On earnings a share of 148c (118,6c); the dividend rose to 38,5c from 31c. See next page

**Medi-Clinic earnings rise:** Medi-Clinic Corporation reported yesterday a 34 percent improvement in attributable earnings to R39,3 million (R29,4 million) for the year ended March 1995. Turnover rose 35 percent to R385,4 million (R284,7 million). Earnings a share grew by 26 percent to 27,4c a share (21,8c) while the group declared a final dividend of 6c a share (5,05c) resulting in a higher annual dividend of 8,5c (7,25c). See next page

**Lufthansa halves losses:** Deutsche Lufthansa, the parent company of the German airline, halved pre-tax losses to \$26,3 million in the first quarter and said the outlook was bright except for the strength of the mark. The company also announced a dividend for last year, the first since 1989.

**Sun in joint hotel venture:** Southern Sun has formed a joint venture with the huge Intercontinental group to run hotels throughout Africa. From now on three hotels in the Southern Sun group — the Cape Sun, the Sandton Sun and Towers and the Beverly Hills Sun — will carry joint branding as Southern Sun-Intercontinental Hotels Africa. Intercontinental would put its nine hotels in Africa, including those in Nairobi and the Ivory Coast, into the joint venture. See next page

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CT(BR)17/5/95



## COMPANIES

### Southern Sun in joint venture

Amanda Vermeulen

288 8017/5/95  
THE SOUTHERN Sun group and one of the world's largest hotel groups, Inter-Continental Hotels and Resorts, have formed a joint venture which will develop new hotels in sub-Saharan Africa.

Southern Sun MD Ron Stringfellow said yesterday three of the group's hotels — the Cape Sun, Beverley Hills Sun and the Sandton Sun & Towers — would carry joint branding with Inter-Continental. Southern Sun would gain access to Inter-Continental's worldwide infrastructure, while Inter-Continental would enter SA and other southern African markets.

He said the alliance would add to the luxury end of the SA hotel market.

The initial portfolio of 12 African hotels would be owned by their respective owners, but all new developments would be managed by the joint venture company.

The new company, Southern Sun/Inter-Continental Africa, would have two operating bases — Johannesburg for east Africa and Cairo for west Africa.

The new venture planned to expand significantly into Africa over the next decade, he said.

Inter-Continental joint MD Robert Collier said SA had been identified by the group in its expansion strategy.

The hotel group had over 150 hotels in 58 countries, and had been voted Best International Hotel Chain for eight years by international travel title, Business Traveler, while UK title Euromoney voted it the leading hotel chain last year.

Among the benefits to Southern Sun were access to airline partnership agreements with Inter-Continental, training expertise, the chain's global marketing programmes and client base.



# SA mission expenditure 'much too Eurocentric'

Tim Cohen

CAPE TOWN — The Parliamentary foreign affairs committee had sharply criticised the "Eurocentric" expenditure on SA embassies and described the list of visitors hosted by the department as "eccentric".

In a report due to be published today, the committee said its overall impression of the budget for 1995/96 was that there was a significant disparity between stated policy and the allocation of resources.

The maintenance of missions was essentially North American and Eurocentric despite the fact that the stated policy of the Foreign Affairs Department was in favour of an emphasis on Africa.

Missions in Africa and the Middle East received only about 20% of the total of R645,8m budgeted for foreign missions while those in Europe and North America were allocated 55%.

The eight missions in Eastern

Europe and the former Soviet Union were allocated a total of R56m, which was more than the R51m allocated to the 11 missions in Southern African Development Community countries or the R55m allocated to the 13 missions elsewhere on the African continent.

The matter was of particular concern as missions in Addis Ababa, Abuja, Dar-es-Salaam and Lagos were included in a list of missions that were underprovisioned as a result of the department's failure to secure R50m additional budgetary allocation for SA's 13 new missions. It recommended the reconsideration of this decision.

Even on the basis of trade alone, the current allocation to African countries could not be justified, the committee said.

Exports to African countries made up 31,7% of total exports for 1993, compared to the 16,4% allocated to missions in Africa.

The report also questioned expenditure patterns within Europe, asked why the High Commission in London had received R31m compared to the embassy in Brussels, when Brussels was more central to SA's relations with the European Union.

Much of the rest of the budget was infused with "relics of the past", the committee said.

The books purchased by the department for distribution overseas placed an emphasis on "the tradition audience of white immigrants".

Likewise, the report said that the list of visitors hosted by the department was "very eccentric, for example, the number of Turkish and Belgian christian democratic visitors".

The report questioned the reasons for the continued funding of the Secretariat for the Community of Southern Africa and said the continued existence of Channel Africa needed further consideration.

## Non-profit firms for tourism

NELSPRUIT — The Eastern Transvaal announced yesterday that it intends creating Section 21 — non-profit — companies to take over the function of promoting the province.

Provincial economic affairs and tourism minister Jacob Mabena said the regional executive council had already approved the launch of a company to market provincial tourism.

"The Eastern Transvaal was lagging behind other provinces when it came to promoting its potential, and realising that industry must be private sector driven, we opted for a private sector company to promote the region," he said.

The company would supplant the promotion done by both the regional services councils and by Satour.

The company would initially be funded from the RSC's R1,23m marketing budget. It would also incorporate existing Satour assets and staff and appropriate its regional budget. KwaNdebele businessman and tourism official Neville Kgothadi has been appointed chairman.

Mabena said a second Section 21 company, to promote foreign investment and trade, was being investigated.

The province's government announced that it was reactivating the expired Business Licensing Board in the former homeland KaNgwane. It said the expiry of the board in October last year was hampering economic development.

The government would also indefinitely extend KwaNdebele's Business Licensing Board's term of office.

Louis Tager has been appointed to advise the provincial economic affairs department on the drafting of new legislation designed to rationalise the boards into a single provincial body.

Sapa reports that the province's government hopes to grant gambling licences by the end of the year.

Applications for licences should be submitted by the end of July.

Mabena said legislation to establish the gambling board had been drafted and would be tabled during the current sitting of the legislature. — African Eye News.

## Student leaders meet official

Mabasa ka Harvey  
STUDENT leaders met Education Ministry deputy director John Samuels yesterday and agreed to a meeting next month to find solutions to the crisis at tertiary institutions.

Samuels met the presidents of the SA Students' Congress, Azanian Students' Convention, SA Liberal Students' Association, SA Technikon Student Union, SA Union of SRCs and the Students for Democratic Transformation organisation.

Central to next month's meeting was the development of an understanding about what was happening at tertiary institutions and finding a process to shape transformation.



# Warning on SA crime for tourists

THOUSANDS of foreign tourists are travelling to South Africa this weekend for the Rugby World Cup — and as they arrive they will be warned to be on their guard against robbery, mugging and car hijacking. The World Health Organisation calls South Africa the murder capital of the world, and a recent poll by Holiday Which? magazine showed that tourists are more likely to be mugged in the Republic than anywhere else except Hungary and Poland.

Said Tara O'Connor of the Control Risks Group, an international political risk and security consultancy: "An armed robbery happens every eight minutes in South Africa, and up to 30 cars are hijacked each day. You must take sensible precautions.

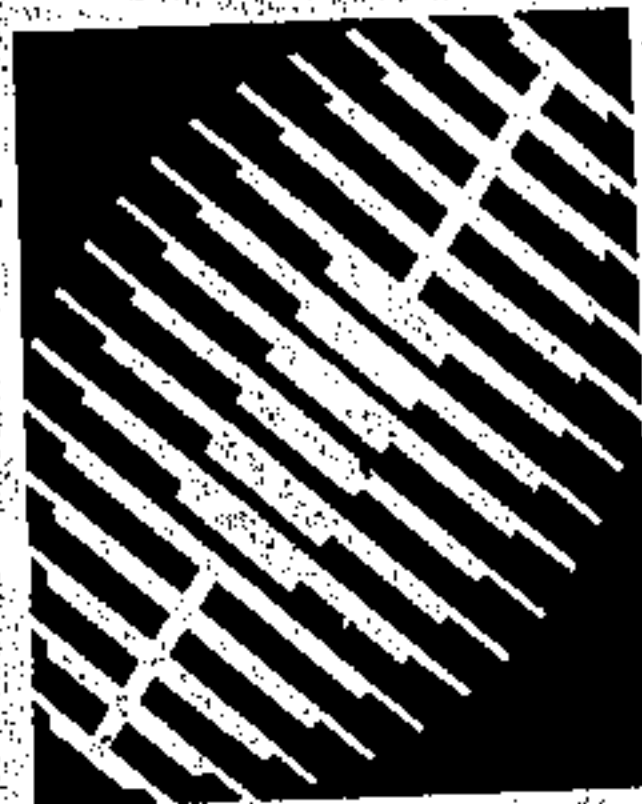
"Though you should be safe at the matches themselves be-

cause security will be tight, some areas away from the grounds will be as dangerous as ever."

She has compiled a checklist for rugby tourists:

- Plan your route before travelling anywhere. Ask your hotel for advice on transport and restaurants.

- Identify and avoid low-in-



**RUGBY  
WORLD CUP  
1995**

come areas in all main cities. Avoid roads that pass close to townships.

- Do not walk alone at night.
- Avoid deserted or poorly lit streets.

- Do not try to resist attacks — muggers are frequently armed.

- Carry some cash you can hand over.

- Do not show off cameras, jewellery or large sums of money in public.

- Do not wear "moonbags".

- Ignore stop signs if suspicious-looking people are loitering there.

- Ignore suspicious-looking "accidents".

- Drive with car doors and windows locked.

- Do not wind down windows to speak to pedestrians, drivers or motor-cyclists. —

The Times News Service.



# Cableway wins council battle

□ Judge rules in favour of company in expropriation fight  
ARC 18/5/95 (288)

**PATRICK FARRELL**  
Supreme Court Reporter

THE Cape Town City Council has lost a Supreme Court battle with the Table Mountain Aerial Cableway Company over the cablecar system.

Today Mr Justice van Zyl and Mr Justice van Niekerk dismissed an application brought by the municipality last year to evict the cableway company from the mountain where it has been operating the cablecar system for 65 years.

The municipality had expropriated the cableway in October last year in terms of a lease between the two parties dating from 1926.

But after the expropriation the cablecar company refused to leave the premises, arguing they should be paid compensation before they moved.

The municipality wanted the court to evict the cableway company as they claimed the company was occupying the premises illegally.

The judges found that the cableway company was not unlawfully occupying the cablecar system and therefore the municipality was not entitled to evict them.

The judges said that because the amount of compensation offered by the municipality for the cablecar system had not been finalised by the end of the notice period on October 3 last year, the concession did not come to an end on that date and was still valid and binding.

"It would appear from the 1926 agreement that the parties intended that compensation for the cableway system should be given in exchange for the transfer of the undertaking."

The judges ordered that the municipality pay the costs of the action as well as the costs of a separate application brought by the cableway company against the municipality to prevent them interfering with the cableway company's operation of the service, and its occupation of the land on which the cableway system is situated.

Gerrit van Schalkwyk SC appeared for the cableway company and Milton Seligson SC appeared for the municipality.



## COMPANIES

### Private health care 'is in good shape'

Edward West

CAPE TOWN — The future of private health care provision was bright in spite of the uncertainty surrounding government's planned national health scheme, Medi-Clinic chairman Dr Edwin de la Hertzog said yesterday.

In a presentation to the Investment Analysts Society, Hertzog said it appeared that the investing public was afraid of investing in private health care. This was due to a lack of knowledge about the industry and to recent reports which had speculated on the nationalisation of private health care, he said.

Medi-Clinic figures showed that the number of hospital beds of "private, for profit" hospitals had grown 88% to 18 432 between 1988 and 1993.

By contrast, the number of public sector hospital beds had fallen 2% to 110 408 over the same period. The number of province-aided hospital beds had fallen 17% to 3 910, while the number of industrial sector hos-

pital beds had fallen 28% to 7 091.

Medi-Clinic had about 3 000 beds in 20 hospitals. The other big players in terms of "fee for service" private hospital beds were Clinic Holdings with about 3 500 beds and Afrox with about 2 500 hospital beds.

Medical scheme beneficiaries amounted to about 7-million people or 22,1% of the population. Although this figure had remained constant since 1992, there was also a growing trend, albeit comparatively small, toward private health care provision through insurance packages and other financial schemes.

Medical aid benefits paid to beneficiaries had escalated rapidly over the past decade, from under R1bn in 1982 to about R12bn in 1994.

Hertzog said that although the rapid escalation of benefits paid was of concern in terms of medical costs, it was "comforting" that individuals had organised budgets during the recession to pay out more for health care.



# Cableway wins fight with council

CT 19/5/98 (288)

## STAFF REPORTER

THE Cape Town City Council's application to evict the Cape Town Aerial Cableway Company from the cableway it has been operating for the past 65 years was dismissed with costs in the Cape Town Supreme Court yesterday.

The application was brought after the cablecar company refused to vacate the premises, which was expropriated in October last year, without compensation from the council. The council claimed in turn that the company was occupying the premises illegally.

Mr Justice D H van Zyl and Mr Justice A M van Niekerk found that in terms of a 1926 agreement between the cableway company and the municipality, the cableway company should receive compensation for the site in exchange for transfer. The company was

therefore not occupying the cableway unlawfully and could not be evicted.

Judges Van Zyl and Van Niekerk also ordered that the council pay all costs. These include the costs of another application brought by the cableway company to prevent the municipality from interfering with its operation of the cableway and its occupation of the site on which the cableway is situated.

Council spokesman Mr Ted Doman said yesterday the council's executive committee and the council had not yet had an opportunity to comment on the judgement, but "settlement discussions ... (are) continuing".

Mr G van Schalkwyk, SC, appeared for the cableway company and Mr M Seligson, SC, appeared for the municipality.



# Transport jam blocks Olympic bid

(288) WM 19-25/5/95

Renana Rossouw

**A** THREAT by central government to withdraw its financial support for transport provision for the 2004 Olympic Games bid has sent Cape Town's planners scrambling to get the wheels of an interim transport masterplan for the city rolling by the end of this month.

At stake is R470-million promised by the government for transport provision in Cape Town which meets the needs of the Olympic bid — and also an inclusive planning process that takes into account the needs of poorer communities.

Cape Town last prepared a comprehensive transport plan in 1980. The city was instructed by the provincial Minister of Transport and Public Works Leonard Ramatlakane to update its plans and bring them in line with Reconstruction and Development Programme principles and objectives.

In September last year, the Cabinet resolved to finance transport projects which would assist in winning the Olympic bid and R70-million was earmarked for planning and R400-million for infrastructure. An Olympic bid transport plan titled "Moving Ahead" has been drafted and proposes that R3,1-billion is required to upgrade the city's transport for the games.

Then, two weeks ago, provincial roads engineer Roy Petersen received a letter from Director General of Transport Khetso Gordhan warning that if there was no progress in the implementation of the transport plan, he would advise the Cabinet to review its support of the bid.

"For the bid to proceed, an interim transport masterplan now has to be available in October 1995 for approval and a substantial number of transport projects will have to be awarded for construction starting in January 1996," Petersen told a hearing of a commission appointed by Ramatlakane to ensure the transport plan dovetails with the RDP.

"I suggest that this commission inform the minister of the need for urgent approval for consultants to be appointed to kick start the 'Moving Ahead' plans without delay."

George Fries, a Cabinet committee of



# Global hotel giant homes in on SA

HOSPITALITY Franchise Systems (HFS), the world's largest hotel company, is set to move into South Africa through Days Inn, a mid-market brand of hotels which plans to launch at least 15 outlets in the country over the next 5 years.

Other HFS brands, which include Howard Johnson, Ramada, Super 8, Villager Lodge and Park Inn International, could follow.

HFS subsidiary Africa Inns will develop and franchise Days Inn in South Africa, Lesotho, Swaziland, Namibia and Zimbabwe.

Africa Inns expects to open headquarters in Johannesburg this year. Its shareholders are all US citizens who left South Africa in the mid-1970s.

Ramesh Gokal, president of Africa Inns, says the first Days Inn is expected in Johannesburg next year. Others should follow in Cape Town, Durban, Pretoria, Port Elizabeth and East London. They will be developed with joint venture partners and later with franchisees.

By ZILLA EFRAT

A typical Days Inn room will have a king-sized or two double beds, a bathroom, television, telephone, seating and a desk.

While meeting space is limited, Days Inns have breakfast facilities and are always located next to food service facilities.

Each Days Inn will employ 30 to 40 people. Africa Inns will provide development, management, training, reservations and marketing support to its franchisees.

While travel into South Africa has primarily come from Europe, Mr Gokal believes growth in travel will now come from Africa and the US, creating healthy demand for Days Inns.

Days Inn has more than 1 600 hotels franchised in countries like the US, Canada, Mexico, the Philippines, Israel, Puerto Rico, the Netherlands and India. HFS, located in New Jersey, runs about 4 200 hotels worldwide.



# Tourism boom lures hotel chains

(288) ST (BT) 21/5/95

By ZILLA EFRAT

THE hotel and casino industry is set to attract a rush of multinational players as tourism to South Africa starts to boom and gaming legislation changes.

Southern Sun announced this week that it had signed an agreement with Inter-Continental Hotels and Resorts, which — with 158 hotels in 58 countries — claims to be the world's largest five-star hotel chain.

The Cape Sun, Beverley Hills Sun and Sandton Sun will carry the joint branding of Southern Sun Inter-Continental Hotels, and Southern Sun will have access to Inter-Continental's infrastructure.

A joint venture between the two companies will develop new five-star hotels in sub-Saharan Africa.

Two other upmarket hotel chains, Sheraton and Marriott, are also believed to be involved in talks on setting up in South Africa.

Hyatt, which operates 169 hotels around the world, was the first of the world's major upmarket hotel chains to announce its entry into the market. It will open a hotel in Rosebank, Johannesburg, in August, and reportedly plans hotels in Cape Town and Durban.

In addition, a Malaysian businessman hopes to build five-star Hilton hotels in Cape Town and Johannesburg. The Hilton group already operates more than 160

hotels around the world.

In the mid-market range, Days Inn plans to open a hotel in Johannesburg through a subsidiary, Africa Inns. Hotels will follow in Cape Town, Durban, Pretoria, Port Elizabeth and East London.

Days Inn is a subsidiary of Hospitality Franchise Systems (HFS), which runs 4 200 hotels in the US, Canada, Europe, South America and India.

Among HFS's other brands are Howard Johnson, Ramada and Park Inn International. Some of these are expected to follow Days Inn into the SA market.

Several Arab and Malaysian investors are also interested in buying resorts. United Breweries of India has spent R12,5-million on the Mabula Game Lodge in the Northern Transvaal.

Until recently, the hotel industry complained about poor occupancy levels, but trading conditions have changed. Tourism and business travel are booming.

There is concern that a flurry of newcomers could create an oversupply in beds. But Robert Dawson, general manager of the Rosebank Hyatt, points out that not all the groups looking at South Africa will actually come.

More hotels will mean that foreigners will not be turned away because of a lack of suitable accommodation and that South Africa will have the facilities to attract large conventions.

They will also mean more jobs. Hyatt, for example, has brought in only four foreigners to run its Rosebank hotel and expects to employ a further 200 to 300 people.

Meanwhile, a host of international players are positioning themselves ahead of the finalisation of South Africa's new gaming legislation.

Almost all have set up consortiums with local players in the hope of winning casino licences. The number of licences has temporarily been set at 40, of which Sun International already owns 17.

Among the international names hoping for a local stake are Century Casinos, which has more than 100 casinos in 20 countries, and Casino Austria International, which is said to be the world's largest gaming group with more than 200 casinos in 14 countries.

Others include Caesar's Palace of Las Vegas, which manages 10 US casinos, and Omar Sharif World Wide Games, which operates in the US and Eastern Europe and is run by the one-time film heart-throb of the same name.

Because there is still much un-

certainty over how South Africa's gambling industry will be structured, industry experts believe that new casino resorts will begin operating only in 1997.

The capital investment needed to develop a resort could run into hundreds of millions but returns should also be high.

According to Nic Wiehahn, chairman of the Lotteries and Gambling Board, a legalised gambling industry in South Africa should have an annual turnover of R20-billion and create about 100 000 jobs by 1997.

Several of the world's major gambling equipment companies have also set up offices in South Africa in anticipation of massive investment in the industry. Among them is International Game Technology, said to be the largest casino supplier in the world.

According to some estimates, more than 7 000 new slot machines, costing about R40 000 each, could be ordered by new casino licencees.

In other areas of gaming, the British pools giant Littlewoods has joined a local consortium which hopes to operate South Africa's first soccer pools.

And, GTECH, the world's largest player in computerised lotteries, is currently opening a South African office.



## Tourism to SA on the increase

Business Staff

(288)  
ARL 22/5/95

THE number of foreign visitors arriving at South Africa's three busiest airports in January soared by more than 40 percent on the previous year, according to released today.

Travel by South Africans is also up — 27,3 percent more left the country temporarily through Johannesburg, Cape Town and Durban airports, according to the Central Statistical Service.

The total number of overseas visitors — 76 057 — for January is 51,4 percent up on January 1994. South Africa remains most popular with the British — 17 654 arrived here in January. There were also 12 000 Germans and almost 7 000 Americans.



# Cableway battle may cost millions

STAFF REPORTER

ET 22/5/95 (288)

THE Cape Town City Council said yesterday it might have to pay a R1,5 million penalty to a consortium of German and British interests, because it has had to cancel the company's interim appointment to run the Table Mountain cableway.

Council spokesman Mr Ted Doman said the council was still "negotiating" with the Table Mountain Aerial Cableway Company, but might extend the 10-year lease to this company, with which it has been in fierce battle for control of the cableway since last October.

## Full costs

He said the council's executive committee had not met since the Supreme Court judgment preventing them from evicting the cableway company was handed down late last week, and had thus not yet been able to discuss the judgment and whether any appeals would be lodged.

Judges D H van Zyl and A M van Niekerk ordered the council in the Cape Supreme Court to pay the full costs of the failed eviction application.

Mr Doman said the costs were not yet known and the council was still negotiating settlement terms.

He said the council would "probably" also have to pay a penalty of R1,5 million to the overseas company it had appointed to run the cableway.



# Tourist raped: Calls for action on crime

## CRIME REPORTER

THE rape of a British rugby enthusiast at the weekend has led to renewed calls for a solution to a shocking national crime rate which is threatening the tourism industry and foreign investment.

The 22-year-old woman, from Oxford, was raped after she accepted a lift from four men in a minibus taxi outside a Loop Street nightclub around 2am on Saturday, a police spokeswoman said.

She said one of the men raped the woman in the taxi — but consented to using a condom — before they let her get out of the vehicle in Camps Bay.

Captour chief executive Mr Gordon Oliver said he was planning a workshop between minis-

ters, business representatives and other organisations to address the problem of crime "collectively as a city". **CT 22/5/95**

"This type of incident happens in every city in the world but it reflects extremely badly on the city as a tourist destination. Safety and security are crucial to the success of the tourism industry."

● The Afrikaanse Handelsinstituut (AHI) met with Minister of Trade and Industry Mr Trevor Manuel on Friday and "made it clear that something must be done soon to repair law and order".

"Foreign investors and tourists stay away because of the lawlessness and violence in our country. It severely restricts job creation," AHI president Mr Walter Schefflhe said. **(287) (288)**



60 23/5/95

# Transun forges on despite high taxes

288

Nicola Jenvey

DURBAN — Beverages, hotels and leisure company Transkei Sun International (Transun) would meet its June year-end expectations in spite of the severe effects of changes in taxation and competition from smaller city casinos, Wild Coast Sun MD Alberto Chiaranda said yesterday.

He said the company "had taken a knock" from political changes which had incorporated the Transkei into SA and consequently altered the company's taxation commitments.

"However, business has been very good and expectations will be met by year-end. The company has been strong throughout the year and the share prices performed satisfactorily."

Transun had planned its future on the assumption that new gambling legislation would not adversely affect hotel and casino business.

Chiaranda expected the government's final decision before the next financial year-end. It would influence Transun's future policies including expansion, spending and possible rationalisation.

"It is not known how far the government is in establishing casino and gambling legislation, nor whether the recommendation of 40 licences countrywide would be accepted, nor where the recipient casinos would be situated.

"Everything is in the dark at the moment. We have had to make decisions for the coming year under this premise."

SA had to establish its own market mix, whether the government would allow smaller casinos or incorporate leisure resorts with hotels, restaurants and entertainment facilities.

"A casino resort takes at least 18 months to build, whereas a small operation could be running much sooner. The government, as in Monaco, will want to control the system to maximise revenue potential; clear limits must be in place to do so," he said.

Owning a casino licence did not automatically mean the recipient would make money. Allowing the market to find its own limit could be potentially dangerous, since livelihoods were at stake.

Care would also have to be taken to ensure new casino resorts were tourist-orientated and created jobs in high unemployment areas.

"However, there must also be protection in place to ensure those people who cannot afford to gamble are not availed with the possibility of gambling away every cent of their money.

"If the casino is in a more remote area, out of the cities and requires access by car, then this protection would be in place," Chiaranda said.



# Tourism figures surge

(286) Jan 23/5/95

■ BY SHIRLEY WOODGATE

The number of tourists to South Africa has rocketed by more than 100% since 1991, according to the latest report by the Central Statistical Service (CSS).

This year's January figures alone were up by 51% over the same month last year.

But South African Tourism Board spokesman Martin van Niekerk warned against over-

optimism about the tourism boost.

The total was expected to reach a record 800 000 tourists this year compared to about 480 000 in 1991, and 1992, 618 000 in 1993 and a total of 704 000 in 1994.

The CSS indicated that of the 76 057 people who visited the country in the first month of this year, the United Kingdom (17 654), Germany (12 222) and the USA (6 795) accounted for the most tourists from a single country.



GAMES BRIDGING FINANCE SETBACK

# Olympic bid sponsors still holding back their money

**CAPE TOWN'S** exco has recommended that the council drop the conditions it laid down for its contribution to the Olympic bid bridging finance, writes our **Municipal Reporter**.

**B**IG BUSINESS. Olympic bid sponsors are still holding back their money — and this means Cape Town will have to alter the conditions it originally set for putting in more than R1 million of its own money as bridging finance.

Deputy city treasurer Mr Peter Lever reported to the council's executive committee yesterday

that it had been assumed that bridging finance, to keep the bid going during the transition from the old bid committee to the new, would come equally from the Cape Town City Council, the Metro Council, the state and the private sector sponsors.

Each of the four groups had been expected to chip in R1,25m.

Bridging finance is expected to

be paid back eventually, but it is provided so that urgent work can be done by the new bid company "pending the signing of major sponsorship agreements", according to Mr Lever's report.

The potential sponsors had subsequently declined to commit funds before their agreements were finalised. The state indicated that it was procedurally impracticable for it to contribute.

The Metro Council and the City Council did agree to provide their shares, but in Cape Town's case this was conditional on all

contributing.

The City Council is now being asked to drop that condition, and re-affirm its decision to provide the R1,25m. The executive committee approved this yesterday, but it has to go to the full council at the end of the month for approval.

● Mr Peter Bacon, managing director of Sun International, said his company remained committed to the bid, but certain conditions had been set before it would contribute towards costs. He expected these to be met in the next month or two. (288)CT 24/5/95



# Stocks & Stocks plans new casinos

Amanda Vermeulen

BD 24/5/95

(22) (288)

CONSTRUCTION group Stocks & Stocks has launched a R320m tourism operation, Stocks Hotels & Resorts, which plans four and five star hotels and casinos in southern Africa.

The new company's chairman, Bart Dorrestein, said the Transnet pension fund had acquired 26% of the company for an undisclosed sum. The company would also negotiate to bring in other shareholders, particularly black-owned companies.

Earlier this year it was reported that Stocks & Stocks was in negotiations with Thebe Investments leisure subsidiary Moribo, Vela International, the Viva Trust and the Totalisator Agency Board with a view to applying for gaming licences.

The hotel and resort operation already had over R320m of assets under its control, including three game lodges, three hotels — in Midrand, Cape Town and Sandton — and two casino resorts, one in Swakopmund and one in Windhoek. This portfolio

was expected to become a significant contributor to earnings within two years.

Dorrestein said these hotels and resorts would be the backbone of the group's plan to become a meaningful player in tourism and the development of hotels and casino resorts in southern Africa. The group would apply for casino licences and had identified a number of sites for possible casino resort developments.

Stocks Hotels & Resorts would be headed up by MD Bruno Corte while former head of casino operations at Sun International, Miron Stabinsky, would head up the casino operations.

Stabinsky said SA could attract large numbers of South American gamblers.

Corte said the group could invest up to R1bn in a casino resort if it was awarded a licence. The Cape had potential for further four and five star hotel developments.

An indication of the interest foreign tourists had in SA was the number of major hotel multinationals investing in the country, such as Hyatt and Inter-Continental.



# Tourism boost for GDP

ARG 25/5/95

288

Business Staff

TOURISM's contribution to gross domestic product (GDP) could rise by R1 billion to R1,5 billion if spending by foreign tourists in South Africa increased by 20 percent this year, according to Sanlam chief economist Johan Louw.

"The Rugby World Cup and the resulting large number of foreign visitors have underlined the enormous benefits the expansion of foreign tourism could bring to the country."

Takings from foreign tourism represented about 30 percent of total receipts for foreign services, five percent of total export earnings and almost two percent of GDP.

Tourism had enormous potential as an earner of foreign exchange and as a source of employment.

Whereas on average one in 15 people in the world was directly or indirectly involved in tourism, according to World Tourism Organisation figures, only one South African in each 25 worked in the industry.

South Africa's unfavourable tourism spending balance was improving, Mr Louw said. In 1993, for every R1 spent by a foreign tourist here, South Africans spent about R1,40 abroad.

This gap was closing and a 20 percent rise in spending by foreign tourists could increase the GDP by about 0,3 percent.

"Such a situation could go a long way towards countering the negative effect of the drought on the economic growth rate as well as relieving the pressure on the current account of the balance of payments.

"Success in exploiting the tourism potential will largely depend on South Africa's ability to design a well-thought-out and co-ordinated development strategy for tourism."



# Tourist trickle is now a flood

The Argus Correspondent

288

PRETORIA. — The flow of overseas visitors into South Africa has turned from a trickle to a torrent in the past few years. ARG 25/5/95

And with the world's doors open to South Africans again, South Africans are spreading their wings and travelling to exotic foreign destinations in their thousands.

Nearly 39 percent more South Africans went overseas for holiday, business or education purposes in January this year than in the same period last year.

Industry experts expect the number of overseas visitors arriving in South Africa this year to top 800 000 — about 100 000 more than in 1993.

In January this year the number of overseas visitors who entered South Africa was 88 847 — 45,2 percent more than visited the country during the same month last year, according to statistics released by the Central Statistical Services.

Satour's Martin van Niekerk said the increased flow of visitors to South Africa was noted in June last year and between June and the end of 1994 the number of visitors was more than 20 percent higher than during the same period in 1993.



# Tourism earnings in GDP terms

(288) CT(BR) 25/5/95  
BY AUDREY D'ANGELO

Tourism's contribution to GDP would rise between R1 billion and R1,5 billion if foreign visitors spent 20 percent more this year, Johan Louw, Sanlam's chief economist said yesterday. But he warned that a co-ordinated strategy to develop the industry and improve the infrastructure was urgently needed.

A committee set up to advise on improvements to South Africa's state-owned airports reported in April that tourism was rising at a rate of about 15 percent a year.

In a report released yesterday, Louw said tourism income represented "about 30 percent of total receipts for foreign services, 5 percent of total export earnings and almost 2 percent of GDP".

The rise in tourism helped to counteract the fact that South Africans spent more per head overseas than foreigners spent here in rand terms. Statistics for 1993 showed South Africans spent R1,40 per head overseas for every R1 spent by a foreign tourist in South Africa, Louw said.



## 'Tourism the tonic for SA'

Edward West

(288)

According to the World Rugby Organisation, on average one in 15 people in the world was directly or indirectly involved in tourism. In SA only one in 25 worked in the industry.

CAPE TOWN — A 20% increase in spending by foreign tourists this year could help alleviate the economic effects of the drought as well as pressure on the current account of the balance of payments, Sanlam economist Johan Louw said yesterday.

Tourism's contribution to GDP could be increased R1bn-1,5bn if spending by foreign tourists increased 20%.

SA's takings from foreign tourism represented about 30% of total receipts for foreign services, 5% of total export earnings and almost 2% of GDP.

The Rugby World Cup tournament and the expected large number of foreign visitors had underlined the benefit the expansion of foreign tourism could bring to the country in terms of foreign exchange and job creation, he said.

For every R1 spent by a foreign tourist in SA in 1993, South Africans spent R1,40 abroad, indicating an unfavourable balance on net receipts from foreign tourism. However, the situation improved considerably in SA's favour over the past year and the number of overseas visitors increased significantly, particularly after the April election.

An increase in foreign spending of 20% this year could increase GDP growth by 0,3 percentage points, which would go a long way toward countering the effect of the drought on economic growth as well as the pressure on the current account of the balance of payments, said Louw.



## Ticket for tourists opens new public transport route

Staff Reporter

AG 26/5/95 (288)  
A LOW-COST travel card has been launched in Cape Town to give tourists easier access to public transport.

Brainchild of Zoo Promotions, Golden Arrow and Metro Rail, the travel card offers visitors seven days' unlimited travel on all public buses and trains in Cape Town.

The card, a first for South Africa, was hailed as an important innovation by Capetour chief Gordon Oliver.

He emphasised the importance of tapping Cape Town's tourism potential.

His sentiments were echoed by Golden Arrow director Barry Gie.

Mr Gie said the card would be accompanied by a free, easy-to-use guide with information on popular tourist attractions, emergency telephone numbers and other tips that would make visiting Cape Town an experience "to write home about".

The travel card will be available from the Tourist Rendezvous, the information service near the station in Adderley Street, from Monday for R55.



# Southern Sun moves north into Zambia

## The Argus Foreign Service

LUSAKA — The Southern Sun group, backed by R22 million from Anglo American Corporation, has opened its first Holiday Inn Garden Court in another African country.

The revamped Ridgeway Hotel in Lusaka, Zambia, was officially opened this week by President Frederick Chiluba, who welcomed the investment in his country's struggling economy.

The hotel is owned by Anglo American (Central Africa) and managed by Southern Sun,

which has exclusive rights in southern Africa to the Holiday Inn franchise.

Southern Sun chief operating executive Helder Pereira said the turnover at the McGinty's Pub and Spur restaurant on the hotel premises was a sign of its success.

"McGinty's in Lusaka is the second biggest draught dispenser in southern Africa after one pub at Cape Town's Waterfront and the takings of the Spur should exceed R650 000 in the first month," he said.

Mr Pereira said only 33 of 155 rooms were open under

phase one. These are 100 per cent full and accurate occupancy figures should be available in September when the entire project is complete. It will include a British Airways office, travel agency and curio shop at the hotel.

ARG 26/5/95

Mr Pereira said: "We are also looking at possibilities with Anglo in Mozambique, Botswana, Namibia, Tanzania, and Uganda. South Africa is now acceptable and our biggest problem is reacting to the demand. We have strict criteria for expanding in Africa."



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Continue

# Cup peasant a boost for Olympic bid



# ☐ Praise for 'impressive' opening ceremony

ARG 26/5/95

(288)

ROGER FRIEDMAN, Staff Reporter

THE successful Rugby World Cup opening ceremony and match could firm Cape Town's jittery Olympic bid.

It could help bring the summer Games to Africa for the first time in 2004 — in spite of all the wrangling.

President Mandela has pronounced himself "extremely impressed" with the opening ceremony and "extremely excited" by South Africa's winning performance against defending world champions Australia at Newlands yesterday.

National Sports Minister Steve Tshwete said "the rugby was excellent ... the entire event was a morale-booster for the country and augurs well for future events of this magnitude".

Clive Keegan, a director of the Olympic 2004 board, said "the spectacle of Cape Town organising something efficiently can only rebound to our credit".

And Captour chief executive Gordon Oliver said yesterday's success would help "get our minds right" in the run-up to bidding for the 2004 Games.

Yesterday's spectacular multi-cultural opening ceremony was reported by a media contingent of about 4 000 international journalists and viewed by a worldwide television audience of more than a billion people.

Mr Mandela's spokesman Joel Netshitenzhe, said both the president and director-general of his office, Jakes Gerwel, had been elated and impressed.

"The president was particularly impressed with the extent to which the opening ceremony reflected the cultural diversity of the country," Mr Netshitenzhe said.

"The organisers proved that in spite of long isolation from the outside world, within a short space of time we have been able to master things usually mastered only by nations with much more experience."

Before the game, the president predicted that South Africa would win the World Cup and its organising would be crucial to the country's chances of hosting the 2004 Olympics.

Mr Keegan said the success would go some way to "restoring Cape Town's credibility" with the rest of the sports world — a reference to the wrangling that has plagued the Olympic bid.

"I hope that all the sneering cynics who poured their venom through letters to the newspapers regarding Cape Town's inability to properly manage the Rugby World Cup opening will now realise that we are faced with a tremendously exciting future," said Mr Keegan.

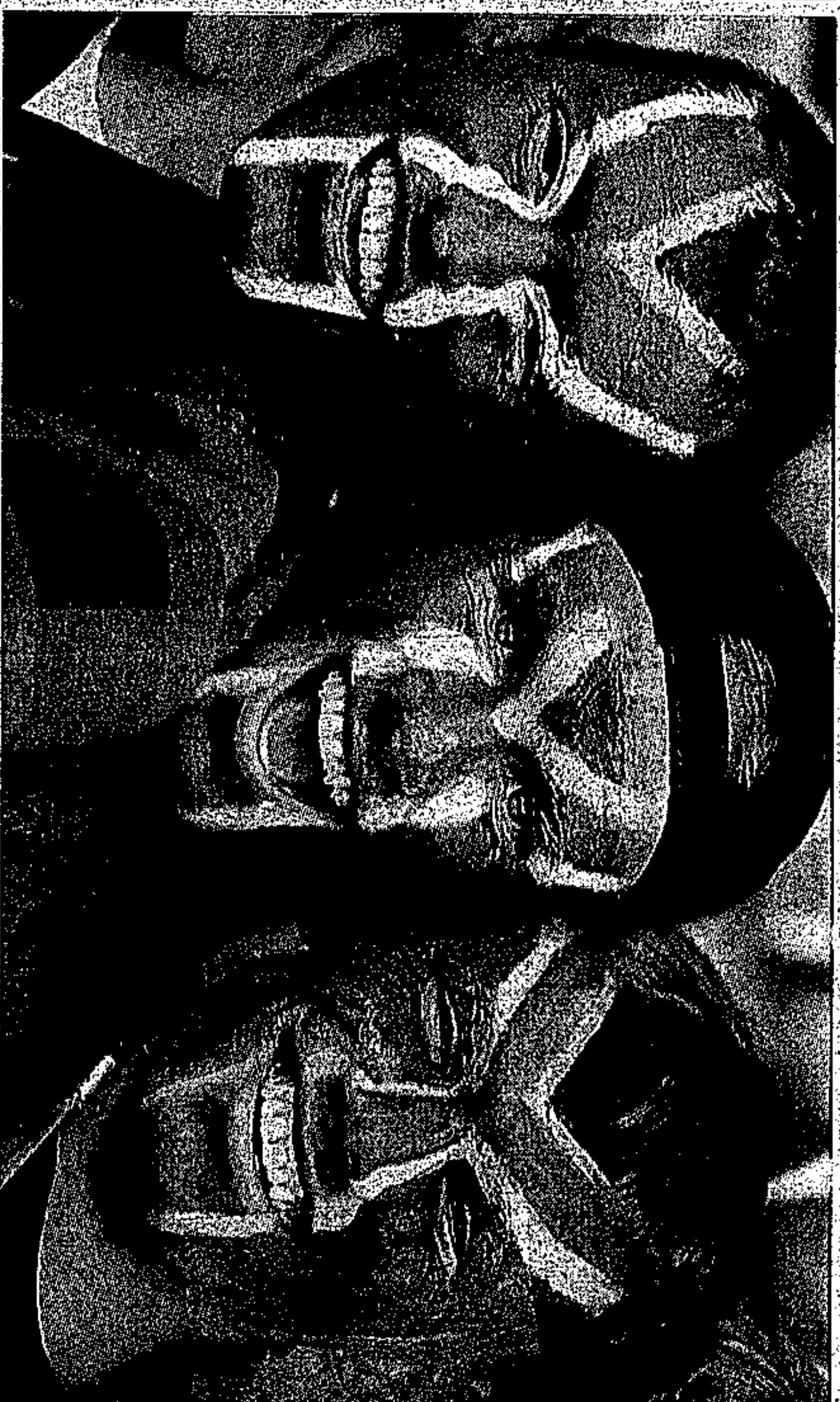
"There is no doubt that the international credibility of Cape Town has been enormously enhanced."

continue





Springbok fans showing off the mascot.



Guess who they were supporting at Newlands?

**INSIDE TODAY: Over the Rainbow ... a pot of green and gold in your eight-**

*continues 882*

*Angus*

*20/5/95*



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James Small, No 14, in the thick of things.

**page World Cup souvenir album.**

# R2m net income for Don

By CHARLOTTE MATHEWS

(288)

INVESTMENT EDITOR

CT(RR) 26/5/95

The Don Group, a hospitality and restaurant company which was substantially restructured since its listing last November via a reverse takeover, reported earnings a share of 11,04c in the twelve months to February.

The group released an interim report today because it changed its

year-end to June. Its earnings a share for the year to June 1996 are forecast at 21,0c.

The group's turnover was R25,5 million.

After interest of R1,7 million, tax of R714 000 and a R354 000 contribution from associated companies, group net income was R2 million. An annual dividend will be declared.



FRIDAY  
MAY 26, 1995 ★

TOURISM SUICIDE

# Massive slash to Captour's grant

(288)

CT 26/5/95

**CAPTOUR** faces threat of closure after a grant cut. **PETER DENNEHY** reports.

**C**APTOUR'S grant from the Cape Town City Council for the coming budget year, from July 1, is to be slashed from this year's R2 million to half a million.

This budget cut was vigorously opposed by Mr Leon Markovitz, who said it amounted to "committing tourism suicide", and walked out of the executive committee meeting in disgust.

Mr Markovitz, a council representative on Captour, also said that such a drastic cut would be the end of Captour.

Other councillors said they did not intend to stop Captour from operating.

They provided another R1,5m

from council reserves in bridging finance to Captour for the next financial year. However, this will have to be paid back by Captour in the next year or two.

Exco yesterday approved a report of its budget committee which contained the "budget cut for Captour" proposal.

Major recommendations of the budget the exco approved yesterday include:

- A property rates increase of 11% from July 1;

- An electricity tariff rise of 11% for domestic users and 7,3% for industry from August 1, which comes to an average nine percent increase, and

- A water tariff increase of 6% on average from August 1.

The recommendations are expected to be ratified when the full council passes the budget on June 8.



## Visas for Africa

FM 26/5/95

**Environmental Affairs & Tourism Minister** Dawie de Villiers is trying to bolster international tourism to Africa by making it a one-visa continent.

He says making international visitors go through customs each time they cross a border is harming tourism. "By promoting and marketing the region collectively, we will enlarge the cake and every country will get a bigger slice."

But he accepts it will take time and be an almost impossible task to get every African country to accept the concept.

De Villiers has started his campaign by trying to persuade members of the Southern African Customs Union and Southern African Development Community to collectively promote the region and accept the necessity of one visa for it.

He is supported by World Tourism Organisation secretary-general Antonio Savignac, who says a similar effort is being made in South America. The success of the

## BUSINESS

Pacific Asia Travel Association proved the concept worked, says Savignac.

Protea Hotels chairman Otto Stehlik says tourists don't want to see the attractions in only one country. "Most want to ride on the Blue Train and visit Kruger National Park, Etosha Game Park, Victoria Falls and Lake Malawi. They balk at the thought of wading through red tape to get to the places."

"Europe, which attracts 60% of the 500m international tourists a year, owes its success to one visa being valid for several countries. Africa attracts 4% and less than 1% of them come to southern Africa."

Satour DG Walter Msimang believes a



De Villiers

regional council should be formed to help create a common visa, collect data and establish common standards. "We should be able to assure visitors that the standards of a five-star hotel in SA are no different from those in a five-star hotel in Botswana."

Savignac says it's cheaper and easier for a European tourist to fly to the US or Canada than to Johannesburg. But, even though the 700 000 overseas tourists which Johannesburg attracts a year seems meagre compared with other countries (Malaysia gets 7,2m), it is the second most important destination in Africa, after Tunis.

A long-haul destination, Johannesburg gains by attracting tourists who can afford the high air fares and are able to spend more on average. Tunis, because it's closer to Europe, attracts many backpackers who spend less. ■



# The missing tourist boom

By CAROL LAZAR  
and KURT SWART

The widely anticipated Rugby World Cup tourist boom has been a non-event so far, stunned hotel and travel industry representatives said this week.

The tourism industry pulled out all the stops for the expected hordes of money-splashing visitors, but hotel accommodation is still available countrywide — even for key matches.

Few flights are fully-booked and, for a price, match tickets can still be obtained.

Satour predicted that 26 000 cash-rich rugby fans would fly in to fill hotels.

"They're not staying in the hotels and they don't seem to be filling aircraft," said Comair commercial director Bert van der Linden.

"There's been so much hype

about the World Cup that I think the normal domestic business and leisure passengers have been frightened off flying during this period.

"Except on key rugby days, the computers show that most flights are fairly open. We have a lot more open seats than we expected. We definitely expected more traffic. I wonder where all the international tourists are?" Van der Linden said.

Hoteliers were also disappointed. "It is a myth that all hotel accommodation is taken," said Protea Hotels Managing Director Arthur Gillis.

"On the day of the South Africa-Australia match, Worcester's Protea Cumberland (about an hour from Newlands rugby ground) had only seven rooms occupied. The rates were R159 per room.

"Throughout the World Cup,

Cape Town hotel occupancy is about 40 percent. During a semi-final or final, it'll be busy, but that's for one night," he said.

Satour spokesman Martin Van Niekerk disagreed, saying the presence of the tourists was not immediately apparent because South Africa had the infrastructure to cope with larger numbers of visitors. "In other words, they have all been beautifully absorbed."

SAA spokeswoman Anelda Duvenhage said SAA expected 55 000 international and 100 000 domestic passengers to fly around the country during the tournament.

"Our flights are full for the key matches, but tickets are available on other flights during this period, and we've put on 31 extra international flights.

TO PAGE 2

FROM PAGE 1.

## ◆ Tourists

There are also 200 extra domestic flights. All our passengers will be accommodated."

Robert Wilson, owner of the Magic Bus airport shuttle service — which runs 195 trips a week between Sandton and the airport — said the Rugby World Cup tourist boom was not happening.

"Believe me, it's not even business as usual," he said. "It's much quieter except on the day of the key matches. Between the matches, it's dead."

Southern Sun hotel group executive Helder Pereira said the organisation's bookings for the cup were healthy, but was concerned that business travel would drop because people thought hotels were full. "During peak periods, we're busy," he said. "Otherwise, it's business as usual."

Saturday Star found accommodation available in Durban on June 17 — when the semi-final will be played there — at all the hotels it checked. They were the Blue Waters, the Elangeni, the Holiday Inn Garden Court, North Beach, the Royal, the Karos Edward and the Four Seasons.

Johannesburg is almost fully booked for cup final day on June 24.

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(288)



# Corporate SA picks up R90m World Cup tab

(288) ST(BT) 28/5/95

RUGBY World Cup organisers estimate that corporate South Africa will spend R90-million on entertaining guests for the month-long tournament.

And a recent survey conducted by Satour has estimated that spending by major sponsors and the sale of tourist packages will amount to R300- and R500-million with a multiplier effect pushing the eventual figure to about R1-billion.

Megapro, a hospitality services company, will cater for 34 000 meals in marquees around the grounds at 16 of the 32 games at a cost of R20-million as well as a further 8 000 meals in sponsors' villages and suites at a price of R2-million.

Income for the organisers, Rugby World Cup Ltd, from TV rights, sponsorships and licence agreements is expected to top R180-million, which, after expenses, including the transport of teams, should yield a profit of about R110-million, says Brian Levine, project co-ordina-

By DON ROBERTSON

tor of the International Management Group, the commercial broker for the event.

TV rights should generate about two-thirds of this income, with games being screened in 130 countries. The SABC will act as host broadcaster and will film all 32 games, 24 of which will be screened live.

Sponsorship by major international groups will add more than R40-million to income with each paying R5,6-million. Corporate sponsors include Toyota, Coca-Cola, Xerox, Visa, SAA and Famous Grouse.

Sponsors are entitled to a number of tickets for each game, advertising hoardings at the nine grounds at which games will be played and in the 32 match programmes.

Eleven SA companies have paid about R400 000 each for smaller sponsorships and will enjoy fewer marketing benefits. These

include Iscor, Avis, Agfa, Vodacom and Telkom, many of whom will make their products available for guests and the media.

Leon Els, public relations manager for official carrier SAA, says that between mid-May and June the airline will fly in 55 000 foreign visitors from countries such as Australia, New Zealand, France, Japan, the UK and South America. An additional 220 internal flights will be scheduled to transport about 75 000 World Cup supporters.

Xerox will host 1 057 overseas guests, including 28 from Dubai, two from Japan, 22 from Mauritius, 24 from Kenya and 575 from Britain. Most will be entertained at boxes at the various grounds as well as in marquees adjacent to the fields, while an additional 1 790 stand tickets have been purchased.

Toyota, which is sharing its sponsorship with dealers in Britain, New Zealand and Australia, will host about 3 600 guests.



## CONSERVATIONISTS ON SITE

# Cape Point building starts

CT 30/5/96 (288)

**DEVELOPERS** of a new restaurant and funicular complex at Cape Point are to hand over 10% of their earnings. **MELANIE GOSLING** reports.

**C**ONSERVATION officials will be on site during construction of the controversial restaurant and funicular complex at Cape Point to ensure there is no environmental damage to the reserve, the developers said at the project launch yesterday.

Concor director Mr Leo Rohrig said: "The public is no pushover. We had over 100 interested parties with very diverse interests who had to be consulted about the development. We spent R1 million before any physical work started, to get the best available team to find the answers. The public participation process showed that patience, tolerance and compromise were essential ingredients."

Cape Metropolitan Council chairman Mr Willie van Schoor, who turned the first sod at the new restaurant site at a function yesterday, said the design of the development represented a balance between protecting the environment and providing a good service to

tourists.

A crucial factor in determining the location of the development was that 90% of 450 000 people who visited the reserve every year, visited the Point.

"It makes sense to provide visitors who come to see what they believe is the southern tip of Africa with restaurant, refreshment and curio shop facilities at the Point itself, without disturbing the rest of the reserve with undesirable development".

Environmental consultant Ms Heather Campbell has been appointed to oversee the construction activity.

### Dump check

"The sort of thing the plan will cover will be spelling out which areas they can dump in, what they can dump and how many trucks will be travelling through the reserve daily so that they don't disrupt tourist activities.

The reserve, which costs R4,5m a year to run, has an expected annual income this year of R2m.

The new development is financed by Concor, who will contribute 10% of its earnings from the development to the Cape Metropolitan Council.



**DIGGING IN:** Mr Willie van Schoor turned the first sod yesterday for the new development. With him is Mr Wynand Dreyer of Concor. **PICTURE: ALAN TAYLOR.**



# Private sector plan to clean (288) up city centre

STAFF REPORTERS

CT 30/5/95

THE latest initiative to keep the streets of Cape Town's central business district (CBD) safe and clean includes a proposal to hire 80 patrolmen and 40 full-time cleaners.

All would come from companies independent of the council but would work closely with the SA Police Services and the council, said Ms San-Marie Gouws of Zoo Promotions, who is organising a CBD initiative meeting on Monday June 5.

The proposers' CBD management strategy said the city centre was "perceived to be an undesirable area ... especially at night".

The same had once been felt about the Waterfront, but that perception had been changed dramatically. Unless something similar were achieved in the central city, "media reports of crime, filth, vagrancy and lack of initiative in the CBD will intensify", the consultants said.

Council spokesman Mr Ted Doman said last night he did not see how a force would manage the "social problem" of the city centre — street children and vagrants and "where to put them".

"They are not going to go away. We are aware it doesn't look very nice but they are human beings who have no homes and nowhere to go and you can't wish them away," he said.

Ms Gouws said negotiations were under way for a scheme in which vagrants would be persuaded to pick up rubbish in return for a blanket from a soup kitchen, a sheltered place to sleep and access to a proper toilet.

● Mr Michael Stekhoven, president of the Cape Town Chamber of Commerce and Industry, said at the weekend he was "absolutely horrified" at the council's plan to slash Capetown's R2 million a year budget to half a million plus a repayable loan. "It is exactly the wrong sort of saving," he said. "Without spending that money, we can't do as much business."



# No strings to Olympic loan

(288) of 31/5/95

MUNICIPAL REPORTER

THE Cape Town City Council has decided to drop the conditions on which it had insisted in agreeing to lend R1,25m to the Olympic Bid Company.

The deputy chairman of the executive committee, Mr Llewellyn van Wyk, said yesterday that sponsors did not want to contribute money before a new chief executive officer of the bid company had been appointed and a bid budget established.

It would cost money to draw up a bid budget as consultants engaged for this task would have to be paid.

"The Olympic Bid Company does not have the money to make this payment," Mr Van Wyk said.

An amendment proposed by Mr Arthur Wienburg, that the company repay the money by August 31, was defeated.



SERVICES SECTOR — ACCOMM. LIQUOR &  
CATERING — GENERAL

1995

JUNE — AUGUST



# Captour budget reduction 'threat to city's tourism' (288)

## STAFF REPORTER

THE city's R2-billion tourism industry was being threatened by the City Council's decision to slash Captour's budget to a "meagre" R500 000, the organisation said last night.

Captour chief executive officer Mr Gordon Oliver said three major events — which would generate nearly R420 million and draw more than 40 000 visitors — planned for the city could now be in jeopardy.

Captour has appealed to exco to urgently re-assess their decision to slash their annual budget from R2m to R500 000.

In a statement yesterday Captour said the R500 000 was "far

below" the contribution of other municipalities both in South Africa and abroad.

It was a 10th of the 1995/96 budget put forward by them for putting the city on the map as a world class tourist destination and Olympic city.

## Golden Oldies

Mr Oliver said Captour had yesterday secured the Golden Oldies World Rugby Festival for the city in 1998, which would generate more than R67m.

Captour had pledged R150 000 towards the event — which would leave them a "paltry" R350 000 operating budget.

They had also pledged consid-

erable financial and marketing support in the bid for the International Jazz Festival in February 1996, set to attract about 35 000 visitors and generate R350m for the city.

This would further decrease their budget to R250 000.

Mr Oliver said Captour expected "an outcry" if private sector subscriptions had to be raised to "rescue the organisation".

He said a dynamic marketing plan launched by Captour in August last year was developed in the confidence that the council and private sector would agree that "that tourism could surpass gold and become the number one job-creator and revenue generator in the country".

CT 1/6/95



# Rugby to cost business R230m

By FRANÇOISE BOTHA

STAFF WRITER

The Rugby World Cup, the largest-ever sporting event to be held in South Africa, will cost South African business about R230 million in lost man-hours, says leading economist Wolfgang Thomas of Wesgro.

On the positive side, the South African Tourist Board (Satour) has estimated the boost to the economy, through not only local and foreign sponsorship but increased tourism, would be about R1 billion.

Karen Liebenberg, senior economist of the National Productivity Institute, said based on estimates of losing 7,5 million man-hours, the loss in total output would be about R1,35 billion. "However, as a percentage of total annual production, it is very small, at around 0,35 percent," she said.

Senior research executive for the SABC, Jannie de Beer, said taking into account that many people would watch more than one game, the total South African "duplicate

viewership" for the 32 matches would be anywhere between 30 million and 45 million.

He said the number of people watching a single television set on a daily basis was also expected to increase substantially over the next month and in some instances could exceed 1 000 people.

Wesgro's Thomas added that, based on the viewership figures supplied by the SABC, only about 10 percent of the total labour force would be watching if the unemployed and the economically inactive were taken into consideration.

"Ticket sales for the matches indicate that one million South Africans will be watching the matches live," said Craig Jamieson, World Cup tournament manager.

Only six of the 32 matches are scheduled to be played in normal working hours. The semi-finals and final match are to be played over weekends or after business hours.

De Beer said that estimated viewership figures could increase dramatically if the South African

team secured a place in the final.

"So fortunately for business, the match is being played on a Saturday afternoon," he said.

Johan Louw, chief economist at Sanlam said, "what worries me is that the people who are going to the matches often don't put in for leave and firms still have to pay them, which is costing a lot of money."

The effect of over 2 billion viewers worldwide and the visiting foreign media is likely to counter short-term economic losses.

Ernie Heath, deputy executive director of Satour, said the long-term effects would far outweigh the short-term costs.

"Although some people would argue that we are losing a lot of man-hours, the World Cup should be seen as an investment that is enhancing the common vision and pride of the nation.

"It should also be seen as a positive motivating factor, an added value initiative to future productivity," he said.

CT(BR) 1/6/95 (288)



## ROAD NETWORK PLAN SLAMMED

# Province votes R70m for city transport

(288)

(261)

ET 1/6/95

**AS FUNDS** were approved yesterday to upgrade the city's transport system for 2004, a report said existing plans were inadequate. **CHRIS BATEMAN** reports.

**T**HE Western Cape cabinet yesterday approved R70 million of the R470m allocated by Pretoria to "kick-start" integrated transport planning in the Cape Metropole for the 2004 Olympics.

Within hours an advisory committee appointed by provincial Transport and Public Works Minister Mr Leonard Ramatlakane slammed sections of an existing provisional road network plan for high-occupancy vehicles.

In an interim report released yesterday, committee chairman Mr Niel Rossouw said the structural plan for high-occupancy vehicles "neither adequately prioritises the needs of the poorer and historically disadvantaged ... nor adequately responds to the need for spatial restructuring".

He said it was "inconsistent with the RDP and the draft Metropolitan Spatial Development Framework".

Mr Rossouw's committee was appointed to ensure holistic planning between the RDP, the Metropolitan Transport Plan and the Metropolitan Spatial Development Framework and to secure long term social, economic and environmental needs in Olympic transport planning.

## Balanced

After taking public submissions from a wide variety of interest groups for 11 days, the committee's main interim recommendations are:

- The current transport steering committee should be dissolved to allow for one with a more balanced membership, representing all key role players, which would be committed to redressing historical imbalances and reducing the fragmentation of the metropole.

- This committee should

devise a planning framework, an agreed standard for evaluating projects and a procedure for appointing consultants, with an emphasis on affirmative action.

- A comprehensive transport plan for the metropole should reflect a "distinct and deliberate" paradigm shift from past planning.

- The plan should be based on RDP principles, especially in creating an efficient and affordable public transport system.

- Suitably qualified land use planners should be appointed to a broadly representative Metropolitan Transport Advisory Board.

- Mr Ramatlakane should ask the City Council for a short-list of consultants for appointment to a consultative advisory group of road and rail transport and land use planning experts.

Mr Rossouw said the plans should be in place within 12 months — in time for the visit by the International Olympic Bid Committee in September 1996.

His final report will be available by the end of this month.



# Tourism figures up by a third

(288)

Star #1/6/95

■ BY SHIRLEY WOODGATE

Rugby World Cup has boosted tourism figures by at least a third during the traditionally off-peak months of May and June, according to Gullinjet Sports Travel spokesman David Hall.

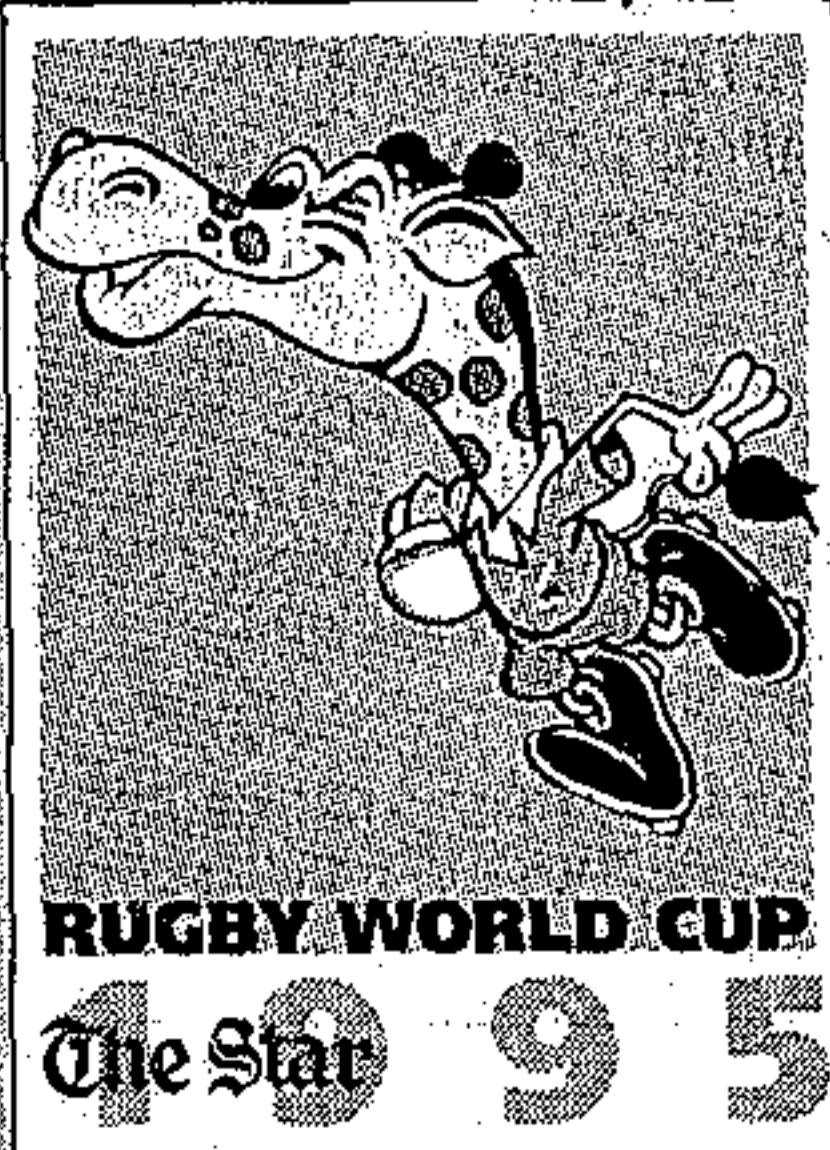
He said foreign visitors' support for the 1995 event staged in South Africa was a third up on bookings for the 1991 RWC tournament held in France and the UK.

Reacting to gloom in the travel industry, which has labelled RWC a "non-event", Hall said the 17 000 rugby-related visitors who had flown in on packaged tours were a direct bonus which had boosted tourist numbers to 55 000 over the RWC period.

"We had hoped to sell 20 000 packaged tours and finally sold 3 000 fewer.

"Media, sponsors, players and officials comprise 4 000 visitors, 5 000 fans came from the UK, 2 000 each from New Zealand and Australia, 1 000 from France and the rest from elsewhere in the world.

"Satour indicated a total of 26 000 of the 55 000 tourists were rugby-related which includes 9 000 fans over and



above the 17 000 booked into official flights and hotels.

"Many of those who have combined rugby with private visits are expatriates staying with friends and family.

"Some of the supporters, including the Argentinians and Welsh, will only be here for the first three weeks and many fans will only be here for the latter half of the tournament.

"At least a third of the 62 000 crowd at the finals at Ellis Park are expected to comprise visitors, many of whom have bought tickets locally," he said.

SAA spokesman Leon Els

confirmed fans were arriving in batches related to the teams they support, with the next big influx expected from June 8 to 14 for the quarter-finals of the tournament, which has been billed as the fourth biggest sporting event in the world.

Commenting on vacant seats at the opening match and most pool games, RWC tournament manager Craig Jamieson said 42 000 tickets had been donated to development and no more free seats were available; neither would the price of unsold tickets be cut to boost sales.

The 1.3 million tickets for the entire tournament were divided equally between Sarfu to sell locally and RWC Ltd to sell overseas.

In April 450 000 of RWC Ltd's 675 000 were returned unsold and Sarfu started selling three weeks before kick-off, first to season ticket holders at each of the venues, then the general public.

Sales were going steadily and about 300 000 of the RWC allocation handed over to Sarfu remained unsold last week, said Sarfu tournament organiser Rian Oberholzer.



# Captour budget slashed by council

Municipal Reporter

CAPTLOUR, the body that promotes tourism to Cape Town, faces a slashing 75 percent budget cut.

The city council's executive committee has approved in principle a budget cut for the tourism body from R2 million to R500 000.

The move has been slated by Arthur Gillis, group managing director of Protea Hotels, who

ARG 2/6/95  
said tourism was a "number one asset" which earned money for the city.

He understood the need to upgrade certain areas, but "to make a lot of money, you must spend a little to get people to come to the Western Cape."

Captour chief Gordon Oliver said the cut had come without a warning which would have allowed Captour to prepare it self.

(288)  
The organisation had played an important role in securing the Golden Oldies World Rugby Festival for the city in 1998, an international jazz festival in February next year, and was working towards securing the International Rotary Convention in the year 2000.

The executive committee decision has prompted fears for Captour staff's jobs.



# 'Archaic' regulations hamper tourism

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

are based in, and operate from, the black township areas of Cape Town."

"Archaic" regulations originally designed to protect state-owned enterprises from competition are putting unnecessary obstacles in the way of new tour operators, says Gordon Oliver, chief executive of Western Cape tourism organisation Captour.

Oliver has written to Minister of Transport Mac Maharaj asking for the regulations to be changed after learning that it takes three months for a public road carrier's permit to be processed, and that objections are invited.

His letter says the tourism industry "is growing dynamically".

"Many new one-person tour operators are emerging in the market and many of these businesses

worthy principles and goals.

"Years ago this practice was made law to enable road transport operators to be protected from competition.

"Surely this is now not only archaic but counter-productive in a growing economy and in the light of the government's aims to create and encourage employment opportunities."

Oliver said the Department of Transport was prepared to issue temporary permits during the waiting period, on payment of R25.

But the application form had to be obtained from the department's offices in Pretoria and not from Cape Town's local transportation board offices.

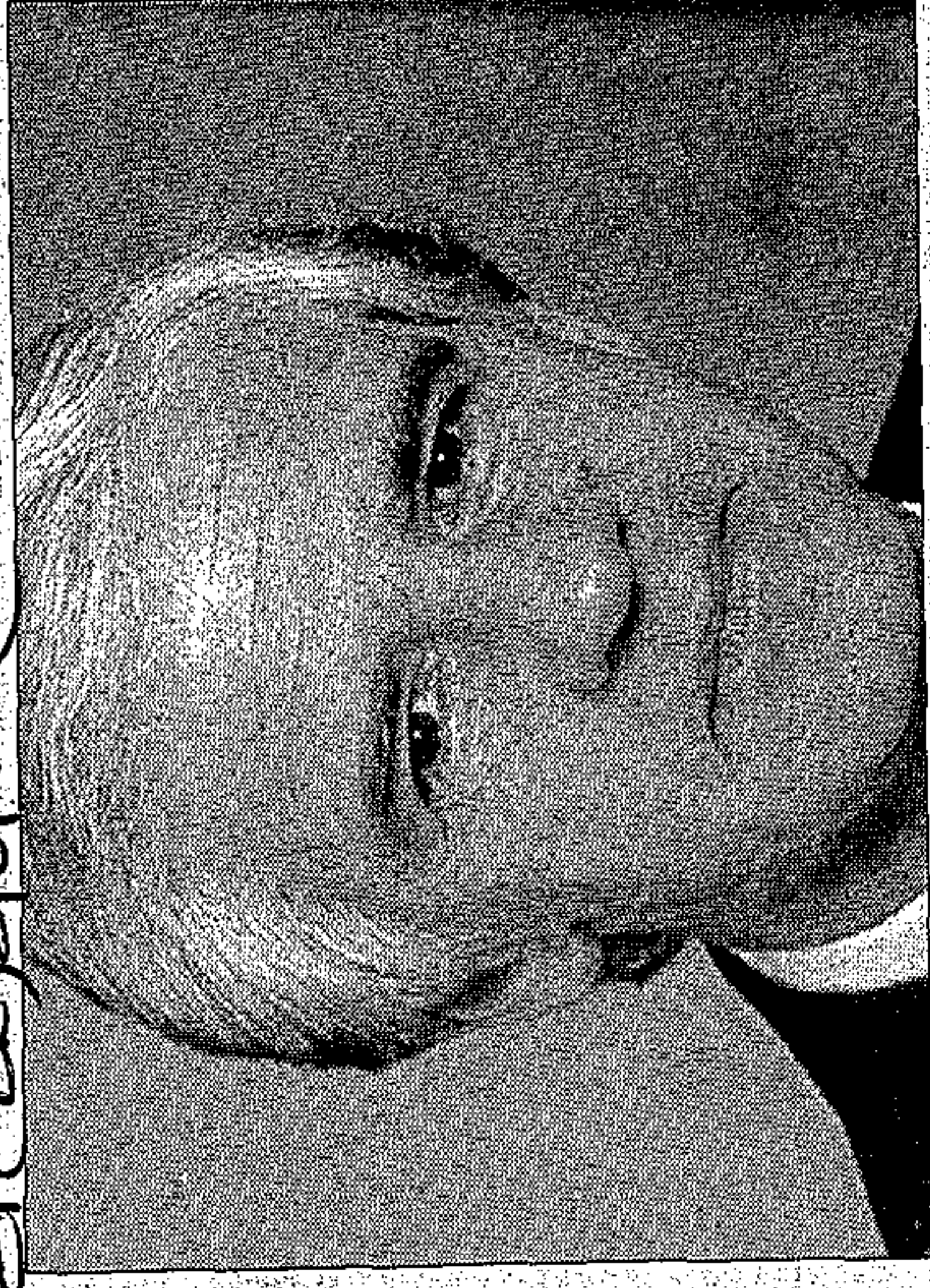
Commented Oliver yesterday: "The whole process should be made more user-friendly."

The letter continues that, apart from the length of time involved in processing applications, Oliver cannot understand why they have to be advertised in the Government Gazette so that other existing operators can object.

If there are objections, a public hearing must be held.

"Our country and the government have a public commitment to the principle of free enterprise. It is common knowledge that the government, through its RDP goals, is striving to encourage private citizens to go into business for themselves.

"Your department's practice of inviting objections to applications is surely contrary to these very



**GET MOVING** The chief executive of Captour, Gordon Oliver, has written a letter of protest to the minister of transport, Mac Maharaj.



# Hotel plans for the Cape

(288)

MAGGIE ROWLEY

PROPERTY EDITOR

CT(BR) 2/6/95

Stocks & Stocks is stockpiling land for hotel development in the Western Cape for its newly formed hotel group, Stocks Hotels & Resorts, in which Transnet's pension fund has a 26 percent interest.

The managing director of Stocks Properties, Dave De Freitas, confirmed the company had an option on the 85ha race course at Milnerton, which the Western Province Racing Club is selling. The option expires at the end of September.

De Freitas said they had spent 18 months looking for the ideal site for a leisure development aimed at the international market.

"We believe this is it and it is highly probable we will exercise our option," he said.

He said the tourism potential of the Western Cape was enormous, exceeding that of "the mining industry on the Reef".



# Make better use of World Cup 'to boost your image'

(288) AR 3/6/95

**COLIN DOUGLAS**  
Business Staff

SOUTH Africa is not doing enough to derive tourism mileage from the Rugby World Cup, and will fail to achieve its true tourism potential without a tightly focused marketing campaign.

This was the view of international marketing expert Bob Leaf, chairman of public relations giant Burton-Marsteller, who was in South Africa recently to address a World Tourism Organisation summit.

Mr Leaf said South Africa was one of the world's best holiday destinations, but a concerted campaign was needed to change negative perceptions of the country that persisted among much of the international audience.

"You've got the product, what you need is the marketing," he said.

Because most travellers were vague in their understanding of politics and international borders, past images of violence and unrest in South Africa and nearby countries were not easily erased from potential tourists' consciousness by news of the new South Africa's progress.

"People are motivated by the sum of all their information, and when they hear about Africa in the media there is a good chance that the information will be negative.

"You must realise that many tourists, especially in the United States, are not good at geography, so they lump all of Africa together.

"For example, the Irish Tourist Board found out that whenever there were major incidents in Northern Ireland, which is part of Great Britain and not Ireland, American tourism declined in Ireland because many people could not differentiate between the two.

"In Africa you can't depend on the media automatically stressing the positive — unfortunately you must work harder than other areas to present a positive image to the world."

South Africa therefore needed to make maximum use of key events like the World Cup and Cape Town's Olympic bid to generate positive images in the minds of the market.

"The World Cup is not being

used as a marketing tool as much as it should be," Mr Leaf said. "The evidence that South Africa is a safe place for the Cup to be held and for supporters to visit should have been used far more.

"Even if you don't win the Olympic bid, there's a big advantage to getting the bid right."

Because the international tourist market was highly competitive, South African tourism authorities would have to adopt a strategy that should include:

- Selection of, and concentration on, a set of key markets, as it would be impossible to cover all markets effectively.

"The term 'key' does not always mean the markets that are presently delivering the most tourists — they could be the markets where you see great potential for growth over the long term," Mr Leaf said.

- A review of the main positives and negatives for tourists visiting South Africa, which would differ according to age, education and spending power.

"In many tourist programmes there is not enough concentration on specific groups. In the US, for example, people are retiring earlier and living longer — this is a group that will want to travel to new places."

- Being prepared for crises, so that the negative impact of bad news on the tourism industry could be minimised.

"Trains will crash. Tourists will be robbed and murdered. And epidemics will break out.

"Every tourist board should have a detailed crisis preparedness programme that establishes clearly, in the event of a crisis, who is to be notified, where a crisis control centre would be set up, who would work there and what their responsibilities would be.

"Often out of a crisis," Mr Leaf added, "a number of positive stories can be developed about the country and tourism, because when there is a crisis in a country, that country is news and the media are interested in more stories about that country, including favourable ones.

"But when handled badly, the crisis can look far worse than it actually was."



# Cup brings city mixed (288) fortunes

ET 2/6/95

STAFF REPORTER

THE Rugby World Cup tournament has met with mixed reaction in the city, with some businesses saying it has been a "resounding success" and others claiming it has been a "bitter disappointment".

Yesterday the executive director of the Cape Sun, Mr Harry Murray, said the hotel was booked out for the opening match but was now experiencing a "dip" in trade.

A spokesman for The Capetonian said the hotel was "about 75% full" over match weekends.

Mr Dirk Odendaal of Just Accommodation, which oversees local bed and breakfast establishments and guesthouses, said bookings had been "very poor".

Restaurant and pub owners said they had expected to be busy over match weekends, but had not anticipated the sharp drop-off in trade in the off-peak period.

Flea market stall-holders selling Rugby World Cup paraphernalia said they were battling to flog T-shirts and caps — but anything with an SA flag was "selling like hotcakes".

Generally, there was a big run on beer.



# Sol bops to same tune in Indian theme park

285 (288) ST 4/6/95

By SIMON BARBER  
Washington

**SOL KERZNER**, the Kubla Khan of the casino world, is moving to repeat his success in Bophuthatswana by building his first gaming palace in the US on a homeland he is helping purchase for the last of the Mohicans.

By the 4th of July next year, he hopes to have erected a \$250-million (about R960-million) casino-cum-Indian theme park on the banks of Connecticut's Thames River within 90 minutes' drive of New York, Boston and 30 million potential punters.

The 96ha site, lest you think the venue insufficiently remarkable, is occupied by United Nuclear Corporation, who until recently made power plants for nuclear submarines.

Stranger yet, Mr Kerzner and his partners will neither own nor control the resort, nor take more than 40 cents out of every net dollar generated. They will merely manage the place under a seven-year contract with the Mohicans, who must, by federal law, receive at least 60 percent of the take.

But do not think that the creator of the Lost City and Atlantis in the Bahamas has taken leave of his senses. Sun International's up-front investment of \$125-million (about R480-million) will likely be recouped within a few months of the place opening.

Mr Kerzner's new Lucas Mangope is the chief-for-life of the Mohegan tribe, Ralph Sturges, a 76-year-old marble sculptor, also known as *g.tine.mong* (pronounced Yetlernoan), Algonkian for "he who helped three".

Mr Sturges's assistance derives principally from the fact that he and his 1 000 fellow Mohegans were last year ruled to be an authentic Indian tribe by the federal government, thus eligible to benefit from what is without question the most extraordinary affirmative action programme in the US.

The 1988 Indian Gaming Regulatory Act requires state authorities to negotiate compacts with officially recognised tribes permitting them to run gaming operations on their reservations.

The law says that if a state permits any kind of casino-type gaming anywhere within its borders, Indians in the state must be allowed to operate the whole gamut of casino games on reservations.

The result in many cases, including Connecticut's, is that states have

decided simply to let Indians have casino franchises. At least 100 out of 554 recognised tribes have gone into the business.

The first Connecticut Indians to take advantage were the Mashantucket Pequots. Their casino, Foxwoods, opened in 1992, 20km from where Mr Kerzner plans to start building in August. It is believed to be the most profitable casino in the world, taking in \$1-billion (R3.84-billion) last year.

The Mohegans were originally Pequots and might have been in on that action had not a dissident Pequot chief named Uncas seceded in the 17th century. As Mr Sturges tells it, Uncas was a bit of a *hensopper* and "did not want to raise Cain with the colonists".

Instead, Uncas and his Mohegans, as they called themselves, assimilated. By this century the Mohe-

gans had disappeared into the US gene pool.

A few hundred clung on near the banks of the Thames and spasmodically pushed claims for land and recognition as a real tribe. In 1989, the Interior Department's Bureau of Indian Affairs proposed to dismiss their claim once and for all, arguing that "they do not appear to be socially distinct".

Enter, in 1992, Len Walman, a South African émigré, who had set up a Connecticut-based hotel and construction business since leaving Johannesburg in 1976. He saw what the Pequots were doing, and formed a partnership, Trading Cove Associates, to do the same with the Mohegans.

Mr Walman and partners hired lawyers, genealogists and anthropologists to get the Interior Department to change its mind. They also recruited

Mr Kerzner and his son Butch.

By the end of last year, their efforts led to the official recognition of the Mohegans and the signing of a compact.

The next step, to be completed shortly, is for the partnership to close the purchase — already negotiated — of the 283ha that are to be Mohegan's homeland and transfer the land to the federal government which will hold it in trust for the Indians.

Of these hectares, 96 presently owned by United Nuclear will be used for the resort, while most of the remainder will be parkland.

Mr Kerzner and his partners will be paying \$27-million (about 104-million) for land that will be transferred to the federal government. Included in the price, says Mr Walman, will be the cost to United Nuclear of ensuring the

ground on which the casino is to be built will not cause Geiger counters to tick.

It is, for the Mohegans, an extraordinary deal. As Mr Sturges admits, they have to "ante up" nothing and yet will own whatever Mr Kerzner et al put up on their land. And after seven years the Mohegans are entitled to throw Mr Kerzner et al off the reservation, leaving behind every asset.

There is so much money to be made from gambling that such overheads and risks are piffling. There are millions of fools close by who will come to be parted with their cash.

Mr Kerzner meanwhile blanches at the suggestion that he is doing another Bop. This venture has been really hard work, he counters. "You're dealing with the federal government, state and Indian authorities — it's a far more complex procedure."

## Public reaches out to help castrated boy

By VICTOR KHUPISO

**DONATIONS** and offers of support have poured in for a four-year-old boy who was castrated and left for dead by multi-killers.

His grateful mother is delighted at the sympathy shown by Sunday Times readers for "Lucky's" plight.

"Nothing hurts like watching your son struggling without any help. The response we have received makes us very proud. God has answered all my prayers. It's nice to know that there

are people who are prepared to do something for the needy.

"It's like being resurrected. This will help us forget what my son has gone through.

"We are grateful to the Sunday Times for publishing the story of our plight."

The Sunday Times was flooded with calls from readers — as far afield as Cape Town and Messina — wishing to donate money. Some were even prepared to adopt him.

Lucky made headlines in 1992

when he was found alive after his genitals were cut off during a mutilation.

Doctors at Baragwanath hospital decided the best thing to do to save his life was to turn him into a girl. But Lucky refuses to wear dresses, play with dolls or mix with girls.

Surgeons say they will be able to do reconstructive surgery after he turns 18. Until then, Lucky will retain the female organs, but will not be put on medication to develop breasts.

W. ernn class fatherly story the li rights Mr served said he ward l to mal people's His o was con nesburg expert piles in When put himsa ply was si roached, would be l stage in n Like Mis nal Trans Bernard N his backgr a long wa confidence. A vetera tivist, and (Siraj Desai, person rec the Cape be Mr Desai ANC chair stock, Cap practice, b spanned ci human rig Other t viewed w and form activist well, at Duke SC Louw S( Barend

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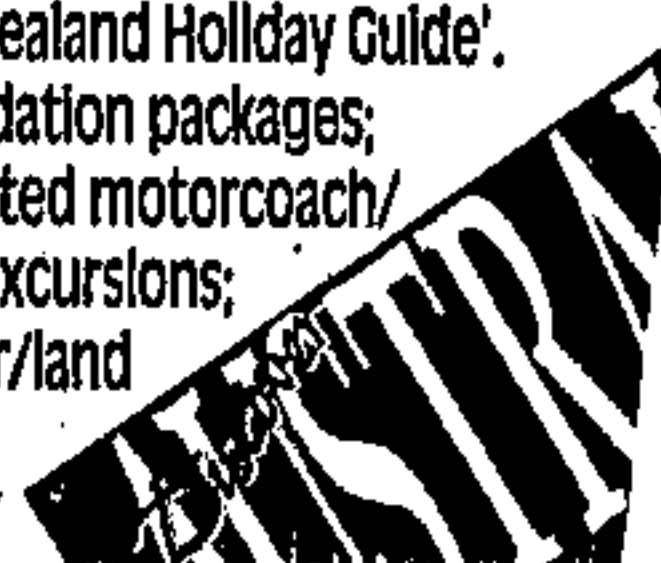
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288 (288) ST 4/6/95

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The parking area is expected to be completed in time for the Christmas holidays after start. The new complex will be linked to the wharf.

# 'Business will have to clean city centre itself'

Staff Reporter

THE Cape Town City Council is leaderless and visionless and if businesses want to clean up the city centre, they will have to rely largely on their own resources.

This was the stark assessment by Captour chief and former mayor Gordon Oliver who was speaking last night at a meeting of central business district retailers and property owners.

"It's a tragic situation," Mr Oliver said.

"The Cape Town City Council is yet another victim of the whole change process.

"What's happening is that the paid officials are running the council and the politicians aren't leading.

"We can get no progress out of this, or any, municipality now."

The meeting, convened by Radio KFM presenter and Zoo Promotions head Allan Barnard was called to forge co-operation between business people in the fight against crime and dirt, which were said to have driven tourists and shoppers out of the CBD.

An 11-strong steering committee was elected — including Mr Oliver — to plan privately funded security, cleansing and promotions in the CBD.

Earlier, Mr Barnard presented a proposal that would see daily patrols of the area by 80 security staff, the deployment of 40 full-time cleaners and the co-ordination of late night and

Sunday shopping and regular city centre promotions.

The city council came in for strong criticism at the meeting, attended by 50 people, and was said to have neglected the area.

"Maybe we should organise a boycott of rates, pay the money into our own fund, kick out the council cleaners and do it ourselves," said a speaker.

There was a feeling that the council had let the CBD down and it was important that the municipality do more to promote the city in conjunction with business, said Piet Pienaar, manager of Woolworths' Adderley Street store.

No council representative attended last night's meeting in spite of invitations being sent.

ARLT 6/6/95

(288)



## Green talks on bid

Environment Reporter

(288)

THE Cape Town Olympic Bid Committee will discuss bid-related "green" issues with environmentalists and other concerned people at a public meeting next week.

This follows a "slightly heated" discussion last week when a memorandum outlining concerns about the bid was handed to bid committee deputy chairman Clive Keegan and several of his colleagues, by representatives of the Olympic meeting working group.

The group was formed at a meeting last month when about 80 people representing environmental and civic groups met to discuss concerns that "green" issues were being sidelined in the bid.

They decided to call for the bid to be put on hold until a full summit meeting of all interested parties and a vote by Cape Town residents on whether they wanted to host the 2004 Games.

Mary-Jane Morris, spokeswoman for the working group, said they had talked for about 30 minutes and the discussion had been "slightly heated" at times.

The bid committee had acknowledged that many people who had supported the bid no longer did so, and that it was "very behind" in its public participation and environmental programmes.

The committee had indicated that it would send representatives to the group's next public meeting next week, Ms Morris said.

● The meeting is at 6 pm next Tuesday, June 13, in the ground floor lecture theatre of the podium block in the Civic Centre.



## First SA Hyatt looking for staff

BO 8/6/95  
Business Day Reporter  
(288)

THE new Rosebank Park Hyatt hotel, scheduled to be opened in October, has launched a recruitment drive to find local staff.

The hotel will be the first Hyatt in SA. GM Robert Dawson said Hyatt preferred to invest in the local workforce rather than employ expatriate employees.

"Senior management is in place. We are looking to fill middle management and rank and file positions."

New employees will be trained, with the possibility of further training abroad.



# Captour offered a lifeline of R1.5 m

(288) ARG 8/6/95  
Municipal Reporter

CAPTLOUR is being offered a R1.5 million lifeline in the form of a loan from the Cape Town City Council to make up for a 75 per cent cut in its budget.

This was decided at the City Council's pre-budget executive committee meeting today after a lengthy debate about where the money for the tourism body should come from.

After the decision by exco, chairman of Captour's board Ted Parlabeau said: "It is not terribly satisfactory because we still have the Sword of Damocles hanging over our heads."

Clive Keegan voted against the resolution because he felt that Captour should be given the full R2 million by the city council.

He said he found it extraordinary that a city which believed tourism was the "life blood of Western Cape economy" should make it impossible for Captour to operate.

City Treasurer Eddie Landsberg explained that the rationale for cutting Captour's budget was a feeling that the city council should not carry the burden alone.

He suggested that negotiations with bodies like the Cape Metropolitan Council and even provincial governments should get underway so that money could come in from all the stake holders.



# 500 ratepayers vote 'no' to Olympic Games

Staff Reporter

(288)

ARG 8/6/95

ABOUT 500 ratepayers have questioned whether Cape Town and its residents can afford to host the 2004 Olympic Games.

They were attending a meeting at the Claremont Civic Centre called by the Concerned Citizens Committee in response to concern about the way in which the Cape Town City Council has conducted the Olympic Bid.

On the call for a show of hands everyone, except four,

voted against the Olympics being held in Cape Town.

The committee said they were concerned that the city council had:

- Failed to consult ratepayers before signing a contract with the National Olympic Committee of South Africa (Nocsa).

- Failed to provide ratepayers with estimates of the Olympics costs.

- Failed to explain why the Olympics costs were the obli-

gation of the Cape Town ratepayers when other municipalities would also benefit.

- Failed to explain what effect the Olympics would have on annual rates increases.

- Failed to reconcile serious differences with various private sector representatives.

Speakers at the meeting included Clive Keegan, metropolitan councillor David Erleigh and Metropolitan and city councillor Arthur Wienburg.

Mr Keegan's 20-minute

speech was punctuated by heckling from ratepayers who maintained Cape Town could not afford the Olympics.

Unfazed by the interruptions Mr Keegan reiterated: "While the bid committee acknowledges that the Olympics is essentially about sport, the Cape Town bid is unambiguously based on a single word, development."

Mr Erleigh said the bid should not proceed before proper consultation and a mandate from ratepayers.



# Chris Ball to head Games bid

*Top banker chosen from list of 45 candidates*  
(288) AR 49/6/95

**CLIVE SAWYER**  
Political Correspondent

TOP businessman Chris Ball has been appointed chief executive of the Cape Town 2004 Olympic Bid Committee.

This was announced today by the Minister of Sport, Steve Tshwete.

He said Mr Ball had the leadership, and the managerial and financial experience to ensure Cape Town's bid triumphed.

Mr Ball, an international banker and former chief executive of Barclays Bank in South Africa, will continue in his post as chairman of the South African Housing Trust.

Chosen from a list of 45 candidates, Mr Ball succeeds Raymond Ackerman, who resigned as chief of the bid committee last month.

Mr Ball said there were high emotions about the bid, and these had to be converted into positive energy.

He has already begun consultations with top business figures.

"It will take time to get the bid in proper shape. I ask for your patience," he told a press briefing.

"If we play the game as a team, we will win," Mr Ball said.

President Nelson Mandela said: "I know Chris Ball personally and I am



**Chris Ball with Steve Tshwete today**

delighted at his appointment.

"I am sure he will do Cape Town and South Africa proud."

Mr Ball said the bid would be based on a comprehensive analysis of all relevant issues, including financial and environmental considerations.

Mr Ball said he would draw on his experience in political processes in dealing with issues.

In the 1980s he was one of the first top South African business people to initiate dialogue with the ANC.

Mr Ball's appointment was welcomed by National Olympic Committee president Sam Ramsamy and National Sports Council president Mluleki George.

Mr Ball is no stranger to controversy.

As head of Barclays Bank in 1986 he incurred the wrath of former State President P W Botha over controversial advertisements placed by the UDF calling for the unbanning of the ANC.

At the time the government was waging a war against the "total onslaught" from anti-apartheid groups.

Mr Ball denied an accusation made by Mr Botha that he had paid for the advertisements.

A commission of inquiry was appointed and they found Mr Ball had known the true purpose of a R100 000 overdraft he granted to businessman Yusuf Surtee who used the money to pay for the UDF advertisements.

After this Mr Ball became managing director of First National Bank, the new bank created from Barclays, until January 1989 when he resigned with immediate effect and emigrated to London.

Since December last year he has headed the South African Housing Trust.



# Tourism is a mug's game in CBD, city council body told

ARC 12/6/95  
**JOSEPH ARANES**  
Municipal Staff

MUGGINGS in Cape Town's central business district are so bad that tour guides warn tourists not to walk around the city on their own, and especially not after dark.

So said Ralph Rosen of the Western Cape Community Police Liaison Forum, who added that police figures for the number of muggings in the CBD were wrong — the true number was more like twice the official statistics.

Police figures show that between 46 and 50 muggings and robberies are reported in the

(288) (285)  
CBD every month.

Mr Rosen said most tourists who were robbed did not bother to report the crime to the police. In a state of shock, they just wanted to return to the safety of their hotels.

"Guides at the hotels tell the people not to wander in the streets on their own because the city centre is generally unsafe. This is killing tourism and business in the centre.

"We need to work together as a city and support initiatives designed to make the city a safe place, like the new business initiative ... of a company

headed by Allan Barnard," Mr Rosen told the Cape Town City Council's emergency and protective services committee.

Mr Barnard's plan, which calls for the establishment of a private metro police force and 40 cleaners to keep the city in tiptop shape, could see businesses band together to combat the CBD's image as dirty and dangerous, and transform it into a safe, vibrant shopping and entertainment hub.

The committee decided to convene a special meeting next month to work out strategies to combat the rising crime rate.



# New laws needed to counter fakes trade

Kevin O'Grady

PD 12/6/95

SA IS increasingly being targeted by overseas manufacturers of counterfeit goods since trade channels with the outside world have opened up, leading to calls for the speedy implementation of new legislation to combat the offence.

In recent weeks a police raid has seized a shipment of 600 000 bogus Bic pens, last week a raid on a Florida clothing outlet found 122 fake Caterpillar shoes and a number of fake Rolex watches and earlier this year 116 000 counterfeit TDK cassettes were confiscated from their importer.

Reinard Michau of law firm Spoor & Fisher, acting for Caterpillar, said yesterday that, "in view of the large hauls made recently, it would appear as if South Africans are being targeted more and more" by counterfeiters, particularly in the East and India.

Michau said he had appointed an investigator to track down the sellers of the fake shoes after official distributor Medicus Shoes noticed an increase in the sales of counterfeit Caterpillar shoes.

An official complaint had been laid with police after the haul of fake shoes in Florida and

instructions to lay an official complaint in respect of the fake watches were awaited from Rolex, said Michau.

So serious has the problem become that importers and distributors Frank & Hirsch have set up a division dedicated to tracking down counterfeit sources.

The head of the company's new intellectual property division, Roedie van Bosch, said yesterday that when the sale of counterfeit goods was reported to police they seized batches but did not investigate the source of the merchandise.

Van Bosch's division had established that most fake cassettes were imported from China by "three or four" Chinese people living in Gauteng who then travelled to small towns where they sold the goods to unsuspecting shopkeepers.

"People are making more of an effort to try and prevent this but one of the problems is that the Merchandise Marks Act is outdated. Fines are still set in pounds and the Act hasn't been amended since 1941," said Michau.

A new piece of legislation, the Counterfeit Goods Act, was still in draft form and needed to be speedily implemented.

## SA back in favour as tourist destination

Amende Vorreijlen (288)

PD 12/6/95

SA's tourism industry received a much-needed shot in the arm in March, with the total number of bed nights sold to foreign tourists increasing almost 60% compared with March last year.

According to the latest information from the Central Statistical Service (CSS), the total number of bed nights sold was 211 906 — 59.4% more than in March last year.

The most popular province was the Western Cape, which dominated almost 40% of the market in this period compared with about 34% last year.

The increases substantiate reports from the hotel industry of a strong rise in foreign tourism to SA. The CSS said the largest increase according to continent occurred in tourists from Asia, whose numbers grew to 14.9% in March (8.7%).

Africa's market share declined 4.4 percentage points to 10% of the market.

The CSS said the latest figures included the number of bed nights sold in hotels in the former TBVC states. Last year's figures did not include the TBVC bed nights.

"The number of bed nights sold to foreign tourists in these states in March amounts to 9.6% of the total," the CSS said.



# Most of Captour's funds sell the Cape

(288) ARG 13/6/95

Staff Reporter

CAPTOUR spends 62 percent of its total budget of R2,9 million on providing services such as information, marketing and promotions, chief executive Gordon Oliver has said.

A debate on the Cape Town City Council's funding of Captour has been deferred until the next monthly meeting and was not taken at last week's budget vote.

Giving a run-down of Captour's budget, Mr Oliver emphasised the non-profit organisation had a very fair distribution of funds and said any cut in funding could result in a situation where Cape Town stood to lose potential income.

Captour's information service took up 13 percent of its budget and marketing and promotions another 49 percent.

Only 22 percent of the budget was spent on overheads and administrative costs and 32 percent of the total budget of R2,9 million was spent on salaries — a scenario which Mr Oliver described as reasonable for a non-profit organisation.

R2 084 million, or 69 percent of Captour's budget, came from municipal grants which included the Cape Town City Council's usual R2 043 million contribution and some smaller contributions from other municipalities.

Income from membership in the private sector totalled R560 000 this year, said Mr Oliver.

A small percentage of income was generated through vehicle bookings, T-shirt and video sales, and the balance of Captour's income was derived from interest on money in the bank.

Mr Oliver pointed out that, clearly, the largest part of Captour's budget was spent on providing information to people and to attracting visitors to the Cape.

He warned that Cape Town stood to lose potential income if the organisation's budget were slashed.

"We don't have a problem in getting money from other stakeholders such as a wider range of local authorities.

"But, the current political situation has bedevilled our chances of getting money from other municipalities."

Mr Oliver said Captour had approached Bellville, Milnerton and other local authorities. But boundaries had not even been finalised and these municipalities did not seem able to help.

"All we're asking for is the City Council to give us some breathing space so we can organise our matters for this year."

He said he was "not happy" with the R1,5 million loan which Cape Town City Council had offered the organisation.

"You can't run an organisation on a wing and a prayer. So, we're not out of the woods yet."

Mr Oliver said he had assured his staff, however, that no-one would lose their jobs.



# Cape Town up against 13 cities in Games race

ARLT 13/6/95 (288)

BUDAPEST. — At least 14 cities, including Cape Town and former losers Beijing, have expressed interest in hosting the 2004 Olympic Games.

International Olympic Committee director-general Francois Carrard said the list included three French cities — Paris, Lyon and Lille — because French Olympic chiefs had not yet chosen a candidate.

Also included were the Latin American cities Buenos Aires, Rio de Janeiro and San Juan.

Most of the other candidates were in

Europe, including Seville, Brussels, Rome, Stockholm and St Petersburg.

Mr Carrard said Beijing, narrowly defeated by Sydney in the race for the 2000 Games, had not yet decided whether to bid again.

But Istanbul, another loser to Sydney, was interested.

The IOC, which meets this week to choose the hosts for the 2002 Winter Games, will choose the 2004 hosts in September, 1997.

Five months before the vote an IOC se-

lection college would whittle down the candidates to a shortlist of four or five, Mr Carrard said. The deadline for bids was January 10, 1996.

Suggestions that Cape Town could host the first Olympics in Africa had already created a lot of enthusiasm, which might dissuade some of the other potential candidates, but the IOC was keen that Beijing did not drop its Olympic ambitions.

Mr Carrard said the IOC would consider St Petersburg a "very serious bid". —  
Reuter.

# SA travel industry comes in from the political cold

Yuri Thumbbran

WITH SA's re-entry into the international arena, Concorde Travel shareholders could look forward to increased profits generated by favourable trading conditions, chairman Mark Voloshin said in the company's annual report.

He said trading results for the first three months of the new financial year were "encouraging".

He said last year's elections removed SA's pariah status in the world.

"Most international airlines now have regular flights to and from SA, patronised mainly by businessmen

who are either keen to invest, re-invest or to extend their activities into a country which a few years ago was completely barred from international business."

Voloshin said international tourism had rejuvenated the hotel industry and increased foreign currency inflows and that the new dispensation had provided the Rugby World Cup, the country's first opportunity to host a sporting event of any magnitude.

Earnings increased 34,33% to 9c a share, while turnover rose to R21,7m. The company's travel group, which operates 15 main offices with eight satellites throughout the country, opened two offices in Russia during the review period.



## SECURITY PROBLEMS THREATEN INDUSTRY

# W Cape set to profit from tourist invasion

CT 14/6/95 (288)

**SOUTH AFRICA'S** tourist industry could grow by up to 25% and create over 225 000 jobs in the next five years if it is properly managed, reports **ANTHONY JOHNSON**.

**T**HE Western Cape will have to provide over 100 000 new hotel rooms to cope with an invasion of international tourists over the next five years, Tourism Minister Dr Dawie de Villiers told Parliament yesterday.

South Africa was bracing itself for a tourism boom that would see 6,7 million foreigners streaming to the country before the turn of the century, bringing a foreign exchange injection of R10,2 billion.

Projections of the growth in tourism showed that an additional 225 000 direct and 450 000 indirect new job opportunities would be created by 2000, he said.

Dr De Villiers said the tourism industry had grown by more than 30% in the second half of 1994 and the number of overseas tourists had jumped by 25% in the first half of 1995.

If the tourism industry was properly managed, an increase in foreign visitors of 20 to 25% could

be expected over the next five years. He said 370 000 new rooms would be needed to cope with the expected influx of tourists. The Western Cape would need 38% of these and Gauteng 31%.

However, Dr De Villiers warned that the expected tourism boom could be "ruined" by perceptions of safety and security risks in the country.

He noted that recent media reports in Britain rated SA as the third most dangerous tourist country in the world. This could have a "severely negative" effect on the industry.

Satour surveys indicated that more than 30% (250 000) of international tourists rated personal safety in SA as "below average."

Security reports indicated that 400-500 tourists to SA were "mugged, attacked and stolen from" each year.

The minister proposed that provincial governments should urgently consider launching secu-

rity programmes to combat tourist-related crime.

Dr De Villiers also told parliamentarians that in order for SA to compete effectively, it was vital that high standards of service are encouraged and monitored. The National Grading and Classification system would have to be developed and maintained.

The minister noted that foreign tourists were critical of service levels because of SA's lack of a well-trained tourism labour force.

He said the government should assist with the establishment of tourism training facilities and programmes and "the possible subsidisation of training".

Dr De Villiers acknowledged that a large section of the population was not aware of the benefits and responsibilities of a growing tourist industry.

"A concerted communications campaign should be introduced over a period of at least five years to convey the tourism message to all South Africans and material should be developed to introduce the concept of tourism into the school curriculum," he said.

WEDNESDAY  
JUNE 14, 1995 ★

# SA travel 'too costly for locals'

**BARRY STREEK**  
POLITICAL STAFF

TOURISM in South Africa had become so expensive that it had become virtually impossible for South Africans to travel in their own country, Deputy Minister of Environment Affairs and Tourism Mr Bantu Holomisa said yesterday.

He said during the debate on the tourism vote that the provision of low-cost accommodation as well as effective and cheap public transport was a special challenge to the new tourism structures in the provinces.

"Although one can appreciate that prices need to be market-related (many SA resorts) have become so expensive that it is virtually impossible for South Africans to travel in their own country.

"In light of the fact that tourism is the one industry which promotes goodwill and peace among all our people, it is indeed a pity that it is not easier for all to enjoy our magnificent country."

On the crime threat to overseas tourists, Mr Holomisa said two percent of visitors to SA had "an unpleasant encounter with criminals".

This figure was much too high in terms of international standards, he said.

CT 14/6/95

(288)



# Terrific for tourists but tough for locals

ART 15/6/95

(288)

□ *Travel too expensive in own country*

**JOSEPH ARANES**  
Staff Reporter

TRAVEL costs and holiday accommodation in South Africa are so expensive it is virtually impossible for average families to marvel at the wonders of their own country.

The matter was raised in parliament this week by Deputy Minister of Tourism Bantu Holomisa, who said it was a pity it was not easier for all South Africa's people to enjoy its beauty.

"In light of the fact that tourism is the one industry which promotes goodwill and peace among all our people, it is a pity that we all can't share in it," Mr Holomisa said.

Local travellers are instead being wooed away to exotic destinations and, at times, for a fraction of what the same holiday would cost in South Africa.

A travel agency is offering tourists a seven-day stay in Mauritius for only R3 500, including air travel, from any of the major

city centres, six nights in a five-star hotel with breakfast and dinner and several other freebies.

A five-day cruise on a luxury liner from Durban to Bazaruto, a tropical island off the coast of Mozambique, costs R1 411 while a return air ticket from Cape Town to Durban costs about R1 400.

South African Airways spokeswoman Janie van Vuuren said air travel was a highly specialised and costly business.

"It's not a cheap operation and is a very expensive mode of travel, but we try to keep the prices of tickets within people's reach by offering various discount packages."

Ms Van Vuuren said a traveller could, for example, secure a 50 percent discount on a ticket if the seat was booked at least a month in advance.

Trevor Dearlove, marketing manager of the National Parks Board's Southern Parks, said the board fully agreed with and supported Mr Holomisa's statement

that domestic tourism was very expensive.

"We at the National Parks Board have been rising to the challenge and are transforming our accommodation, making it more accessible to all the country's people."

"The parks belong to the people and should be accessible to them. To this end we offer accommodation ranging from rustic to up-market to cater for all their needs."

Captour's Gordon Oliver said he tended to agree with Mr Holomisa.

"We recently did a survey of tourists visiting the Western Cape and found that almost 40 percent stayed with relatives or friends because of the high prices of accommodation."

"I think it's time for the industry to have a serious look at budget accommodation and we recommend that holiday packages for local travel become a more common product."

# W Cape tourism structure 'within months'

Staff Reporter

(288) ARG 15/6/95

A WESTERN Cape tourism structure will be introduced within months, says provincial Agriculture, Planning and Tourism Minister Lampie Fick.

This follows complaints by industrialists about the absence of a tourism structure and a lack of vision on the future of tourism.

The new structure was expected to be introduced by January and would be fully functional by April 1, Mr Fick told a media conference yesterday.

He said the structure was necessary because the province enjoyed the reputation of being "an all-year-round holiday destination".

Its implementation would be preceded by wide consultation with role players who would have a chance to make contributions at open day meetings organised by the department.

Public views would be summarised by the end of August and legislation to formulate the new structure could be ready by the end of September, Mr Fick said.

The current tourism policy and strategy of the Western Cape was "too fragmented" as it was executed by various organisations — "some of which have vague mandates", Mr Fick said.

"The direct result of this state of affairs is insufficient planning and too little co-operation in our province regarding tourism.

"A lack of knowledge and inappropriate political orientation in tourism affairs also contributes to insufficient constructive action."

● The open day meetings are on July 20 in Paarl, July 21 in Worcester, July 25 in Bellville, August 8 in Moorreesburg and August 10 in Oudtshoorn.

The venues have not yet been announced.



# First quarter count of foreign visitors up by 52 percent

(288)  
ARLT 15/6/95

PRETORIA. — More than 313 100 foreign visitors entered South Africa through the international airports at Johannesburg, Cape Town and Durban during the first quarter of this year, said the Central Statistical Service.

"This represents an increase of 52,8 percent compared with the same period for 1994.

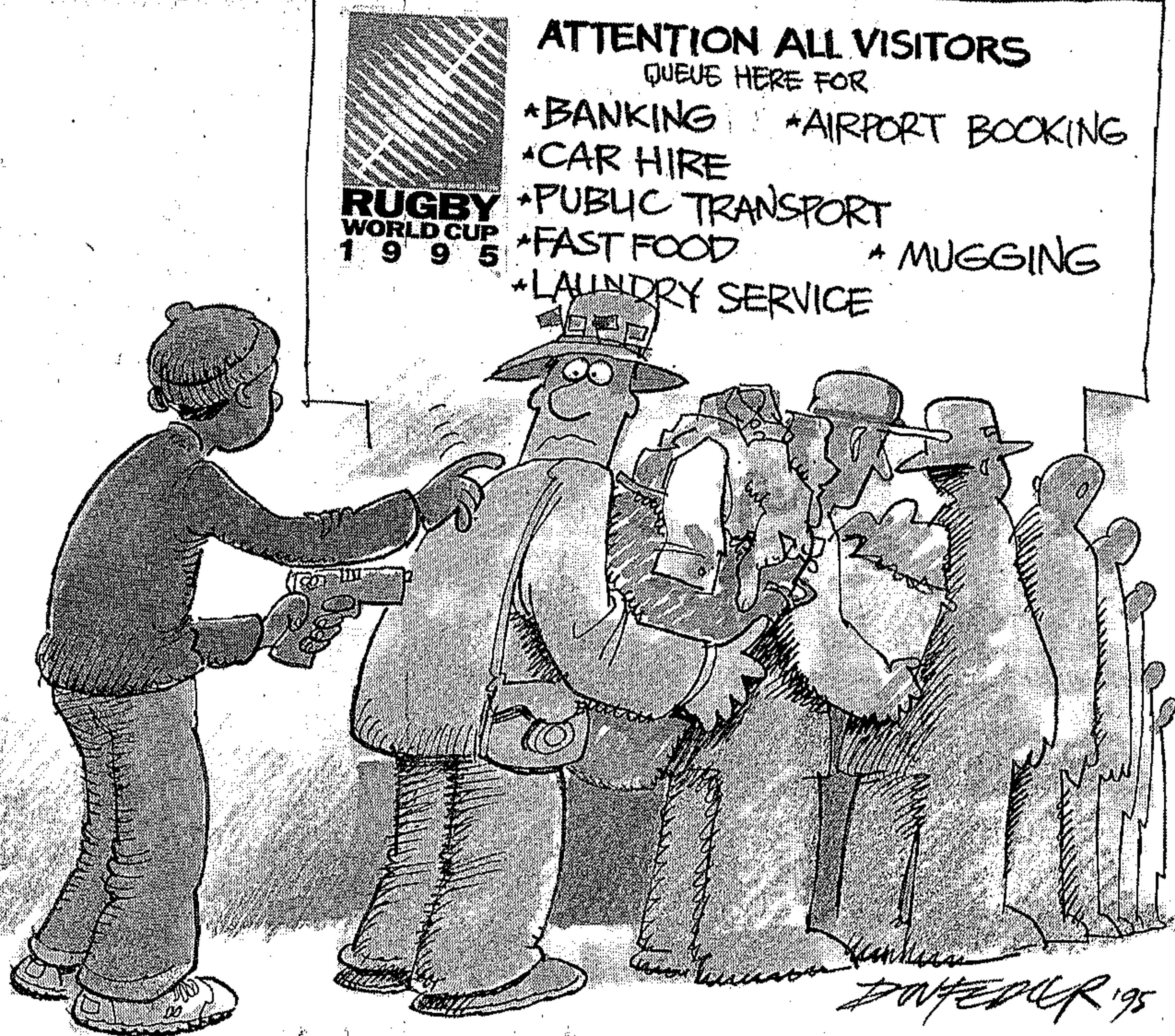
More than 74 600 overseas visitors entered South Africa during March, 37,4 percent more than during the same month last year," the statement said.

The most overseas visitors from a single country during March this year — 19 200 — were from the United Kingdom.

This was followed by 12 230 from Germany and the 7 044 from the United States.

The CSS said the number of South Africans who temporarily went abroad between January and March this year increased by 13,9 percent over the same period last year. — Sapa.





## Service 'not bad for Third World'

ET(BE) 15/6/95 (288)

By DEREK TOMMEY

A survey of Rugby World Cup visitors showed they are more positive than locals about services received. But before service providers become too complacent, there is a rider. As one visitor commented: "It's not bad for a Third World country."

The survey is being conducted by Wits University's Business School and Sid Cohn, a lecturer at the school. He is also a consultant to many local companies on strategy and service-related issues.

The results of the survey, which covers 12 service sectors including airports, banks, hotels and restaur-

rants, will be discussed at conferences organised by Global Conferences in Cape Town on June 27 and in Johannesburg at the business school on June 28 and June 29.

The survey started with interviews at the opening match at Newlands in Cape Town on May 25 and will continue until the World Cup is over.

Visitors from the United Kingdom accounted for 22 percent of those interviewed so far. Six percent came from New Zealand, and Australia and France accounted for 4 percent each.

Others visitors interviewed came from Japan, Western Samoa, Ivory Coast, Tonga, Rumania,

Argentina, Ireland, Canada, China, Germany and Korea.

Johannesburg International Airport came in for its expected share of criticism, especially for the queues. But it also received praise for friendly and helpful personnel.

The police received several bouquets in their handling of fans at the matches. One respondent had been mugged in Hillbrow.

Banks have had some positive feedback, but also received flak for being slow, for the long queues and for being unfriendly.

Some hotels were rated highly, as being tourist-orientated and friendly. But one respondent said he had to use flea powder in his

hotel room in Durban.

Others were criticised for poor reservation systems and lamentable laundry services.

Car hire companies came under attack for not having vehicles available, contrary to advertisements.

Restaurants came up trumps with incredible value for money, but South Africa's public transport came in for severe criticism, with visitors wondering whether it existed at all.

Cohn said the carnival atmosphere surrounding the World Cup meant people were not feeling too critical. The general impression is that South Africa is not geared up for tourism.



# Captour name change signals new metro focus

JOE ARANES  
Staff Reporter

CAPTLOUR, the tourism marketing agency of the Western Cape, is to change its name to the Cape Metropolitan Tourism Authority.

Gordon Oliver, Captour's chief executive officer, said the move was in line with the new developments announced by provincial Tourism Minister Lampie Fick.

Mr Fick announced this week that a new tourism body for the province would be introduced early next year after consultation with all the industry role players.

Mr Oliver said there was a perception that Captour promoted only tourism in Cape Town but, in fact, the organisation had been promoting tourism in the whole region.

"But with the new proposals, we will be targeting the Cape metropolitan area and will work closely with the nine other regional tourism bodies in

the province which will constitute the new Western Cape Tourism Board.

"Although the metropolitan area will be the major role player because about 80 per cent of the tourism stock is there, it is important that we encourage tourists to visit the other regions like the wine-lands, the Swartland and the West Coast, for example.

"We are very happy the minister announced his proposals as change was long overdue."

Mr Fick said the new structure should be a partnership between the state and the private sector and had to take responsibility for tourism development and management to the benefit of all in the province.

Mr Oliver said he supported the idea of consultation and urged Mr Fick to make sure all the role players, especially those from the previously disadvantaged communities, were invited to his forums.

He said it was time the minister also started working on a medium to long-term development strategy for the province's tourism industry.

"Mr Fick has started a process of consultation — we are moving down the road to where a structure will be put into place — but we sorely need a plan that will look after the needs of the province."

Mr Oliver said that in spite of the Cape Town City Council's plan to slash Captour's budget from R2 million to R500 000, the organisation had prepared a bigger budget and was approaching other municipalities in the region to ask for contributions.

"We will be making a presentation to the Cape Metropolitan Council to get them to contribute to our operating expenses," he said.

The Cape Town City Council says other metropolitan councils should contribute to Captour's budget.

# Tourism sees 18,6% growth

ANTHONY JOHNSON  
POLITICAL CORRESPONDENT

SOUTH AFRICA earned R7,2 billion in foreign currency during 1994 from the 3 668 956 foreign tourists visiting the country.

The Satour annual report tabled in Parliament yesterday said the foreign exchange generated was up by R1,2 billion on the previous year and sustained 450 000 direct jobs while creating 20 000 new jobs in 1994.

The 704 639 overseas visitors spend an estimated R4 500 each during their stay, while the 2 964 326 from Africa spent an estimated R1 350 each.

Despite the slump in tourists particularly before the general election last year, the overall growth rate for the year was 18,6%.

"The second half of the year saw excellent recoveries, particularly in Asia, the Americas and Australasia which increased by 36%, 25,8% and 22% respectively."

Numerically, Europe was the

largest source of tourists, after Africa, with the United Kingdom yielding the most tourists (23 062).

The 2 927 982 visitors from Africa represented an 18,9% increase, with most visitors coming from Zimbabwe, Swaziland, Lesotho, Namibia, and Zambia.

Among the fastest growing new sources of tourists are India, which showed a 32% increase last year (10 888), Russia 31% (5 534), and the Middle East 2,1% (4 756).

Satour's executive director Mr Mavuso Msimang, said the country was "grossly under-achieving" compared with equivalents like Australia, New Zealand, Thailand, Indonesia and Malaysia.

These countries had been able to attract far more tourist mainly because they far outspent South Africa in marketing themselves.

Mr Msimang said Satour continued to endure the stigma of an "illegitimate" institution, especially within the black constituency. It was imperative that steps be taken to confer legitimacy on Satour.

## 'Slave route' project fails to find favour

(288)

OWN CORRESPONDENT

CT 16/6/95

LONDON: South Africa is expected to become the most popular African country for tourists this year, British travel agents say.

They are not, however, enthusiastic about the proposed slave route tourist project approved at a conference in Durban recently.

The worldwide publicity created by the Rugby World Cup was one of the reasons cited for the anticipated increase in tourist numbers.

Thomas Cook's retail director Mr Nigel Hards has reported a sharp increase in bookings to South Africa and anticipated a 30% growth by the end of the year.

Last year tourist numbers to South Africa rose 10,4%, offsetting to some extent the five percent drop in tourists to Africa as a whole which was mainly caused by the troubles in Algeria and Morocco.

To counteract this decline, the World Trade Organisation, backed by 125 governments, is developing a so-called "slave route" to remind tourists of the "biggest single tragedy in the history of man".



# Youth tourism booming

(288) Sapa 16/6/95

Young travellers in search of adventure are coming to South Africa in increasing numbers, statistics compiled by the Hostels Association of South Africa show.

Hasa travel adviser Fiona Jones said 44 773 English and Welsh backpackers visited last year, compared to 4 841 in 1993.

South Africa was also favoured by young German travellers who ranked second with 43 453 visits in 1994.

"People never thought of backpackers as a major tourist group before but there are more than 6 000 youth hostels offering budget accommodation worldwide," Africa Wonderland Tours consultant Danny Oosthuizen said. The industry was also becoming more sophisticated, he

added. Travellers could now book youth hostel accommodation via satellite.

The main complaint voiced by backpackers in South Africa was inadequate public transport.

The Hasa report shows more than 62 000 South Africans also used budget accommodation in 1994. The industry enjoyed a boom with nearly 300 000 "bed-nights" sold in 1994, a sixfold increase on 1993.

South Africa is also a favoured destination for Australians and New Zealanders, with nearly 35 000 budget travellers visiting in 1994. Youth hostels, which charge between R15 and R25 a night, were not only a cheap way of travelling but were also a way of meeting fellow tourists, Oosthuizen said. — Sapa.

# Crime could put tourism industry on the skids

By ESTHER WAUGH  
and CHRISTINA STUCKY

South Africa's tourism industry is under threat from the rampant crime in the country.

"Security reports indicate that between 400 and 500 tourists per annum are mugged, attacked or stolen from," Environment Affairs and Tourism Minister Dawie de Villiers said during his budget debate in the National Assembly this week.

De Villiers and his deputy Bantu Holomisa warned that crime could be the ruin of the industry.

The minister urged provincial governments to consider urgent se-

curity programmes to combat crime against tourists.

A recent SA Tourism Board survey indicated that more than 30% of international tourists rated personal safety in South Africa below average. Some 2% of all tourists had "an unpleasant encounter with criminals", the survey revealed.

Recent attacks on tourists timing their visits to coincide with the Rugby World Cup have highlighted the problem.

Holomisa warned that "violence and crime can be the death knell of the tourism industry".

De Villiers said he had been assured by Safety and Security Minis-

ter Sydney Mufamadi and Police Commissioner George Fivaz that serious attention was being given to the matter of crime against tourists.

And yet, in spite of recent reports of muggings — particularly in Britain, which has ranked South Africa as one of the world's three most dangerous tourist destinations — the number of visitors to South Africa is steadily increasing.

Last year, more than 700 000 tourists came to South Africa, up from about 600 000 in 1993. At the half-way mark for 1995, the number of visitors already exceeds that for the same period of 1994.

While most tourists spend only a

(288) star 17/6/95

fraction of their visit to South Africa in Johannesburg, Gauteng in particular receives a bad grade from tourists.

"On a scale of one to 10, Gauteng only scores five out of 10 for personal safety," De Villiers said.

While the local police do not try to mitigate the threat of crime to tourists and the tourism industry, SAPS spokesman Warrant-Officer Andy Pieke said the situation had been exaggerated by the media.

Given the volume of tourists to South Africa, the number of crime victims was relatively low, he said.

Pieke added that some of the

tourists who had become victims of a crime had not used the same kind of common sense they would employ in their home countries, choosing, for instance, to walk alone in the Bree Street area in the pre-dawn hours, resisting a knife-wielding mugger or, as one female tourist did, getting into a taxi alone with three men.

De Villiers said that if South Africa managed its tourism industry properly, a growth of between 20 and 25% in visitors could be maintained.

This could result in foreign earnings of R10.2 billion during the next five years.



# More tourists, but increase 'too low'

Adrian Hatfield

288

CAPE TOWN — While an 18.6% increase in foreign tourist arrivals had been experienced last year, SA was still grossly under-achieving, Satour executive director Mavuso Msimang says in Satour's annual report.

The report, tabled in Parliament last week, said the weak rand had played havoc with SA's marketing operations abroad.

In spite of this, a record number of foreign visitors — more than 700 000 — had travelled to SA last year.

This represented an 18.6% increase over 1993 and compared with a world average of 3.91% growth during the year.

However, countries such as Australia, New Zealand, Thailand, Indonesia and Malaysia continued to outstrip SA by far in tourism marketing initiatives, and had recorded much higher arrival figures as a result, Msimang said.

## Improvement

BD 19/6/95

Appropriate strategies and additional funding were required to move tourism from SA's fourth highest generator of foreign exchange to its highest.

Msimang called for more efficient and better coordinated management of the industry, the improvement of mediocre service standards and access to affordable financial assistance for entrepreneurs in the sector.

"Even as we blame past travel restrictions imposed on a pariah state, the onus of business must be efficient management of the industry across the board."

Satour continued to endure the stigma of being an illegitimate institution, particularly within black communities, Msimang said.

"It is imperative that urgent steps be taken to confer legitimacy on the organisation."

Plans for the near future included the restructuring of Satour's board as well as a restructuring of the organisational structure into an efficient, lean and self-footed marketing body.

Msimang said almost 3 million people from Africa had travelled to SA last year, while Asians also constituted a growing proportion of the overseas visitors.

The challenge of the coming years would be to maintain and increase SA's 18.6% annual growth rate in foreign tourist arrivals, he said.

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288

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## 'Massive surge in tourist trade'

(288)

SOUTH AFRICA can look forward to a massive 25% increase in foreign tourism over the next five years, says Environment Affairs and Tourism Minister Dr Dawie de Villiers.

CT 20/6/95

(288) STW 20/6/95

## Hundreds of tourists mugged in SA annually

**Cape Town —** Between 400 and 500 tourists were mugged or attacked in SA every year, Tourism Minister Dawie de Villiers said in the Senate yesterday.

SA Tourism Board surveys indicated that more than 30% of tourists rated personal safety in SA as below average, De Villiers said in debate on the tourism budget vote.

These figures were balanced

by Satour's projection of a 25% increase in foreign arrivals this year and 20% annually between 1996 and 2000.

The new arrivals would fill an additional two Boeing 747s a day this year and 14 Boeings a day by 2000.

That translated into a total of 6,7-million visitors, R10,2-billion in foreign earnings and 225 000 jobs, the minister said. — Sapa.



# NEWS

*Hotels, flights heavily booked*  
4/11/22/6/95 (288)

## Final sparks tourist influx

■ BY SHIRLEY WOODGATE

The Rugby World Cup tourism boom is finally hitting Johannesburg and Gauteng.

Flights to Johannesburg are heavily booked and hotel rooms are scarce as fans start to stream into the city and surrounding areas for the Rugby World Cup final at Ellis Park on Saturday.

But the tourism infrastructure is coping well, hotel managers, car rental companies and airlines report.

Excellent co-operation between all organisations involved in the planning for RWC 1995 has contributed to the smooth running of the month-long event, said SAA spokesman Leon Els.

"A team effort by the airports, SAA, hotel groups, and car and bus hire companies ensured there were virtually no hitches, particularly last weekend when rain delayed play and everyone was forced to change plans.

"The team spirit off the field matched that of the players on the field and the sceptics who said South Africa would not cope with the influx of fans have been proved wrong," he said.

Although there is still room at hotels ahead of the final, most reported heavy bookings.

City Lodge outlets are fully booked this weekend, while Southern Sun, the official hospitality supplier to RWC, reports heavy bookings as far away as the Riverside Sun at Vanderbijlpark, where only 20 rooms are still available. Spokesman Neil Fraser said: "We have coped extremely well with the pressure".

Fans who have come to SA on package tours are being transported in hired buses and although Imperial Car Hire has no more minibuses available, there are still plenty of sedan cars, a reservations clerk said.

Els said fans were flying up to Johannesburg in dribs and drabs — some in time for today's match between France and England in Pretoria, others on their way to Sun City. The rest were expected tomorrow and Saturday.

"The big exodus after the final will be staggered, starting on Saturday night and continuing until July 2, mainly to England and Australia, when we have scheduled additional flights," he added.



# Industry uptrend leads to Karos turnaround

(288) PM 23/6/95

Amanda Vermeulen

A POSITIVE uptrend in the industry helped Karos Hotels experience a turnaround in fortunes to report an attributable profit of R4m in the year to March against a loss of R4m in financial 1994.

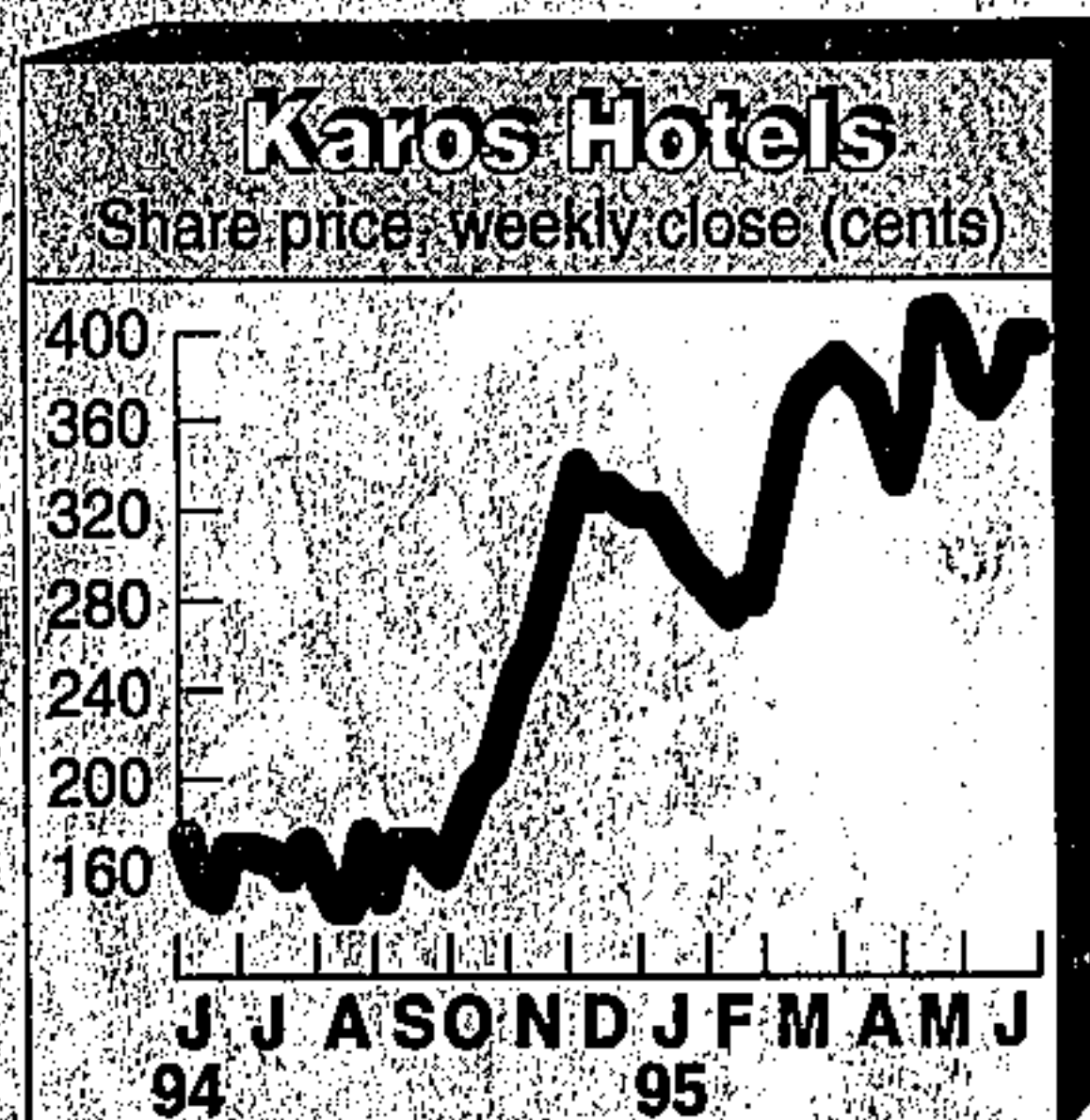
Earnings per share were 6.7c against a loss of 9.5c a year before and a dividend of 2.65c a share was declared. No dividend was paid in the last financial period.

Turnover increased to R127.4m (R103.9m), translating into a 35% rise in operating profit before charging to R33.6m. Operating leases of R13m, net interest of R8.8m, and depreciation and amortisation of R6.5m left pre-tax profit at R5.3m against a loss of R1m.

Tax of R623 000 (R586 000) left taxed profit up at R4.7m against a loss of R1.6m in financial 1994.

Attributable profit of associate company of R1.1m (R1.5m) boosted profit before dividends to R5.8m against a loss of R136 000 previously.

Chairman Selwin Hurwitz said it was pleasing to see a turnaround in fortunes, which he attributed to the positive upward trend within the hotel industry since late 1994.



The debt equity ratio of 33.3% was satisfactory, with net tangible asset value at R2.63 a share, he said.

Hurwitz said prospects for the year ahead were good, with the group positioning itself to qualify for casino licences once the Lotteries and Gambling Board had finalised the necessary criteria.

Analysts said the results were in line with expectations, and the growth in domestic and foreign tourism travel to SA could make a significant impact on the bottom line in the current financial year.



## SA joins Indian Ocean tourism organisation

Theo Rawana

DN 23/6/95

(288)

(74)

SA WOULD benefit immensely from its membership of the Indian Ocean Tourism Organisation, which was formed in Perth, Australia, last week, Satour deputy executive director Ernie Heath said yesterday.

The body, which would consist of about 30 countries, was formed to "enhance regional co-operation and understanding through sustainable tourism", Heath said.

Countries in the Indian Ocean basin include Seychelles, India, Thailand, Malaysia, Singapore, Indonesia, Australia, Kenya and SA. Air Mauritius MD Sir Harry Trivengadam is the organisation's first chairman.

Heath, a founding executive committee member of the organisation, said many member countries, such as Australia, India and countries in Southeast Asia, were key tourism growth markets for SA. "Increased contact with these countries will certainly lead to increased growth in tourism to SA in the long run."

Membership advantages included access to the organisation's database, marketing intelligence, the promotion of a consistent service standard throughout the region and participation in global environmental programmes. Actions planned in the next 18 months include a regional tourism mart.

Membership was open to major tourism organisations such as government bodies, national carriers, shipping companies, regional hotel groups and major resorts.

Executive committee member Tunka Iskandar of Malaysia, MD of leading Southeast Asian tourism company the Melewar Group, said: "The incredible growth in outbound travel from destinations such as Indonesia, India and SA over the last three years augurs well for the travel, tourism and aviation industries of the Indian Ocean. This growth is expected to continue — if not boom — over the last five years of this century."

# SA joins Indian Ocean tourism organisation

Theo Bayana  
07/23/95

and would be able to do so "very quickly".

But SA had to show a commitment and "put its money where its mouth is" before it would invest funds.

Because the RDP office is adamant it does not have the manpower to process funding applications by the estimated 45 000 non-governmental organisations in SA, a special agency has to be established to approve projects and channel funds for the EU, their single largest source of funding.

**In terms of the proposals, the trust would be an enabling institution to get funds rolling quickly in the right direction. It would be directed by Kagiso Trust's Eric Molobi, with an IDT official occupying the deputy director's position. Non-governmental organisation representatives would sit on the agency's board.**

**The European Parliament's development committee debated funding for SA during a session in Brussels this week and expressed grave concern about the delays in getting the trust established.**

The parliamentary group which visited SA with Kinnock was distressed when the start-up for the project was delayed yet again.

**"We need to get moving very fast," Kinnock said yesterday, but said the Brussels bureaucracy was "absolutely stifling" in this regard.**

**To get EU aid money flowing more quickly, the EC had been asked to increase the staff handling SA project applications — in Brussels and in SA.**

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# Tour offers 'township (288) experience'

CT 23/6/95

LISA TEMPLETON

TOURISTS can now enjoy a visit to a shebeen, an African shack and taste traditional maize-based beer and putu.

Amava tours, recently established in the wake of burgeoning tourism, will take tourists into the heart of the KTC settlement area opposite the airport.

Co-owner of the business Ms Christine Winter said: "We are not emphasising the poverty, but we are not hiding it either."

Entertainment en route includes a witch-doctor (sangoma) and his traditional dancers and the Nompumelelo Adult Choir.

Ms Winter added that the township residents had welcomed their business.

The tour takes five hours and costs about R250, depending on the size of the group. Tourists are collected at their hotels.



**TASTE OF AFRICA:** A Sangoma calls up the ancestors to the beat of a drum in a KTC shebeen, while tourists look on.

PICTURE: NIC BOTHMA

# Tourism up by over 50%

CT 23/6/95

(288)

## STAFF REPORTER

TOURISM figures have rocketed by more than 50% in the first quarter of the year with 313.153 foreign visitors entering the country — not including Rugby World Cup visitors.

Figure released by the South Africa Tourist Board (Satour) show a 52,8% increase over the same period last year and predictions are that the growth in tourism is likely to continue; industry sources said yesterday.

Satour spokesman Mr Martin van Niekerk said the surge in tourism was mainly due to the tremendous interest

in South Africa's political transition and the stature of President Nelson Mandela. Also, Satour launched a major marketing campaign aimed not only at traditional markets but also at new markets.

Mr Van Niekerk said the tourist industry is generating a substantial amount of revenue for the country.

Last year foreign tourists spending an average of R4 500 and brought in R7 billion.

This year, judging by the surge in visitors in a traditionally slow period, he predicts the money will roll in with the business and pleasure seekers.



# Karos Hotels sees heartening change of fortune



The right view . . . chairman and MD Selwin Hurwitz had forecast the turnaround earlier.

PICTURE: JOHN WOODROOF

8/11/95 (288)  
■ BY CHARLOTTE MATHEWS  
INVESTMENT EDITOR

Karos Hotels, which owns or has interests in about 15 hotels in South Africa and neighbouring countries, achieved a profit of R4,0-million in the year to March compared to a loss of R4,0-million in the same period last year as a result of the general upturn in the industry since the end of last year.

Turnover grew by 22,6% to R127,4-million, on which operating margins widened to 26,3% from 23,9%, resulting in operating profit 34,9% better at

R33,6-million. Due to assessed losses, the tax rate was only 11,7%.

Profits from associates were slightly lower. Associates include Karos's 32,5% share in the Polana Hotel of Mozambique and a 43,65% interest in a hotel at Sossusvlei in Namibia, but the group was saved R2,1-million in servicing preference dividends in a subsidiary that were payable last year.

Earnings were 6,7c a share, against a loss of 9,5c a share previously. Capitalisation shares or a dividend of 2,65c were declared.

ST(BT) 25/6/95

# Cape Town's Olympic bid to play Ball

(288)

CHRIS Ball, recently appointed head of Cape Town's Olympic bid committee, has restored the city's chance of winning its bid to host the greatest show on earth in 2004.

Mr Ball, 55, rose to prominence through a long career in banking. At 32, he was general manager of Barclays National Merchant Bank; six years later he became managing director of Wesbank; by 40, he was general manager at Barclays' head office in London; and, at 43, returned to South Africa as chief executive of the bank's SA operation.

"If we win the Olympics we're talking about big consequences," he says.

Mr Ball has the task of putting together a winning bid while balancing numerous potentially turbulent factions. Not only must he maintain the support of all four levels of government, but keep organisations like the National Sports Council happy. It will never be far from his mind that the three-way partnership between the bidding team, city council and National Olympic Committee has broken down once before.

In partnership with the Cape Town council, Mr Ball will have to build up a city which struggles with the Christmas influx of "Vaalies" but hopes to accommodate 250 000 visitors for a fortnight.

"It's not just about having the greatest show on earth here for 14 days," Mr Ball says. "It's about having a development programme in the context of which it can be staged."

Mr Ball's strengths are his political acceptability and a record in the business world which his new employers hope will inspire confidence to win sponsorship contracts.

By MARTIN GILLINGHAM

Sun International whose pen has hovered over a R10-million deal for months, will be among the first to be serenaded.

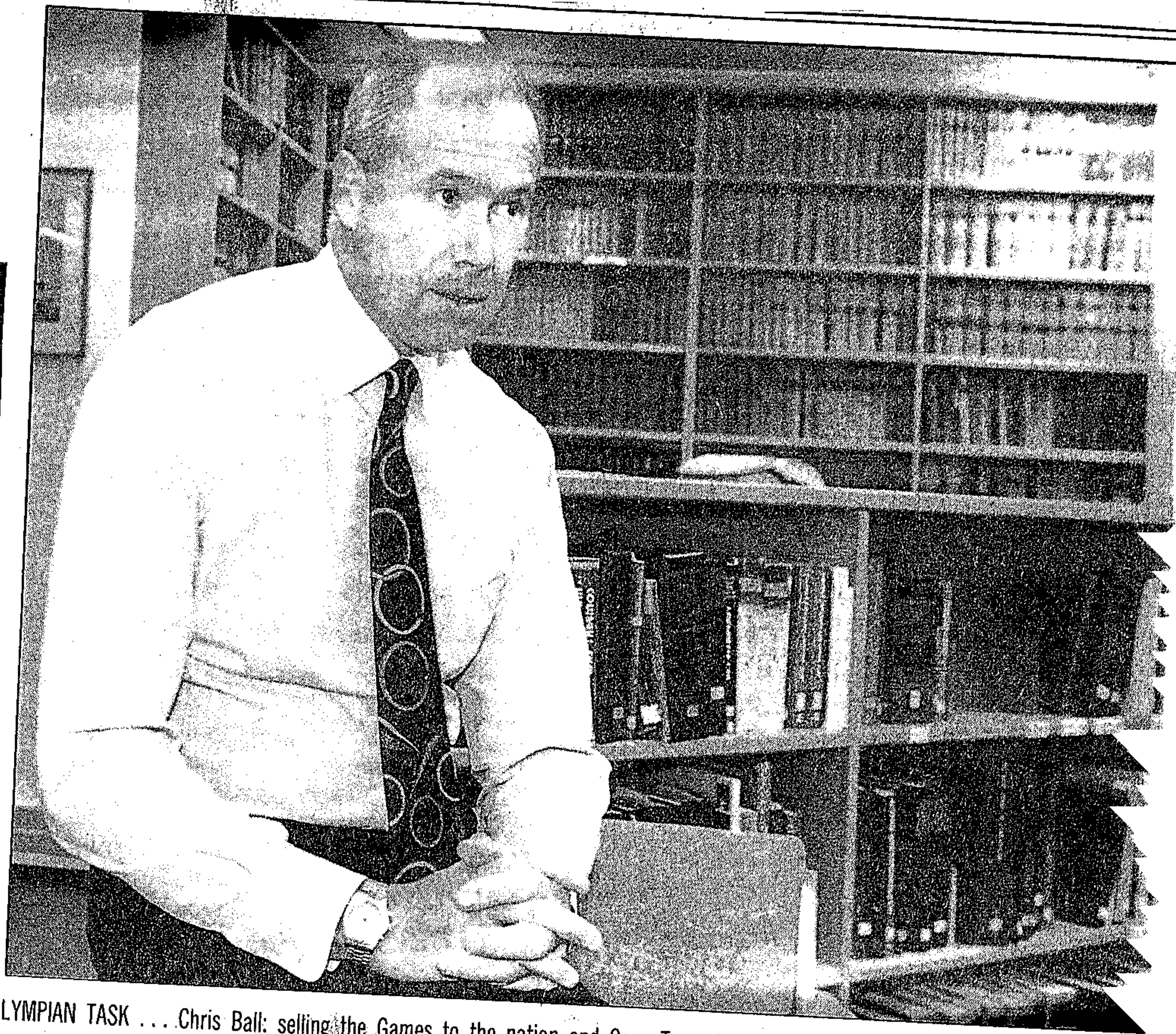
Educating the country in the economic benefits of holding the Games will probably be Mr Ball's toughest task. The promise of TV deals worth more than \$1-billion as well as a cut of the IOC's top sponsorships which for the 1996 Games are being sold for \$40-million each, make appetising reading. Mr Ball, however, sees the Games simply as "a win-win situation". The economic benefits are astronomic. "I really do believe having an Olympic Games in southern Africa will have a major impact on the region. It's beyond Cape Town and even South Africa: its benefits will reach into central Africa."

Mr Ball is keeping his estimates of total costs to upgrade roads, the railways and the airport close to his chest, but he confidently predicts that he will be coming in below Nocsa chief Sam Ramsamy's R21-billion estimate.

By the beginning of July, Mr Ball expects to have the bid office up and running. The Waterfront office that has stood empty for months will be staffed by about 15 people and later by about 30-35.

And soon the wining and dining of the 100 or so members of the International Olympic Committee (IOC) begins. So far, Mr Ball is guaranteed of support from at least one of them following Mr Ramsamy's recruitment to sport's most exclusive club at last week's IOC Budapest session.





OLYMPIAN TASK . . . Chris Ball: selling the Games to the nation and Cape Town to the IOC

Picture: AMBROSE PETERS



# Row over Olympic payments

ST(CM)25/6/95 (288)

By CHARL DE VILLIERS

THE Cape Town City Council this week came under fire for side-stepping its own stringent conditions dictating the terms of a R1,25-million loan to the city's new Olympic bid company.

The money was specifically earmarked for the new company, but at least R72 300 has gone to two Olympic staffers for work they did before the company was set up.

The payments to Ngconde Balfour, a director of the new section 21 Cape Town Olympic Bid Company, and Alison Burchell have been slammed as "totally unacceptable" by Councillor Arthur Wienburg.

"The interim steering committee formed by the April 5 Olympic summit did not have the authority to disburse funds for any expenditure incurred by any other organisation or company or trust," he said on Friday.

His remarks follow an April 25 meeting of the city council's exco which approved the bridging finance, pending sponsorship for the city's revitalised bid for the 2004 Games.

Exco stressed that the funds be spent on expenditure incurred after the April 5 summit.

Expenditure incurred before then would only be met after an independent audit and a consensus decision of the new company's board of directors.

However, former Cape Town mayor Patricia Kreiner — who was involved in the previous bid and is now a mem-

ber of the new company's board — said payments for the two individuals had never come before the new Olympic directors.

On May 9, Mr Balfour was paid R38 100 to cover three months' salary and transport.

On the same date, Ms Burchell received R34 200 to cover three months' salary and other expenses.

In both cases, the salaries would have pre-dated the April 5 cut-off by two months.

Bid company deputy chairman Clive Keegan said the payments had been morally-founded.

"The last thing we want is having people who worked for the bid left high and dry because the previous committee was unable to pay them."

Deputy exco chairman and bid company director Llewellyn van Wyk said the company would address the question of outstanding debts.

"People have to be reimbursed for work done, whether from the council's bridging finance or sponsorships."

Mr Kevin Kevany, of Corporate Images, who acted as a consultant for Mr Ackerman's bid committee, said on Friday that other organisations which had done work for the previous committee were owed about R2-million.

"We have to be paid in full and are looking to see if our contract is honoured."



# 'Traditional' tour for visitors

JACQUELYN SWARTZ  
Staff Reporter

A TABLE VIEW tour company is offering foreign visitors a glimpse of underprivileged township life — at a price.

For up to R250 a person, the tour includes a visit to a crowded shebeen, where locals bend over backwards to accommodate First World types who sit nervously together, sipping the local beer Umqomboti — a mixture of maize, malt and water — from a communal container.

The Argus went on one of these Amava tours recently with a group of journalists and tour operators.

Our first stop was the shebeen, which also starred a sangoma — introduced incorrectly as a witchdoctor — and a group of traditional dancers who accompanied him in a ritual.

The tour then visited the "African shack" home of a local resident for some "traditional cuisine". Here we were served phuthu and sauce and given a tour of someone else's home.

Then it was off to KTC main road, which is actually in

Nyanga, to "witness the hawkers at work".

This is a vibrant and interesting place where the locals slaughter animals and prepare meat on hot coals for their customers' supper. Other stalls sell trinkets and clothing.

Next on the agenda was a visit to a tavern. Taverns are more westernised than shebeens and are housed in brick buildings rather than shacks.

One of the locals, wondering what all the fuss was about, came to stare at us for a while. This wasn't unexpected.

We were warned at the start of the tour that "they" might be a bit curious and "may even" want to touch us.

Amava tours is run by businessman Michael Karemaker, his partner Christine Winter, and Templeton Mvenya, who works for them in their painting and renovating company.

"We are not emphasising the poverty but are not hiding it, either," says their press release, which continues: "We are displaying the expertise, entrepreneurship and adaptability of the Xhosa-speaking people. The way they have adapted from rural to urban life."



Picture: JACK LESTRADE

**IN STEP:** Amava Tours partner Michael Karemaker, right, watches a group of traditional dancers on one of the company's first tours through KTC.



# Tourists give SA thumbs up

Theo Rawane (288) 80-27/6/98

SERVICE in SA's tourism industry had been given top marks by rugby supporters in the country for the Rugby World Cup, the SA Tourism Board (Satour) said yesterday.

Satour executive director Ernie Heath said a survey conducted during the tournament found that international visitors gave SA a 75% rating. About 44% of the visitors said service levels in SA were higher than in their countries of origin, he said.

Only fast food outlets, airports and public transport facilities were said to be unsatisfactory.

Services at foreign exchange offices, airlines, car-hire companies, hotels, restaurants, banks and retail outlets received a rating of more than 70%.

Heath said the success of the Rugby World Cup would become a major building block in positioning SA as a tourism destination in the international market.

"International rugby supporters have overwhelmingly given the country a thumbs-up in terms of their

associations to develop an accredited tourist taxi programme, which was aimed at providing a standard service to tourists and other consumers.

He said the aim of the programme should not be seen as a sub-standard form of tourist guide training.

"Successful drivers are trained to interact with tourists and courses include vehicle safety and driving skills. Drivers require a thorough knowledge of the area in which the taxis are operating.

"Drivers who complete the accredited course are not registered as tourist guides, but they are provided with essential skills and training to act as recognised tourist taxis. Drivers have to be escorted by registered guides when transporting tourists to specific places of interest.

"Successful drivers are provided with identification cards and decals for their vehicles, but they are not allowed to act as guides while driving because of the safety factor," Manus said.

He said the use of illegal operators and guides had to be curbed by reporting them to Satour.

the manpower department and taxi

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## Business award has many benefits — former winner

Business Day Reporter

PRIVATE companies should take advantage of the opportunity to enter for the SA Non-Listed Company Award, because taking part would help them focus on the their business and pinpoint their strengths and weaknesses. That is the view of Eric Samson, executive chairman of 1987 winners Macsteel.

"We had always tended to keep a low profile, but when we won the award people realised we were a force to be reckoned with in the marketplace.

"We immediately used the fact that we had won on our letterheads, and I have no doubt that our success contributed to Macsteel's growth into what is today SA's biggest private company," Samson said.

The award, jointly sponsored by Business Day, Arthur Andersen & Co and the Wits Business School, is being made for the 10th time this year. Companies intending to enter must complete a qualifying questionnaire by next Monday, July 3.

Samson said a major benefit of success in the competition was the effect it had on staff morale. "Business, like anything else, is a team effort, and everyone took pride in our achievement."

The contest is intended to recognise innovation and entrepreneurial skill among non-listed companies which meet certain entry criteria.

Further information, and copies of the questionnaire, can be obtained from Nikki Benfield or Adri Spangenberg on (011) 328-3000.

See Page 14

## Influenza epidemic at Natalspuit Hospital abates

Bonnie Ngqiyaza

LAST week's influenza crisis at Natalspuit Hospital on the East Rand had abated, with fewer patients being admitted for treatment, hospital authorities said yesterday.

Natalspuit's acting superintendent, Ron Mitchell said the hospital had sufficient antibiotics and drugs and the overcrowding of the paediatric ward, in which babies were sharing cots last week, had been cleared.

The epidemic had meant the hospital had to deal with 3 800 cases in about seven days.

Four babies had died in queues in the hospital's waiting rooms.

Mitchell said although "not much" could be read into the decrease in numbers, it showed whatever the hospital had been dealing with had begun

to diminish. Exact numbers of patients being admitted would be available only today, he said.

Six SA National Defence Force paramedics and nursing personnel had been dispatched to help with outpatients at the hospital yesterday.

An internal disaster which had been declared by the hospital was still in force.

80-27/6/98

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# Call to curb use of illegal tour guides

(288) CT 27/6/95

PRETORIA: Many tourists to South Africa were being shown around by illegally trained tour guides, the South African Tourism Board (Satour) said yesterday.

Satour said the Tourism Act of 1993 stipulated that bodies offering tour-guide training had to be accredited by Satour.

However, there had been recent reports of taxi drivers being trained as tour guides by local

authorities and other unaccredited organisations.

Satour registrar of guides Mr Greg McManus said it was important to offer a standardised service to tourists.

"It is therefore important for the tourism industry to help curb the growth in the use of illegal operators and guides."

He urged the tourism industry to report unregistered operators to Satour. — Sapa

# Working women face worse discrimination

Renee Grawitzky

THE increasing participation of women in the economy and the labour market has inadvertently resulted in an increase in discrimination and inequality, says the International Labour Organisation.

The June edition of the organisation's publication, *World of Work*, said: "The feminisation of employment has not been synonymous with improvement in the quality of employment." Women workers continued to be discriminated against in areas such as pay, with women receiving 70-80% of the rates of pay of men in the industrialised world.

Jobs dominated by women had traditionally been characterised by low status and remuneration.

Despite growing inequality in the workplace, however, there was an increased awareness by some governments of the need for gender equality. A growing number were adopting wage equity and affirmative action measures to accelerate women's entry into leadership and managerial positions, the report said.

The organisation said most women workers worldwide continued to be concentrated in clerical, services, sales and middle-level professional occupations.

In SA the status of women at work does not appear to be a matter of concern to most employers if one analyses employment practices. For example, the main thrust of affirmative action as interpreted by companies has been on racial lines, and disregards gender. This is not in accor-

dance with the reconstruction and development programme, which specifies that affirmative action should apply to both blacks and women.

A snap survey of a number of women in middle to senior management positions in a cross section of organisations revealed that some experienced overt discrimination such as inequality in wages while others experienced a more subtle and intangible form of discrimination. This could take the form of being constantly reminded of women's other roles — as mothers and homemakers as opposed to career women.

Some women perceived that women's opinions were not given the same credence as men in the same or similar positions and men from middle-management level and below found it more difficult accepting women's views.

One woman said: "Women bring it upon themselves in certain respects. They have this constant fear of having to prove themselves and they try and overcompensate for being women."

Others said that management was quite happy to let women remain in more junior positions even though they were performing more senior functions. When confronted, management either said women were not ready, even though they had performed the tasks for extended periods, or that they should be happy as they were affirmative action placements.

Comments by all the women interviewed indicated that they felt the "old boys' club" was alive and well.

## Fawu considers creating umbrella industry forum

Renee Grawitzky

THE Food and Allied Workers' Union (Fawu) is contemplating establishing a national industry forum in the food sector with 18 sectoral forums falling under the main body.

The national forum would consider broad policy issues such as education, training and industrial restructuring with the aim of becoming competitive worldwide. The sectoral forums would negotiate wages and conditions of employment.

Fawu's Valerie Flanagan said the forums would cover sectors such as sugar, dairy, fishing and baking.

She said initially the union would pursue its objectives in those sectors where it was strongest and able to achieve its goals.

Flanagan said initial discussions had taken place between the union and the Chamber of Baking which represented baking employers.

She said the union wanted to establish an

industrial council in the baking sector, but was trying to achieve this with the full understanding and support of both employers and workers. She said part of the delay was that both parties were uncomfortable about how the structure would operate and the subsequent effect on their lives.

The Chamber of Baking's executive director Nic Alberts said the chamber was prepared to discuss the formation of a sector forum.

Alberts said, however, that "we are concerned about the wisdom of such a move at this stage in the development of the industry where we are trying to preserve jobs and keep some marginal bakeries viable".

He said the industry was dominated by six companies with approximately 3 000 small independent bakeries who would have to be accommodated.

Alberts said even within the "big six", "some groups bargain at company level, others at regional level and some are totally decentralised".

## Western Cape leads boom in tourism

Theo Rawana

SA's tourism industry is well on its way to recovery, figures released by the Central Statistical Service (CSS) show.

The number of foreign tourists in SA in April was more than double the figure for the same month last year, the CSS said.

The most popular province was the Western Cape, which attracted 38% of the visitors. The total number of bed nights sold to foreign tourists in April was 205 602, 117% higher than the figure for April 1994.

Asian tourists accounted for the greatest increase in market share according to con-

tinents, rising from 7.3% of the total in April last year to 17.5% this year.

Meanwhile, a study by an international hotel marketing group has found that a family-friendly atmosphere and programme of family-oriented activities are significant elements of hotel turnover.

The study, conducted by Steinberger Reservation Service, reported that family accommodation accounted for an average 5% of business volume, and was as high as 12.5% at hotels in the US.

The group has two hotels in SA: the Carlton Court and the Malamala.



# Jump in (288) tourist figures ARG 28/6/95 for April

PRETORIA. — Tourists visiting South Africa more than doubled in April compared to the same month last year, Central Statistical Service figures show.

CSS figures released yesterday showed the 205 602 "bed nights" sold to foreign tourists in April was 117 percent more than in April last year. The most popular province was the Western Cape with a market share of 38 percent.

However, these latest figures were inflated by the inclusion of bed nights sold in the former TBVC states. The number of bed nights sold to tourists at hotels in these states in April this year contributed 6,8 percent to the total. — Sapa.



# SA wants a million tourists a year

(288) Argus 28/6/95

CAPTOUR, the organisation which promotes tourism to the Western Cape, may have its main source of income — a R2 million grant from the Cape Town City Council — slashed to R500 000. This has wide implications for the industry. Argus staff reporters investigate.

CAPTOUR chief executive Gordon Oliver is feeling positive about the outcome of the Cape Town City Council debate on whether to cut his organisation's budget.

"I am confident that we will get the understanding and full support of council for promoting Cape Town as an international destination."

Earlier this month the council executive committee proposed to cut its grant to Captour — soon to change its name to the Cape Metropolitan Tourist Authority — by more than three-quarters.

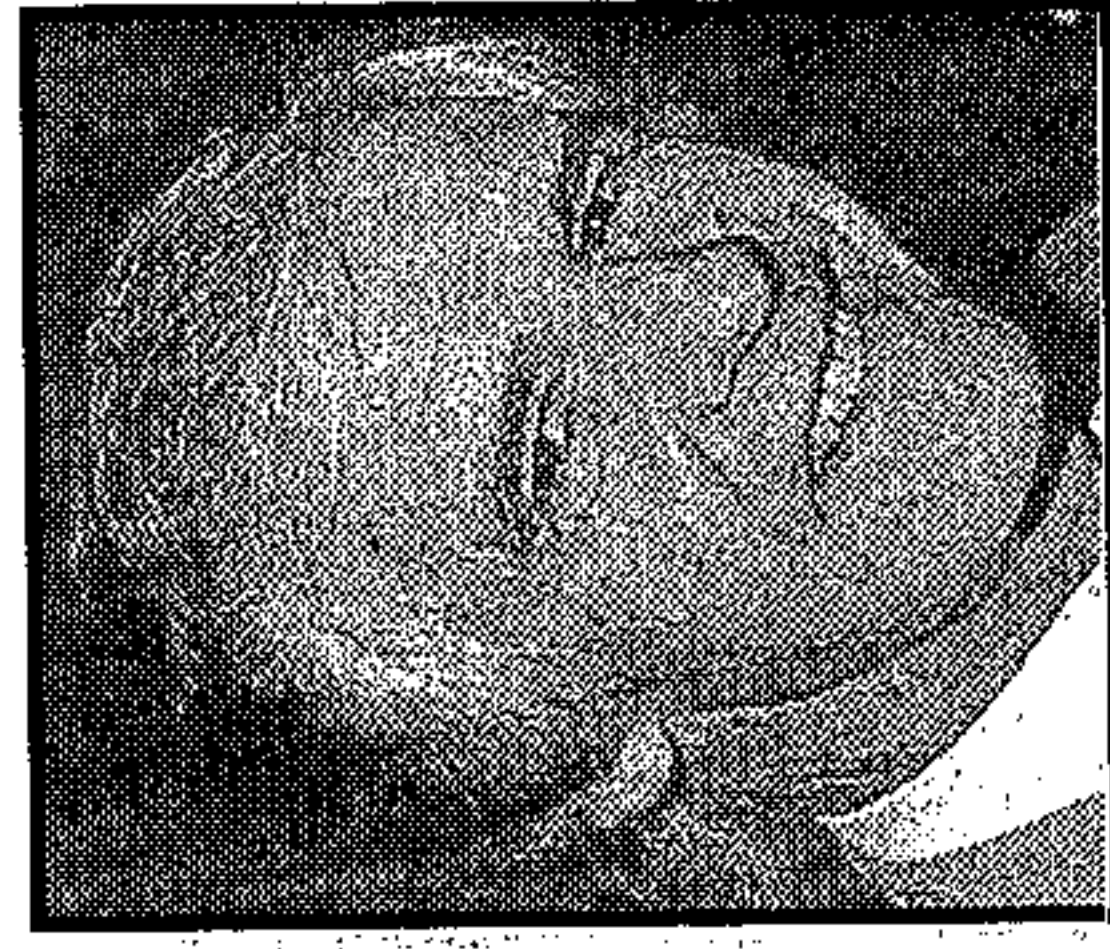
The issue is expected to come up for discussion and decision at the monthly meeting of the full council

tomorrow.

Mr Oliver said: "The matter before the council is the question of the reduction — cutting our annual grant from R2,043-m to R500-000 — the reduction of R1,5-m being approved as a bridging loan, provided we go to the other neighbouring municipalities (Bellville, Milnerton, the Cape Metro Council and the new Southern Peninsula Local Authority) to seek funding.

"What we fail to raise from the other municipalities, the city council is expected to convert into a straight grant."

When the idea of slashing the grant was first mooted, Mr Oliver protested that the city's R2-billion tourist industry would suffer severely if the organisation were to



Gordon Oliver

get a "meagre" R500 000 from the council.

He said major events — which were expected to generate about R420-million and attract more than 40 000 visitors — were in jeopardy if the budget was cut.

The organisation has pledged R150 000 towards the Golden Oldies World Rugby Festival in 1998 and promised considerable financial and marketing support for the International Jazz Festival in February.

Tourism forecast statistics would appear to give weight to Captour's plea for more generous funding.

According to Western Cape Tourism Minister Lampie Fick, South Africa aims to attract a million tourists a year within the next five years.

And the South African Tourism Board (Satour) reports an 18,6 percent growth in foreign visitors to South Africa since the election last year.

Cape Town, compared with other centres, hosted foreign tourists for the longest periods in 1994 — 4,98 days a visitor.

Combined with Johannesburg and Durban, the city accounts for 59 percent of the average foreign visitor's stay. The Western Cape notches up 42 percent.

Mr Fick said: "The expectation is that the million tourists would create a turnover of between R16-billion and R20-billion a year.

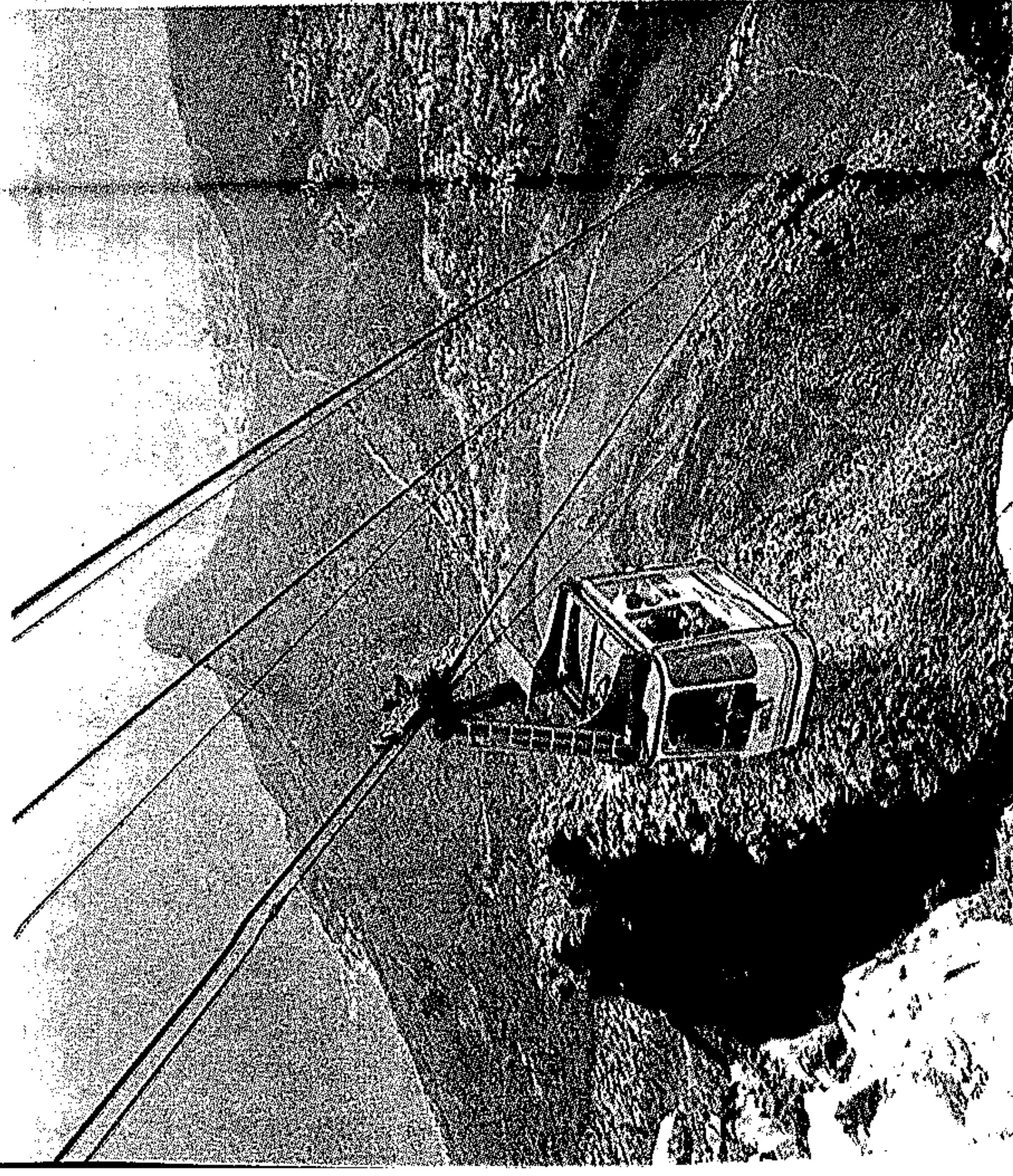
"Again, assume 42 percent of that figure, and you'd get between R6-billion and R8-billion a year for the Western Cape. That is the total turnover that could be created by increased tourism.

"That would mean a tremendous injection into the economy of the Western Cape.

"We are now putting together a tourism structure that will be able to manage and develop the industry to cope with all this."

While foreign tourist numbers have increased 18,6 percent, the growth in African arrivals is slightly more at 18,9 percent. Nonetheless, Europe remains South Africa's most important market — at a resounding 63 percent.

According to Theuns Vivian, assistant director of Satour, foreign tourism arrival figures for 1994 show that this market is growing at an extremely significant rate.



ME DESTINATION: Cape Town, compared with other centres, hosted foreign tourists for the longest periods last year — 4,98 days a visitor.



# Visitors boost Cape hotel trade

Business Editor

ARG 28/6/95

HOTELS sold twice as many bednights to foreign tourists in April, 1995, as in April, 1994 — and the Western Cape took the lion's share.

Figures released by the Central Statistical Service show 205 802 bednights were sold last April, 117 percent up on the previous year.

The 1995 figures include, for the first time, data from the Transkei, Bophutatswana, the Ciskei and Venda, but these four regions together only accounted in 1994 for less than seven percent of the total.

Cape Town, the peninsula and the winelands accounted for nearly 32 percent of bednights sold

compared with just under 19 percent in April, 1994. Second in line was Johannesburg, with 13 percent of the total, followed by the rest of the Gauteng area (not including the East Rand), with 12,6 percent.

More than half (nearly 55 percent) of the tourists came from Europe, with the United Kingdom and Germany supplying more than 30 percent of the total.

Tourists from other African countries dropped from 20 percent to 13 percent of the total. Tourists from Asia, on the other hand, accounted for 17,5 percent of the total, compared with 7,3 percent in April, 1994.

# Western Cape tops for tourists

## STAFF REPORTER

THE number of foreign tourists to South Africa has more than doubled since last year — and the bulk of them visit the Western Cape.

Central Statistics Service figures released yesterday showed the number of foreign tourists in April this year increased by 117% over April last year.

The most popular province is the Western Cape, with a market share of 38% of overseas visitors.

The percentage of foreign tourists who visited Cape Town, the Peninsula and the winelands increased from 18,7% last April to 31,5% this April.

The statistics were calculated on the number of bednights sold. Johannesburg had the second

highest number of foreign visitors this April, 13% of the market share.

The Free State saw the least number of foreign visitors (0,6%).

Most tourists were from Europe (54%), with the highest number from the UK (16,9%) and Germany (14,6%). The biggest increase in foreign tourists was from Asia.

● See Page 3

(288)  
28/6/95



COMPANIES  
CAPE

# NEWS

GOVERNMENT  
ECONOMIC

## Number of visitors double in April

By SUDARSAN RAGHAVAN

SPECIAL WRITER

Asian businessmen and a year of relative peace have helped to open up the tourism floodgates, doubling the number of tourists visiting South Africa in April, the Central Statistical Service said yesterday.

"Last year was a bad year for tourism," said Renscha Pietersen, a survey statistician at the agency.

"We had the elections, so many people stayed away. Now, it's becoming a bumper year."

The total number of bednights sold by hotels to foreign visitors during April was 205 602 — 117 percent higher than for April last year, the agency said.

The Western Cape was the most popular provincial destination point for tourists, capturing a market share of 38 percent, whereas Gauteng was the least popular, showing a fall in market share from 51 percent at the time of elections to 33 percent this April.

Tourists from Asia posted the largest increase in market share — from 7.3 percent in April last year

to 17.5 percent during the same period this year.

"More Asian businessmen are visiting," Pietersen explained.

Hotels with four-star ratings accommodated the most tourists in April followed by three-star hotels, the agency said. Cape Town, the Peninsula and the wine areas were the most popular tourist spots while the Northern Transvaal was the least visited.

Visitors from other African nations decreased by 7.1 percent this April compared with the same period last year.

(288) CT(MA) 28/6/95

Flats may

Hurley were not commenting on his arrest yesterday. — Reuter

had sex with her in his car yesterday.

# Western Cape tops for tourists

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● See Page 3

(288) 28/6/95



# Council to re-think Captour funding cuts

Municipal Staff

(288) ARG 30/6/95  
CAPTOUR, the tourism marketing body for the Western Cape, may still get its full R2 million grant-in-aid from the Cape Town City Council this year.

This follows an order from the full council to its executive committee to review a decision to slash the organisation's funding.

During yesterday's heated debate, councillors voted 39 to 25 to make the executive committee re-consider the issue.

Earlier, this committee had decided to reduce Captour's grant to R500 000 and provide bridging finance amounting to R1,5 million for the 1995/96 financial year.

It recommended that the bridging finance become part of the grant if Captour successfully restructured and transformed itself, and broadened its financial base to cover its operating costs.

Arthur Wienburg, who supported the executive committee's recommendation, said it was time Captour got its house in order.

Taxpayers could not be expected to pay continually for its failures.

An organisation like Captour must be put into perspective by its own

members who will join the tourism body if there are benefits.

"But there is a general lack of confidence in Captour on the part of the tourism industry.

"The Rugby World Cup Rainbow Festival tent at Villagers' rugby ground in Claremont was another example of how more than R500 000 of taxpayers' money was wasted by Captour.

"The festival was a complete and utter failure," said Mr Wienburg.

Clive Keegan said he found it astonishing that a local authority which knew that tourism was its life-blood was nevertheless willing to contemplate steps to strangle the body it had created to market tourism.

"Compared to other major cities in the country, Captour's budget is minimal — and yet there are those who are calling for it to be cut even further."

The only message this was sending to the rest of the world was that the city wishing to host the 2004 Olympics was confused and unpredictable, Mr Keegan said.

The executive committee will discuss the issue again and report back to the full council at next month's meeting.

COUNCIL TO RECONSIDER FUNDING CUT

# Reprieve for Captour

cr 30/6/95 (288)

**THE COUNCIL** is to reconsider its proposed slashing of funds to Captour after the tourism office threatened to shut down its activities. **PETER DENNEHY** reports.

**C**APTOUR won a reprieve yesterday from having its council subsidy slashed from R2,2 million last year to just R500 000 — after councillors were told that all the directors had threatened to resign to avoid "trading in insolvent circumstances".

At the council's budget meeting earlier this month, a proposal had been tabled that the Captour grant be reduced to half-a-million rand for the coming year, but that a repayable loan of R1,5m should also be made available to Captour.

No decision was reached on this at the budget meeting, and the matter was adjourned until yesterday. Councillors were then asked to consider an amendment, that the council should convert the loan into a grant if Captour made sufficient progress in three months in restructuring its organisation and broadening its base of contributors to meet its costs.

Mr Clive Keegan, ANC, said the amendment did not go far enough. He was astounded that any local authority which knew

tourism was the city's lifeblood could even contemplate "strangling Captour's efforts to make this an international destination".

His proposal to refer the matter back to the executive committee for further consideration was passed by 39 votes to 25.

Mr Leon Markovitz, NP, said the proposed Captour budget cut was "an anti-tourism stance". It had come up very late in the budgeting process, and this was irresponsible, as Captour's board had not been given enough notice.

"You are attempting to cut its wings," he said, adding that he had heard that all the Captour directors were going to resign if it only got R500 000 from the coun-

cil, for fear the organisation might end up trading in insolvent circumstances.

"It is a fact that Captour would have closed down, because they could not have continued," he said. "It would still close if it got only the R500 000."

Mr Llewellyn van Wyk, acting chairman of the executive committee, said the only other municipality that had given Captour money was Bellville, which had donated R60 000.

The Metro Council had given none, although promoting tourism at metropolitan level was really its function.

No RDP funds would be forthcoming for Captour either.



# ADVERTISING FEATURE

THE STAR / FRIDAY JUNE 30 1995

*Conference industry worth \$90-billion around globe and growing 10% per year*

## Growing industry but way behind world

(288) Star 30/6/95

**SURVEY estimates SA has the potential to boost its capacity to about 10-million delegate days**

### ■ STAFF REPORTER

South Africa's conference industry is set to grow at least 5% in the short to medium term, Kessel Feinstein Consulting, the recognised sage of the hotel, catering, tourism and leisure industries predicts.

In their 1994 edition of Tourism Talk, Southern Africa, KFC reports that South Africa hosted more than 40 international conferences involving about 100 000 delegate days during 1993.

The KFC survey estimates that South Africa has the potential to boost its capacity to about 10-million delegate days for international and national conferences.

The bulk of the delegate days would consist of local conferences (8,1-million days), with international conferences (1,9-million) making up the remainder.

KFC director Gillian Saunders said the 1993 figure was a vast improvement over the two previous years when an estimated 10 to 15 conferences were held each year.

In worldwide terms, the conference industry is said to be worth some \$90-billion annually and to be expanding at between 8% and 10% per year.

Although there are about 1 250 conference venues in South Africa, two-thirds cater for 100 or fewer delegates at a time and there is an acute shortage of centres which can handle large



**Booming business . . . Gillian Saunders believes SA's conference industry is set to take off in a big way.**

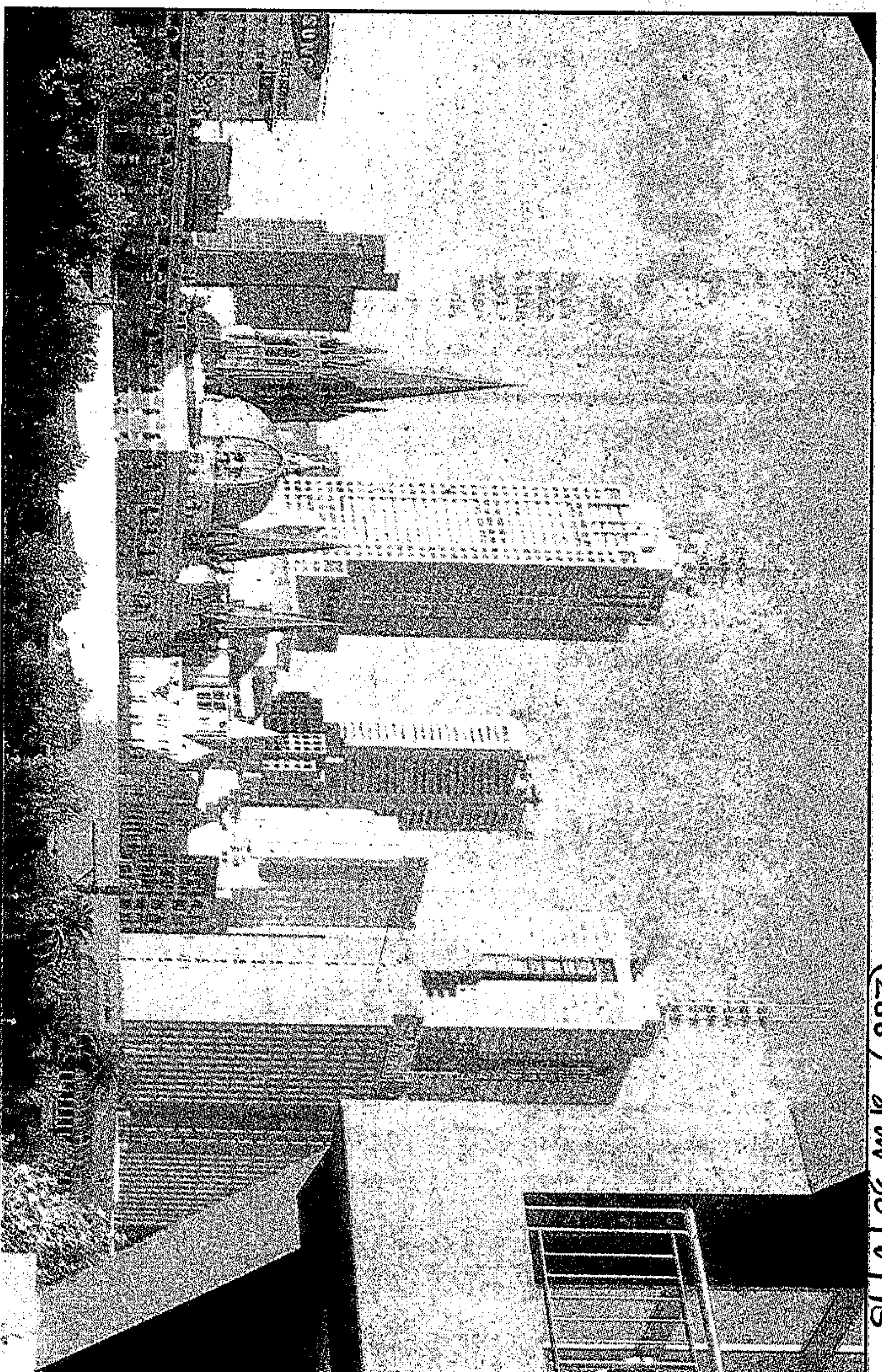
conventions.

Only 11 can accommodate more than 1 000 delegates and eight of them are make-shift or multi-purpose halls, exhibition venues or university facilities.

"Despite problems of inadequate infrastructure and generally poor service standards,

good prospects exist for the conference industry, especially now that South Africa has shed its pariah image," Saunders said.

Overseas research has shown that the average international conference visitor spends at least one third more than the average international visitor. South



**Conference boom-town . . . Melbourne, in Australia, has posted itself as a mega-conference centre, earning millions of dollars for its endeavours.**

Africa does not have specific figures for conference visitors, but the average overseas business traveller spends R293 per day.

"No doubt, our conference delegates spend more than this on average," Saunders said.

"Industry sources report considerable interest in South Africa

as a conference destination since the elections. South Africa,

in contrast to many other countries, has a shortage of good, large conference facilities, and lags far behind Europe, North America, Australia, Singapore,

Malaysia, Hong Kong and a number of South American countries."

This would constitute a major handicap when bidding for the large and lucrative international conventions, she pointed out.

"But construction has started on Durban's International Convention Centre, the first truly large scale purpose-designed fa-

cility of international standard in South Africa," she said.

The centre is due to open in 1997, and will have a raked planetary hall seating 1 800 and additional capacity for 3 200 delegates in other meeting rooms. The centre is funded mainly from municipal sources.

The Cape Town and eThekweni municipalities are pursuing plans for centres in their cities.

Saunders says South Africa's existing conference budgets, resources and all levels lag far behind many "competitive nations".

One Australian conference centre, Melbourne, spends more than \$10 million a year and has 19 dedicated to the market.

They concentrate marketing the city facilities and have a budget of about \$3-million to the city's chances of overseas businesses.

"When one sees numbers like those, one realises that South Africa still has a long way to go," Saunders says. It is typical of many cities around the world that the economic benefits of the conference industry have not been fully cognised.

Generally these cities are comprised of private and public sector interests supported at the national level by a convention department.

The potential economic benefits of the conference industry are considerable. The not only the direct spend, but also the multiplier effect of the industry.

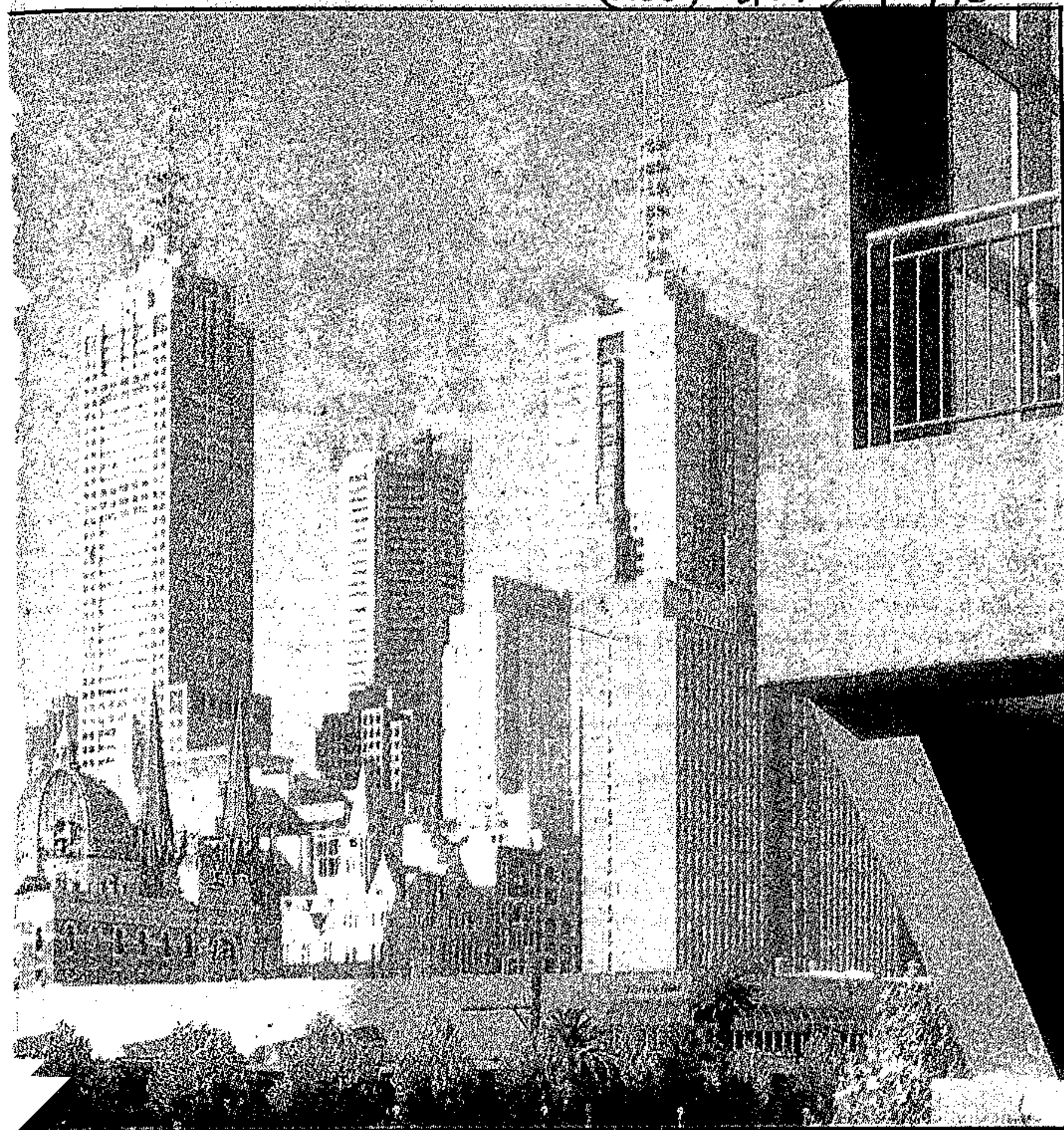
spend, the job created, the case of foreign exchange, delegates, foreign exchange, much add-on holiday and the associated benefits. But, while valuable, it is the consequence of national conferences, the national market remains the bone of the industry.



er year

# way behind world

(288) Jan 30/6/95



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One Australian city, Mel- bourne, spends more than R8- million a year and has a staff of 19 dedicated to the conference market.

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Generally these city bodies are comprised of private and public sector interests and are supported at the national level by a convention department in the national tourism body.

The potential economic bene- fits of the conference industry, like those of tourism generally are considerable. They include not only the direct spending of the conference delegates, but also the multiplier effect of that spend, the job creation and, in the case of foreign conference delegates, foreign exchange, and much add-on holiday tourism and the associated benefits.

But, while valuable forex may be the consequence of the inter- national conferences, the dom- estic market remains the back- bone of the industry.



(288)  
AM 30/6/95  
**KAROS HOTELS**  
**Leaps of faith**

**The green** shoots of profitability seen in Karos's interims have borne fruit and the preliminary results for the year to March 1995 have the sweetness of R4m attributable profit after a disappointing 1994. Turnover climbed 23%, producing a 35% increase in operating profit.

The group was able to pay its preference dividend and declare an ordinary dividend of 2,65c/share on EPS of 6,7c. The cause of this plenty is partly the growth in the hotel industry over the past nine months and partly the effort management has put into refurbishing assets over the past five years.

The group's own private RDP has almost ended, leaving Karos the proud owner of 15 quality hotels in strategic positions in southern Africa. All except Durban's Edward Hotel are in "excellent condition," says chairman Selwyn Hurwitz, and in August the Edward will close for a R17m year-long renovation. "International tourism will be centred around four- and five-star hotels," Hurwitz says. The Edward will become a five-star hotel.

Two hotels are equity-accounted. The Polana in Maputo, Mozambique, is owned by a separate company, held 32,5% by Karos, which also holds the management contract. The most recent of its developments — the Sossusvlei Lodge, at the entrance to the Namib desert in Namibia — is owned by the Namibia Etosha Tourism group. Karos holds about 38,5% plus the management contract. The contribution to attributable profit by associate companies was R1,1m or 27,5%.

Karos plans to do "lots of development in the near future," but its nature depends on the deliberations of the Gaming Board and on success in acquiring gaming licenses.

Hurwitz believes full benefits of the new SA will not really be felt in the tourist industry until August/September this year, though activity improved in the last two months of 1994. "It takes eight to 12 months to get on the programme at the international tourist fairs," he says, and this time-lag affects tourist numbers. However, Karos is in an excellent position to take advantage of a tourist influx.

The group's next project is to develop a casino at the Polana. Hurwitz expects to get the licence in about a month. There are plans to develop sites in Namibia, near Etosha, at the Zambezi and at Grootvlei.

At R4, the share is close to its 12-month high of R4,20 and a long way off the August low of R1,45. This sharp rise, resulting in a p/e of 59,7, is reflecting high expectations in the market. In the next year or so, investors will be looking for earnings to justify their leap of faith.

Margaret-Anne Halse

**SERVICE REWARDED**

Year to March 31	1994	1995
Turnover (Rm)	103,9	127,4
Operating income (Rm)	24,9	33,6
Attributable (Rm)	(4,0)	4,0
Earnings (c)	(9,5)	6,7
Dividends (c)	—	2,65

# Political change, scenic beauty attracting more tourists to SA

CT(BR) 3/7/95

(288)

JOHN SHERROCKS

KWAZULU NATAL BUSINESS EDITOR

The number of foreign visitors to South Africa during the first quarter of this year is up by more than 50 percent on the same period last year and tourism authorities are predicting that the numbers will hold.

The South African Tourism Organisation warned, however, that there was a danger that insufficient funding would prevent full capitalisation of the wave of international interest in the country.

Figures released by the Central Statistical Service last week showed that the number of bed nights sold to foreign tourists and business visitors in April was almost double that of the corresponding month last year.

Even taking into account the decline in tourism during the build up to last year's elections and the fact that TBVC states are now included in the total, there is a startling comparable growth in the number of overseas visitors during the first quarter of this year.

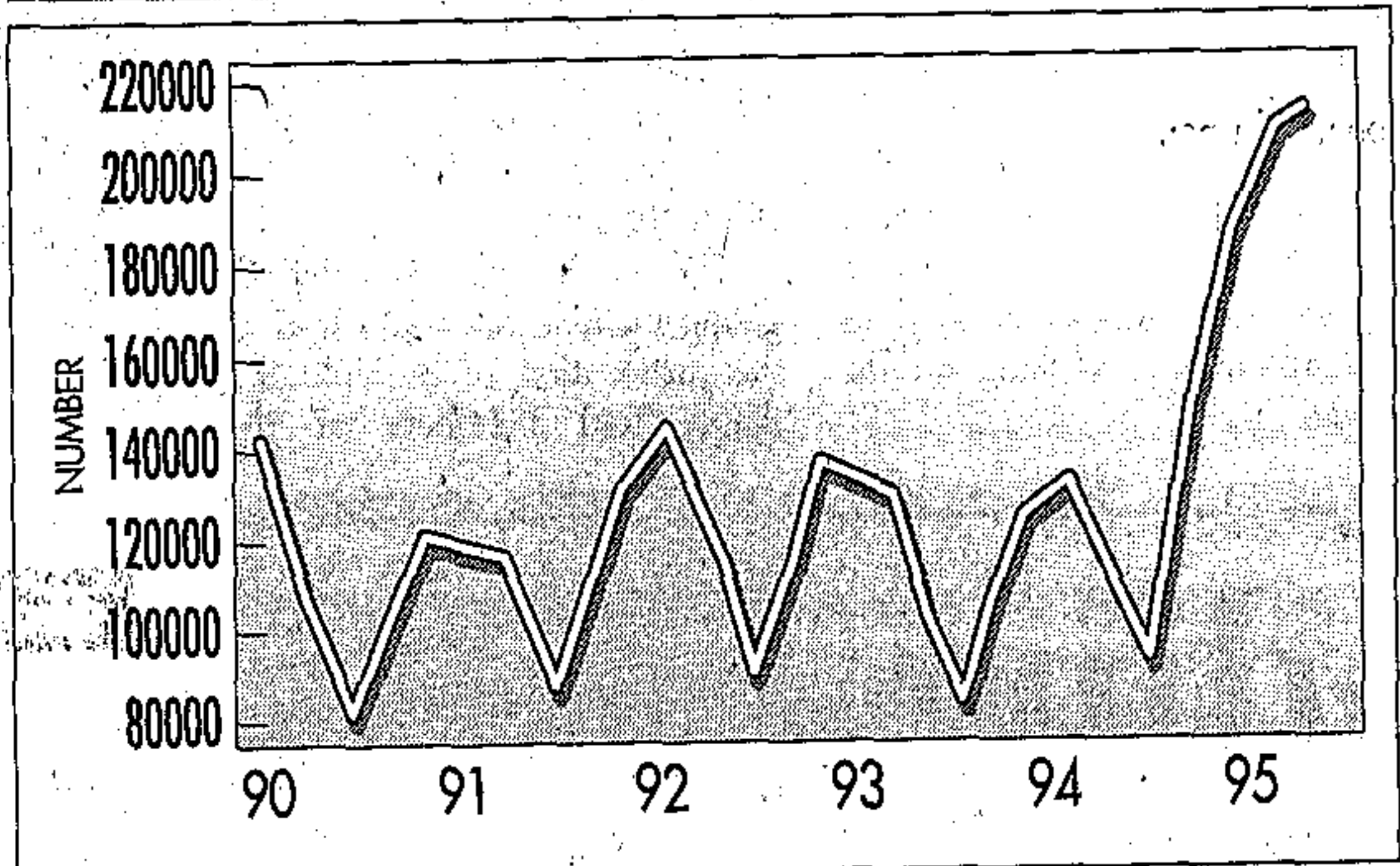
The latest figures do not include Rugby World Cup visitors, 20 000 of whom are estimated to have stayed at hotels for an average of 10 days.

Commenting on the latest figures, Econometrix said even with a 10 percent reduction to enable a more accurate comparison, the number of bed nights sold to foreign tourists for the months of January to April this year was between 30 percent and 50 percent up on the previous year's comparable period.

"Even taking into account the low base against which such figures are being compared, the growth in foreign tourism remains phenomenal."

Econometrix described tourism as "one

## Bednights sold to foreign tourists



of the star performers" of the economy this year.

"In its own right it is making a very important contribution towards earning vital forex as well as keeping the economic upswing on track, especially at a time when export growth in other areas of the economy is underperforming."

Derina Holtzhausen, the organisation's public relations officer, said there had been a sharp increase in the number of tourists from Asia — from 9 percent of the total to 15 percent.

She said the latest findings of the organisation's on-going survey showed that second to the country's scenic beauty, political change was the major attraction for international visitors.

She warned that time was running out for the country to take advantage of its high international profile.

The organisation has set a target of

2 million overseas tourists by 2000, compared to this year's projection of 800 000.

Econometrix noted there had been a shift in the geography of foreign tourism over the past few years. Cape Town's share of bed nights sold has risen from 27 percent to 32 percent whereas Johannesburg's has fallen from 16 percent to 13 percent, Pretoria's from 9 percent to 5 percent and Durban/Umhlanga from 8 percent to 5 percent.

"The conclusion to be drawn is that the proportion of holiday tourism relative to business tourism has increased enormously and that most foreign holiday makers concentrate on the Cape and garden route, Sun City and the eastern Transvaal/Kruger Park."

The sharp increase in tourism from Asia has been at the expense of business from Africa and Australasia. Europe and North America have remained stable.



# 'Support Cape Town's Olympic bid'

By MAGGIE ROWLEY

The former United States ambassador to the United Nations and co-convenor of the Atlanta Olympic Committee, Andrew Young, made an impromptu appearance at the South African Property Owner's Association (Sapoa) convention at Sun City on Friday.

Receiving a rousing reception from delegates, Young said that except for Atlanta, every city in the world which had entered a bid to

stage the Olympic Games had been plagued by in-fighting.

Cape Town was lucky that this had happened earlier and not later in the run-up, as the city could now get on with the necessary preparation, he said.

The only reason Atlanta had avoided the in-fighting was because the city had not believed it would be successful.

All South African cities should unite behind Cape Town because they would all benefit from spin-

offs if the bid was successful, Young said.

The Cape Town bid should look more to the private sector and not just the government to finance the necessary infrastructure.

Atlanta had received around \$900 million for the TV rights while Sydney had so far been offered \$1 billion for the 2000 games, he said.

Cape Town could expect to raise at least \$1 billion, if not more, from the TV rights alone.

CT(P&R) 3/7/95 (288)

# SA tourism too small-fry for Disney

1 TD

CT(BR) 8/7/95 (288)

By MAGGIE ROWLEY

PROPERTY EDITOR

Peter Rummel, president of design and development at Disney, told Business Report he had been inundated by South African delegates unsuccessfully seeking local development opportunities with Disney.

"South Africa has one of the three ingredients necessary to fly a theme park of the large scale we deal in and that is population numbers. But unfortunately the country

cannot meet the other two criteria, namely disposable income and international tourism. It simply would not be viable."

He pointed out that Disney Land in Florida attracted upward of 34 million tourists a year while Euro-Disney in Paris was expecting around 11 million tourists this year and Disney Tokyo even more.

This compared with about 600 000 foreign tourists a year to South Africa. Entrance fees to American theme parks are about

\$30 a person with the average visitor spending \$100 a day.

"I don't wish to be completely negative as I think there are development opportunities for this country, but they would have to be on a much smaller scale to be viable."

He said the Walt Disney Company expected an after-tax profit of more than \$2 billion this year. It is one of the 25 largest corporations listed on the New York Stock Exchange with a capitalisation of more than \$30 billion.



## Global Resorts takes on black casino partners

Amanda Vermeulen

(288) MD 3/7/95  
CASINO resort company Global Resorts SA has forged alliances with black empowerment company Matla Leisure Holdings and the National Tourism & Environment Development Initiative, a non-government organisation focusing on black business participation in the tourism industry.

Matla chairman Jackie Mphafudi had been appointed chairman of Global Resorts and initiative CEO Moss Ngwenya was on the board, Global Resorts CE Ernie Joubert said at the weekend.

Matla Holdings would serve as a platform for black investment into Global Resorts. Ngwenya said Global Resorts was positioning itself to provide meaningful black participation in the casino industry.

Black-controlled merchant bank Capital Alliance was working with Matla and Global Resorts to create a model for black stakeholders ahead of the applications for casino licences. Joubert said negotiations with another black group were advanced and additions to the Global Resorts board could be imminent.

Global Resorts also announced at the weekend that its subsidiary, Global Resorts Botswana, had been granted its first casino resort licence.

Construction would begin this month on the casino complex at the Grand Palm Hotel and Casino Resort in Gaborone. Global Resorts had awarded the Protea Hotel group the management contract.

Joubert said the slow progress in SA's casino industry was forcing the group to consider bringing forward its international expansion plans, and it was investigating opportunities in other parts of Africa.

Joubert said these investigations did not detract from its goal of becoming a major player in the casino resort industry in SA.

# Rugby World Cup puts poor service in spotlight

CT(BR) 4/7/95 (288)

By FRANÇOISE BOTHA

STAFF WRITER

South Africa's notorious service standards have once again come in for criticism following Rugby World Cup supporters' complaints, with management receiving the brunt of the blame.

"The large influx of tourists for the Rugby World Cup highlighted enormous deficiencies in South African service. Management has to play a more proactive role in improving this," said Ant White of management consultants FSA-Contact.

Criticism stems from the fact that South Africans at all levels within organisations do not understand the value of the customer or know how to meet a customer's personal and practical needs.

"Instituting customer service departments to handle customer queries or complaints has little effect on service levels," he said.

"Staff must find out what customers want, how to treat them with respect and must be empowered to handle them and make decisions to meet customer's needs.

"In addition, staff should be trained to follow through on promises," he said.

Following the results of the recently released World Competitiveness Report, tourism industry consultants said that if South Africa wanted to attract tourism revenue, standards of service would need to be dramatically improved. The report ranked South Africa 35th, after Colombia and India, out of 41 countries.

Ernie Heath, deputy executive director of Satour disagreed, saying the process of improving customer orientation had already begun.

White said: "Tourists to South Africa expect world class service and want to be made to feel good. If they don't get it, they will go elsewhere and tell their friends to do the same."

At the heart of the complaints is a lack of service culture in South Africa.

Consultants agreed that commitment to service will only be achieved if a top-down approach is used.

"The behaviour and attitude of senior level employees has a major impact on the behaviour and service commitment of subordinates," said White.

The internal organisation of businesses has been criticised because systems are not designed to meet the customer's needs.



# Cup security 'a success'

(288) CT 5/7/95

JOHANNESBURG. Although 42 tourists had laid charges ranging from rape to theft, security during the Rugby World Cup had been very effective, a top policeman said yesterday.

"Looking back on the Rugby World Cup tournament, we can say that, from a policing point of view, the tournament was a resounding success," Lieutenant-General Daan le Roux said.

General Le Roux, who is head

of the police National Safety Services division, said 42 tourists reported crimes during the month of the competition.

"Unfortunately, some of these crimes were of a serious nature, ranging from one case of rape to theft of valuables," he said.

But the figure was relatively low considering the thousands of foreigners that flooded into South Africa for the rugby, he said. —

Reuter

# Influx of (288) foreign tourists is expected

Stephané Bothma

PRETORIA — SA could this year expect a 25% increase in foreign visitors — more than the 3.6-million who visited the country last year, Satour said yesterday.

The majority of foreign visitors to SA last year were Africans (2 850 000), then Europeans (590 000), Satour's Mike Fabricius told an international tourism workshop.

The value of tourism to SA last year was R7bn.

The perception of overseas visitors that their personal safety could not be guaranteed was of great concern to Satour, Fabricius said.

Although only 2% of visitors had an actual criminal experience while in SA, 30% of overseas tourists were "really concerned" about their personal safety.

SA's scenic beauty was the major attraction for overseas visitors, followed by the political change, as well as a favourable currency.

Africans mainly visited SA to shop, he said.

A survey last year showed that Cape Town, followed by the country's game reserves, were visitors' highlights. Personal safety was perceived to be the greatest concern.

Table Mountain, game reserves, the Cape wine routes, the Garden Route and Durban's beachfronts were most visited by overseas visitors, Fabricius said.

The value of the domestic tourist market was R12bn last year, Fabricius said. However, he believed that it was a conservative figure.

Durban remained the main domestic holiday destination, he said.



# 'Safe' World Cup boosts tourism

STAFF REPORTERS

CT 6/7/95

(288)

TOURISM is set to rocket following the Rugby World Cup, with tour bookings having doubled and a triple increase in holiday queries from Britain, Ireland and Scandinavia since the event focused world attention on this country.

This is according to Satour's director for the three regions, Mr Russell Barlow Jones, who said the latest figures were "astonishing".

Mr Barlow Jones said the 100% increase in business and 300% increase in holiday inquiries would further be accelerated by the "remarkably" low crime level during the tournament. An estimated 26 000 overseas visitors were in South Africa at the time, and only 0.1% reported security problems to the police.

This is dramatically lower than figures released by the British Consumers' Association in May which rated South Africa as one of the world's three most dangerous holiday destinations.

Yesterday the director of communications for the National Safety Services, Mr Ray Harrold, said the British popular press which suggested visitors were taking their lives in their hands whenever they left their locked hotel rooms, were way off the mark.

One newspaper kindled Johannesburg's reputation as the world's most dangerous city under the headline 'Welcome to Hell. "We proved them wrong," said Mr Harrold.

**COLIN DOUGLAS, Staff Reporter**

PEPKOR chief Christo Wiese is to set up a Cape Town-based Olympics business group, one of three to be formed around the country to involve big business in the city's Olympics bid.

And it was reported from Seoul today that South Korea would support South Africa's bid to host the 2004 Olympic Games.

Less than a month after his appointment, Chris Ball, head of the new Olympic bid committee, has made substantial progress in revamping management of the bid, revising its budget and securing the backing of key figures in South Africa and abroad.

At a press briefing yesterday, he announced the formation of high-powered "business consultative groups" in major centres to involve companies in the bid and expose them to its potential economic spin-offs.

Mr Wiese will convene the Cape Town group, while Katz Commission chairman Michael Katz and Thebe Investments managing director Vusi Khanyile will lead in Johannesburg and top businessmen Terry Rosenberg and Sadek Vahed in Durban.

Mr Wiese, speaking today from Spain, where he is on holiday, said his role would be to help mobilise business people and the public behind the bid.

"We're looking not only for financial support, but for every other kind of support as well."

At yesterday's briefing, a confident Mr Ball announced:

- Fundraising for the bid was on track, and the R65 million in private sector sponsorship needed before the central government would unlock Olympic-related funding would definitely be collected.

- A 35-person management team was in place.

- Major accountancy firms would help in financial planning of the bid, at no charge.

- Representatives of Cape Town's architects, civil engineers and quantity surveyors had agreed to take on the preliminary design and costing of Olympic facilities, also at no charge.

- Representatives of Jurgen Schrempp, chief of the German giants Daimler-Benz and Deutsche Aerospace, had agreed to supply the bid company with its project management needs and to create an information centre for the bid.

Mr Schrempp, one of the world's top business leaders, was formerly head of Mercedes-Benz in South Africa.

A new Olympic logo, bolder and more African-oriented than the present Table Mountain motif, is to be unveiled next week.

- President Mandela, who is visiting South Korea, announced that country's support for the bid at a joint news conference with President Kim Young Sam in Seoul.

South Korea hosted the 1988 Olympics, using the sports spectacle to showcase the south-east Asian republic's highly impressive economic achievements.

# Cape town coon for Games bid team

AR 6 7/7/95

(288)



# Peninsula is tops with tourists, says survey

Staff Reporter

(288) ARG 7/7/95  
CAPE TOWN was the highlight of their visit to South Africa for most international tourists, according to South African Tourism Board (Satour) director of tourism, Mike Fabricius.

Speaking at a Satour workshop in Bellville yesterday, Mr Fabricius told about 100 representatives of the tourism industry that overseas visitors said in a Satour survey they spent the most enjoyable part of their stay in "Cape Town and the Cape Peninsula".

Following on the Mother City in popularity were game reserves and wildlife, visiting families and friends, and scenic beauty.

Mr Fabricius said the four most visited attractions in the country were in the Western Cape.

Table Mountain, the wine route, the Garden Route and Kirstenbosch were the most popular tourism spots.

Two other Western Cape destinations, ostrich farms and the Cango Caves, were among the top 10 attractions, along with the Durban beachfront, the Kruger National Park, Gold Reef City and Drakensberg resorts.

"The Cape Peninsula is a winner. We often hear Cape Town is the nicest, best city in the world. Overseas visitors spend most of their nights in Cape Town. The Western Cape tourism industry has a tremendous responsibility ... towards the whole country. If things go wrong here, it will affect the whole industry's future," said Mr Fabricius.

Satour deputy executive director, Ernie Heath, said most European visitors came from the United Kingdom and Germany, most South Americans from Brazil and Argentina, most Africans from Namibia and Zimbabwe, most Australasians from Australia and Taiwan, and most North American visitors from California and New York.

He said the foreign tourism arrivals market showed an 18,6 percent growth from July last year to December, and continued to grow at a rate of 25 to 30 percent since January this year.

"New markets have emerged in the past 18 months, like South-east Asia, India, South America, Scandinavia, mainland China and Hong Kong.

"The birth of the rainbow nation and the inauguration ceremony have brought new excitement in the tourism industry. The President is having an incredible international impact.

"The Rugby World Cup was another anchor event in terms of impact and benefit. Not only did we have 26 000 people here who spent quite a few million, but the event made us proud of ourselves, which is a great building block for the next phase," said Mr Heath.

Mr Fabricius said visitors from Africa, North America and Scandinavia found the political change South Africa's most attractive feature.

"The magnet of political change has influenced our markets. We want to nurture this."

# Labour negotiators now in injury time

Henec Grawitzky

**DURBAN** — The prolonged labour legislation negotiating process had created a sense of uncertainty inside and outside the country, Labour Minister Tito Mboweni said last night.

The protracted process had caused uncertainty abroad over what kind of labour relations system the country would adopt, he said at the opening of the eighth annual labour law conference in Durban.

At some point the country would need to create a level of certainty.

"We have run out of time. We are in injury time now."

There were broad areas of consensus but also many areas of disagreement.

However, it would be naive to expect that agreement would be reached on all issues, he said.

Mboweni outlined three possible scenarios. The first two — delaying the enactment of a new Bill until next year or abandoning redrafting a new Bill — he rejected. He did not comment on the third scenario, in which parties would submit a draft Bill that included areas of agreement as well as areas in which agreement was not reached.

If this happened, it would be with the proviso that the Bill could later be amended.

He cautioned that the cost and the benefits of this option would have to be weighed up carefully against one another.

In recent weeks the National Economic Development and Labour Council (Nedlac) had been criticised as a waste of time. This was incorrect, he said. "Nedlac still offers important institutional mechanisms to build social consensus."

Nedlac's principal committee meets today to consider reports compiled on progress made by its working groups this week.

Mboweni asked how a government devised new labour legislation in a highly charged atmosphere where government had an alliance with the largest trade union federation.

Major differences were unavoidable as the parties were separate and independent. However, these differences would not break the alliance, he said.

Prof William Brown of Cambridge University, speaking on bargaining at industry level and pressure to decentralise, said SA's nurturing of centralised bargaining was not necessarily taking the country in a wrong direction.

It was necessary to create a flexible system to allow for consensual relationships. To ensure economic growth and democracy it was necessary to put down "deep roots" for collective bargaining, he said.

## Cape Town service rated 'poor'

Ingrid Salgado

**SHORTCOMINGS** in Cape Town's service performance during the rugby World Cup have indicated the city would have to improve its infrastructure and service delivery if it was serious about its 2004 Olympic Games bid, a Wits Business School survey says.

Many of the 800 local and international respondents to the survey expressed dissatisfaction with a "total lack" of public transport, especially in Cape Town and Johannesburg, and more than 60% of foreign participants believed service back home was better than Cape Town's.

Service throughout SA was rated excellent by 21% of all respondents, 58% thought it fair or unexceptional and 21% believed it to be "downright bad".

The medium and bad ratings were "too large for comfort" and could do SA a lot of harm, researcher Sid Cohn said. SA did better than expected but not well enough to

deliver world class service, he said.

Visitors gave fast food outlets and airport facilities bad ratings but SA fared well in its foreign exchange, airline, car hire, hotel, restaurant and cellular phone facilities.

Its rugby stadiums scored top points and were rated the best in the world by international visitors.

Johannesburg came in first among SA's largest cities — 16% of respondents believed service to be better at home and 48% felt it was the same. Cape Town lagged behind the national average, in which 46% felt service back home was better and 22% thought it was the same. 32% felt service was better.

But foreigners had expected "Third World service" and had been pleasantly surprised, the survey said.

Cohn said service levels were inconsistent. "When service was good it was very good but when the service slipped it was very bad."



# Local service an Olympic hurdle

(288) am/bm) 7-13/7/95

**Simon Segal** finds South African service standards will not cope with an Olympic influx of tourists

**T**HE Rugby World Cup (RWC) provided the first major opportunity to rate South Africa's service standards. The result is less than spectacular.

Sid Cohn, a consultant who teaches at the Wits Business School, surveyed 400 local and 400 foreign tourists at 16 RWC games for the business school's Services Network, a group of senior executives concerned about service in South Africa. His conclusion? "Yes, we can deliver world class standards but not consistently. When things go wrong service and attitude slip. Service standards around the RWC were not a disaster, but they were also not acceptable to compete internationally. It was a middle of the road performance."

Fedhasa director Daan Viljoen, who has looked at the study, agrees with these findings. "We are not consistent. The depth of knowledge and training is thin, so, when there are problems, they are complicated, and go horribly wrong."

Of the foreign rugby tourists surveyed, 21 percent found the service standards "excellent", 58 percent felt they were OK and 21 percent experienced them as "bad". On this basis, South Africa's standards probably compare with those of countries like Jamaica, Turkey and Mexico.

Those who experienced bad service

highlighted three areas — poor availability of a service when promised, slowness of delivery and a lack of confidence in staff. On the lack of confidence in staff, Cohn detects a racial issue. "It is definitely there. Some people believe black staff to be less efficient and competent."

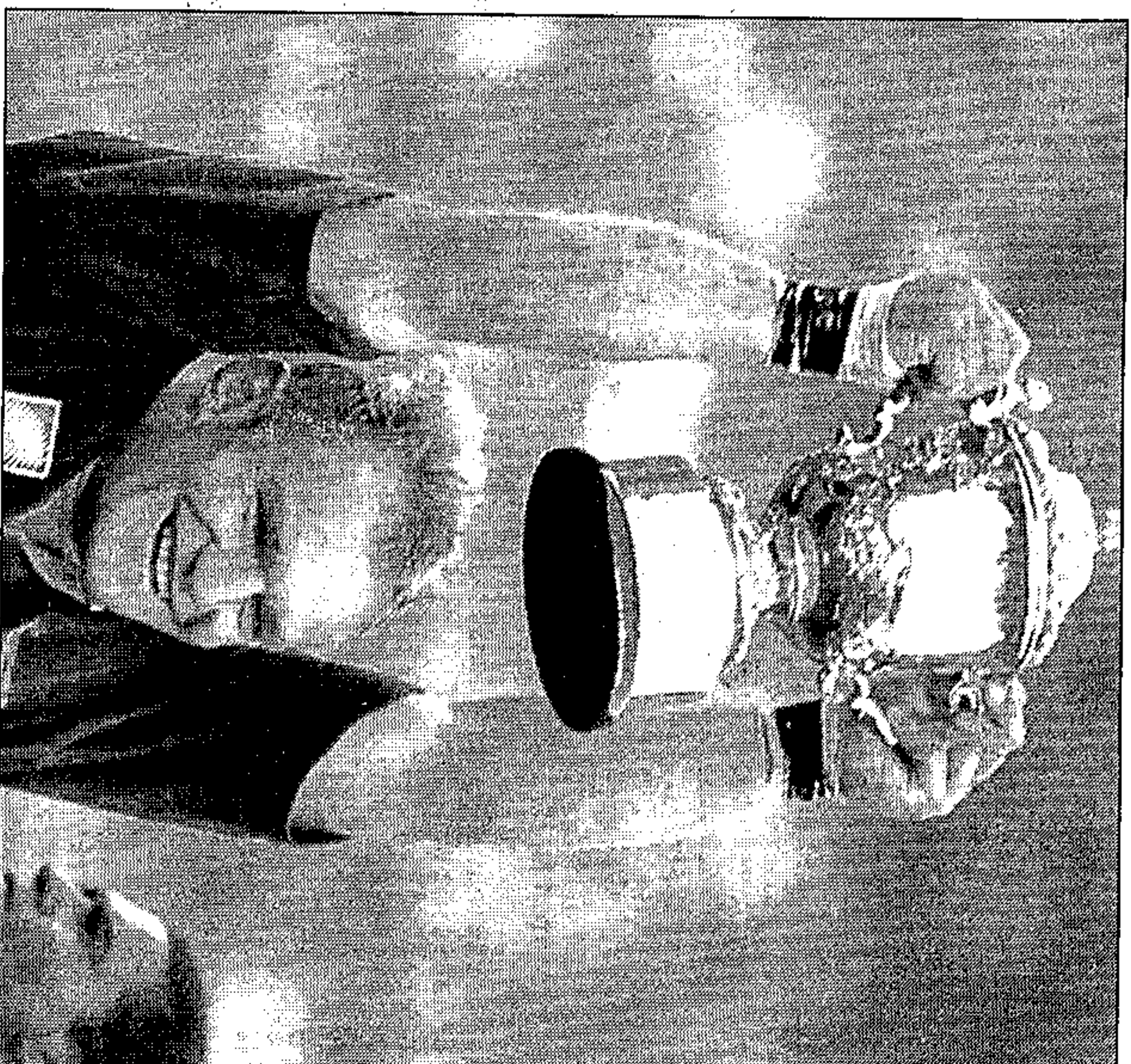
Cohn notes that a 21 percent "bad" rating is high, especially when one considers that bad news travels much faster than good news, and certainly outweighs the 21 percent who felt the standards were "excellent".

So where are the problems and successes? Public transport on land — buses, taxis, trains — is a disaster. Out of a top score of 10, foreigners rated this 5.4, when anything under seven is considered bad and over nine excellent. Johannesburg was the worst and Cape Town second worst. South Africa's airports failed (rated 6.3) despite all the renovations. Also poorly rated is fast food (6.3).

The most attractive service aspects to foreigners are the rugby stadiums (8.8), restaurants (8.1), car-hire (8), South African Airways (8) and foreign exchange dealings (7.8).

Viljoen is confident airports are being seen to and should improve sharply. He adds that Fedhasa research shows hospitality service has improved remarkably over the past two years. He attributes this to the industry's training board.

In the end, 46 percent of the tourists said service was better at home and 22 percent said it was worse. Of the foreign sample, 46 percent were from the United Kingdom, 20 percent from New Zealand, and six percent each from



**Keep a firm grip, Francois: South Africa may be able to draw the tourists for the World Cup, but will they leave with fond memories?**

France and Australia. Viljoen reckons around 18 000 foreigners visited over the four weeks of the rugby.

"This is disappointing, especially if you consider that local tourists and non-rugby foreign tourists did not travel in anticipation of the rugby taking up capacity. The rugby offered the hospitality industry no net gain."

The profile of the typical foreign rugby fan was not a five-star tourist. They are, as Cohn says, "three-star tourists with five-star wallets". Viljoen admits that business travellers are more critical. "In the hard areas such as hotel buildings they feel South

Africa is good. It is the soft areas like friendliness, speed and efficiency that South Africa has problems."

One is also left wondering that if South Africa were not so cheap for foreigners — all noted the country's value for money — their gripes would multiply. Getting a bargain does wonders for the feel-good factor. On this basis, Cohn is clear that "there is no way South Africa can presently handle the Olympics". The Olympics will attract an expected 200 000 foreigners to the Western Cape. National Olympic Committee president Sam Ramsamy has seen the report.



# Business leaders back Cape's Olympic bid

Edward West

CAPE TOWN — SA business leaders have joined the 2004 Olympic effort as conveners of regional consultative groups which will aim at drawing business into the bidding process, Olympic Bid company CE Chris Ball said yesterday.

Pepkor chairman Christo Wiese is Western Cape convener, attorney Michael Katz and Thebe Investments MD Vusi Khanyile are Gauteng conveners and McCarthy group CE Terry Rosenberg and AM Moolla Group chairman Sadek Vahed head oper-

ations in Natal.

Ball said the conveners would arrange informal meetings with businessmen in their respective areas, the first of which were planned for next month.

Ball visited the International Olympic Committee in Budapest last week. He also held discussions with Daimler-Benz chairman Jurgen Schrempp, who indicated he would give the Cape Town bid his support.

Ball said he believed that the nucleus of an international group of businessmen who would act as friends of the Cape Town bid had been established.

Daimler subsidiary Deutsche Aerospace had already proposed to undertake the project management requirements of the bid and to create an information centre operated by people seconded by Deutsche Aerospace, he said. *ED 7/7/95*

His reception in Budapest had been good and there was substantial support for SA's bid. "There isn't any doubt we will be a strong contender in the bidding process provided we put in a sound technical bid."

The bid "is simply the best economic activity that SA has had and will have", Ball said.



# 'Good year' for Protea

Cape Town-based hotels group expects R500-m 12-months turnover

JOHN VILJOEN  
Business Reporter

CAPE Town based Protea Hotels has had another year of healthy growth with group turnover for the 12 months to July expected to be about R500 million.

For the second successive year turnover has grown by more than a quarter and the group expects 1996 revenues to outshine this year's results.

Although not willing to be specific, executive chairman Otto Stehlik said profits for the unlisted group were "excellent".

There is little hope of Protea welcoming investors to share in its success story as the group still has no plans to head for the JSE.

Protea did not need a public share issue to raise cash to ease a debt burden as it was completely ungeared, Mr Stehlik said this week. Nor did the group require money for growth because it operated on the principle of management contracts and joint venture agreements.

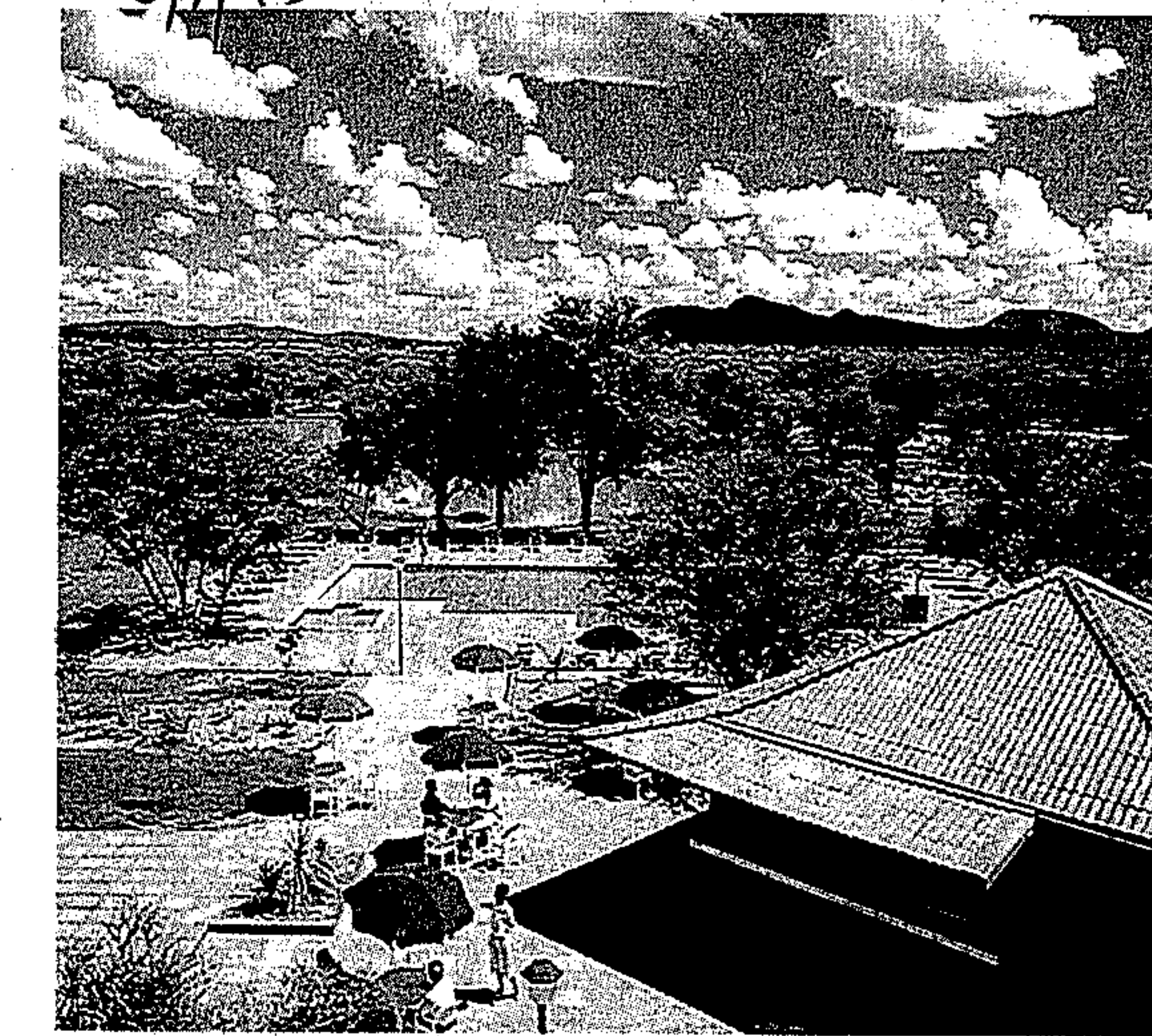
The group manages and markets hotels for the owners and charges a fee for this and, in some cases, an incentive fee based on profits.

Alternatively a hotel owner or manager can sign a franchise contract with Protea — this gives it access to the group's extensive infrastructure including human resources, quality assurance, marketing, sales and reservations.

"We like to see ourselves as a small company, almost a family business. But, at the same time, we are the number one hotel operating company in Africa managing more than 80 hotels in 11 countries," Mr Stehlik said.

Protea is confident of continuing to grow its market share despite the arrival of big international hotel names in South Africa.

"I believe we can outperform them, having traded in an African



□ **BOTSWANA BASE:** The former Sheraton in Gaborone — now the Grand Palm Hotel — managed by Protea Hotels.



□ **PROTEA BOSS:** Otto Stehlik.

environment, employing primarily African people. We understand African market conditions better than somebody who is used to operating in London or New York.

"But we naturally welcome international players because their pres-

ence will assist us in improving our standards."

Protea continues to line up business with both existing and new hotels.

Among its latest management contracts is one in Klerksdorp where a local consortium is building a 72-room hotel, to be called the Protea Golden Lodge, which is due to open in November.

"Klerksdorp is a vibrant business area and one which we have been wanting to get into for a long time," said group spokesman Ray Smuts.

But the past 12 months have seen a strong demand for the group's management expertise in the rest of the continent, with Proteas springing up in locations such as Tanzania and Egypt.

The group had taken big strides toward its objective of covering what he termed the African tourism axis,

Mr Stehlik said. The Protea brand was present or near to most of the continent's major attractions and increasingly well-placed to benefit from Africa's massive tourism potential.

"We see tremendous growth for us as a group in Africa, as well as in the African market as the fastest growing source of tourists to South Africa."

Protea is negotiating to expand its presence in Zimbabwe. "We hope to be operating a hotel in Harare and Victoria Falls in the near future."

Each year 500 million people travelled for pleasure, but Africa attracted only 15 million of them. "That is pathetic," Mr Stehlik complained.

From a Southern African perspective, this statistic was further worsened by the fact that these visitors travel largely to North Africa, especially Tunisia, Morocco and Egypt.

Africa was potentially the world's number two tourist destination.

"In Egypt we have two-thirds of the world's antiquities and the Red Sea coral reefs, we have balloon safaris over the Masai Mara, Mount Kilimanjaro and the Serengeti.

"Uganda is the pearl of Africa, its best kept secret." Add to all this Lake Malawi sunsets, Victoria Falls, the Indian Ocean islands and South Africa itself and you tend to take Mr Stehlik's point.

Protea international sales manager Lorraine Levieux said the number of overseas visitors staying at the group's hotels was up 40 percent on last year. South-east Asian countries showed the largest growth with a big rise also noticed from France.

These foreign guests contributed 20 percent to Protea's South African sales over the past 12 months.

The group aims to further boost the growth in the number of international guests through its relationship with Supranational Hotels which gives it access to a sophisticated worldwide reservation network.



# On the Ball

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**I**T is important to understand that the Olympic Bid Company is a not-for-profit company incorporated by the City of Cape Town in April this year to manage the bid.

The Olympic Charter stipulates the bidding procedure and requires the National Olympic Committee (NOCSA in our case) to approve the bidding city and the operating and management structures for the bid.

This has now been done and contracts between NOCSA and Cape Town and between Cape Town and the Bid Company formalise the position.

As its Chief Executive Officer, I am now recruiting a management team and staff of approximately 35 people. The bid is now properly on the road.

The activities and costs of the Bid Company for the period up to the bid in 1997 are paid for from the sale to corporations of sponsorship rights to the bid.

A budget is being prepared taking into account the structure of recent successful bids by other cities.

## ■ The bidding

THE bidding process is a contest, in the spirit of the Olympic movement and its great tradition. Cities wishing to bid propose comprehensive technical plans suggesting how they will host the Games and these will be submitted to the International Olympic Committee (IOC) in the third quarter of 1996. The IOC will analyse the plans and in April 1997 will shortlist four or five cities to proceed with their bids. These will be submitted to the IOC for adjudication in Lausanne, Switzerland, in September 1997. The winning city then has seven years to prepare for the Games.

Both the City and State are required by the IOC to endorse the proposals of the Bid Company before they are jointly submitted by the National Olympic Committee (NOCSA), the City of Cape Town and the Republic of South Africa. So the bidding city has to have the full backing of its own ratepayers, and of the country as a whole — through the government of the day. The Bid Company has to win this support.

## ■ The costs

WE are confident that the operating costs of the Games themselves (as distinct from the infrastructural investment) will be more than covered by the revenues. The Summer Games provide a surplus mainly due to the large television revenues and there is no reason why this should not continue to the case. TV revenues are expected to grow over the next two Olympic Games.

The Bid Company does not commit Cape Town or South Africa to investment expenditure in infrastructure or facilities. It makes proposals for infrastructural spending which will be required to win the bid. Most of this investment will be made after 1997, if the bid has been won. However the bidding cities need to establish their credibility and for this reason some infrastructural investment on sport facilities, transport and tourism infrastructure is required between now and 1997.

At this stage, the State has agreed, subject to certain conditions, to make R400-million available for transport infrastructure and the City has plans for the upgrade of certain sporting facilities.

Definitive proposals for the necessary infrastructural investment will be submitted by the Bid Company to the City and the State once we have completed a comprehensive review of requirements. All proposals will be sensitive of environmental needs — ours will be a Green Bid.

Planning for the Games will require a re-ordering of infrastructural expenditure to enable the provision of facilities which will allow athletes to break records as well as the accommodation and movement of all the people involved. This process can be managed so as to ensure that the facilities created provide lasting social benefits for the City and its ratepayers and generate economic benefits for the Western Cape region and for the country as a whole.

## ■ The Benefits

PRELIMINARY economic analysis indicates that the economic benefits from hosting the Games are substantial. For example, it has been estimated that some 75 000 or more permanent jobs will result from holding the Games in South Africa.



The bidding process itself generates marked increases in the number of visitors to the bidding countries with positive economic consequences, and the planning for and staging of the Games intensifies the process.

An updated economic analysis is being prepared which will identify the overall economic benefits for South Africa. At the same time, the technical proposal for facilities and infrastructure is being reviewed at the time so that a proper cost-benefit comparison can be made. Based on the experience of other cities, the study will show a strong net benefit.

We believe that hosting the Olympic Games is the best economic opportunity that South Africa has ever had.

The information will take two to three months to review and compile and the results will be published.

It is our view and intention that the process of bidding for the Olympic Games for the Western Cape in 2005 and the Games themselves should make a major contribution towards transformation in our society.

Planning and investment will be undertaken in a transparent manner in consultation with the public and private sector and with the communities involved. No effort will be spared to ensure that lasting economic and social benefits are achieved and that the environment is preserved.

There is strong international support for South Africa for 2004 and the development effects the Games will have on the region as a

■ South Africa's bid to host the Olympic Games in Cape Town in September/October of the year 2004 is now being spearheaded by former banker and leading businessman **CHRIS BALL**. In this article he summarises the formal background to the bid and outlines the bid company's priorities.

whole.

The world has been captivated by the success of the Rugby World Cup, by our modern stadiums and by the professionalism of the presentation. The winning bid will have a similarly dramatic effect on how the world views South Africa. It will demonstrate the continuity of what is being achieved in this country.

The bid is therefore a good thing! It will be good for the neighbourhoods and communities of the Western Cape, good for South Africa and good for Africa.

It will be good for sport in South Africa. It will lift performance, enhance facilities, and inspire new generations of youngsters. The country will benefit from the development of the Olympic Spirit.

The bid is an endeavour which involves all the people of South Africa — the local and regional governments of the Western Cape and the State. It will demonstrate that we can compete with the best in the world — and achieve the benefits of doing so.

We have a good chance of winning the bid — if we support it. We can manage the Games for the benefit of all. Our opportunity is 2004.

## ■ The Next Steps

THE priorities of the Bid Company at this stage are as follows:

■ Staff the Bid Company with its operating team.

■ Raise the bid sponsorships.

■ Review and revise the development plans for infrastructure and facilities and integrate them with the RDP and metropolitan statistical development framework.

■ Prepare the updated economic analysis.

■ Consolidate the strategy for the Western Cape's bid.

■ Provide the public with an understanding of the Bid and an opportunity to participate in it.

■ Develop the means to empower people through the Bid.

■ Get the support of the people of the Western Cape, of South Africa and Africa.

The goal of the Bid Company is to WIN THE BID, for you and with you.



ST(BT) 9/7/95

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# The Suns set for new casino scene

THE final dividend of 20,5c a share from Transun this week takes the year's total to 35c. With the share price currently at 310c, the historic yield is 11,3%. Payment will be made only in October as the directors deemed it prudent to bring forward the declaration date in view of the transitional measures relating to the harmonisation of the former Transkei's tax system with that of the rest of the republic.

The directors also say that growth in attributable earnings for the year to June 1995 will be well ahead of that achieved in the first six months. No wonder the share has gone buyers only — it is cheap.

A parallel announcement for SunCiskei says the increase in earnings for the year to June 1995 will be in line with that achieved in the first six months. SunCiskei will pay a total of 34c for the year to yield 16,2% at the current price of 210c.

SunBop will pay 132c for the year to yield 6,6% at the current R20. Its earnings will at least match the interims, according to the announcement.

I don't even pretend to understand these discrepancies. I think they are all three a buy. The opening up of gaming licences is obviously putting punters off the shares. Perhaps they forget that the Suns have already made all the capital outlay and have the track record. The new casino scene could well be just that — a bit like the experience of cellular telephone service providers.



**CAPTOUR**, the organisation that promotes the Cape's R2-billion a year tourism industry, is facing closure because of severe funding cuts by the Cape Town City Council at a time when the local tourism potential has never looked better.

The city council has slashed the budget it gives Captour to operate from R2-million to R500 000 and has told Captour to raise the rest of its funds from other municipalities.

"But the other municipalities have just as many demands on their funds as the city council. Even with the R500 000 we receive from membership subscriptions we could not maintain a service. We are down to the wire and staring closure in the face," said Captour chief executive Gordon Oliver.

In stark contrast to Captour's sparse budget, the Durban marketing authority currently has a budget of about R13-million, said Mr Oliver.

"What Cape Town really needs is a budget of R20-million over the next three years," added Mr Oliver.

Captour started biting the bullet this week by closing its Johannesburg office to conserve funds, while money for staff wages in Cape Town is "down to a few more weeks."

Mr Oliver said: "We need to realise that tourism is worth more than R2-billion a year in contributions to this city's economy. It is the biggest contributor while Cape Town is the country's top tourism destination."

"Fifty-two direct flights a month by 14 airlines bring tourists from around the world straight into Cape Town. The figures show that Cape Town and the surrounding area are attracting the biggest share of overseas visitors to South Africa."

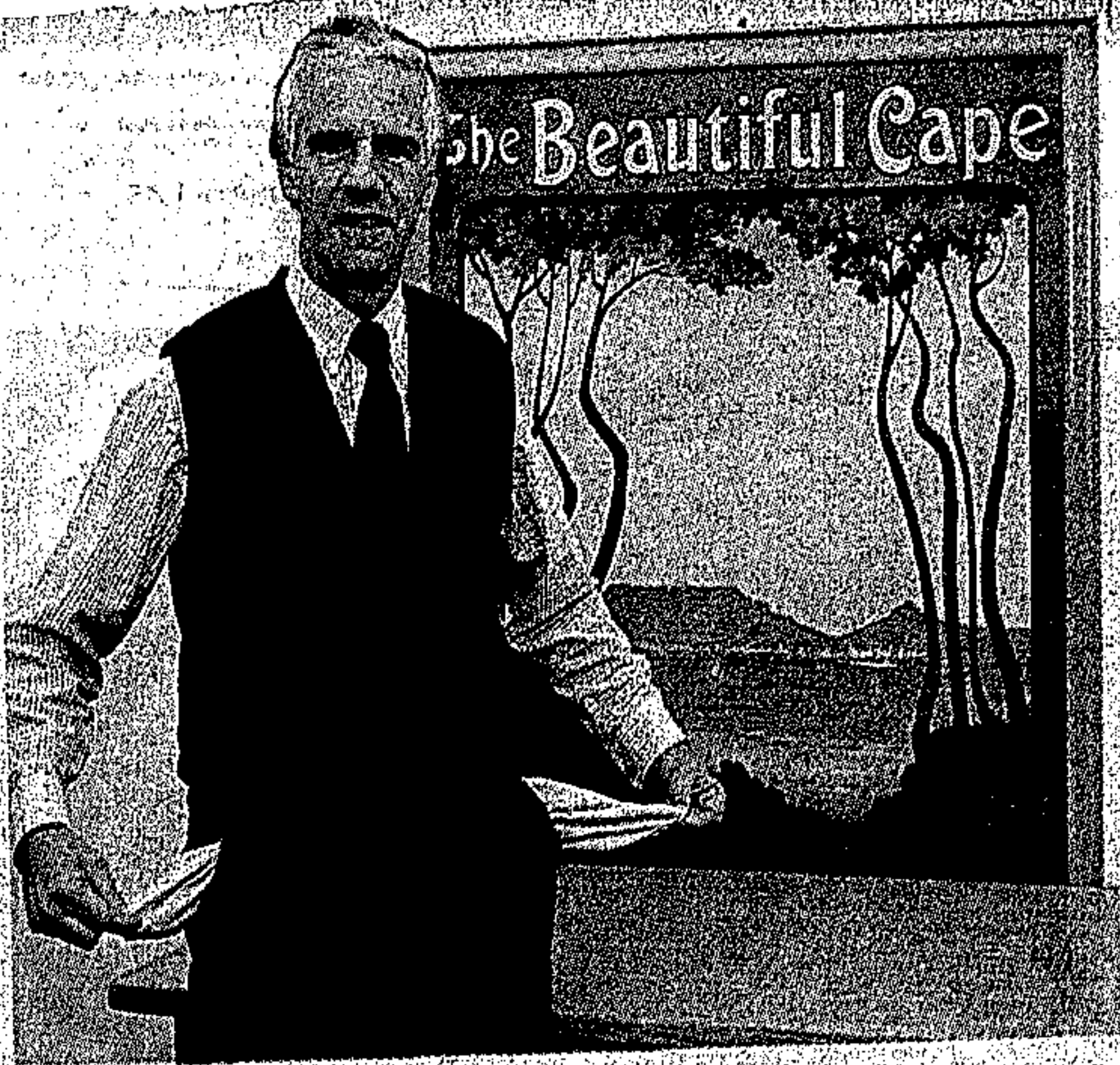
"The tragedy of the city council's budget cut-back is that it comes at a time when the immediate future of the Western Cape's tourism potential has never looked better."

The provincial Minister of Economics, the Reverend Chris Nissen, said yesterday: "Gordon Oliver has written to me to try and persuade city council and the Metro to change their attitude to the future funding of Captour. It would be a tragedy if Captour was forced to close and I will do everything in my power to see that it does not happen even if I have to find the money out of my own budget."

Mr Nissen said Captour was doing "a vital job."

"Every tourist who visits the Cape means jobs for our people."

Provincial Minister of Tourism Mr Lampie Fick was not available for comment.



**CASH CRISIS . . .** Captour boss Gordon Oliver says the coffers are almost empty  
Picture: JUSTIN SHOLK

BY JEREMY WOODS

# Captour in danger of going bust

(288) STCm 19/7/95



'LASTING BENEFITS' EXPECTED FROM GAMES

# Ball recruits Olympic team

**NEW** Olympic Bid chief Mr Chris Ball predicted a cost-benefit analysis would show "a strong net benefit" for the city in hosting the 2004 Olympic Games.

**O**LYMPIC BID chief executive officer Mr Chris Ball is recruiting a management team and staff of approximately 35 people, he announced in the first of his quarterly progress reports.

Apart from those on the staff of the bid, he has already recruited an impressive group of businessmen as friends of the Cape Town bid.

Included in this group are: Western Cape retailing tycoon Mr

Christo Wiese; Mr Michael Katz of the Katz commission on taxation; Mr Jurgen Schrempp, who heads the Daimler Benz group in Germany, and Mr Vusi Khanyile, managing director of Thebe Investments Corporation.

Mr Ball said the present plan for facilities and infrastructure was being reviewed and an updated economic analysis being prepared.

In this way, he said, a proper

cost-benefit comparison can be made. Based on the experience of other cities the study was likely to show "a strong net benefit".

The results will be published in two to three months. He said planning and investment will be undertaken in consultation with the public and private sector and with the communities involved.

"No effort will be spared to ensure that lasting economic and social benefits are achieved and the environment preserved."

One of the priorities of the Bid Committee is to provide the public

with the opportunity to participate in it. Another priority is to integrate plans for roads and railways and sports venues with the requirements of the RDP.

Mr Ball promised to report on a regular basis on the progress of the bid. Negotiations are still under way with companies to act as corporate sponsors of the bid.

The Bid Company's activities up to late 1997 are to be paid for from the sale of sponsorship rights to the bid. A budget, said to be in the region of R65m, is being prepared. — Staff Reporter

CT 10/7/95 (288)

# SA spends too little marketing tourism

(288) CT (BR) 10/7/95

BY AUDREY D'ANGELO

CAPE BUSINESS EDITOR

South Africa is "grossly underachieving" as a tourist destination, Mavuso Msimang, executive director of the SA Tourism Organisation (Satour) says in the annual report.

Msimang says this is partly due to inadequate spending on marketing. Competing countries including Australia, New Zealand, Thailand, Indonesia and Malaysia "far outspend South Africa in marketing their respective countries as tourist destinations."

"Additionally, if our weak rand is a boon to foreign tourists it spells disaster for our overseas marketing operations."

But Msimang continues, poor service, lack of encouragement of domestic tourism and the need for Satour to be restructured and made more representative of the community are factors in South Africa's poor performance in comparison with competitors.

He calls for affordable financial assistance for budding entrepreneurs in communities "that have hitherto been excluded from tourism by past inequities".

Deploping "widespread mediocrity of service standards in the industry", he urges those in it to learn from "the tourism nations of Asia who have elevated service to an art form."

"The adoption of a right service attitude will itself be a product of education, training and more training."

Finally, he says, Satour's board should be restructured "to bring in equally knowledgeable but representative members. Next will have to be the recasting of the operational structure into a lean, fleetfooted marketing organisation highly responsive to stakeholder interests."

"Its key decision-making organs must of necessity be opened up to include talent left out during the dark days of our history."



## Retailers 'were winners'

Yuri Thumbran

(288)

SA retailers managed a heel against the head during the rugby World Cup, recording better sales in June despite rugby fever cutting short spending time.

McCarthy Retail's Prefcor division enjoyed a surge in lounge suite sales. "Many people wanted a comfortable environment to watch the rugby which led to a greater demand for the product," Prefcor executive chairman Hymie Sibul said. *BD 10/7/95*

However, business at Game was affected, especially on match days when consumers tended to watch games. This trend was also experienced by CNA.

Cape-based liquor retail group Aroma scored from the World Cup with its hotel division gaining on late bookings. MD Mike Kovensky said the liquor retail division also showed increased business with the day of the final almost equalling business on Christmas eve.

Pick 'n Pay deputy MD Sean Summers said the group benefited from its involvement as a broadcast sponsor. The group had had one of its better periods in real growth for a long time.

# Foreign tourists see SA as an 'unsafe' destination

Theo Rawana

FOREIGN tourists did not see SA as a "safe" destination and the country would do well to improve its image by introducing the safety recommendations of the World Tourism Organisation, an authority on the tourism industry said.

Christelle Kleynhans, of consultants Kessel Feinstein, said at the weekend while Satour figures showed that in 1989, 70% of overseas tourists rated personal safety in SA as good, the figure had plummeted to 30% in 1992 and it dropped even further to 23% in 1993.

"Although the rating improved in 1994 (35 rated safety as good), Satour's 1995 survey of foreign tourists emphasises the lack of personal safety to be the most serious finding of the survey and possibly the most serious threat to the development of tourism in SA," said Kleynhans.

One recommendation by the organisation's safety functions committee cited by Kleynhans was a link-up with a global emergency number for travellers. The proposed number, which had been welcomed by other countries, would be the same throughout the world but would ring

to the local emergency service.

"Although nearly every country has one emergency number that citizens commit to memory, tourists rarely know the emergency number of a foreign country and may also not be able to communicate with the emergency operator and are therefore more vulnerable to danger," she said.

Kleynhans said 2% of foreign tourists surveyed had personally experienced a mugging, theft or crime during their visit. "Gauteng, KwaZulu-Natal and the Western Cape (in that order) rated the lowest in respect of personal safety."

Over the years tourist flows had always been "extremely sensitive" to the level of social stability in the country, she said, and tourist arrival figures had shown a definite drop in times of major social ructions.

"This perception of poor personal safety is persisting even in times of so-called 'peace' and, if such a high percentage of actual tourists to SA still perceive the country to be 'unsafe', then how many potential tourists are we losing because of this. . . ?

"Word-of-mouth information from existing tourists is one of the strongest and cheapest advertising tools for tourism destinations. Our current

message, 'poor personal safety', will not attract new visitors," she said.

Efforts by tourism ministries the world over had brought about improvement in tourist flows after problems such as the Egyptian terrorist groups targeting tourists in 1993 and the Gulf War, she said.

Other recommendations of the WTO safety functions committee were the creation of clearing houses for tourism safety and security information on the national level, the collection of statistics on crime against tourists and the researching of results and dissemination of information on good safety practices.

The committee also recommended the development of training and education courses on safety and security for tourism personnel and the setting up of tourism facilitation councils at national and local levels. The councils would involve local law enforcement and tourism authorities and the private sector.

Environmental Affairs and Tourism director Hendrik Steyn, who was part of the SA delegation to the World Tourism Organisation's Security and Risk in Travel and Tourism conference in Sweden last month, could not be reached for comment.

## Top-level training for nurses

Ingrid Salgado

THE Chamber of Mines launched SA's first nurse clinician training programme at the weekend, designed to give front-line providers of primary health care training to function as fully-fledged clinicians.

The more than R1m programme would train 50 nurses — five from each province and five additional candidates. They represented the top professionals in their field and would have considerable experience before training began, the chamber said.

This level of experience would be necessary because they would be allowed to perform certain functions which could currently be done only by doctors.

It was a "significant step" in bringing preventive, diagnostic, curative and managerial skills into the health care system, especially in rural areas. Participants would be awarded a registered community nursing science diploma at the end of the six-month course.

Health Minister Nkosazana Zuma said at the launch that the project was "not just another nursing course" but represented the start of implementing government's plan for universal access to health care of a high quality. It was significant that the first step had been taken by the private sector, she said.

The mining industry has agreed to fund the full programme.

She said drug regulations would be changed to enable people working in essential health care to prescribe drugs. A process for distributing and acquiring drugs would be set in motion so they would always be available in clinics and primary health care centres. This would occur once the health department had finalised essential health care strategies, she said.

The chamber said 65% of rural nurses were solo practitioners, who were assisted by doctors only once every few months. While there was one nurse to every 1 000 people, there were much fewer doctors. Nurses needed to gain skills needed to treat and diagnose patients effectively.

A perception existed that nurses were not recognised as professionals who could see patients in their own right.

Zuma said the 50 nurses would be the backbone of the primary health care system. Government's finance department had assured her that money would be available for a national health plan, but without trained people for implementation it would be useless.

Participants would be equipped to select and train other nurses to build on their work. The programme would provide three days' practical training a week.



## 77% of visitors feel unsafe here

ET 11/7/98

(288)

SEVENTY-SEVEN percent of visitors did not feel safe in South Africa, according to the latest Satour survey — even though few were mugged or attacked during the Rugby World Cup.

Satour's latest figures showed that in 1989, 70% of overseas tourists rated personal safety in South Africa as good, but this had plummeted to 30% in 1992 and 23% in 1993.

During the Rugby World Cup event, however, only 0.1% of

26 000 overseas visitors reported security problems to the police.

Ms Christelle Kleynhans, of the Kessel Feinstein consultancy, said South Africa was not seen as a safe destination and the country should improve its image by introducing the safety recommendations of the World Tourism Organisation.

Gauteng rated the lowest in personal safety, followed by kwaZulu/Natal and the Western Cape. — Staff Reporter



Valuable lessons learnt from Rugby World Cup experience

# 'SA not ready for Olympics tourism'

■ BY SHIRLEY WOODGATE

The Rugby World Cup tournament served as a warning that South Africa was ill-

equipped to handle the 200 000 tourists likely to visit the country for the Olympic Games, said Federated Hospitality Association of South Africa (Fedhasa) director Deon Viljoen.

But although the World Cup could not be described as a financial killing for the hospitality industry, nine years of planning and devel-

oping were enough for the kind of changes needed to ensure success. If the Olympics were hosted by Cape Town in 2004, he added.

"World cup expectations were exaggerated, including viewership which failed to differentiate clearly between television and ringside spectators."

"Another problem was that South Africa was a long-haul destination, and upmarket packages were being offered in London at up to R40 000, the cost of a round-the-world

trip.

"A year ago 50 000 rugby-related tourists were expected," he said.

"Projections dropped to 33 000 two weeks before the first pool game and a week later it was down to 26 000. "We think 18 000 actually came in and we could cope with 40 000."

"The influx led to upgrading of certain hotels and money being well spent on better training and service in the hotel and catering industries.

"But the problem was that all the hype scared normal business travellers away and in the end it is possible we had fewer tourists than normal."

The Olympics would bring in 10 times the World Cup numbers which would need several new airports capable of handling jumbo jets, more aircraft, better public transport and more hotels and particularly game lodges as Kenya fell from grace," Viljoen said.

Satour deputy executive

director Dr Ernie Heath echoed Viljoen's comments about the handling of the World Cup, quoting a Wits Business School survey of 800 local and foreign tourists, who rated the service industry at 7,5 points out of 10.

The survey also found that service levels at fast food outlets, airports and public transport facilities were inadequate.

But service at foreign exchange offices, airlines, car hire companies, hotels, restaurants, banks and retail

outlets rated more than 70%. About 20% of the visitors attended the pool games, 40% the quarter finals and 60% were in the country during the build-up to the final.

Satour intended to use the success of the World Cup to launch a new marketing campaign aimed at securing the Olympics.

According to the World Tourism Organisation, South Africa moved from 55th in 1985 to 29th last year in terms of the world's top tourist destinations, Heath said.

(288) Star 11/7/95



# Captour may close office at Tygervalley

Staff Reporter

(288) ARG 13/7/95

CAPTOUR, the mainstay of Western Cape tourism promotion, might be forced to close its office in the Tygervalley Centre because of its funding crisis.

But Danie Uys, Bellville councillor and the city's representative on the Captour board of directors, did not believe the Bellville City Council would allow the office to close.

The office cost about R46 000 to run — R11 000 more than Bellville's contribution.

Captour chief executive officer Gordon Oliver said the organisation received about half of the operating costs for its Tygerberg office from the Bellville City Council.

The office serves about 500 visitors a month.

After a severe budget cut by its major sponsor, the Cape Town City Council, Captour might be forced to "review" the future of the Tygerberg office, said Mr Oliver.

Bellville municipal spokesperson Sue Vellema said its 1995/96 budget included a R35 000 donation to Captour "on condition that this be used for the Tygerberg office".

This was more than last year's donation.

Mr Oliver said: "I don't want to be perceived as holding a gun to the Bellville municipality's head, but at some or other stage we would be forced to review the situation."

He was "reasonably confident" the office would not have to close, especially after having talked to Bellville mayor Carl Cronjé.

"Although we did not discuss details, the mayor was very positive about our work."

He said other northern municipalities, including Goodwood, Parow, Durbanville and Milnerton had donated small amounts — between R3 000 and R4 000 — to Captour.

Captour's financial difficulties came to light after the Cape Town City Council announced it would slash its contribution to the tourism agency from R2 million to R500 000.

Cape Town's contribution ac-

counts for about 70 percent of Captour's annual spending.

In last month's issue of the Tygerberg Chamber of Commerce newsletter, Bellville area chairman André la Cock, called for support for Captour.

"Tourism is one of the growth areas in our economy and the organisation needs the support of all our members."

He urged businesses in the Tygerberg to become members.

"Many businesses derive indirect benefits from tourism. One only has to look at the number of 'foreign' cars parked at the Tygervalley Centre."

These businesses could at least consider making an annual donation to Captour, he said.



## Tourist body should be working by April

Theo Rawana

(288) (311)  
SOUTHERN African Development Community (SADC) countries had formed the Regional Tourism Organisation of Southern Africa, which should be operational by next April, Satour executive director Mavuso Msimang said in Johannesburg yesterday.

Addressing an RCI Traveltour Media Awards ceremony, Msimang said the formation of the organisation last month was the culmination of workshops which followed a decision by the Southern African Regional Tourism Council and the SADC that there should be one organisation handling the development of tourism in the region.

Msimang said the new organisation was good news for the region. "For the first time we are in a position to embark upon joint marketing and development projects in the region, which, in the long run, will benefit the entire subcontinent."

The RCI Traveltour Media Awards are divided into four categories: SA television journalism/production, SA print journalism, SA radio journalism/production and international journalism/production.

Jan Christian Horn of the SABC won the first prize in the SA television journalism/production category, Laurian Brown of House and Leisure won in the SA print journalism category while Peter James-Smith of SAfm took the SA radio journalism/production award and Nancy Fitzpatrick of Meeting News, the international journalism/production award.

The winners each received two return tickets to various international destinations, two weeks accommodation at international resorts and R3 000 spending money.



# Tourism up sharply

288

Sowetan 13/7/95

**By Isaac Moledi**

THE South African tourism industry has maintained a steady growth in the past year — welcoming more than 3,6 million visitors.

Despite the economic recession experienced in many sectors of the economy and the uncertainty caused by the transition to a new political dispensation in 1994, about 3 668 956 foreign tourists visited South Africa — earning the country R7,2 billion in foreign currency.

Most of the visitors, 2,9 million, came from Africa while 704 630 were from overseas.

The South African Tourism Board says the high arrival figure and the income generated is no doubt a product of the marketing efforts by various players. About R62 million has been invested in international tourism promotion, says Satour in its annual report.

Two major benefits for the industry last year, according to the report, were the capacity to earn the country foreign currency and the ability to create new jobs.

## **20 000 new jobs**

“The foreign exchange generated presented an increase of R1 200 million over 1993 and sustained 450 000 direct

jobs, while creating 20 000 new jobs in 1994,” says the report.

“Despite the slow growth in international tourist arrivals in the first half of the year, mainly due to tourists’ uncertainty about their safety before and after the elections, the overall growth for the year was 18,6 percent,” adds the report.

Referring to the challenges, Satour executive director Mr Mavuso Msimang says communities that have hitherto been excluded from tourism should merit special consideration. He said to confer legitimacy on the institution there was a need to restructure Satour’s board to make it representative.



lined by the Natal Game Marketing Association (NGMA)'s seventh annual game auction at Hluhluwe in northern Zululand last week. The bulk of the 1 360 animals under the hammer came from Natal Parks Board reserves, though some originated from the KwaZulu Department of Nature Conservation and Mondi's Bonamanzi Game Ranches.

The auction netted a record R5,1m, well up on last year's R3,2m and this year's pre-auction projection of R4,4m.

The organisers claim the auction to be one of the largest in wild animal auctions worldwide, attracting buyers from as far afield as Europe and Asia.

The Hluhluwe auction, though, is also significant in that it provides a pricing yardstick for game farmers who prefer to sell privately. Private sales for KwaZulu-Natal stand at R2,3m since March and estimates suggest they will exceed R3m before the end of winter when game capture ends.

White rhino were the auction's biggest success, with 64 animals sold at an average of R47 000, up from R32 000 a year ago. The overall income from this section alone exceeded R3m.

Frans Ras of the Stockowners' Association, which organised the auction on behalf of the NGMA, says the influence of foreign buyers clearly boosted prices.

It is understood that many game farmers exported stock, especially white rhino, as they expected post-election political uncertainty to deter big-spending international trophy hunters from visiting SA. But the transition was smooth and hunters came in droves, leaving game farmers short of stock.

"The perception by many buyers was that prices would be low this year and a lot of them, including an agent from Zimbabwe with a R180 000 bank-guaranteed cheque, went away empty-handed," says Ras.

The highest price was for three black rhino bulls and cows sold as a single lot, which netted R140 000 each to a northern Transvaal game rancher. But this was down on last year's average of R150 000. Only four bidders met the stringent requirements.

The biggest of the international buyers was Britain's West Midlands Safari Park which, through an agent, bought six white rhino at prices ranging from R40 000 to R46 000. A Saudi Arabian zoo also bought a rhino and four giraffes.

The Chinese, who were expected to invest heavily in white rhino for a breeding and horn harvesting experiment, pulled out the week before the auction. It is understood they are appointing an agent to buy stock privately.

Parks Board CE George Hughes says the sale of the animals, usually surplus to requirements, contributes to nature conservation. It reduces culling and most of the purchases are used to establish breeding stock on game farms and private reserves. ■

288  
GAME FARMING

## Animal attraction

FM 14/7/93  
Game farming has become a multimillion-rand industry in KwaZulu-Natal.

The popularity of the industry was under-

# Exco revises cut from Captour budget

(288) CT 14/7/95

PETER DENNEHY  
MUNICIPAL REPORTER

CAPTLOUR'S budget cut has been revised by exco and it should now receive R1 million at the end of this month and possibly another R1m over the rest of the year if the council is satisfied with its quarterly reports.

Normally Captour gets about R2m a year from the council, but this year, it was given only R500 000 and a repayable loan of R1,5m.

This was not approved by the full council, as there were too many objections to the cutback.

Yesterday, exco recommended that another R500 000 from the council's reserves be given to Captour, and that the second R1m should be given in instalments — but it may be a grant instead of a loan.

Captour will have to report quarterly to the council on its progress in expanding its contributions base, the restructuring of its board and management and the preparation of a strategic tourism plan.

Mr Clive Keegan, who spoke in favour of Captour being given more leeway, said however that it

was "not sufficiently representative of the demography of the region".

Mr Siviwe Matika said people who benefited from Captour's efforts did not seem very willing to contribute to its coffers.

Mr Llewellyn van Wyk said the council had been wrongly accused of taking an anti-tourism stance, but for years it had shouldered the burden of promoting the city. He was in favour of giving unconditional support to Captour, but only for this year.

## Uncertainty

Mr Gordon Oliver, the chief executive officer of Captour, said yesterday he was pleased the council had been willing to review the situation, "because it is extremely difficult to run an organisation with all this uncertainty over our heads".

Some of the uncertainty would remain even after the latest exco decision was passed by the full council.

"I don't know what more we can do to convince them that we are committed to restructuring to meet the needs of the new South Africa," he said.



**Good innings**

*FM 74/7/98*  
**The tempo** in the hotel industry is picking up, with Central Statistical Service's figures for March showing room occupancies up 10,6 percentage points to 58,3%, making it the best March the sector experienced since 1989.

And the SA Tourism Board (Satour) says May's rate was 11,5 percentage points better than May 1994 — from 45,6% to 57,1%. Spokesman Greg McManus says the uptick in the industry has also prompted inquiries from foreign hotel groups — mainly US — on coming into the local market.

He says some hotels that catered for rugby fans lost normal business, "but now that the World Cup is over they can get back to holiday and business guests."

June's figures are due later this month but McManus says the industry is anticipating a 10 percentage point growth.

Some hotels found the World Cup a "damp squib" because room bookings they hoped for didn't materialise. Protea Hotel chairman Otto Stehlik says that although he doesn't believe hoteliers really lost because of the tournament "it certainly wasn't the bonanza many expected. Even though the industry didn't attract the numbers, the event was a good promotion for tourism. The spin-off will come later."

He adds that the first half of May was a boom period. "Every businessman who needed to travel did it then, and many conferences that had to be held before mid-year were crammed into those two weeks."

On the back of growth prospects for the industry, many hotel groups are now refurbishing or building new premises. Stehlik says his group is refurbishing most of its 82 hotels with the main capex — R10m — going into a facelift for the Capetonian.

He says the tourism industry is now healthy, unlike two to three years ago when visitors stayed away mainly because of political violence. Most city centre hotels are doing well. Some have more than 90% occupancy levels. ■

# Three tours for caves visitors

(288)

ET 19/7/95

STAFF REPORTER

THE need to protect Oudtshoorn's Cango Caves from damage by heavy tourist traffic has forced its administrators to introduce a new three-pronged touring system.

Those visiting for just a few hours are encouraged to take a short but scenic tour around the first two chambers while those with more time can go deeper into the caves — without having to do much exercise.

The adventurous can select the third option — crawling through tunnels deep into the cave.



## More visitors jet in to SA

(288)

JOHANNESBURG: The number of overseas visitors who entered South Africa during April through the international airports increased by 124%, compared with April 1994.

According to Central Statistical Service figures released yesterday, 68 657 overseas visitors entered through the Johannesburg, Cape Town and Durban airports.

The number of foreign visitors who entered the country for holidays during April increased by 195,1%, while the number who entered for business increased by 46,0%, compared with the previous year.

Visitors from Asia (12 267) showed the largest increase, namely 208,3%. — Sapa

CT 19/7/95

# Tourism 'needs to create more jobs'

193  
288  
ARL 19/7/95

## Staff Reporter

TOURISM is a rapidly growing industry in South Africa, but the industry still lags behind the rest of the world when it comes to creating employment opportunities for its citizens, said Mavuso Msimang, the South African Tourism Board's chief executive officer.

Mr Msimang, speaking at the Southern African Museum Association's national conference at the University of Cape Town, said tourism was currently the country's fourth largest foreign exchange earner, employing about 450 000 people.

'This meant that one in every 25 people was currently employed in the tourism industry, compared to America where tourism provided jobs for every 16th person.

"Good development of the tourism industry will provide productive employment. Tourism could become the driving force of the country's economy.

Ways should be set to contribute to the Reconstruction and Development Programme and a service culture needs to be created," said Mr Msimang.

Mr Msimang said that museums were a vital part of the tourism industry, although he said South Africa was not a museum-going nation at present.

He blamed lack of interest for people's reluctance to go to museums. To rectify this, museums should try to entertain people with imaginative packages rather than only trying to educate them.

Mr Msimang said that, like tourism, museums were about people and meeting the needs of visitors, and that the tourism industry was looking forward to joining hands with the museum sector to satisfy people in this respect.

Satour felt that the country's rich cultural heritage would play an important role in the tourism market and it intended using this to entice visitors to South Africa.

Satour's focus for 1996 is eco-tourism and for 1997 it will focus on cultural experiences.



## SA tourism figures picking up

(288)

ARC 19/7/95

**JOSEPH ARANES**  
Staff Reporter

THE country's tourism industry, long regarded as the sleeping giant of our economy, is showing signs of waking and realising its true potential.

Figures released by the Central Statistical Service show that the number of overseas visitors more than doubled in April this year, compared with the same month in 1994 — a month before the Rugby World Cup tournament.

During April, 86 358 visitors

entered the country through Johannesburg, Durban and Cape Town international airports compared, to 41 300 the previous year — an increase of 124,2 percent.

Asian visitors showed the biggest increase with 208,3 percent, while visitors from the Americas showed the smallest increase of 76,7 percent.

Statistical Service spokesman Joe Smalberger said not all the visitors who entered the country were tourists, but even those visiting South Africa for holiday purposes showed an increase of almost

200 percent.

"But all comparisons between April this year and 1994 must be handled with circumspection if one takes into consideration that fewer visitors entered the country in April 1994 because of the elections.

"And the 1994 figure was also considerably smaller than for the previous year," Mr Smalberger said.

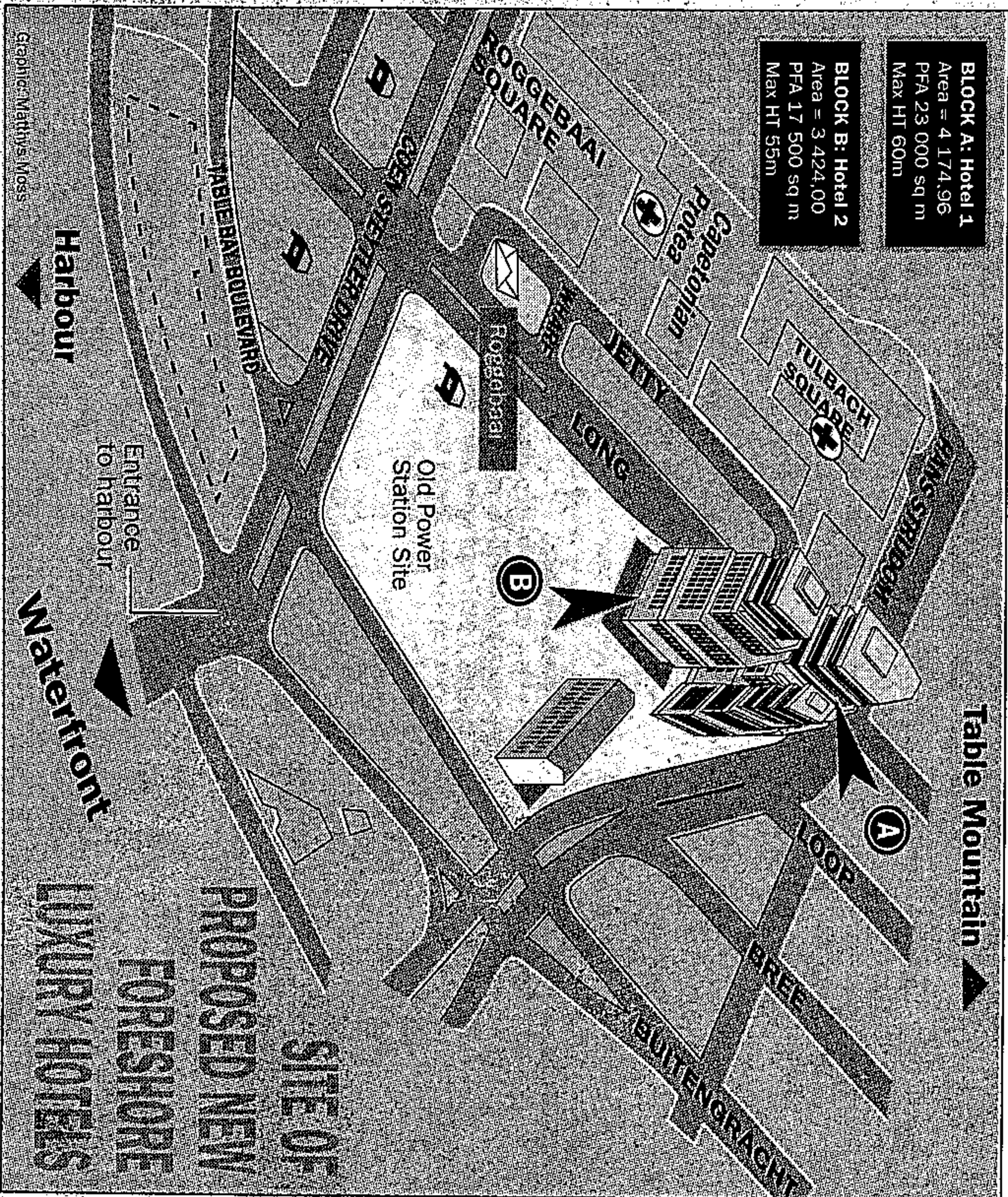
Of the foreign visitors who visited in April, 16 350 came for business purposes, 10 371 to work, 954 to study and 58 683 came to spend their holidays here.



# Table Mountain

**BLOCK A: Hotel 1**  
Area = 4 174,96  
PFA 23 000 sq m  
Max HT 60m

**BLOCK B: Hotel 2**  
Area = 3 424,00  
PFA 17 500 sq m  
Max HT 55m



**WHERE THEY WILL BE:** This artist's impression shows the siting of the two blocks of now-vacant land (shown here with multi-storey buildings on them) which the prospective developer of the Hilton and Sheraton Hotels has offered to buy. The land on the Foreshore had been put out to tender by the City Council and Mr Rod Young of the council says that the project should be well advanced by late 1997.

Graphic: Mattys Moss

## FORESHORE LAND DEVELOPMENT

# R20m city hotels bid

**A BOOST** to the city is on the cards with land being sought for two new hotels. **PETER DENNEHY** reports.

**T**WO international five-star hotels — a 350-room Hilton and a 300-room Sheraton — could be built on the foreshore as an overseas consortium has put in a firm R20-million bid to buy land for development.

Between the two hotels on the now-vacant former Table Bay power station site, near the entrance to the Waterfront, will be a "small, high-quality retail 'galleria'". Nearby, it is proposed that a new corporate headquarters for BP Southern Africa will be built.

CT 21/4/95

(288)

The council's development coordinator, Mr Rod Young, told the executive committee yesterday that apart from the Waterfront development, this proposal was "the most exciting to be made in this city since the Golden Age was developed in the mid 1970s".

The price offered for the land, by the Compagnie de Batiment and Construction (CBC) from Paris, was excellent, he said.

Late last year the council put the entire two-hectare power station site, which it owns, out to tender, divided into five blocks, named A to E.

The council decided early this year not to accept any of the tenders. Instead, Mr Young was mandated to enter into discussions with those who had submitted

tenders and other interested parties.

Discussions ensued between the council and four companies: Murray and Roberts, a Malaysian resources corporation called Berhad, Advanta/Devland, and CBC from Paris.

Each of them separately put in an offer, the most attractive of which was CBC's, which was a bid for both block A and block B.

Bids put in during an earlier tendering process for block A were used as a market indicator.

Mr Young recommended that no further advertising for competing offers should be placed, as a comprehensive and fair process of public competition had already occurred. He said the project might be under way by late 1997.



CTBR) 21/7/95

# Gordon's withdrawal ends 15-year struggle for Sun Life

288  
By CHARLOTTE MATTHEWS

INVESTMENT EDITOR

The withdrawal of Donald Gordon, the chairman of Liberty Life, from Sun Life brings a dramatic end to his 15-year struggle to build up the stake he is now selling.

In the early 1980s TransAtlantic, Liberty Life's offshore arm, bought a 10 percent stake in Sun Life from the Kuwait Investment Office. For the next five years Gordon's attempts to gain board representation were repeatedly blocked by Peter Grant, the chairman of Sun Life, who retired in April.

However, through market purchases Gordon managed to increase his stake in the company to 29.8 percent by 1988. At that point Grant tried to form an alliance with the other major shareholder UAP, the French insurance group. Grant proposed a merger between UAP and Sun Life, but the move was blocked by TransAtlantic.

Gordon turned Grant's strategy on its head, as TransAtlantic then wooed UAP into forming a strategic alliance. In 1989 they

signed an agreement that neither party would bid for Sun Life without the agreement of the other.

In 1990, TransAtlantic sold UAP enough rights to equalise their shareholdings in Sun Life at 27.7 percent and the following year the two companies merged their interests into a new company, Rockleigh, which held a controlling interest of 59.9.

Rockleigh made an offer to acquire the remaining shares, and ended up with full control of the company.

The 50 percent stake held by Liberty in Sun Life is housed in listed TransAtlantic Holdings. The proportional consolidation of the Sun Life stake boosted Liberty Life's total assets to R61.6 billion in 1992 from R34.5 million in 1991. Last year Sun Life boosted after-tax profit by 12 percent to R328 million despite a difficult year for the British life assurance industry.

In the latest annual report, Gordon said the application of British accounting rules "materially understates" the full value of the Sun Life stake.

The carrying value of the

stake is shown at R2.3 billion, but this excluded the considerable goodwill value of the assurer, based on its proven ability to write new life business profitably into the future.

"The 50 percent interest held by TransAtlantic Holdings in Sun Life also contains the key to exclusive control of Sun Life. This is through TransAtlantic Holdings' unilateral right to require UAP to acquire the 50 percent shareholding of TransAtlantic Holdings at any time after September 1995," Gordon said.

Expectations of the deal between Sun Life and Liberty Life could help to explain the five-month run-up in Liberty Life's share price from a low of R83.75 in February to R99 on Wednesday. The shares shed 150c in early trade yesterday.

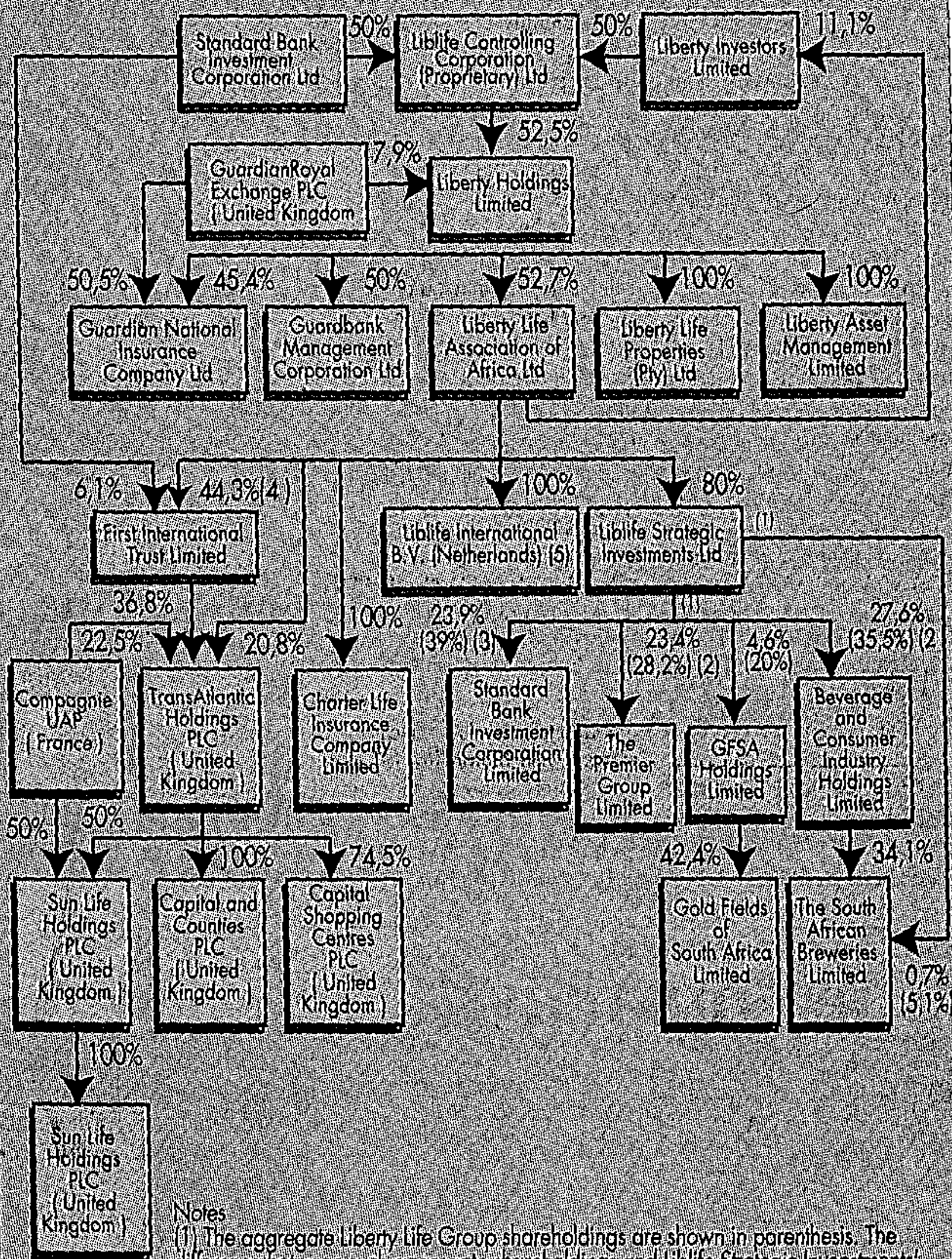
However, the planned use of the funds raised by the deal to finance a British purchase is surprising in view of speculation that Gordon was focused on a major acquisition of an American insurance company.

See next page



## STRUCTURE OF THE LIBERTY LIFE GROUP

at 31 December 1994



### Notes

- (1) The aggregate Liberty Life Group shareholdings are shown in parenthesis. The difference between such aggregate shareholdings and Liblife Strategic Investments' holdings primarily represents the shareholdings held by the policyholders' portfolios of Liberty Life.
- (2) Controlling interests held jointly with third parties.
- (3) Includes interests of companies connected to Liberty Life.
- (4) Liberty Life exercises voting control over First International Trust in terms of a voting agreement with Standard Bank Investment Corporation.
- (5) In July 1994, Liblife International issued US\$320 million 6.5% convertible bonds (2004) which are convertible into ordinary shares in Liberty Life and are listed on the London Stock Exchange.





**DEVELOPMENT SITE:** This graphic shows where the proposed hotel, galleria and office block development will be — blocks A and B. The city's landmark power station used to be on the site. Other buildings shown are (1) Metropolitan Life, (2) BP Centre, (3) Shell House, (4) Safmarine, (5) Seeff House (ICS Building), (6) Queen's Hotel/Waltons' redevelopment, (7) City Lodge Hotel, Waterfront, (8) council parking garage, (9) former power station site, (11) Ernst and Young House, (12) United Bank, (13) Roggebaai Post Office, (14) Trust Bank Centre, (15) Cape Town Station and (16) Sanlam Golden Acre.

## R20-m deal may lead to major hotels project

ARC 21/7/95 (288)

### Municipal Reporter

A FRENCH company is close to clinching a R20 million deal with the Cape Town City Council to buy part of the prime power-station site on the foreshore to build a Hilton and a Sheraton hotel.

Also planned with the 350-room Hilton and 300-room Sheraton is a high-quality retail galleria and new corporate headquarters for BP Southern Africa, which will be housed in a 23 000 m<sup>2</sup> office block.

The development is being described as the most significant, outside of the V & A Waterfront, since the Golden Acre.

The deal is close after a deputation from the city council approached the provincial government to establish whether it could be viewed as an "exceptional case". This would remove the need for any further advertising and public competition for the site.

Development co-ordinator

Rod Young told the council's executive committee that the provincial administration had ruled that direct negotiation with *Compagnie de Batiment et Construction* (CBC) of Paris could go ahead after the full council had agreed.

This matter will come up for debate at the monthly meeting next week.

Mr Young said that in September last year the council had advertised its intention to sell the site.

In October it had also placed local and international advertisements for the sale by tender of about two hectares of land on the site, which is divided into five blocks, but the response had been disappointing.

The council had then decided to invite tenderers to take part in further discussions and four parties, Murray and Roberts, the Malaysian Resources Corporation Berhard — both of which had submitted tenders

— and CBC from Paris and Advanta/Devland, were involved in discussions.

Each of the four companies came up with separate offers, the most attractive of which was the CBC offer of R20 million for blocks A and B of the site.

Mr Young's report describes the R20 million offer as being "an excellent one", representing a R400 per bulk metre price for the office block to be built on site A.

He argued that any further advertising and competition at this stage would be prejudicial to the development.

It would also prejudice the Olympic bid, which would "benefit enormously" from the proposed development.

### Collection for blind

Tomorrow's street collection is for the Institute for the Blind, fundraising number 08 8000 63 000 7.



# SA 'way behind' in the fight against crime aimed at tourists

Theo Rawana

SA WAS way behind other countries in developing strategies to combat crime against tourists and needed to develop programmes to combat this if tourism was to continue growing, a tourism department spokesman said yesterday.

The environmental affairs and tourism department's tourism director Hendrick Steyn was speaking about issues highlighted at a security and risk in travel and tourism conference, held under the auspices of the World Tourism Organisation, which he attended in Sweden last month.

The conference, which was addressed by world experts in the field of security, ended with the establishment of a travel risk documentation centre in Osterund.

Steyn said visits to other countries showed that much needed to be done in SA regarding tourism safety and security.

"We have no infrastructure for statistics on criminal acts, and we need to do research in the area of crime against tourists. At the university where we were in Sweden there was a special information centre with all the data on tourism-related safety and security," Steyn said.

In SA there was nothing even vaguely resembling such facilities. "Other countries are way ahead of us, even monitoring the behaviour of tourists," Steyn said.

He said his department was planning to hold a national conference in September where related departments such as safety and security and other stakeholders would take part in the search for effective strategies to combat crime against tourists.

With the establishment last week of a new chief tourism directorate in the tourism department, government's initiatives to improve tourism would be bolstered, Steyn said.

The chief directorate consisted of about 10 people in three different directorates:

- Tourism policy — which would focus on research, analysis, policy and strategy;
- Co-ordination — which would address local and international liaison; and
- Tourism investment and training — which would focus on incentive schemes and human resource development.

"The increased capacity should contribute to speeding up a number of initiatives currently under way.

"These include the preparation of a Green Paper on Tourism, the development of a tourism strategy and structures, as well as incentive schemes for the industry," Steyn said.

The tourism development section of Sa-tour will also hold a conference on safety and security for the Gauteng region on August 25. Details would be available later, a spokesman said.

Northwest official denies...



# Sun International lines up for licences

(288)

Star 21/7/95

■ BY SHIRLEY WOODGATE

Sun International plans to apply for an additional slice of the 23 new casino licences recommended by the Lotteries and Gambling Board to boost the 17 gambling outlets it already operates.

Meanwhile, the group will make use of the period of negotiation recommended by the board to decide on the future of its existing licences, said an SI spokesman.

This applies specifically to North West Province where SI has seven casinos, which must be whittled down to two, and the Eastern Cape where seven licences will have to

## **GAMBLING casino moves to take advantage of new Lotteries and Gambling Act**

be cut to three.

The spokesman said negotiations would include the national Government, the national and provincial gambling boards, the provinces and SI. This was in line with suggestions by the board.

The Wiehahn Commission suggested 13 licences for Gauteng,

three each for the Eastern Transvaal, Eastern Cape and Free State, six each in KwaZulu-Natal and the Western Cape, and two each in the impoverished Northern Cape and Northern Province.

SI has seven licences in the Eastern Cape, two in the Free State, one in Northern Province and seven in North West which includes Mmabatho Sun which was launched in 1979, Sun City, the Carousel, Morula Sun, Molopo Sun, Thabane Sun and Taung Sun.

The final decision on the board's recommendations will be made by the Cabinet when it meets in the next session.

Star 21/7/95

# Number of visitors to SA doubles

By RONNY TSHABALALA

STAFF WRITER

The number of foreign visitors who entered South Africa through the main international airports in April increased by 124 percent compared with April last year, when fears of election violence kept visitors away. (288)

According to figures released by the Central Statistical Service, 68 657 visitors entered South Africa through the Johannesburg, Cape Town and Durban international airports in April. The three airports account for about 84 percent of foreign visitors to South Africa.

The number of those who entered the country for holiday purposes increased by 195,1 percent, while the number who entered for business purposes increased by 46,0 percent.

Visitors from Asia (12 267) showed the largest increase of 208,3 percent, while those from the Americas (9 058) showed the smallest increase of 76,7 percent.

The Central Statistical Service said the twofold increase could be attributed to the popularity South Africa was gaining both as a business and holiday destination since last year's general elections.

It said that there were fewer visitors in April last year than in April 1993, indicating anxiety about the political instability and the future of the country.

The first three months of this year saw a 58 percent increase from the same period last year.

The report also recorded 62 868 South African residents returning in April this year, compared with 60 050 for the same month last year.

ET(BR) 25/7/95



# April booms for hotels

(288)

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

CT (BR) 25/7/95  
A combination of Easter school holidays, growing overseas tourism and the general economic improvement contributed to hotel room occupancy rates in April this year being the best April since 1989, according to industry spokesmen.

Figures released by the Central Statistical Service yesterday showed that on average, 55,2 per cent of hotel rooms were occupied in April, a 31,1 percent improvement on the same month last year. The number of beds occupied was 40,4 percent of the beds available, a 36,5 percent increase year on year.

Regionally, hotels in Cape Town, the Peninsula and the winelands showed the largest increase in room occupancy and the only area that showed a decline in room and bed occupancy as well as hotel income was the Bloemfontein region.

Sun International group rooms management executive Janet MacBean said the huge improvement in April had to be seen against the same period last year, which was very poor. Higher occupancy in April also depended whether Easter was in March or April.



# Wine shop ban shows up flaws in act

(288)

STAFF REPORTER

CT 25/7/95

THE police closure of Mr Vaughan Johnson's wine shop at the Waterfront on Sunday has highlighted inconsistencies in the liquor laws.

As a retailer, Mr Johnson may not sell wine on Sundays, but Waterfront taverns are allowed to sell liquor with or without meals.

He has a special liquor licence, which means the Liquor Board in Pretoria, at its discretion, can allow his operating times to deviate from the rest of the industry's.

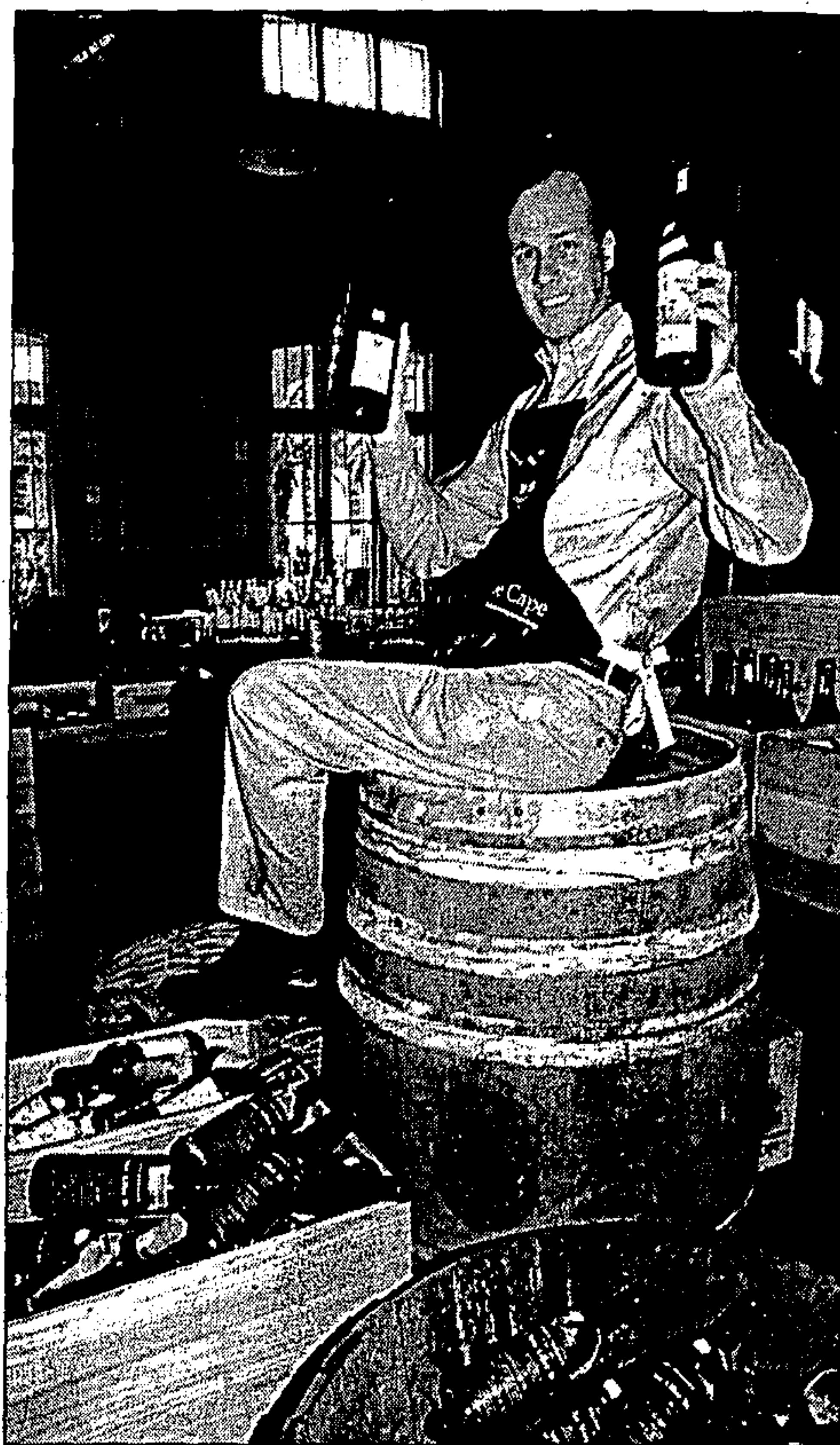
## Tourism

However, Mr Johnson claims an Oudtshoorn farm and a shop selling liquor at Cape Town international airport have the same licence and are allowed to trade on Sundays "in the name of tourism".

He said the Liquor Board had told him it could not grant him permission to sell liquor on Sundays because "people would get drunk and fall in the water".

Police spokesman Colonel Raymond Dowd said police could have arrested Mr Johnson but had adopted a "low-key approach".

A new Liquor Act should be completed by March. It is likely that it will allow Sunday retailing.



**DEFIANT:** Waterfront wine retailer Mr Vaughan Johnson defied the Sunday trading ban for six weeks before police, acting in response to a complaint, told him to close.

PICTURE: ALAN TAYLOR



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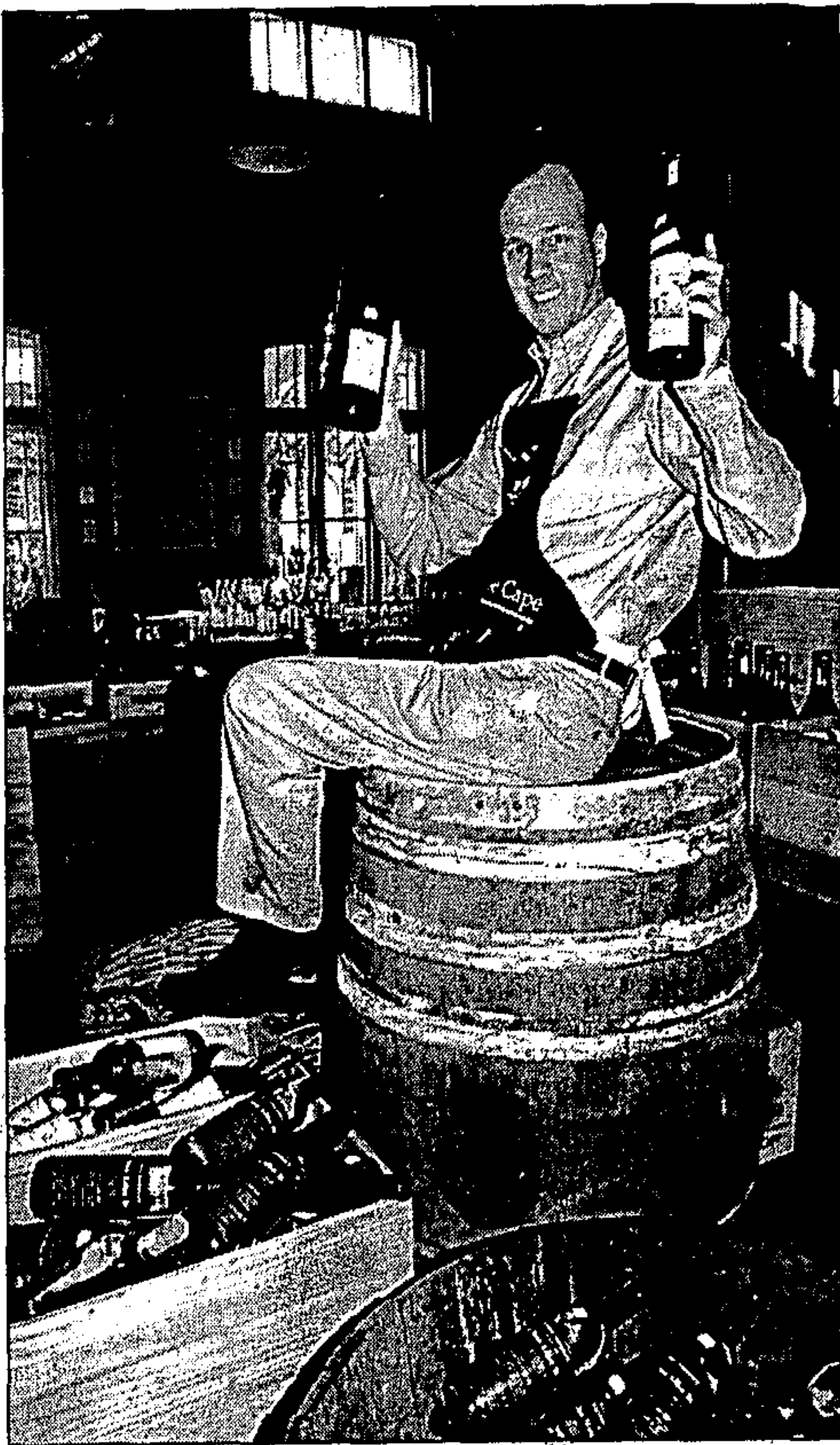
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**DEFIANT:** Waterfront wine retailer Mr Vaughan Johnson defied the Sunday trading ban for six weeks before police, acting in response to a complaint, told him to close.

PICTURE: ALAN TAYLOR



## Hotel occupancy 'highest in years'

(288)

APR 25/7/95

SOUTH African hotels had their highest occupancy rates in April since 1989, Central Statistical Service said in a statement.

Quoting a recent survey, CSS said the average room occupancy rate in April this year increased 31,1 percent to 55,2 percent compared to April last year.

The bed occupancy rate increased by 36,5 percent to 40,4 percent.

No-star hotels showed the largest increase in room occupancy (37,5 percent), whereas five-star hotels showed the largest increase in bed occupancy (50,9 percent). One- and two-star hotels showed the largest increase in hotel income (65,6 percent) compared to April last year, CSS added. — Sapa.



# Hotel industry reaps benefits of tourism

Amarda Vermeulen

THE hotel industry appears to be booming with the latest statistics showing that occupancies were at their highest level in five years during April.

Analysts said the increases reflected growing activity in the industry following an improvement in the tourism market.

The Central Statistical Service said yesterday that the average room occupancy increased 31,1% to 55,2% compared to April last year, while bed occupancies increased 36,5% to just over 40%.

Hotels in Cape Town, the Peninsula and the winelands region showed the largest increase in room occupancies — 61,5% to 73,3% — followed by the East Rand with a 73,2% room occupancy rate.

Hotels in the Durban and Umhlanga areas experienced the largest increase in bed occupancies of 65,9%. Hotels in the lowveld and escarpment had the highest increase in hotel income, which grew 98,7% compared to April last year.

The only tourism region which showed a decrease, for room and bed occupancies as well as income, was Bloemfontein and the Transgariep area.

Non-graded hotels showed the largest increase in room occupancy, improving 37,5%, while five-star hotels showed the largest increase (50,9%) in bed occupancy. One- and two-star hotels had the largest growth in hotel income of 65,6%.

Analysts said Asia was a major contributor to SA's tourism industry. The number of Asian tourists to SA had risen, but this had not been accompanied by a corresponding increase in tourists from the US. One analyst speculated this was because of more aggressive marketing in the Orient and exposure of the crime and political violence in SA on US television.

"It is encouraging to note that some hotels are reporting a very high concentration of foreign tourists, with some hotels saying occupancies of 75% and more are almost entirely due to foreign tourists."

Confidence in the sector could be seen in the large incidence of new hotel developments and upgrading projects under way, analysts said.

(288)

1m 25/7/95



# Backpacking is the way to go

*Hostels are home to a wide group of adventurous travellers*

Pre-election backpackers' bed nights in the Western Cape — 50 000. Post-election — 300 000.

Backpacking is big tourism business and getting bigger. GORRY BOWES TAYLOR took the scenic route around three local "youth" hostels.

THEY'RE still called youth hostels although, while 46 percent of their occupants are indeed in the 18 to 35 age group, there's a fair number of backpacking 50 and 60-year-olds.

With beds from R17 to R85 a night, full self-catering facilities, a relaxed and comfortable atmosphere, hostel-dwelling backpacking is the economic way to go.

Yvette Tilianus is chief executive of Hostelling International South Africa, the joint marketing company formed between the Hostel Association of South Africa and Backpackers Africa. She is keen to kill the misconception of backpackers being 22-year-old, unwashed, dope-smokers.

"Hostels are not the poor person's accommodation. Internationally, it is the A/B income group who choose this way of travelling, spending less on accommodation and more on touring."

There are 33 hostels in the Western Cape. Some offer dormitories and privacy in double and single rooms, and rooms for families of four to six (naturally you pay slightly more for privacy).

Many hostels have pool tables, television rooms, video machines and well-stocked video libraries. Some offer breakfast, all send eager visitors to favoured Cape spots.

Thirsty travellers head to the watering holes of the Waterfront, but tend to stay closer to home for nightclubs and restaurants. Waterkant, Long and Loop streets are well-trodden

territories.

Lee Harris and Toni Breerton, co-owners of The Backpack, like to support local enterprise in the central city. The Backpack is a comfortable (and comforting) Victorian house that has most of its broad-beamed floors intact, and a nice height to its ceilings. You'll have noticed it over the past five years behind its wittily painted walls on the corner of Military Road and New Church Street in Tamboerskloof.

"We've seen a significant increase since the elections — more Pommies, Aussies, Germans, New Zealanders, Japs. And the Rugby World Cup brought a full house of cheering (and beautifully behaved) backpackers."

Lee and Toni's highly successful Africa Travel Centre, run from The Backpack, specialises in picaresque overland tours and safaris throughout Africa — and beyond.

"Our motto is 'Give Europe a miss'. We believe in tourism in Africa, but we'll also get you overland all the way to London, Cairo, Asia, South America, wherever. It's a wonderful way for South Africans to meet international tourists."

The Irish brogue that greets you at the Overseas Visitors Club Youth Hostel in Long Street belongs to Steve Doherty who, with his fiancée Susan Patten, manages the famous old place. Their hostel tucks up 18 a night in three dormitories, sells soft drinks and beers, and gets travellers into the self-catering habit.

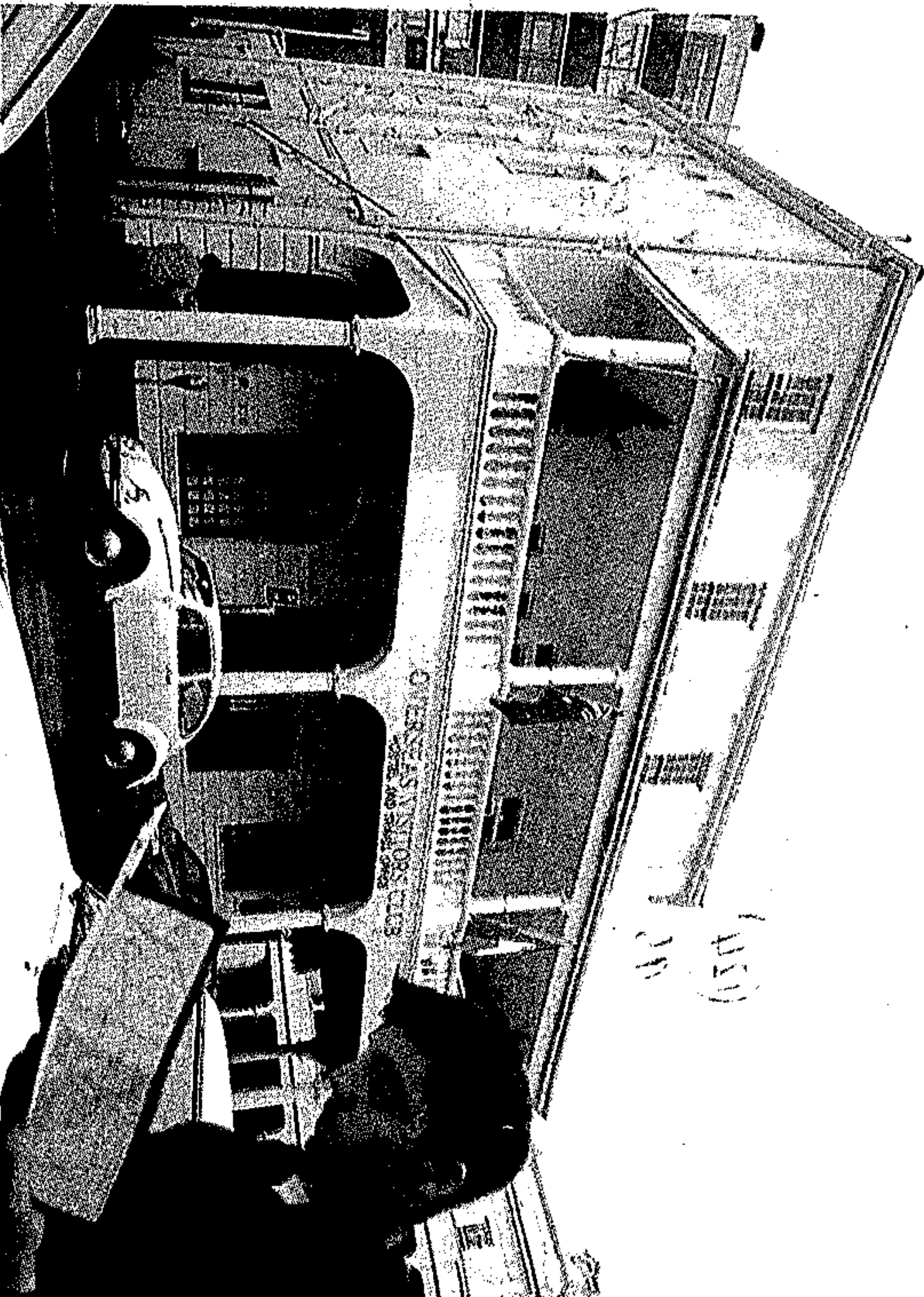


(288) July 26/7/95

**PLANNING HOLIDAYS:** Exciting times at The Backpack in Tamboerskloof, home of the Africa Travel Centre, where travellers plan trips with staff. They are, back from left, co-owner Toni Breerton, Wilma Koeppen and Quinton Rutherford of Durban. In front is co-owner Lee Harris.

"We have a good atmosphere in the centre of the city. We provide a very safe place and we believe in promoting Cape Town."

Pictures: HANNES THIART, The Argus.



**VISITORS' CLUB:** A visitor from England, Ben Uttenthal, consults his map outside popular Overseas Visitors' Club in Long Street.

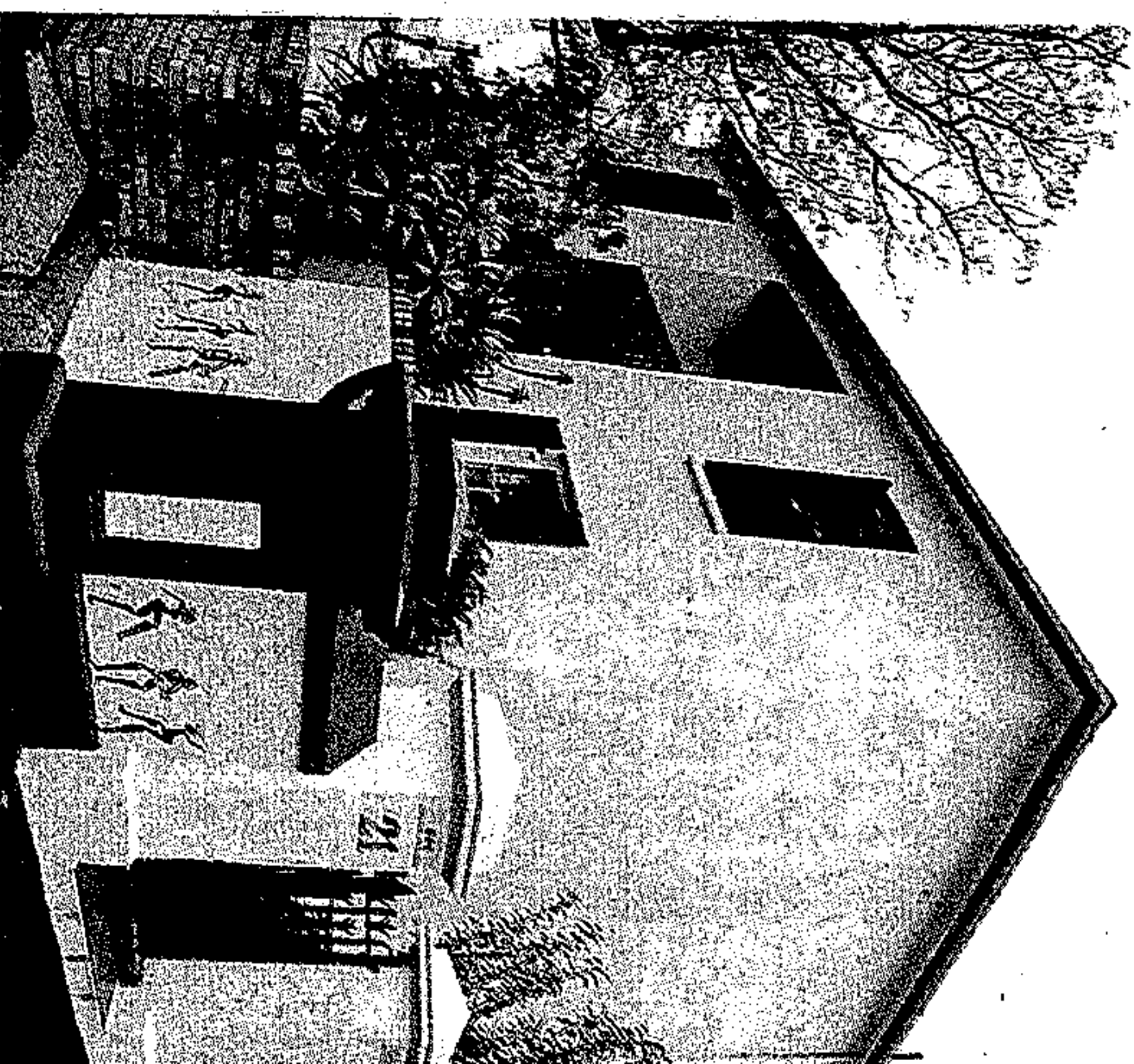
manager, Karin Andersen, they have certainly had an increase in traffic since the elections.

"Now we get a lot more Germans, Americans, Dutch, French, British, Japanese. Most of them do an Africa circuit, with Cape Town as their final home. They give a sigh of relief when they get here — at last they're back in civilisation! For the first few days they collapse in front of videos."

Then the Cape's well-documented attractions beckon.

"They definitely come to Cape Town to party and, while they'll go to the Waterfront, their most popular bars and nightclubs are in Long and Loop streets."

Oak Lodge provides dormitory beds for six to 10 people sharing, with a couple of double rooms. Prices are from R25 to R65 a night. There's a well-equipped kitchen for self-catering, 300 videos in the recreation area, a pool table and bar.



**OAK LODGE:** Home from home at Oak Lodge in the Waterfront, where travellers take time out to rest.



# Surf City set for hotel boom amid rising tide of tourists

BY SHIRLEY JONES

STAFF WRITER

Durban's year-round holiday season has significantly boosted its tourism industry this year to the point where multi-million rand investments in the region appear more than justified.

There are plans to not only increase the number of prestige hotels, but to increase the number of self-service units in the greater Durban area.

There is stiff competition for development of prime sites such as the Pavilion site near the Bay of Plenty. Tenders for what will probably be a major hotel development show that both international and local hotel groups are looking to benefit from this massive growth potential.

According to Thabo Mpakanyane, director of the Greater Durban Marketing Authority, the Intercontinental Group (which recently joined with Southern Sun to run the five-star Beverly Hills) is planning to further extend its interests in Natal.

Mpakanyane believes this

should at last silence prophets of doom who declare that Durban is going downmarket.

"The idea that tourism is on the decline in Durban is something of an urban legend as far as I am concerned. In fact this year has been one of our best years.

"This is due to a number of events, such as the Rugby World Cup, several conferences, the Comrades Marathon and Ocean Action," he said.

## Upswing

Martin Edwards, principal consultant for Greene Belfield-Smith, a specialist tourism division of Deloitte and Touche, said that Durban was clearly experiencing a dramatic tourism upswing.

Although no data is available on the city's sell-out July season, analysis of hotel occupancy rates point to significant growth. Occupancy rates for the 1993/94 Christmas season showed an average 64 percent room occupancy rate as opposed to an 82 percent average for an extended 1994/95 season.

Data also points to the fact that

49 percent of Durban's hotel guests come from within KwaZulu Natal and 32 percent from Gauteng, with declining numbers from the Northern and Eastern Transvaal.

Edwards said visitors to the Western Cape and KwaZulu Natal (61,5 percent) share the same economic profile, namely the A income group. This is in marked contrast to Gauteng which, as a domestic holiday destination, serves primarily the B and C income groups.

Gerhard Patzer, the chairman of the KwaZulu Natal Hotel Association and general manager of The Edward Hotel, which is currently undergoing extensive refurbishment, believes that without enormous growth potential, major hotel groups such as Karos and Southern Sun would not commit millions to upgrading hotels.

He says that the overall average occupancy for the year is 70 percent, with July occupation figures well up on those during last July. Thanks to the prime drawcard during this period, Ocean Action, with the international surfing event, the Gunston 500, hotel occupancy rates were around 90 percent.

CR(MR)27/7/95 (288)

As a result, he says, hoteliers are seeing more frequent stays of shorter duration (two to three nights).

Major hotels expected to benefit from the city's focus on hosting sports events and its aim of becoming an international conference and exhibition venue.

Not only are Holiday Inn Crowne Plaza and the Edward sprucing up their conference facilities, but the city's International Conference Centre has provisional bookings between its September 1997 opening and 2000 which should deliver over R166 million in potential revenue to the city.

## Emerging

Norman Wallace, general manager of the Holiday Inn Crowne Plaza, said all Holiday Inn hotels had done exceptionally well over the past six months with the South Beach Holiday Inn enjoying an average 90 percent occupancy rate.

Patzer said that Durban had looked to the A to B income white market in the past, but now needs to go for new markets such as the emerging black market.



# Cape Town's a wonderful place but . . .

## □ Survey lists visitors' gripes

ARG 27/7/95 (288)

**JOHN YELD**  
Environment Reporter

TOURISTS using Cape Town's public transport complain bitterly about the filthy condition of buses and, particularly, trains, the dirty station, poor service at nights and weekends, the lack of destinations on buses and unhelpful staff.

Visitors are also unimpressed with the Castle and the museums and a well-known wine estate has been slammed for asking an "exorbitant" R350-a-head for lunch.

Other dislikes include drivers, traffic, street children and beggars, air pollution, litter, poor service, local people's attitudes, squatter camps and lack of safety and security.

These are among the findings of a survey of just fewer than 4 000 visitors, conducted in May by Damelin school of travel and tourism students.

It was done in association with Cap-tour to assess successes and failures in the local tourist industry.

Some visitors "poured their hearts out" to the interviewers in addition to answering questions, the introduction to the results document noted.

"The overwhelming feeling was a positive one with some very big 'buts,'" it stated.

Most of the visitors questioned — 24 percent — were from South Africa, followed by 15 percent from the United Kingdom. Other large groups were from the Republic of China, Germany and Australia.

Most were here to visit family and friends, but other attractions included "a good place to start (and end)", curiosity about the new South Africa, the Cape scenery, sporting events such as the Two Oceans Marathon, a romantic

place for a second honeymoon and golf (although green fees were too high).

Asked what they liked most about Cape Town, many replied: "Everything."

Specific nods of approval were given to the scenery and nature, wine and the winelands and the "ever-popular" Waterfront.

But there were many gripes about prices at the Waterfront which visitors said appeared aimed at "the dollar market".

Other areas or facilities singled out for criticism included taxis, food outlets, dirty beaches, the cableway queue, the World of Birds ("tatty and run-down"), the lack of signs for tourists and expensive car hire.

A conference organiser who is arranging an international event in Cape Town next year told an interviewer he was struggling because of the lack of facilities.

He was also appalled at a quote from Vergelegen wine estate for R350 a head for lunch for delegates.

The summary document commented: "This is not the image we want for Cape Town and certainly something must be done about this milking . . ."

An easy interpretation would be that — overall — tourists appeared happy with Cape Town and said they would return, the document said.

But the majority were coming here because of family and friends, not marketing campaigns.

The clean-up of the city and improved safety should take priority, and conference facilities needed to be improved dramatically.

Poor public transport and road congestion were the largest headache.



## OLYMPIC BID (288)

### Try, try again

FM 28/7/95

A concerted attempt is being made to restore credibility to SA's proposed bid to host the 2004 Olympic Games. As CEO of the nonprofit company charged with managing the process, former banker Chris Ball — who left SA in the Eighties after falling from favour in the political climate of the time — faces a difficult task. But he is setting about it with a will.

Part of the problem he inherits is that in the wake of complex disputes between the National Olympic Committee of SA (Nocsa), Cape Town officials, and the private sector in the form of the ebullient and outspoken Raymond Ackerman, public opinion turned against the idea of hosting the Games. In Cape Town — the designated host city — it was felt that the costs of the bid were disproportionate to potential gains.

The bid company is in the process of securing unpaid volunteers for its management team — which thus far includes Ronnie Kingwill (an Eskom executive seconded to assist the Western Cape premier with RDP projects), Deni Madzunya (MD of IBM Logistics), Peter de Tolly (deputy city planner with the Cape Town City Council), Michael Fuller (regional director of Ernst & Young), Robbie Stewart (who spearheaded Durban's Olympic bid) and Neill Duffy (GM of an international sports management and marketing organisation).

Ball wants to make further staff appointments along affirmative action lines. The bid, he stresses, needs to be dissociated from parochial interests, not least its identification with Cape Town. He believes that benefits of the bid — and of its possible success in 1997 — will flow only if it is seen as a South African, and even African, effort. The SA bid logo — which contains the outline of Table Mountain — is accordingly being scrapped and a national emblem will be unveiled soon.

The logo issue is symbolic. Ball has released a document which sets out the following as among the important factors in generating renewed enthusiasm for the 2004 Games in SA:

- The co-operation of Nocsa, Cape Town and the bid company has been secured. No individual's fervour is perceived as being essential to the bid's success;
- Costs for the bid are to be met through the sale to corporations of sponsorship rights, a process that is already under way. Public fears of escalating rates or other imposts should be averted — it is generally accepted now that previously quoted figures

were too high;

□ On this basis, the goodwill of Cape Town ratepayers, and others affected by the necessary expansion of infrastructure and facilities, stands a better chance of being obtained than before;

□ The bid company will not commit Cape Town — or SA — to open-ended expenditure. Specific plans and proposals will be considered only when the bid has been accepted after 1997, assuming the International Olympic Committee gives the nod to SA;

□ The Games could generate a surplus — if the accounting for the Sydney Olympics of 2000 is correct. The Olympic Games are big business now and the TV audience is expected to grow a lot over the next decade;

□ Though such estimates are always open to question, Ball argues that preliminary economic analysis has shown that 75 000 permanent jobs would be created by holding the Games in SA; and

□ The 2004 Games could well prove a factor in the transformation of SA, on the analogy of the Rugby World Cup. This is an emotional argument that could help to bring private-sector sponsors and people in general back to support the idea.

These arguments — if they are adequately communicated to the nation and if there is no further squabbling — could help to repair some of the damage of the initial attempts to consolidate the bid.

But Ball will battle to convince the business community the project is feasible and desirable. The fact that he once earned former President P.W. Botha's enmity might well be a plus for him in the new SA but the business sector, which largely believed Ackerman was right for the job, must still be persuaded that Ball is the appropriate successor — and that the bid really does make economic sense.



# Best in the West — best in the country!

(288) ARG 29/7/95  
**WILLEM STEENKAMP**  
Staff Reporter

IN a bid to make the Western Cape the prime South African tourist destination — locally and among international tourists — the province is to get a fully representative tourism board co-funded by the provincial government with a comprehensive brief to promote the region both locally and internationally.

The concept is the brainchild of Lampie Fick, Western Cape Agricultural, Planning and Tourism Minister, who believes it is time to draw together the fragmented bodies and organisations that are currently involved in the tourism industry.

"We would like to get away from a concept where everyone believes each is the king of their own little castle.

"But that said, we also do not want to prescribe to people how they should act or get involved.

That is why I have been holding meetings in all the different regions in the province so that we can together work out a winning concept," he said.

The regions include the Overberg, Boland, Swartland, West Coast, Breede River, Garden Route, Cape Metropole and Southern Cape.

Mr Fick said it had now become clear that the Cape needed a fully representative tourism board which would present all the different regions.

Each town in the different regions would, through its publicity association, nominate a regional representative who would serve on the provincial board.

Besides these nine representatives, the regional government would have three members on the board and other members would be come from the private sector, including representatives from Fedhasa, the Transport in-

dustry, Travel Agents, and the Restaurant Guild.

Mr Fick said he believed that the board should be co-funded — possibly on a 50-50 basis — by the province and other role players.

Although Satour was to become the national tourism marketing body promoting South Africa internationally, each province had unique tourist attractions and a board such as the one envisaged would market the Cape's unique attractions internationally as well.

Gordon Oliver, chief executive of Captour, said his organisation supported the idea of a Western Cape tourism board.

"Obviously we would want this board to be fully representative. It should draw in previously marginalised communities."

Mr Oliver warned, however, that representatives should not be appointed by the regional government but should be elected democratically.



# Special events boost tourism

Theo Rawana

BD 31/7/95

SA, buoyed by its successful hosting of the 1995 Rugby World Cup, had a number of major world events lined up for the next two years, and was making a bid for the UN conference on trade and development next year, the SA Tourism Board said at the weekend.

Satour deputy executive director Ernie Heath said events set to take place in SA included the Africa Cup of Nations soccer tournament, the karate world championships, the world underwater hockey championships, the EcoWorld congress and exhibition (to be held next year) and the world veteran games in 1997.

A foreign affairs source said the UN conference on trade and development, held every three years, had the potential to draw 3 500 people including delegates, secretaries, interpreters and other officials. The last conference was held in Latin America in 1993.

Heath said the marketing of special events had become vitally important in the effort to achieve

growth in the tourism industry, and the rugby World Cup tournament was proof that the country was able to cope with major international events.

"The tournament has laid the base for the hosting of future events in SA. Satour therefore wholeheartedly supports the efforts of the Cape Town 2004 Olympic bid committee and we intend to increase our marketing of special events over the next 10 years.

"Events such as the ones we have listed contribute significantly to the broader tourism promotion effort. Word of mouth has always been, and continues to be, a major tool in promoting tourism in SA. Moreover, delegates and spectators at special events spend more than the average tourist," Heath said.

It was in the interests of all tourism-related sectors for the promotion of special events to take place in a co-ordinated and holistic manner.

"In this regard, Satour's overseas offices will play a major role in the future," he said.

Meanwhile, Satour reports significant growth in all major tourism markets.

(288)  
"All indications are that close on 950 000 overseas visitors can be expected to visit SA this year, representing growth of about 30% over last year. The challenge is to exceed the 1-million mark this year," said Heath.

This predicted growth was based on the premise that the security situation was brought under control and maintained, and that SA's tourism infrastructure was expanded, he said.

It also presumed that pricing strategies would remain competitive, that promotional activities were intensified and that SA worked to achieve and maintain consumer satisfaction.

Heath said overseas visitors to SA totalled 498 712 in 1990, the figure came to 521 257 the next year, reaching 559 913 in 1992 and climbing to 618 508 in 1993. Last year 704 630 overseas visitors came to SA.

"In 1985 SA was ranked 55th in terms of the world's top destinations, but gained ground to be ranked 29th in 1994," he said.

Satour predicted that nearly 2,3-million overseas tourists could visit SA in the year 2 000.



# Major tourism plan for Cape beach

ALU 1/8/95

(288)

**COLIN DOUGLAS**  
Staff Reporter

THE Cape's most famous viewing site — the coastline between Bloubergstrand and Melkbosstrand, with its stunning view of Table Mountain — is set to become the focus of a multi-million-rand tourism and nature conservation programme.

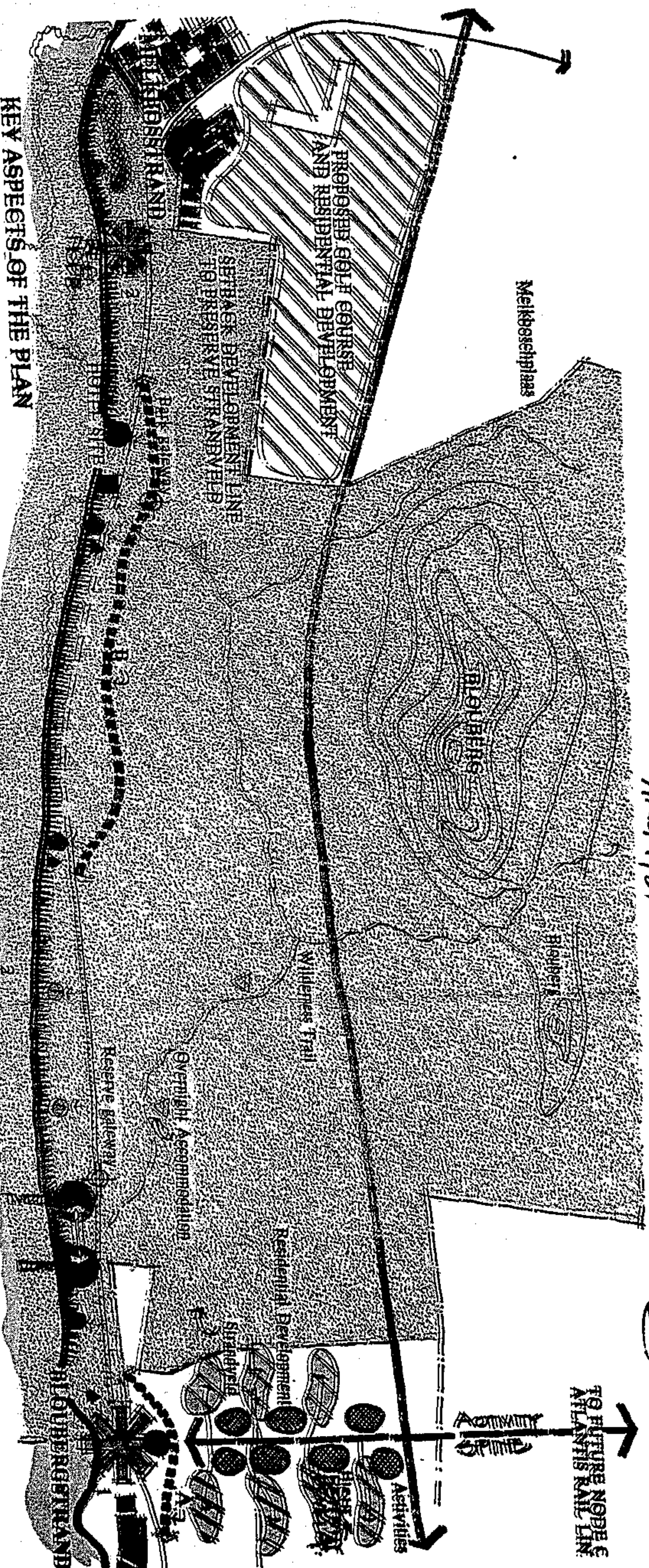
The programme, which aims to harness private sector funds to develop a major recreational and environmental resource for the Peninsula, has been proposed by consultants to the Cape Metropolitan Council (CMC).

A draft report by the consultants was backed by local residents and other interested parties at a public meeting in Bloubergstrand last week — the third since the planning process began last year.

The report proposes the sale of public land to create two major resort hotel sites, the establishment of an environmental education centre and the re-routing of sections of Otto du Plessis Drive to protect sensitive dunes.

The developments would form part of, and help fund, the new Blouberg Nature Reserve, which is expected to be proclaimed soon.

"The 7km coastal strip between Bloubergstrand and Melkbosstrand is one of the



**KEY ASPECTS OF THE PLAN**

**A WEST COAST PLAN:** Plans are afoot for a major tourism and environmental project on the coast between Bloubergstrand and Melkbosstrand, which falls under the new Blouberg Nature Reserve (shaded green on the map). The plans feature the re-routing of sections of Otto du Plessis Drive (the dashed lines marked A and B) to protect sensitive dunes and make space for beachfront hotel, commercial and educational developments. A mass-based leisure resort, including camping facilities, would be built at Eerstepsteen and Tweedesteen, marked on the map with two connected black dots at bottom right.

last remaining undeveloped sandy coastlines in the Cape metropolitan area," said Derek Chittenden of Chittenden Nicks Partnership, the firm contract-

ed by the CMC to devise the plan.

"It's a very important metropolitan resource, both for recreation and conservation —

but because of the proximity of Otto du Plessis Drive to the sea there has been unlimited access to the beach. This is threatening to destroy the coastal environment."

The recreational demand on the coastline would only increase, which made it essential to manage the area in a way

that balanced leisure, commercial and environmental needs, Mr Chittenden said.

He emphasised that the plan was still only a policy guide.

Graphic: CHITTENDEN NICKS



# Karos aligns its hotels to luxury market

By Shirley Jones  
2/8/95 (288)

STAFF WRITER

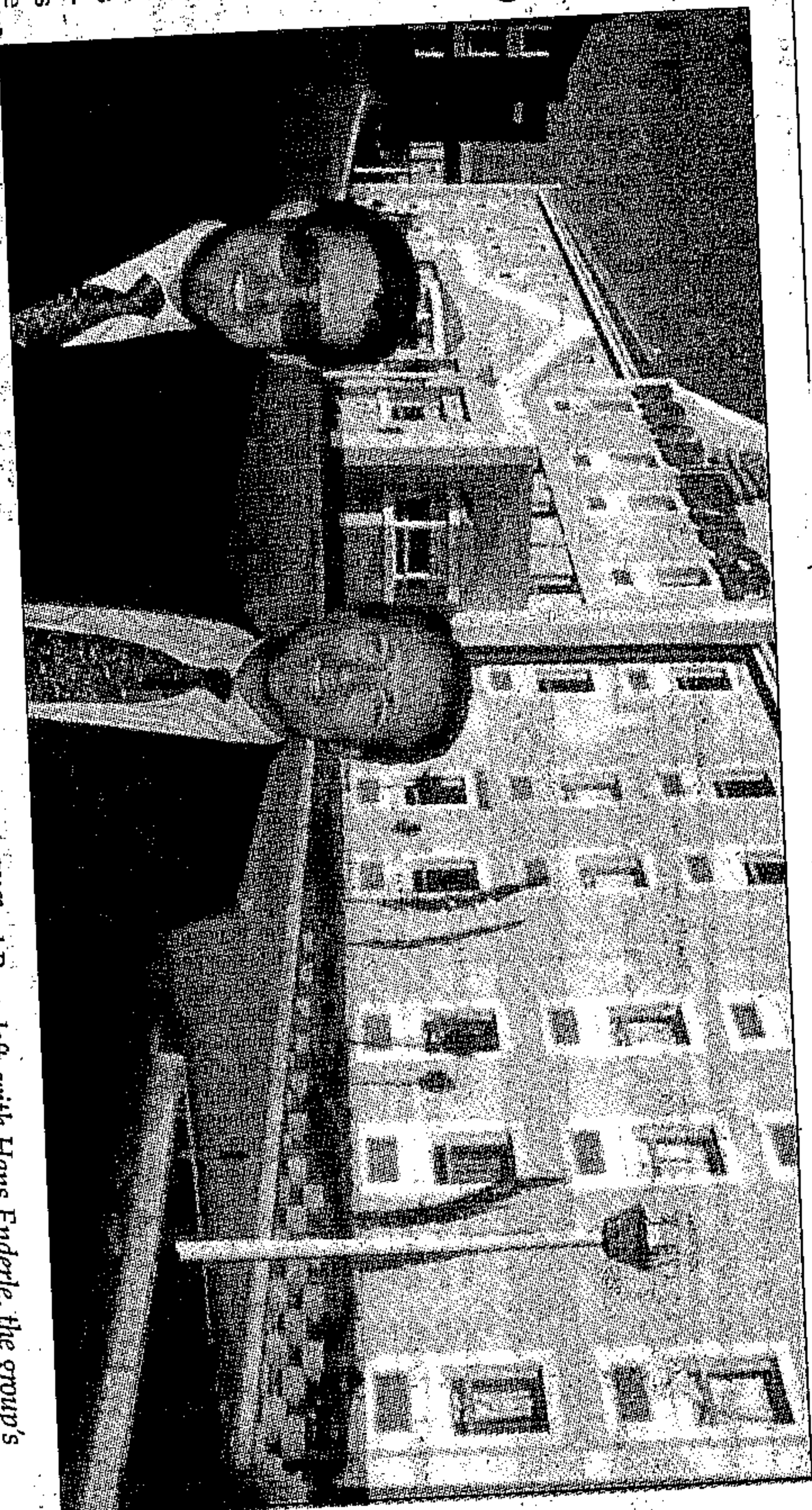
Karos plans to upgrade four of its seven three-star hotels and build two more four-star hotels, says Selwyn Hurwitz, the executive chairman.

He says that within 24 months, 90 percent of Karos Hotels will be in the four-star category. This follows Karos' decision to move upmarket to occupy the five-star and four-star niche market. Hurwitz believes this market was vacated by Southern Sun when it elected to down-grade many of its hotels and operate chiefly in the competitive budget hotel sector.

The announcement that the hotel group intends building new hotels in the Eastern Cape and the Free State as well as refurbishing the Hotel Richards in Richards Bay, Maritzburg's Capital Towers Hotel, the Mont aux Sources Hotel and the Karos Safari Hotel in Rustenburg follows the closure of the Edward Hotel in Durban. The closure was in preparation for a R20 million revamp which will transform it into the group's first five-star hotel.

At this stage, Hurwitz is not prepared to disclose further details of the two new Karos properties.

He says as Karos owns all its properties and due to the high cost of building new, luxury hotels, the option to upgrade is particularly relevant.



**NEW LODGINGS** The managing director of City Lodge Hotels, Clifford Ross, left, with Hans Enderle, the group's executive chairman, outside the first Road Lodge hotel near Johannesburg International Airport

## Road Lodge finds budget traveller niche

By Staff Writer

The City Lodge Hotels group officially opened its first Road Lodge yesterday. The chain is expected to create at least 10 limited services Road Lodge hotels at a development cost of R100 million by 2000.

City Lodge opened its first hotel in Randburg in August 1985. Today the group's hotels comprise nine City Lodges, four Town Lodges, five

Courtyards and one Road Lodge.

The first Road Lodge, near Johannesburg International Airport, was developed at a cost of R7,5 million. Aimed at budget-conscious travellers, it charges R110 a room for one, two or three guests.

Hans Enderle, City Lodge executive chairman and founder, said the main difference between a Road Lodge and a City Lodge or Town Lodge is that there are fewer rooms, the rooms are smaller

and there is a lower price to match. "However, Road Lodge will still offer quality accommodation."

City Lodge will be developing two Road Lodges a year over the next five years in major cities, selected large towns and industrial and tourism growth points around the country.

Enderle said his group's first decade had laid an excellent foundation for further growth in South Africa, southern Africa and possibly overseas.



# City Lodge set to hit the road

Amanda Vermeulen

2/8/95

(288)

CITY Lodge plans to invest R100m in its Road Lodge chain in the next five years, which will see at least 10 new hotels being developed around the country.

The group currently has nine City Lodges, four Town Lodges, five Courtyard developments and one Road Lodge. The first Road Lodge, which cost about R7,5m, was officially opened yesterday at the group's 10th anniversary celebration.

Executive chairman Hans Enderle said Road Lodges were designed for travellers with low budgets. "The main differences between the Road Lodge and the City or Town Lodge are that they have fewer rooms, the rooms are smaller, and the price is lower."

The group would develop two Road Lodges a year over the next five years in SA's major cities, large towns, and industrial and tourism growth areas.

Enderle said the group's first 10 years

had laid the foundation for further expansion in SA, Africa and possibly overseas. He added that the hotel industry market was buoyant and should remain strong for the rest of this year.

But he said unacceptably high levels of crime and violence continued to be of major concern to the industry.

City Lodge acquired 50% of the Courtyard chain in April for R18m. At the time of the acquisition, Courtyard MD Paul Koep said new self-catering hotels in the chain would be developed this year in Johannesburg and Cape Town.

In City Lodge's half-year to December, attributable earnings surged 57% to R10,4m following an upswing in economic activity and improving leisure and business travel.

City Lodge shares closed unchanged yesterday at R19,75.

The counter has come off its annual high of R24 in February, but is still up on its year low of R15,50, reached in August.



# BACKGROUND & ANALYSIS

## Privatisation of Aventura resorts 'just a rumour'

By ANN CROTTY

SPECIAL WRITER

Rumours that one or two Aventura resorts have been sold are way off the mark.

But given that the office for public enterprises was unsure what the precise situation was, it is understandable that elements of the private sector were convinced that here might lie the beginnings of government's privatisation programme.

Alan Louw, the managing director of Aventura, was emphatic: "None has been sold." He said that earlier this year there were discussions about the possible disposal of two

of the smaller resorts with a view to using the proceeds either to reduce debt levels or to develop the remaining facilities. It was decided instead to sell the group's head office premises, valued at about R6,9 million.

On the issue of privatisation, Louw said that on the basis of regular meetings with government, it was apparent that not even non-strategic assets such as Aventura's would be for sale. This may or may not change following discussion of restructuring guidelines tabled for discussion last week by Stella Sigcau, the public works minister.

As a target for privatisation, Aventura will certainly not attract the sort of frenzy that has

every merchant bank in the country, as well as many international bankers, knocking on the doors of senior executives of the major parastatals.

It is just not sexy enough. The big parastatals with their billions of rands of assets, offer the promise of lucrative fees for the many layers of advisers that inevitably accompany privatisation exercises. What Aventura offers is modest.

The fact that the government had not even indicated Aventura's assets were for sale was an indication of the extent of its resistance to the issue of privatisation, Louw said. At this stage, with the policy formulation process just

kicking into play, the government is supporting the policy of public sector restructuring, but is indicating it will not be selling shares or assets.

What it is prepared to consider is the introduction of new capital by private sector investors or the creation of joint ventures with private sector shareholders.

There are a whole host of reasons why Aventura was thought likely to be among the first of the public sector assets sold off to the private sector.

The single most important is that it is not politically sensitive, by no stretch of the imagination could it be linked to the reconstruction

and development programme and it is unlikely that its privatisation would adversely affect service provision or employment.

Since 1992 the group has reported losses which have resulted in the accumulation of debt aggravated by restructuring costs. Before 1992, government subsidies covered the losses.

The financial year to end August is expected to show yet another loss but management is forecasting a small profit for the next financial year. Improved performance is attributed to restructuring and a more aggressive strategy in the market-place. If this public sector asset can generate profit, why invite the private sector to share the spoils?



**GOLDEN GOOSE** Government appears reluctant to share the spoils of its resorts with the private sector



# 'Little Foot' could mean big money

Paleo-tourism is the new buzzword after the discovery of the significance of 'Little Foot', report **David Beresford** and **Eddie Koch**

IN an office tucked away in a corner of the University of the Witwatersrand, a professor who looks disconcertingly like Albert Einstein can be found dreaming of a new form of tourism — a grand tour of old bones on the dark continent.

Professor Philip Tobias is a scientist who has finally "come in from the cold". After nearly half a century suffering the contempt meted out to South Africa over apartheid, he has found himself at the centre of international acclaim over the discovery of four bones in a forgotten box on the campus.

The bones, dug up 17 years ago at Sterkfontein Caves, throw dramatic new light on human evolution — indicating that early man was a chimpanzee-like tree-climber. The remains, of a person now known as "Little Foot", show that about 3.5-million years ago our ancestors had divergent, highly mobile toes capable of ape-like grasping movement.

The discovery is a major development, not only for paleo-anthropology, but for South African scientists ostracised for decades because of their government's racist policies.

South Africa leapt to the forefront of evolutionary research 70 years ago when Professor Tobias's predecessor as head of the department of anatomy at the university, Raymond Dart, discovered the original "missing link" — the Taung skull — at the same Sterkfontein caves.

But with apartheid, the country's scientists fell victim to international ostracism, recovery from which has been signalled by the excitement over

the now-celebrated Little Foot. "There is no doubt that during the apartheid era, and the academic boycott, the work and the discoveries in South Africa tended to be overlooked," says Tobias. "The spotlight was fiercely focused on Tanzania, Kenya and Ethiopia. South Africa's historical contribution to the study of the evolution of man in Africa tended to be down-played."

The "Little Foot" discovery is likely to be followed in a matter of weeks by further announcements by Wits of major breakthroughs in the study of human evolution.

In the race back through the mists of prehistory, South Africa has been overtaken since Professor Dart's time by Kenya and Ethiopia, where hominid fossils have been found dating back more than four million years. As a result, those countries are now favourites to find the current "holy grail" of paleo-anthropology: the remains of the creature which, it is believed, existed before mankind split from the chimpanzee. Molecular research suggests such a creature existed between five and eight million years ago.

But South Africa's eight major cave sites are making major strides in the consolidation of understanding as to how mankind evolved. Unlike the sites in North and East Africa, where the fossils tend to be scattered and damaged, the South African digs are in "sealed sites", where bones are comparatively undamaged and together. Sterkfontein, it is suspected, originally formed a natural "trap", a shaft into



Them dry bones: Dr Ron Clark (left), who recognised the significance of the 'Little Foot' fossil remains

which people and animals fell, died and were preserved.

The international recognition given to the "Little Foot" discovery has prompted a new ambition in Professor Tobias, to develop what he calls

"paleo-tourism". "If we could work a deal with our pan-African chums, it could be a grand tour of the world's greatest sites bearing on the evolution of man," dreams the paleo-anthropologist who has finally come

in from the cold.

Meanwhile, the National Parks Board has recently set up a "cultural conservation" desk. Media officer Rudolf van Graan says this reflects the increasing importance the organisation is attaching to archaeological sites as an attraction for tourists. The new Vhembe/Dongola National Park, inaugurated in June along the banks of the Limpopo River, is more important for its archaeology than its wildlife.

Some scientists believe the Limpopo River Valley is the seat of sub-Saharan civilization. The area is a treasure trove of archaeological remains, gold artifacts, beads and burial grounds which indicate the civilization that found its apogee at Great Zimbabwe 500 years ago had its origins there.

South Africa has incredibly rich archaeological resources that could potentially be developed (for tourism). The extraordinary thing about these resources is that they range over the whole course of human existence, from the earliest fossil hominids through to historical and colonial periods. Moreover, important sites are distributed throughout the country," says Andrew Sillen, associate professor of archeology at the University of Cape Town.

In Gauteng, Sterkfontein is an important site. However, South Africa has two other key sites which have been reported to contain the earliest Anatomically Modern Humans (that is, people indistinguishable from populations living today): Border Cave, on the border of KwaZulu/Natal and Swaziland, and Klasies River Mouth, near the beautiful Tzitzikamma Reserve on the Cape coast. The evidence here indicates modern humans first appeared in southern Africa at a time when Europe and the Middle East were still populated by Neanderthals, says Sillen.

(288) WMM 4-10/8/95



# City gears up for four new five-star hotels

## Construction to cost R1,5 bn

ARG 5/8/95

(288)

**WILLEM STEENKAMP**

Staff Reporter

CAPE TOWN is set to become the hotel mecca of South Africa with four five-star hotels due to be built here in the near future, at an estimated cost of about R1,5 billion.

This will give a substantial boost to the city's chances of meeting the required tourist accommodation standards set by the International Olympic Committee for the 2004 Olympic Games.

The hotels planned for the city include two international five-star hotels at the old power station site on the Foreshore, which will include an up-market shopping gallery and new headquarters for the BP petrol company.

The estimated cost of this development will be between R800 million and R1 billion. This particular proposal has the support of the Cape Town executive committee.

Once the city council gives the go-ahead for the project, it will be advertised. The proposal includes the sale of part of the land to a French company, which will pay in excess of R20 million for it.

■ Development in Cape Town is set to surge when millions of rands pour in for the planned construction of four five-star hotels — adding a boost to the city's Olympic bid.

Rod Young, the city's development co-ordinator, said that, excluding the V & A Waterfront, the proposal for the power station development was the most exciting project in the city since the Golden Acre was developed in the mid-'70s.

At the same time, Saturday Argus has learnt that the contract between Transnet Pension Fund and Sun International for a R240 million five-star international hotel has been concluded.

A spokesman for Sun International said the finer details of the hotel would be released within weeks. It is believed the design of the hotel will fit in closely with the Victorian facades of the Waterfront.

Marshall Finlay, managing director of Finlay and Associates, property consultants to the Iscor Pension Fund, confirmed that negotiations were underway with the Waterfront for the building of a prestige Hyatt five-star international hotel in the area.

As far as could be established, the Iscor Pension Fund will put up the money for the development. The hotel would cost about R200 million.

Maureen Thomson, spokesman for the Waterfront, said negotiations were underway with several international hotel groups that were keen to open hotels at the Waterfront.

"Currently, we have four hotels in the Waterfront and market research has shown that we could operate between seven and eight hotels in the area without detrimentally affecting the business of other hotels in Cape Town.

"With this in mind, there is little doubt that a few more hotels will be built in the area within the future."

■ The Milnerton municipality also has called for proposals for the development of a section of land at the Milnerton lagoon mouth and it is believed that the development of an up-market hotel in the area may receive the go-ahead.



MONDAY  
AUGUST 7, 1995

POLICE 'HAD TO ACT ON COMPLAINTS'

# Defiant wine seller held for Sunday sale

CT 7/8/95  
(288) (122)

A **WATERFRONT** wine shop owner who has openly defied the prohibition on selling wine on Sundays was arrested in his shop yesterday. **LYNNETTE JOHNS** reports.

**T**HE Department of Trade and Industry had wine merchant Mr Vaughan Johnson arrested in his Waterfront shop yesterday for trading on a Sunday.

Vaughan Johnson's Wine Shop was forced to close two weeks ago after police received a complaint that it was trading on a Sunday.

Last week the shop opened for Sunday trading without interference, but yesterday two plainclothes policemen arrested Mr Johnson after buying a bottle of wine with marked notes.

They then produced a fax from the Department of Trade and Industry in Pretoria that said Mr Johnson was contravening the Liquor Act by trading on a Sunday.

The arresting officer, Detective Sergeant Grant Lamour, said he was acting on instructions from the Department of Trade and Industry.

## Embarrassing

Mr Clive Keegan, who heads the local economic affairs committee, was in the shop at the time and said it was "one of the most embarrassing things I have ever walked into", as the shop was filled with tourists.

Mr Johnson said that if the Department of Trade and Industry wanted the economy to flourish it was going about it in a strange way.

He had employed three extra people to deal with Sunday trading, and may now have to let them go.

An American tourist, Mr Pat O'Bryan, who had come to the Waterfront specially to buy a bottle of wine exclusive to the shop, said the situation was: "impossible and unrealistic".

Police spokesman Colonel Raymond Dowd said the police had received numerous complaints and were bound to act on them.

"Mr Johnson is openly flouting the law and we are aware of his illegal activities. The number of complaints that were made is irrelevant," Col Dowd said.

The customers were not in any danger of being arrested.

Mr Johnson was released on a warning and will appear in court today.



# Minister fuming over Sunday wine

**BARRY STREEK**  
POLITICAL STAFF

MINISTER of Trade and Industry Mr Trevor Manuel yesterday ordered an urgent investigation into how his department had requested the arrest of Waterfront wine shop owner Mr Vaughan Johnson.

Mr Johnson was arrested for selling liquor on a Sunday.

"This is ridiculous - I am so angry about it," Mr Manuel said. "I did not

know anything about it — and it does not have my support."

Mr Manuel said he was in favour of Sunday trading, but pointed out that the 1989 Liquor Act had not yet been amended.

"Technically they are acting within the law, but really ... I would have hoped the Narcotics Bureau had something better to do."

Departmental sources said Mr Manuel was "fuming", particularly because everyone in the department

knew the Liquor Act was to be amended drastically, in particular to allow Sunday trading.

The police produced a fax from the Department of Trade and Industry which said that Mr Johnson was contravening the Liquor Act, and said they were acting on the instructions of the department.

The Liquor Act is also expected to be amended soon to allow corner stores to sell liquor, particularly wine and beer, as is the practice in most

developed countries.

Mr Johnson has tried for more than three years to obtain Liquor Board approval to open on Sundays but has failed. In June he announced he would open his wine shop seven days a week.

Earlier this year Mr Manuel wrote directly to Mr Johnson, stating his "dissatisfaction with the norms applied by the Liquor Board".

● Pick 'n Pay joint managing director Mr Gareth Ackerman said

yesterday the company had made representation to Mr Manuel about the Sunday Observance Act being unconstitutional: "We will be pursuing this," he said.

● Regional police spokesman Colonel Raymond Dowd last night warned Mr Johnson that if he again traded on a Sunday he could lose his liquor licence, **WILLEM STEENKAMP** reports.

"He's openly flouting the law. If he continues selling liquor next

CT 8/8/95 (288)

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weekend the same action will be taken against him."

Col Dowd declined to name the Department of Trade and Industry official who complained to police about Mr Johnson trading on Sundays, saying that naming the official was "irrelevant".

Mr Johnson appeared briefly in the Magistrate's Court yesterday in connection with contravening the liquor laws. The hearing was postponed to August 16.



## Transun reins in its costs (288)

Nicola Jenvey

10/8/95

DURBAN — Beverages, hotels and leisure company Transkei Sun International (Transun) grew attributable earnings 37% to R71,2m with earnings a share rising to 49,1c (35,9c) for the year to June after the company took measures to contain costs, chairman Peter Bacon said yesterday.

Turnover increased 16% to R288,5m and operating profit 27% to R99,4m through increased operating efficiencies. A R4,7m net interest income was earned during the year, resulting from strong trading cash flows and delays in capital expenditure. The taxation charge, increasing from R24,7m to R32,8m, was based on the average of the SA and Transkei systems after the harmonising process announced by the finance ministry in March.

The company declared a final dividend of 20,5c (13,5c), bringing the year's total to 35c (26c).

"The group's balance sheet is extremely sound and the absence of external debt is seen as a positive factor for the year ahead," Bacon said. "The future of the group's casino licences has not been dealt with conclusively."

Bacon said the uncertainty surrounding the restructuring in the gaming industry made forecasting for the year ahead "particularly difficult. Despite this, acceptable growth in turnover and operating profit is expected. Attributable earnings are likely to be lower due to a significantly higher tax charge as a consequence of the full implementation of SA taxation legislation in the year ahead."





Centre of attraction . . . tour guide Abram Mofokeng, with some of the tourists he takes to Soweto.

PICTURE: MYKEL NICOLAOU

## Foreign tourists see 'good, bad and ugly' of Soweto

■ BY ABBEY MAKOE  
SOWETO BUREAU

A group of six foreign visitors had just settled down in the parked minibus when the black man sitting behind the steering wheel broke the silence: "Welcome to our country. My name is Abraham Lincoln, died in America hundred and thirty years ago but born again in South Africa, fortunately in Soweto. That's where we're heading to, now."

"Abrahams", whose real name is Abram Mofokeng (42), has been a tour guide in and around

Johannesburg for five years. As his combi pulls out of the congested city centre and heads for Soweto Mofokeng appeals to the four Britons, a German and a Swede: "If you look at my far right you will see that tall, blueish building. It's called John Vorster, anyone remember that name?" he asks.

"That's where our brothers and sisters who opposed apartheid used to be held. However, the place became well-known as we were told that the opponents of the old government who were kept in police custody had slipped over a piece of soap, fell

and died there," he said. As the combi reaches the edge of the township, Mofokeng stops at the entrance of a huge car pound.

"This is Diepkloof car pound. You see all those vehicles (there were more than 2 000), they were stolen or hijacked elsewhere in the country and recovered here in Soweto."

"But," he stresses, "you'll be lucky if you find your stolen car in there. Talk about corruption, the minute a car comes in its engine goes missing. They get stripped so fast some people are beginning to question the integ-

city of the police."

Mofokeng also stopped at the Mandela squatter camp, in Diepkloof zone 4.

"This place was called this because it was established in 1990, shortly after Mandela's release. The people occupied this land. It was vacant and they claimed they were repossessing their land."

It was here that Mofokeng showed the group a rare double-storey tin house.

Gregor Zubicky, a Swedish visitor, remarked: "With the wind like this it must be hell inside that thing," he says.

Mofokeng interjected: "Their food is mixed with dust, I know because I myself live in a tin-house in Dobsonville."

Then Mofokeng revealed that the double-storey was built recently and "I have given it until after August to see if it would still be intact."

At the end of the trip, which Mofokeng refers to as "the good, the bad and the ugly of Soweto life", the tour guide winds up with his usual quote: "Ladies and gentlemen it was my pleasure, and hoping that it was also your great pleasure, for this pleasure tour to be a pleasure."

(288)



# Sunbop's improved earnings offset poor first-half results

CT (PR) 9/8/95 (288)

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

An improved second six months helped Sun International Bophuthatswana (Sunbop) to offset a poor first half and report a 5 percent improvement in earnings for the year to June to R249,0 million compared with the same period last year.

In the first six months of the year profit dropped by 4 percent as a result of labour unrest and lower-than-expected December trading. However, operating profit in the second half grew by 20 percent and attributable earnings lifted by 18 percent.

Group turnover for the full year rose by 12 percent to R1,5 billion, on which operating profit rose by

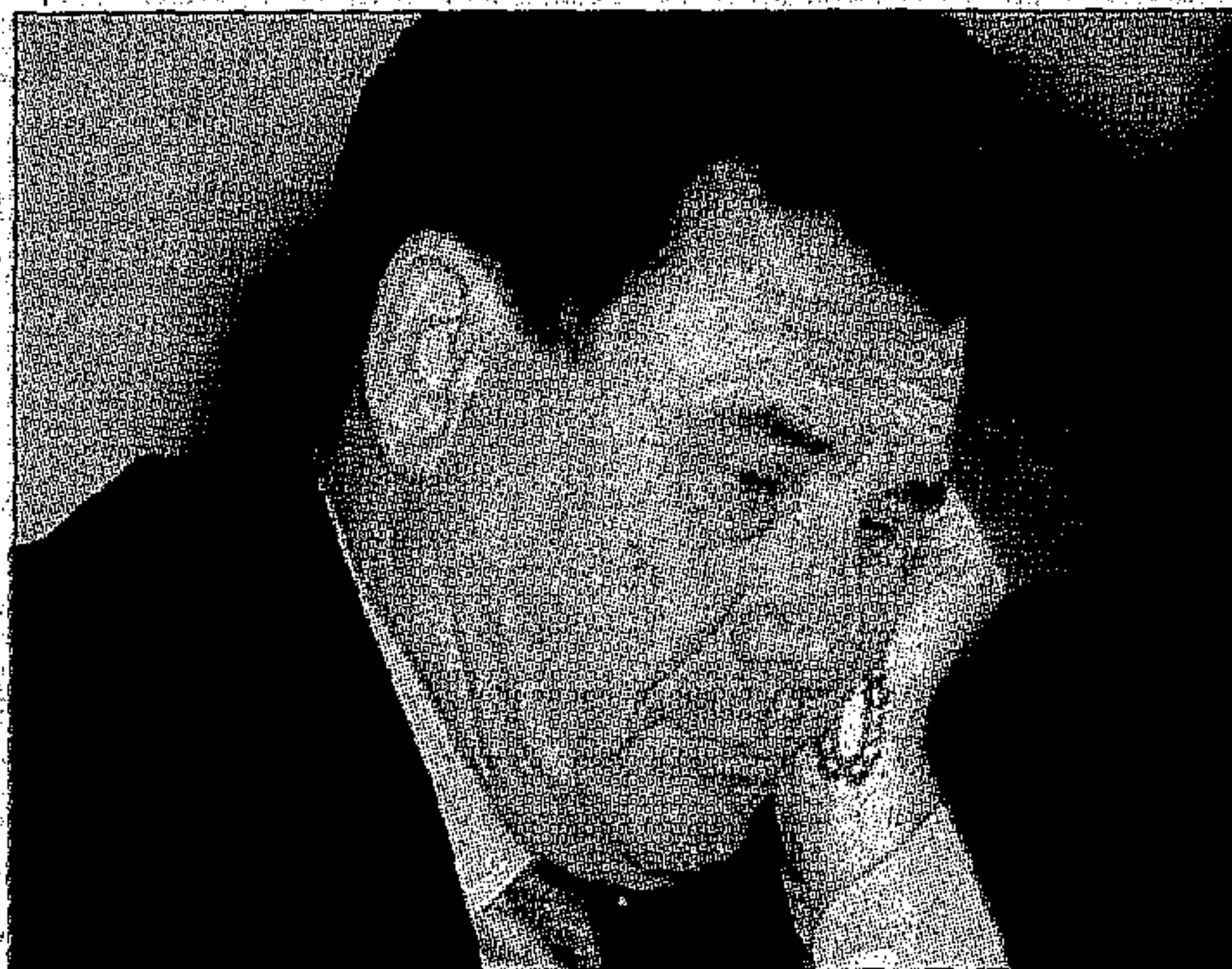
4 percent to R319,7 million, showing operating margins down to 21,3 percent from 23 percent.

A slight increase in the interest bill was offset by a marginally lower tax rate. In the 1996 financial year income tax will become fully applicable as the tax system of the former TBVC states is combined with South Africa's. On earnings of 209c (198c) a share, the dividend was held at 132c.

The directors said occupancies in the second half of the year were sharply up at 72 percent compared with 57 percent in the same period last year. Sun City achieved an average occupancy of 78 percent.

The future of the casino licences held by the Sun International group are still to be negotiated. The report of the Lotteries and Gambling Board, submitted to government in mid-July, said that Sun International should negotiate with the provincial gaming boards, licensing authorities and the proposed National Gaming and Wagering Board.

Sunbop expects real growth in attributable earnings in the year ahead.



**SUNNY SKIES** Sol Kerzner, the chairman of Sunbop



# Violence levels delay shack hotel project

(288) Star 9/8/95

■ BY SHIRLEY WOODGATE

Plans to launch "shack hotels" linked to shebeens in Soweto have been put on hold until there has been a significant drop in violence in the township.

The brainchild of David Moshapalo, secretary of the Southern African Taverners Association (Sata), the township experiment was due to get off the ground by mid-year but, despite the drop in political violence, organisers are still deterred by social violence which has not shown any signs of ending, he said.

## Challenge

His concern is backed by Sator chief Dr Ernie Heath who said tourism was up by 60% for the first quarter of 1995 and a 35% overall increase for the year would bring almost a million foreign visitors to South Africa.

"The trends are positive, but the key challenge is to ensure that the reality and the perception of personal safety are addressed, particularly as only 12 unfortunate incidents involving tourists were reported during Rugby World Cup."

Moshapalo said: "The original shack hotel plan was devised to help some of the 5 000 unlicensed shebeens which were simply not trading any more because of the violence."

"Tourist authorities endorsed the idea because it offered overseas visitors a chance to experience the top and the bottom ends of the market, and certain hotel groups have expressed interest in partnerships with the smaller operators."

"But we cannot take the risk of international publicity which would blow the whole thing apart if just one tourist was killed in Soweto," he said.

Strict standards were being drawn up for participating shebeens and Sata had considered buying its own property to get a model going.

Visitors would be expected to "rough it a bit", but within reason, he added.

Moshapalo said people would experience the misery of the shacks in fairly primitive conditions, with their home comforts cut to a minimum.

They would be "adopted" by the host families and expected to live in fairly cramped backyard quarters, wash in drums and eat traditional food including pap and beans, samp and offal.

## Highlights

Individual packages were being considered at this stage, including a request from American-based Fun Safari which has asked Fabtravel to organise a person-to-person home visit for 14 tourists coming to South Africa, Moshapalo said.

At present Sata is running day trips costing about R90 to the township, where the highlights are visits to several taverns, Baragwanath Hospital, Avalon Cemetery and Regina Mundi Church.

■ Sata falls under the umbrella of the Foundation for African Business and Consumer Services (Fabcos), one of the country's two major black business organisations, of which Moshapalo is secretary-general.



# Pedestrian Sun results despite a turnaround

Marcia Klein

(288)

10/8/95

3% to R276,7m (R268,4m).

RESORT and casino group Sun International Bophuthatswana (Sun Bop) turned in a pedestrian 5% rise in earnings to 209c (198c) a share for the year to June as a sharply improved second half performance partly offset its poor first half showing after industrial unrest.

Turnover for the full year was 12% higher at R1,5bn (R1,3bn), while operating profit grew by just 4% to R319,7m (R308,2m).

Chairman Sol Kerzner said results in the second half "reflected a substantial improvement on the previous year" with 20% higher operating profit and 18% higher attributable earnings.

Occupancies of 72% over the second six months reflected a significant improvement over the 57% of the previous year.

Sun City had experienced strong demand and achieved an average occupancy of 78% in the second half.

Sun Bop's average occupancy for the year was seven percentage points higher at 71%.

The marginal rise in the interest bill to R43m (R39,8m) — which mainly reflected rate increases — lifted pre-tax profit by

After lower taxation, attributable earnings increased by 5% to R249m from R236,2m.

Sun Bop declared a final dividend of 57c a share, enabling it to maintain its total dividend for the year at 132c a share.

The balance sheet and cash flow reflected a sharp decline in net borrowings and a reduction in gearing to 21% (28%).

Commenting on the gaming industry, Kerzner said the Gambling Board recommendations had dealt with the number of casinos to be permitted and the allocation by province, but had "not dealt conclusively with the future of the casino licences held by the group".

The board recommended that Sun International negotiate with the boards and authorities "with a view to integrating these existing licences into the country's new gaming dispensation". Negotiations had not yet started.

Kerzner said that the harmonisation of the tax systems of the former homelands would be accomplished in a shorter period than expected. By next year SA income tax law would be fully applicable. The higher rate would apply in financial 1996.



# Forum formed to discuss casino industry

Amanda Vermeulen

FIVE of the nine provinces have formed a negotiating forum to discuss ways to establish a viable casino industry in each region once central government decides on the allocation of licences to each province.

At a Pretoria news conference yesterday Gauteng premier Tokyo Sexwale and Northwest premier Popo Molefe said the two provinces' cabinets had met to discuss the issue. The meeting follows industry speculation that Gauteng could be stripped of licences to boost poorer provinces which

rely on gambling revenue.

The negotiating forum included the Eastern Transvaal, Northern Province, Gauteng, Northwest and the Free State.

Sexwale said the provinces urged government to finalise the number of licences for each province, but said the final decision on those licences and how they would be deployed would rest with the provinces.

Guidelines had been agreed on by the two premiers, including co-ordinating gambling policy between the provinces, the location of casinos, a ceiling on the number of licences in SA, and that govern-

ment should have no stake in casinos.

Molefe said Northwest was looking at ways to scale down its 40% stake in Sun International. No decision had been reached, but it would be done in line with black economic empowerment goals.

Molefe also said the government of national unity could not be seen to act in a way that threatened the livelihood of 60 000 people in Northwest if it received only two licences, as proposed by the Lotteries and Gambling Board. It was therefore essential that it discuss licence allocations with the provinces.



# Sun Ciskei lifts profit by 39% (288)

ET(MR) 14/8/95  
BY CHARLOTTE MATHEWS

INVESTMENT EDITOR

Improved trading conditions, greater operating efficiencies and control of expenses lifted attributable profit from Sun International (Ciskei) by 39 percent to R38,5 million in the year to June, compared with the same period last year.

Turnover grew by 19 percent to R139,9 million. This was earned mainly in the second half of the year, which was an improvement on the first half, the directors said. Operating profit rose 42 percent to R42,4 million.

Interest income grew by nearly R3 million, to R4,7 million, as a result of stronger cash flow and the interest-rate hike, but this was partly offset by a higher tax rate.

The tax rate for the period was based on the average of the South African and Ciskeian tax rates. The two systems are in the process of being harmonised.

On earnings up 39 percent to 51,3c (36,9c) a share, a dividend of 34,0c (26,0c) was declared.

"Acceptable growth" in turnover and operating profit were likely to be achieved despite the restructuring of the gaming industry. Sun Ciskei was to hold discussions with the gaming board on its gambling license, the directors said.



# Private sector's 'tourism role'

Nicola Jenvey

(288)  
BD 15/8/95

MARITZBURG — Considering the vast sums of foreign exchange earnings generated by tourism, businesses involved in the industry should benefit from government export incentives, portfolio committee chairman for economic affairs and tourism Alex Hamilton (IFP) said in the provincial legislature yesterday.

During discussion on a provincial tourism policy, Hamilton said although provincially KwaZulu-Natal could not offer the private sector incentives for investing in tourism, the issue should be lobbied at national level.

Mike Mabuyakhulu (ANC) seconded the lobby principle.

The draft policy document would be available for public comment once approved by economic affairs and tourism MEC Jacob Zuma and presented to the provincial cabinet.

Then provincial legislation would be passed, possibly by year-end.

Presenting the document, provincial tourism director Ian Dixon said the Kwa-

Zulu-Natal government had to create an environment for promoting the industry.

This included setting policies, identifying prospective regions, initiating tourism-based programmes and lobbying private sector investment to ensure job creation and growth.

"Various members of provincial government must also be educated that tourism can benefit everyone within the region and is not just a eurocentric philosophy."

Dixon said provincial government should aim to tap into reconstruction and development programme (RDP) funding as an initial means of kickstarting KwaZulu-Natal's tourism plans.

"(Worldwide) tourism generates \$3.4-trillion in gross output and is responsible for 10.1% of world gross domestic product. KwaZulu-Natal must not lose sight of the role tourism plays in creating sustainable employment," Dixon said.

Special attention would be given to the vital role small, medium and microenterprises played in the tourism industry. Internationally tourism industries relied on individual entrepreneurs within communities for their success.



## Rugby lifts City Lodge

Amanda Vermeulen

16/8/95  
LIMITED services hotel group City Lodge was expected to report earnings growth of 40% to about 90c a share in its year to June results, due for publication tomorrow, analysts said yesterday.

The group's earnings growth would be based on a strong showing during the rugby World Cup month, and benefits accruing from the opening of two new Town Lodges.

Analysts said the hotel chain's acquisition of the Courtyard self-catering hotel accommodation was unlikely to have an impact in the 1995 financial year, but should have a positive effect in the 1996 financial year.

One obstacle to growth was the difficulty in acquiring sites for further hotels. The group said recently it planned to spend R100m on building new Road Lodges, the first of which was opened this month.

One analyst said the group's previous relationship with the mines' pension fund, which had a multibillion-rand property portfolio, might be a solution to finding sites.

The group's proposals to expand the chain offshore should be successful, as the concept had worked well in SA. The share was rated highly by the investment community, backed by its strong upward growth pattern since listing.

The decline in the share price since February was attributed to a consolidation and market correction. Earnings for the half year to December increased 57% to R10.4m.

City Lodge shares closed unchanged at R21 yesterday, off its year high in February of R24 a share, but up on the annual low of R16 in October.



# City Lodge posts 51% rise in profit

(288) CT (BR) 17/8/95

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

The post-election economic upswing and increased business and leisure travel contributed to a 51 percent surge in profit for City Lodge Hotels to R23,9 million in the year to June compared with the previous year.

The average room occupancy at City Lodge and Town Lodge hotels for the year was 81 percent (75 percent). The interest in The Courtyard was acquired only in April and the first Road Lodge was opened on August 1.

Turnover grew 28 percent to R92,5 million. On operating margins up to 49 percent (46 percent), operating profit was R45,2 million (R33,1 million).

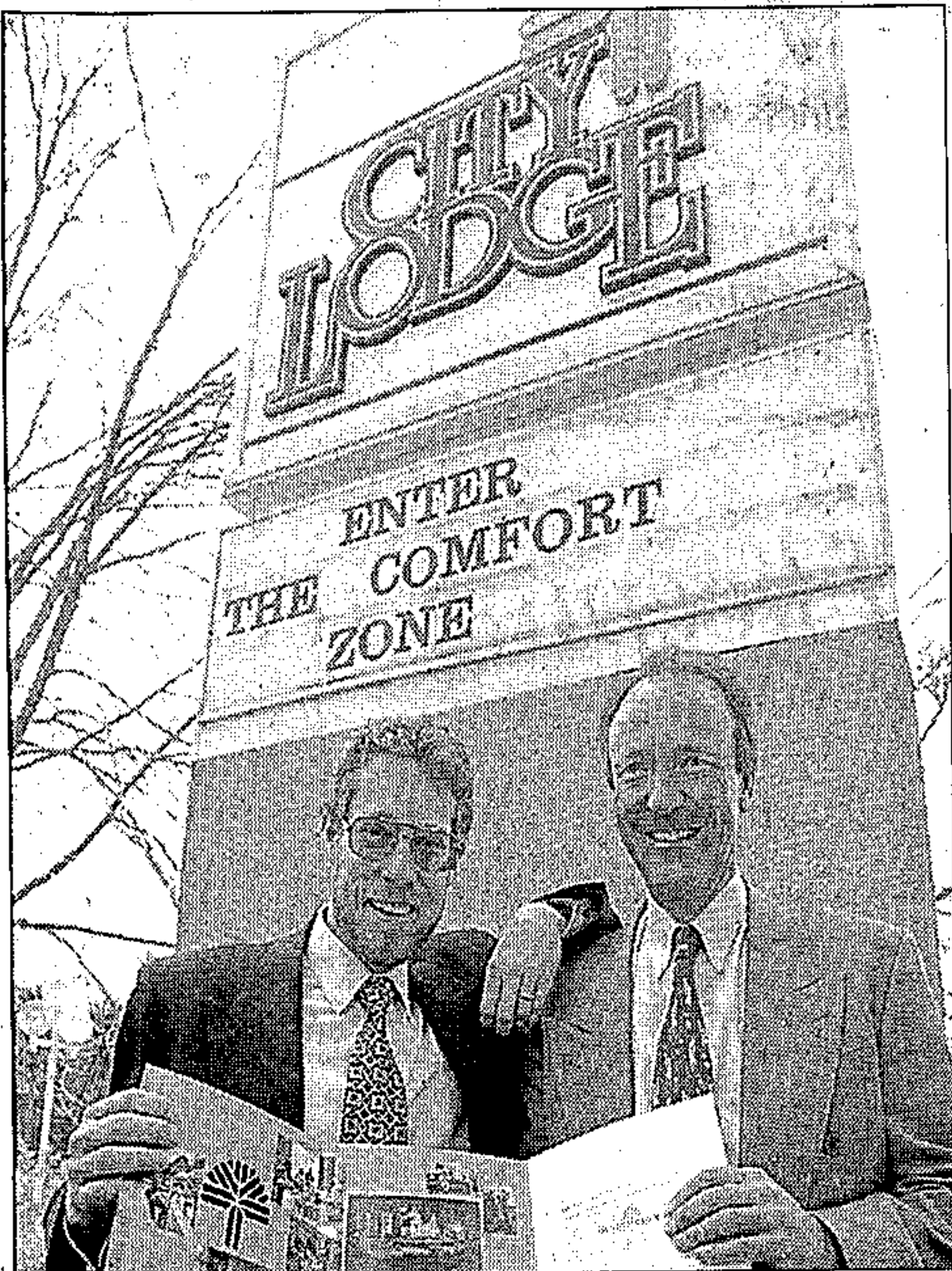
On earnings a share of 95,3c (63,9c), on a slightly higher number of shares in issue, capitalisation shares or a final cash dividend of 26c a share are being offered, making a cash dividend of 40c (31,6c) for the year. Hans Enderle, City

Lodge's executive chairman, said margins had benefited from the increase in occupancy levels. Overall, the group's margins tended to be high because it owned its own properties rather than leasing them. If the group chose to sell and lease some of its properties — one of its options to free capital for expansion — margins would reduce.

Five new hotels a year were planned for the next five years — one City Lodge, one Town Lodge, one Courtyard and two Road Lodges. The costs of the new developments ranged from about R225 000 a suite at The Courtyard chain to about R75 000 a room for a Road Lodge.

The group was embarking on a Room 2 000 project to upgrade City Lodge rooms to take into account business travellers' changing needs, said Clifford Ross, City Lodge's managing director.

Enderle said occupancy levels were expected to remain high this year although the level of crime was of major concern to the industry.



**WALK RIGHT IN** Hans Enderle, City Lodge Hotels' executive chairman, right, and Clifford Ross, managing director, left, illustrate the group's hospitable approach at the City Lodge in Sandton

PHOTO: JOHN WOODROOF



# Tourism 'is Cape's most important job creator'

□ 450 000 extra tourists annually predicted within three years

**SABATA NGCAI**  
Staff Reporter

THE tourism industry is becoming the Western Cape's most important generator of new jobs and provides the most visible vision of hope for a better future for millions of people.

So says regional Minister of Agriculture, Planning and Tourism Lampie Fick, who pointed out that the Western Cape — already the most important destination for foreign visitors to South Africa — could attract another 450 000 new tourists a year within three years.

He was speaking at the opening of the new Salt River offices of Ikapa Tours and Travel — a company he described as a shining example of entrepreneurial initiative which was contributing to the development of the tourism industry and economic growth in the region.

Tourism in the Western Cape was in the process of becoming "the single most important generator of new job opportunities," said Mr Fick.

There was no doubt the Western Cape was already the most important destination for foreign visitors in the country, said Mr Fick.

ARG 17/8/95

"About 42% of foreign visitors come to Cape Town.

"If we consider the potential of an additional one million foreign visitors in the next three years, that means the Western Cape should expect to host an additional 450 000 new tourists per annum three years from now."

The days of revolutionary rhetoric were gone and the best hope for a better future was a growing economy which could provide the opportunities "for an army of young people who may be poor today, but stand on the threshold of the middle-class of tomorrow".

He praised the tourism com-

pany, saying it had achieved the lesson in a Chinese proverb: "A clever man turns great troubles into little ones and the little ones into none at all."

"You are the kind of people without whom the poorest of our citizens have no threshold to the middle-class of tomorrow," said Mr Fick.

The company, which started operating in January last year with just two 60-seater semi-luxury coaches, now boasts a fleet of 15 60-seaters and two luxury minibuses.

Its first offices were a disused tennis clubhouse in Observatory. Its new offices are at a former milk depot.



## Boost for <sup>(288)</sup> City Lodge

Amanda Vermeulen

00 17/8/95  
INCREASED travel and an improved economy boosted City Lodge Hotels' earnings 51% to R23,9m for the year to June.

Earnings a share increased 49% to 95,3c and total dividends of 40c (31,6c) were declared. The board plans to proceed with a capitalisation share award.

Turnover grew 28% to R92,5m, while operating profit grew 36% to R45,2m. Pre-tax profit was up 51% at R34,4m and taxed profit up 49% to R23,7m.

The average room occupancy rate for the City Lodge and Town Lodge hotels increased to 81% from 75% in the comparable period.



# City Lodge profits rise

(288)

SAW 17/8/95

■ BY CHARLOTTE MATHEWS

The post-election economic upswing and increased business and leisure travel contributed to a 51% surge in profit for City Lodge Hotels to R23,9 million in the year to June compared with the previous year.

The average room occupancy at City Lodge and Town Lodge hotels for the year was 81 percent (75 percent). The interest in The Courtyard was acquired only in April and the first Road Lodge was opened on August 1.

Turnover grew 28 percent to R92,5 million. On operating margins up to 49 percent (46 percent), operating profit

was R45,2 million (R33,1 million).

On earnings a share of 95,3c (63,9c), on a slightly higher number of shares in issue, capitalisation shares or a final cash dividend of 26c a share are being offered, making a cash dividend of 40c (31,6c) for the year.

## Margins

Hans Enderle, City Lodge's executive chairman, said margins had benefited from the increase in occupancy levels. Overall, the group's margins tended to be high because it owned its own properties rather than leasing them.

If the group chose to sell and

lease some of its properties margins would reduce.

Five new hotels a year were planned for the next five years — one City Lodge, one Town Lodge, one Courtyard and two Road Lodges.

The costs of the new developments ranged from about R225 000 a suite at The Courtyard chain to about R75 000 a room for a Road Lodge.

The group was embarking on a Room 2 000 project to upgrade City Lodge rooms to take into account business travellers' changing needs, said Clifford Ross, City Lodge's managing director.

Enderle said occupancy levels were expected to remain high this year.



# 83% tourist rise over six months

(288)

**CLAIRE BISSEKER**

STAFF REPORTER

ET 18/8/95

TOURISM figures for South Africa increased by 83% in the first six months of the year, providing the first firm indication that the country was seeing the beginnings of the long-awaited tourism boom.

The Central Statistical Service announced yesterday that more than 500 000 foreign tourists entered South Africa through the country's three main airports in the first six months of the year.

The number of foreign tourists coming on holiday was up by 83% and the number of business visitors increased by 42% during that period.

Four-fifths of the tourists came on holiday and the rest on business.

Captour spokeswoman Ms Lauren de Wet said the figures provided the first real evidence of the tourism boom the industry had been expecting since the election.

However, she said it was too

early to form the basis of a trend.

She pointed out that the figures compared the tourism climate in South Africa over the election slump to the period covering the Rugby World Cup, which attracted 25 000 people alone.

## Prime season

Cape Chamber of Commerce and Industry deputy director Mr Albert Schuitmaker said the real test was how tourism performed in the second-half of this year compared with the second-half of next year.

Protea Hotels sales and marketing director Mr Danny Bryer said an increase in tourism of between 25% and 40% could be expected over the next six months which was SA's prime tourism season.

He said there had been a noticeable increase in hotel occupancies since the election. The capacity for growth was vast and tourism increases far higher than 83% could be achieved.



# Tourism boom as discovers the Cape

28

## World

8) AUG 19/18/195



■ Overseas tourists are fast discovering one of the world's best-kept secrets — the Western Cape is the ultimate holiday destination.

**DAVID BREIER**  
Staff Reporter

**TOURISM** is about to overtake agriculture, fishing and industry to become the Western Cape's biggest moneyspinner and employer, says Tourism Minister Lampie Fick.

"Tourism will become by far the biggest and most important industry in the Western Cape over the next five years," he said, as the province finalises its new tourism infrastructure.

The new Western Cape Tourism body will be launched after the current series of "open day" meetings with the nine tourism regions of the province, which culminates on Monday with an open day for the Cape metro area at the Bellville Civic Centre.

The new body will co-ordinate tourism for the province including localised tourism bodies such as Cape Town's Captour.

Mr Fick said it was hoped the province's new director of tourism would be appointed next month. Details of the new tourism structure would be finalised in October, and the body would start work next year.

He estimated an additional 450 000 overseas tourists would visit the Western Cape annually within three years, creating about 40 000 new jobs in the province, turning tourism into a multi-billion rand industry.

Tourism is currently the biggest industry in the world — but it is only the fourth largest contributor to the South African economy after years of apartheid isolation and violence kept tourists away.

Last year, about 700 000 overseas tourists visited the country, of which 45 percent came to the Western Cape, which received the major share of the tourist cake.

Authorities expect the number of overseas tourists carrying dollars, pounds, marks and yen, to increase by a million to 1,7 million in three years.

If the Western Cape can retain its current market share, this will increase its foreign tourist intake from about 300 000 now to about 800 000 within three years, Mr Fick believes.

Tourism experts say every 30 tourists create one formal job (such as hotel workers) and two informal jobs (like flea-market operators).

Every tourist rand had a multiplier effect of three to four times as many people benefited indirectly from the spinoff.

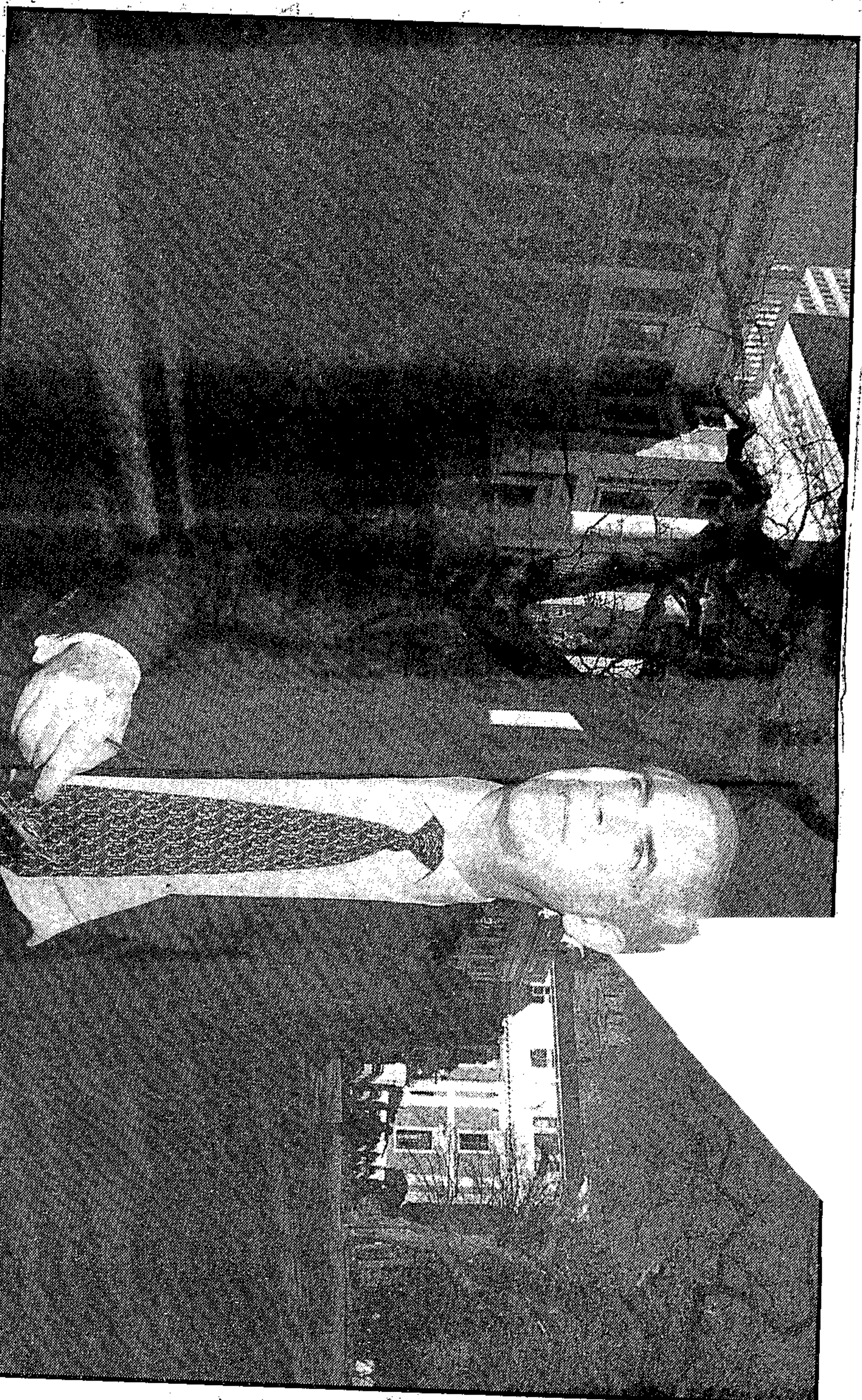
**But it's not all rosy as crime forces a century-old city eatery to move**

**WILLEM STEENKAMP**  
Staff Reporter

ONE of Cape Town's oldest restaurants, the Hildebrand, has been forced to close its doors in the city centre because of the high crime rate.

Co-owner Linda Girolo described the decision to close the restaurant and move it to the Waterfront as "a sad decision which we had to take because we had to take the safety of our customers to heart."

Mrs Girolo said the restaurant would be "transplanted" to Piers Edge at the Waterfront. We are taking out all the furniture, the pan-



Picture: ROY WIGLEY, Staff Photographer.

■ **CAPE PRIDE:** The Cape's unique atmosphere makes it a world-beater, says regional Tourism Minister Lampie Fick.

But Mr Fick warned that the high crime rate remained the biggest single factor that had to be overcome before tourism would flow.

For example, political unrest in Greece in the 1960s and Spain in the 1970s depressed tourism in those countries. And Miami had a major tourism falloff after a tourist was murdered. And during the Gulf War, tourism to the Middle East dried up.

Even if popular tourist venues like the Waterfront and wine farms were safe, "a man in Murderley Street is hardly likely to want to come here," he said.

The key to tourism in the Western Cape would

elling, the curtains — everything that is movable, and installing it in the new Hildebrand at the Waterfront.

Referring to the safety aspect, Mrs Girolo said this had been one of the main reasons why the restaurant was closed. Businessmen had raised concerns about their safety at night.

"Even though the tourist assistant unit accompanied tourists here at night to ensure their safety, the whole operation became unviable. It was then decided to move."

Mrs Girolo said one of the advantages of moving to the Waterfront was the fact that the area was very safe.

be to retain the character of the area, which was what really attracted the visitors, he said. Defacing the coastline with nondescript hotels would spoil the Cape as a unique tourist destination, he said.

The nine tourism regions of the Western Cape to be represented on the new body are:

■ The Peninsula, with attractions such as Kirstenbosch, Table Mountain, the Waterfront, Clifton Beach and Cape Point.

■ The Winelands, with the attractions of Paarl, Stellenbosch and Franschhoek.

■ The West Coast, including crayfish and wild flowers.

The Hildebrand was started as a chocolate and coffee shop 97 years ago in 1898. Some of the wood panelling in the restaurant dates back to that time.

Captour spokesperson Lauren de Wet said the tourist organisation was very much aware of the high crime rate in the city.

During the Rugby World Cup 40 beach constables were deployed in the city to ensure the safety of people and the crime rate dropped dramatically.

But now the situation is back to square one. We have asked the police to increase patrols, but they say they don't have the budget or the

■ The Overberg, including whale watching at Hermanus and the Bontebok National Park.

■ The little and central Karoo, including the Cango Caves and ostrich farms.

■ The Garden Route including Knysna, the lake district and Plettenberg Bay.

■ The Swartland and Sandveld, which has its own wine route and wild flower attractions.

■ The Olifants River valley, including the Cedarberg and San rock art.

■ The Breede River valley, including hot springs at Montagu and Goudini, Tulbagh's historic Church Street and the fruit route.

manpower.

"We have had serious confrontations with the city council on this issue, but they say that the council also has a responsibility in other areas.

"This crime situation could start impacting negatively on the tourist industry and we believe something should be done. We also believe that businesses in the city should employ security guards to ensure the safety of customers and tourists.

"The Hildebrand area was particularly exposed because it is very quiet in that area at night and criminals concentrate on such areas."



# Good growth report expected from leisure group Kersaf

Amanda Vermeulen

(288)

21/8/95

LEISURE group Kersaf was expected to report earnings growth of 15% to 255c/260c a share for the year to June, but the contribution of unlisted assets was an unknown factor, analysts said at the weekend.

The group will publish its results tomorrow. The most significant contribution — about 40% — would come from SunBop, Sun International's (SI's) operation in the former Bophuthatswana.

In SunBop's year to June, earnings increased only 5% to 209c a share due to industrial unrest, which offset a sharp improvement in the second half. SI's operation in the former Ciskei, SunCisk, posted a 39% increase in attributable earnings to R38,4m, while Transkei Sun reported a 37% increase to R71,2m in the same period.

One analyst said, however, that the performance from the unlisted assets would have a marked effect on the 1995 financial year's results. Paradise Island, the Bahamian island resort, had recently started making profit, after initial start-up losses.

After losses in the first half of the year, the resort is firmly in the black, and occupancy and room rates are moving up.

Wine estate Douglas Green was also expected to show a turnaround after a dismal showing. The other unknown was the management fee received by the group from the SI resorts and shipped offshore.

The value in the listed investments, which also included Interleisure and City Lodge, would provide a solid contribution, particularly City Lodge which last week maintained its earnings growth pattern by reporting an increase in earnings of 51%.

Despite uncertainty over the future of Kersaf's gambling interests under the proposed new gaming legislation, one analyst said market confidence in these operations was experiencing a resurgence, witnessed by the Sun Bop share price.

The gaming legislation was unlikely to have any major effect on Kersaf's share price in the short-term due to the lengthy process in promulgating the relevant laws. Earnings growth for the next financial year should be in the same region — 15% — or better, analysts said.



# BUSINESS REPORT

SOUTH AFRICA'S NATIONAL FINANCIAL DAILY

TUESDAY AUGUST 22 1995 15

## Improved trading conditions lift Kersaf's profit

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

Leisure group Kersaf Investments, which has interests in Sun International, Interleisure, Douglas Green, Bellingham and City Lodge, increased its attributable earnings by 17 percent to R208,7 million in the year to June after trading conditions improved in the second part of the year.

Turnover grew by 10 percent to R2,4 billion, on which operating margins of 27 percent resulted in

operating profit of R661,5 million (R596,6 million).

Income from associates trebled to R18,3 million as a full year's contribution was made by City Lodge, acquired in December 1993, and a better performance was achieved by Royale Resorts.

Or earnings of 252c (225c) a share, on a higher number of shares in issue, the dividend was raised to 162c from 150c.

Buddy Hawton, the executive chairman of Kersaf, said yesterday all group operations had posted

sizeable increases in both revenues and earnings.

Sunbop was the largest contributor, making up about 37,5 percent of bottom-line profit.

Douglas Green, which had been expected to break even by the end of the year, had posted a profit as a result of a slight increase in market share and greater efficiencies in cost control and stock, Hawton said.

It was competing head-on with the major liquor wholesalers and wine producers and had not yet

been able to break into the brandy business, an area that was showing significant growth.

The average room occupancy in the group was 62 percent during the year, six percentage points above the previous year and better than the industry average.

Hawton said there had been a marked improvement in tourism, but whether this was sustainable depended on whether violence and crime could be contained or reduced.

The group will negotiate with

the relevant provincial gaming boards and licensing authorities as well as the National Gaming and Wagering Board about its existing casino licences.

### Licences

There were also plans to apply for new licences in conjunction with national or regional partners.

The group hoped the necessary gambling legislation could be passed by the government during the present session but, if not, it was

(268)cr(mr)22/8/95

likely to be passed early next year. That would be followed by a call for applications in terms of both central and provincial legislation, possibly in the second or third quarter of next year.

Hawton said the group's results this year would not be significantly affected by the granting of casino licences to competitors because of the delay in commissioning new facilities.

Despite the increase in the tax rate, earnings for the year should show acceptable growth.



# Let province aid tourist trade'

CT 22/8/95 (288)

CLAIRE BISSEKER

PROVINCIAL Tourism Minister Mr Lampie Fick said yesterday he did not know enough to design a tourism policy for the province and instead proposed the creation of a provincial board to enable the industry to devise its own policy.

Mr Fick told about 100 members of the industry at a public meeting in Bellville that it would be disastrous for the government to design a tourism policy.

"The directorate should be the size of a match box. My approach would be to keep politicians as far away as possible from the tourism industry. It should manage itself. The ministry should provide the infrastructure and legislation the industry needs to implement the policy it has made itself," he said.

His office had designed a structure plan to revitalise and expand

the role of publicity associations, which were the first line of contact with tourists.

All local authority-accredited publicity associations in the Western Cape would hold annual elections to choose about 10 regional representatives to sit on the provincial tourism board.

The board would be operational by April 1, 1996. Mr Fick suggested it be funded by the private sector and the government.

Some delegates argued for liaison forums or task teams to be set up to fine-tune the minister's structure plan so that the industry felt that it "owned the process".

Mr Fick said the forum they envisaged was contained in the plan. He refused to deviate from his time scale and had no intention of creating a multitude of forums "to be paralysed by consultation".

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## 'No humanity' in appeal



# Malaysia partner in SA's first Hilton

The Argus  
Correspondent

JOHANNESBURG. —  
A R205-million Malay-  
sian-South African  
project to build the  
first Hilton hotel in  
South Africa has been  
announced in Sandton.

The Sandton Hilton is  
intended to provide  
world-class luxury acco-  
modation.

Making the announce-  
ment, Amin Shah Omar  
Shah, known as the 'Ma-  
laysian Onassis', said  
the construction would  
be undertaken by Cres-  
talia Investments Prop-  
erty Limited.

The hotel would be  
built in Rivonia Road  
and would provide 324  
luxury rooms as well as  
a 650-sq m ballroom.

"This venture signifies  
the beginning of a mutu-  
ally beneficial partner-  
ship between Malaysia  
and South Africa on a  
cultural, political and  
economic level.

As investors we also  
hope to encourage the  
government in South  
Africa to assist us in our  
endeavours to promote  
development and job  
creation here," said Mr  
Shah.

He said the company  
was looking at investing  
in property, engineering,  
agriculture and ship-  
ping, but this depended  
on future co-operation  
between the two coun-  
tries.

About 1 500 jobs  
would be created with  
the construction of the  
Sandton hotel, he said.

Malaysia had chosen  
to join forces with a lo-  
cal company to benefit  
businesses locally.

Hilton operates 160  
hotels in 50 countries.

● The Argus Corre-  
spondent, Durban re-  
ports that a Malaysian  
company, Renong, has  
expressed its willingness  
to spend as much as  
R400 million on a devel-  
opment at the Point wa-  
terfront.

They have also made  
a firm offer of R100 mil-  
lion to buy and consoli-  
date the 55 hectares of  
land in the Point owned  
by Transnet, the state  
and the city council.

A successful sale will  
mean a further  
R100 million being spent  
on infrastructure for the  
project.

The same group of  
Malaysians are provid-  
ing the backing for the  
Durban Hilton Hotel  
proposal — worth more  
than R200 million.

A breakthrough yes-  
terday in the lengthy  
wrangle over the  
R5 million discount sale  
of the downtown hotel  
site could pave the way  
for the hotel.



# Malaysian group looks to tourism

By AUDREY D'ANGELO

Tourism is about to take off in South Africa and will be the number one earner of revenue in this country, according to Ahmad Askandar, the operations executive of the Malaysian Serting Group.

The Lady Hamilton Hotel in Cape Town — the first of several substantial investments by the group in South Africa — was formally opened by Mahathir Mohamad, the Malaysian prime minister, after a multimillion rand refurbishment which has upgraded the historic hotel and increased the number of rooms from 30 to 50.

In addition to the hotel, the

group has opened a factory in Athlone which is already producing fruit juices and is about to diversify into assembling electronic goods including TV sets, VCRs and hi-fi.

Askandar said the fruit juices would initially be sold on the domestic market but the group intended to export them as production increased.

The group has also entered the middle-income housing market in Cape Town. It has completed a town-house development in Kensington and is about to start one in Ottery.

Plans are being drawn up for the development of a prime site in Hout Bay.

A more extensive up-market development of a 600 acre site in Blouberg is under negotiation, in which "it is our intention to inject new concepts and ideas".

Yaacob Arshad, the group managing director of Serting, said he did not consider South Africa a country with an uncertain future.

"I am very sure South Africa will be a stable and prosperous place, otherwise we would not have invested here."

"Crime is everywhere in the world. I do not consider it a deterrent to investment," Askandar said.

But he admitted that the South African work ethic had come as a surprise to him after looking after

group investments in southeast Asia where, he joked, "people work a nine-day week".

He was confident that the South African attitude to productivity would change, but he did not expect this to happen overnight.

Askandar said the introduction of direct flights between South Africa and Kuala Lumpur by Malaysia Airlines had been a factor in encouraging investment and tourism from Malaysia.

Gordon Oliver, the chief executive of Western Cape tourism authority Captour, said investment and tourism from Malaysia were a valuable addition to the economy of the region.

(288) CT(BR) 24/8/95



# Sun International to restructure

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

Sun International is looking at various restructuring options to address potential conflicts of interest between its various operating companies and to position the group to take advantage of new opportunities, said Peter Bacon, the director of the group.

Bacon said he was unable to give more details on the cautionary published yesterday but said it was not related to the previous day's notice that Kersaf Investments, a major investor in Sun International, together with Servgro and Interleisure, were looking at a possible delisting of Interleisure.

(288) CT(DR) 24/8/95  
He said he could not comment on speculation that the restructuring could result in the delisting of one or more companies in the Sun International group.

The cautionary notice mentioned Sun International Bophuthatswana, Sun International Ciskei, Sun International Transkei and Venda Sun.

According to analysts, the company was probably planning to combine Transun, Sun Ciskei and Sunbop into a single listing.

The vehicle was likely to be Sunbop because that company, with a market capitalisation of around R2,7 billion, was very much larger than the others. The advantage of a

single listing was that it would combine the group's gambling licences rather than having some companies disadvantaged by holding fewer licences.

Another problem with the existing structure, analysts suggested, was that if the company wanted to apply for a gambling licence in an area where it was not yet represented, there might be some awkwardness in deciding which subsidiary should apply.

They said it was likely the recommendations of the Lotteries and Gambling Board would result in a decline in the number of gambling licences held by the group from the present 17 to at least 10.



# Hotel occupancy levels surge in May

10 7097 18  
By DEREK TOMMEY

ET(BE) 24/8/95 (288)

South Africa's hotels had a bumper May with room occupancy 28,5 percent higher than in May last year and income 40,7 percent higher, the Central Statistical Service reported.

However, there was considerable variation in the performance of various grades of hotels, and between those in different locations.

Five-star hotels showed a 38,2 percent surge in room occupancy and a 58,5 percent increase in

income. While four-star hotels did not have a similar rise in room occupancy, their income jumped by 66,4 percent.

The income of three-star hotels rose 50,2 percent, while one and two-star hotels had a 86,8 percent rise, even though room occupancy rose only 18,8 percent.

However, no-star hotels without liquor licences experienced a 0,2 percent drop in revenue, even though room occupancy was up 21,1 percent.

Hotels in the Western Cape showed the biggest overall increase in business.

In Cape Town and the Boland, hotels experienced a 56,9 percent rise in room occupancy and an 81,3 percent increase in revenue.

Hotels in Gauteng, excluding Johannesburg and the East Rand, showed a 79,1 percent rise in income. The income of hotels in Johannesburg rose 27,6 percent. The figure for the East Rand was 36,7 percent.



# Tourist figures rise — as Captour slashes staff

□ 13 to lose jobs as council budget cuts bite <sup>(288)</sup>  
ARG 24/8/95

## Staff Reporter

CAPTOUR is retrenching almost half of its staff — in spite of the tourism industry in the Western Cape showing strong signs of picking up.

Statistics for May released by the Central Statistical Service (CSS) showed hotels in Cape Town and the Winelands had the largest increase in bed occupancy as well as the largest increase in hotel income compared to the same month last year.

Captour chief executive officer Gordon Oliver said while he welcomed the growth in the industry it was ironic that as an organisation involved in the marketing of tourism in the region, it now had to retrench half its staff.

Earlier this year the Cape Town City Council decided to cut Captour's budget by 50 percent, making it difficult for the organisation to continue working to its

full potential.

However, the council has also offered Captour bridging finance of R1 million.

This could be converted to a grant-in-aid if the organisation meets certain conditions, among them restructuring itself to become more representative, and seeking finance from sources outside of the Cape Town City Council.

Mr Oliver said Captour would re-organise itself to become a leaner and meaner organisation.

"We are cutting our staff down from 31 to 18 because of the budget cuts, but we will continue to serve the industry because although statistics indicate a certain amount of growth, we have still not reached our true potential.

"The figures for May were heavily influenced by the staging of the Rugby World Cup tournament in the country but preliminary figures for June, July and August also show an increase.

"These are the signs of the times and although we still do not have the tourism boom, things are looking brighter."

He said Captour had spent a lot of time marketing the Cape Town winter to Asian tourists, who wanted to spend their holidays in cooler climates.

The latest figures by the CSS show that the room-occupancy rate in the country's 22 tourism regions was higher than May last year with the largest increase of 56,9 percent shown by Cape Town and the Winelands.

The region also had the largest increase in hotel income, up 81,3 percent compared with May 1994.

Five-star hotels got the biggest slice of the market and had increases of 38,2 percent and 54,2 percent in room and bed occupancy respectively, while one and two-star hotels showed the biggest increase in hotel income, up 86,8 percent.



the four- and five-star hotel range in three or four years' time, but considers City Lodge — in the best locations and offering outstanding service — "will compete favourably with them." The group has contributed strongly to the 1995 profits of 44%-shareholder Kersaf, whose management must be congratulating themselves on their foresight.

On a multiple of 22,8, the counter's fundamental strengths imply considerable residual value.

*Margaret-Anne Halse*

observes that two key costs in the hotel business are labour and servicing capital, and the results for the year to June 1995 demonstrate efficiency in controlling them.

Operating margins rose from 45,8% to 48,8% on turnover of R92,5m, up 28% on 1994's annualised figures. Attributable profit jumped 51% to R23,9m, but net financing costs increased only 3,9% and gearing dropped to 21% (24%). The balance sheet shows a healthy cash balance of R11,1m (R4,3m).

Providing selected services of high quality has proved to be a winning strategy this far, and Enderle stresses their service excellence programme, which turns out friendly and accommodating staff. "The finances don't work without this," he says.

On August 1 — Swiss national day — the group celebrated its 10th anniversary in SA and the opening of its first Road Lodge, the budget-version sibling in the Lodge family. The group now runs 14 Lodges (nine City Lodges, four Town Lodges and the Road Lodge) comprising 1 920 rooms and plans to raise its profile outside SA. Average occupancies rose to 81% (75%) against an industry average of about 54%.

Breakeven point, which depends partly on financial structure, is near the 50% occupancy mark for the efficient City Lodge group, whereas the wider industry breaks even at about 62% occupancy — depending heavily on gearing.

In April, the group acquired a 50% holding in the Courtyard "suite hotels" and 100% of the management. The Courtyard fills the four-star slot in the City Lodge group. The five-hotel, 334-suite group operates in Bruma Lake, Rosebank, Sandton, Pretoria and Cape Town; international tourists make up more than 50% of the clientele. Occupancy rates range from 70% at Bruma Lake to more than 80% in Pretoria, which will gain 25 new suites this year. "We are delighted, and quite frankly excited, about Courtyard," says Enderle. The group is experiencing teething problems in the Cape, where it is still relatively unknown, but Enderle expects concerted promotion to amend that. The full effect of its contribution to profits will be apparent next year.

Enderle expects the group's position as the leading selected services hotel group to be challenged by international entrants — mainly by franchise operations.

He perceives the risk of an oversupply in

## CITY LODGE HOTELS

### A home from home

*PM 25/8/95*  
The exponential growth of City Lodge Hotels in the last decade springs from two quintessentially Swiss characteristics: the single-minded pursuit of quality and meticulous attention to detail — both manifested by executive chairman Hans Enderle. He



(288)  
KERSAF 7M 25/8/95  
**Better times ahead**

**As predicted** by the faithful, Kersaf's performance to June 1995 improved substantially over last year. A much happier second half boosted final turnover 10% to R2,43bn and hoisted attributable profit 17% to R208,7m, though EPS grew only 12%, diluted by new shares issued to buy a holding in City Lodge.

Subsidiary contributions to profit include R70m from Sun International's offshore operations, R113m from southern African interests and R16,3m from Interleisure.

The balance comes from Douglas Green, which executive chairman Buddy Hawton says "has turned into profit. There was a swing of R18m in the last year." Equity-

accounting City Lodge for the full year added R10,5m to income from associates. "City Lodge has turned out to be an outstanding acquisition. Its share price at the time was about R10 and it has doubled."

The group is emerging from a difficult period; the legacy of 1994's results can be seen in the share price, which dived in May 1994 and struck a low of R29 this June. It has since rallied to R34,50, partly on the results of its Suncisk and Transun subsidiaries which pushed attributable earnings up almost 40% (*Fox* August 18).

Sunbop was disappointing, scarred by labour upheavals and resulting cancellations in the first half. "This is a fragile business," says Hawton. "Once bookings are lost, they can't be recaptured. A hotel room night is a perishable commodity." But prospects on several fronts are brighter for 1996.

Construction at Paradise Island in the Bahamas is complete and the write-offs have been taken. Hawton says occupancies in the second half averaged 87%; in July they hit 94%. "Trade is strong and things have gone much better than we thought," he says. Better room quality and service have also spurred an increase in the average room rate.

Negotiations on the gaming and leisure resort in Connecticut are almost complete. The process of obtaining authorisation and funding is extremely complex, says Hawton, because the land belongs to the Mo-hican Indians. Sun International Hotels Ltd, listed on the US's Nasdaq, is teaming up with US institutional investors on the project, which will cost US\$250-\$265m and from which Kersaf will draw a profit share.

If all goes smoothly, those profits should start streaming in by late 1997.

At home, the vexatious matter of gaming licences continues to fan uncertainty. Hawton believes there has been a "gross over-estimation of the potential tax take from gambling and people will be very disappointed." He expects some expansion of the market, but, considering the levels of disposable income, "there will not be billions."

Tax harmonisation between SA and the homelands, which will take place this year instead of being phased in over three to five years, will hit profits at the Sun International subsidiaries in 1996 — but rather the short, sharp shock that leaves the books clear for the future.

The share, on a multiple of 14,8, is looking inexpensive and starting to show evidence of its intrinsic value.

Margaret-Anne Halse



# Games 'must have public support'

Staff Reporter

THE Olympic Games were South Africa's single greatest economic opportunity, but a lack of public support could ruin Cape Town's chances to host the event in 2004.

Speaking at a Cape Town Press Club meeting, Chris Ball, chief executive officer of the Olympic Bid Committee, warned that the greatest threat to the Olympics was an unenthusiastic public.

The Olympics should be a national priority but "we like to knock ourselves continually".

"The worst enemies of the bid are South Africans," he told hundreds of representatives of the Press at the meeting at the Cape Sun hotel.

Through serious and thorough management the Olympics would have a sound profitable impact on Cape Town and further the needs of the people of the city as opposed to being a burden for rate-payers.

Cape Town was "unique — one of nature's masterpieces and a perfect setting for the hosting of Africa's first Olympic Games".

The Games would also have a major impact on the economy of the Western Cape and South Africa.

"The one thing that is missing is the support of South Africans," he said.

Mr Ball said the committee planned to change public opinion before January "from a negative

position, to a neutral position, to a positive situation".

Cape Town's bid suffered a serious setback earlier this year when infighting broke out between former Olympic bid chief executive officer Raymond Ackerman, the National Olympic Committee of South Africa and Cape Town City Council.

This was resolved in June with the appointment of Mr Ball, also head of the South African Housing Trust and former head of First National Bank.

Mr Ball said the Olympics would be profitable because television and sponsorship rights would be sold in advance before planning the costs.

He said the impact of the Games would be 10 times the cost.

In response to a question, he said a referendum in Cape Town about the issue would be premature because residents were "not properly informed at this stage".

Mr Ball said the committee had to prepare a proposal by August 15 next year and submit it to the International Olympic Committee for a decision by September 1997.

With the exception of a war, the Olympic event was the most difficult logistical exercise there was, he said.

Four hotels were on the drawing board for the Waterfront and there was a proposal for six hotels to be built at Wingfield.

ARG 26/8/95

(288)



# Tourism awaits its boom

THE hotel and tourist industry is bracing itself for a record year of foreign visitors.

A target of 1-million foreigners set for 1996 — an all-time high — will be achieved this year if the current momentum continues, says Ernie Heath, Satour's deputy executive director.

Last year 714 000 foreigners visited South Africa. The number could rise by about 35% this year.

Dr Heath says while this growth is placing pressure on local infrastructure, it is also broadening the base of the participants and facilities that will benefit.

South Africa's main tourism market remains Europe, especially Britain, but growth areas include North America, the Far East and Scandinavia.

A Business Times survey of major

By ZILLA EFRAT

hotel groups shows that foreign bookings for the summer are firm.

For example, both Southern Sun and Protea Hotels were fully booked last summer and expect the same to happen this season.

Some hotels warn that the days of SA holidaymakers arriving on the blind and finding rooms available are gone. They will now have to book in advance, especially for the Christmas season, but could still find good offers during certain periods.

Helder Pereira, Southern Sun's chief operating executive, expects booking styles in South Africa to change as foreign trade grows.

Fedhasa's Deon Viljoen says occupancy levels have risen by 12%-15% on average this year.

A number of groups say occupancies are running at over 70%.

Peter Bacon, Sun International's chairman, says occupancies at the Palace, Sun City, should be in the upper 80% range from now until early 1996. The group is now considering adding more rooms at Sun City.

More than 60% of the Palace's visitors are foreign and this could rise to 80% in the future.

This week two new Hilton Hotels, one in Sandton and another in Cape Town, were announced. However, Mr Pereira says the major growth area when it comes to foreign tourism is in three- and not five-star hotels.

This was proved by Rugby World Cup when 85% of visitors chose three-star hotels.

Observers say South Africa's high levels of crime remain the biggest inhibitor of growth in tourism.

(288) ST(BT) 27/8/95



# Kersaf shuffles its deck as old bantustans change hands

ST(BT) 27/8/95 (288)

KERSAF Investments has been shuffling its deck this week.

Interim results to June showed that a better second half helped it lift earnings 12%, making 252c a share on 10% higher turnover of R2,4-billion.

At the same time Kersaf and Servgro, the joint controlling shareholders of entertainment group Interleisure, said they were looking at delisting it. Later in the week, Kersaf's major subsidiary, Sun International, issued a cautionary announcement which seems to point to a restructuring of all the listed interests in the former TBVC states and the possible delisting of some of these interests.

Buddy Hawton, executive chairman of Kersaf, says at this stage Servgro and Kersaf are discussing Interleisure's delisting, but nothing has been resolved.

Mr Hawton says Sun International is looking at restructuring its interests, which still operate separately as Sun International Bophuthatswana, Ciskei and Transkei. But he gives no further details.

The reincorporation of these former homelands will put pressure on the group's tax in the coming year.

It appears from the results that the southern African interests did well, taking some analysts by surprise.

But Mr Hawton says international activities also did well.

Final spending on the Paradise Island resort in the Bahamas is around \$143-million. Occupancies have been good since it opened in January, averaging about 85% and the resort has essentially been trading in profit since it was recommissioned.

The group is still looking at a resort in Connecticut, but Mr Hawton says it is a complex deal as the resort will be on tribal trust land. The resort will cost around \$260-million.

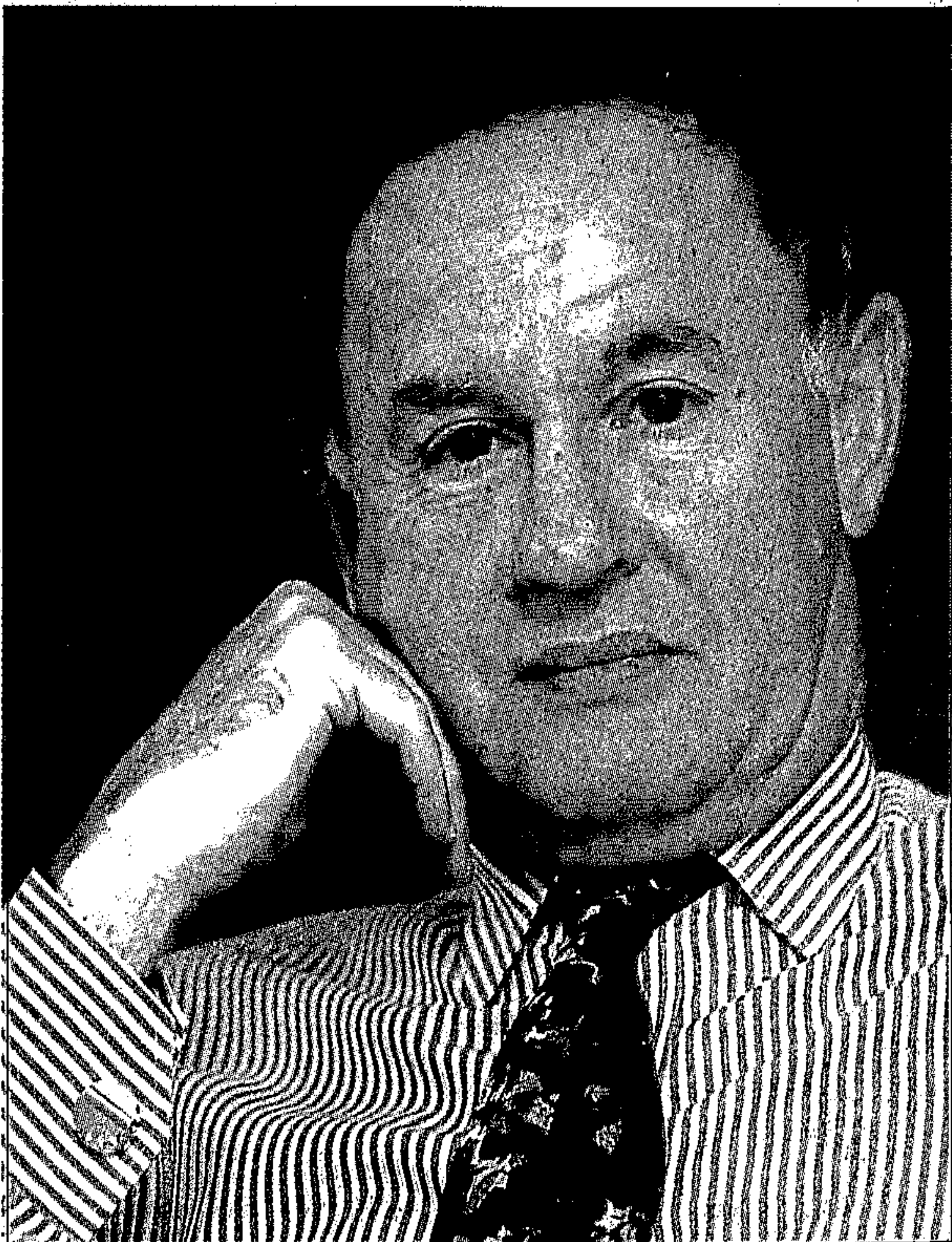
Sun International will be looking at possible expansion on undeveloped

land which it owns in Bahamas and it is still considering a development in Israel.

This does not mean the group is starting to ignore southern Africa.

"We are going, together with partners, to remain aggressive as far as the southern African market is concerned. We would like to get into more gaming and resort facilities and we are hoping to announce shortly, subject to the conclusion of negotiations, a new five-star hotel in Cape Town. We intend making further applications for casino licences."

There is still some uncertainty about gaming licences in South Africa and how these will affect the group. International operations are going well, and in a strong currency. Growth is expected in the coming year.



GAMBLING WITH DEMOCRACY ... Buddy Hawton rearranges Kersaf's chips



# Protea stands up to global competition

BY AUDREY D'ANGELO

CAPE BUSINESS EDITOR

Protea Hospitality Corporation, the hotel management group, was proving it was more than equal to competition from international groups, said chairman Otto Stehlik.

He told Business Report the company had won management contracts for hotels in other African countries in competition with groups from around the world. Its experience in Africa gave it an advantage over competitors used to doing business in Europe and America.

The group took over the management of the Grand Palm Hotel in Gaberone from the Sheraton group in July.

Bernard Cassar, the regional director for Africa, said on Friday that although its new hotel complex in Egypt, the El Sokhnah, had not yet been formally opened, it already had a good occupancy

rate with South African and European guests staying there.

Cassar said the El Sokhnah, with 54 rooms and 160 villas, was at the top end of the group's range and had done well since its soft opening earlier this year. The formal opening would be in October.

Work would start soon on the second phase of the project, when another 60 rooms and up to 200 more villas would be built on an adjacent site.

The El Sokhnah is on the Red Sea, just over an hour's drive from Cairo. Cassar said tour operators, particularly from Italy, France, Germany and Russia, had shown great interest in the complex.

He said Egypt, Morocco and Tunisia were the most popular tourist destinations in Africa. The group was negotiating for contracts in all three countries as well as in Senegal.

Its hotel in Uganda was due to open in December, he said.



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(288) 28/8/95  
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# Tourism, (288) travel as school subjects

■ BY ANITA ALLEN  
SCIENCE WRITER

Encouraging South Africans to think tourism will get an exciting lift-off in a new initiative to introduce travel and tourism as a subject in schools.

The introduction of the pre-vocational course will be piloted at six Gauteng schools next year, with the intention of going national thereafter.

The innovative plan is the brainchild of Reach & Teach, the independent, not-for-gain education initiative founded by computer company IBM, and managed by a board of prominent South African educators.

The Travel and Tourism (T&T) programme as part of a national school curriculum is a direct response to the Reconstruction and Development Programme, says project manager David Agar, who heads up a team which is responsible for the development of the curriculum.

In consultation with provincial education authorities and teacher organisations, the process of identifying the six pilot schools in the 18 school districts in Gauteng is under way.

## English

In addition, the intention is to introduce the programme into adult training centres and within the T&T industry. The programme in this initial phase will be in English, with the eventual aim of running it in all 11 official languages.

"The programme must not be seen only as a T&T programme," Agar emphasises. "It is a service industry programme, which is using T&T as a vehicle. We chose T&T, rather than any other service industry, because it has the potential to be the largest contributor to the Gross National Product — the biggest job creator and foreign exchange earner."

"Internationally one in nine jobs is linked to tourism. In South Africa the comparative figure is one in 25."

He points out that T&T is related to services — banking, catering, transport etc — and introduces the principles, practices and underlying values of the industry, while at the same time being fun.

The programme is designed to help students relate to the workforce needs of industry in general, and more particularly of the travel and tourism industry in their future lives, whether as hosts, policy-makers, direct participants in production, initiators, organisers, owners, managers or employees.

## Cross-curricular

"Another thing is the cross-curricular approach — with history, geography, business economics, mathematics and so on," says Agar.

American Express in New York is the initial funder of the programme development, and the local industry partners currently are Avis Rent-a-Car, Budget Rent-a-Car, Fedics Group, Imperial Car Rental, Protea Hotels, Rennie's Travel, Sabi Sabi Game Reserve, SAA and Southern Sun group. It is hoped that further local partners can be found to enable activities to really take off.

Reach & Teach's board consists of CEO of Independent Development Trust Professor Merlyn Mehl as chairman, Stanley Louw, president of IBM International Foundation; Dr Neil McGurk, headmaster of Sacred Heart College; Brian Mehl, deputy chairman of ISG Ltd; Professor Wiseman Nkuhlu; Rolf Stumpf, president of the HSRC; and Peliwe Totwana, director for policy, research and evaluation at the Independent Examinations Board.



ERNMENT

NOMICS

# Cape Town gets set for R600m building boost

BY MAGGIE ROWLEY

PROPERTY EDITOR

Negotiations between the Cape Town city council and French construction group, Compagnie Generale de Batiment et de Construction (CBC), to build two five star hotels linked by a shopping galleria, and new headquarters for BP South Africa on a prime Cape Town CBD site, are close to fruition.

Construction of the project, which should see an investment of more than R600 million in the city and provide a major boost for the Cape construction industry, is expected to start early next year.

The two hectare power station site, owned by the city council, has been divided into five blocks. It was put out to tender late last year but attracted a "disappointing" response. This led the council to give the go-ahead to project co-ordinator Rod Young to negotiate other offers.

Young said that in terms of the deal, the council would dispose of two of the sub-divisional sites, totalling about 9 000m<sup>2</sup>, to the French group.

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The original purchase price offered by CBC for the two sites had been R20 million, which was far higher than any offers received when the site was put out to tender. The highest offer then came from Murray & Roberts which tendered R9 million for one of the five demarcated sites.

Negotiations with the French company had started after the assessment of tenders and the group had initially been keen to construct the two five-star hotels and the galleria using the existing bulk on the two sites.

"However, BP had identified one of these two sites as being ideal for its new headquarters and CBC has agreed to incorporate an office block into its development for them.

"But in order to do so, the existing bulk on the site will have to be increased and we are now awaiting to hear from CBC exactly how much more bulk they will require so that we can advertise this as part of a public participation exercise. Obviously we will be looking for a higher price for the land proportionate to any increased bulk," said Young.

Proceeds raised from the sale of the

two sites would wipe out all holding costs associated with the R6 million removal of the power station foundations, construction of the extension to Loop Street as well as landscaping on the site.

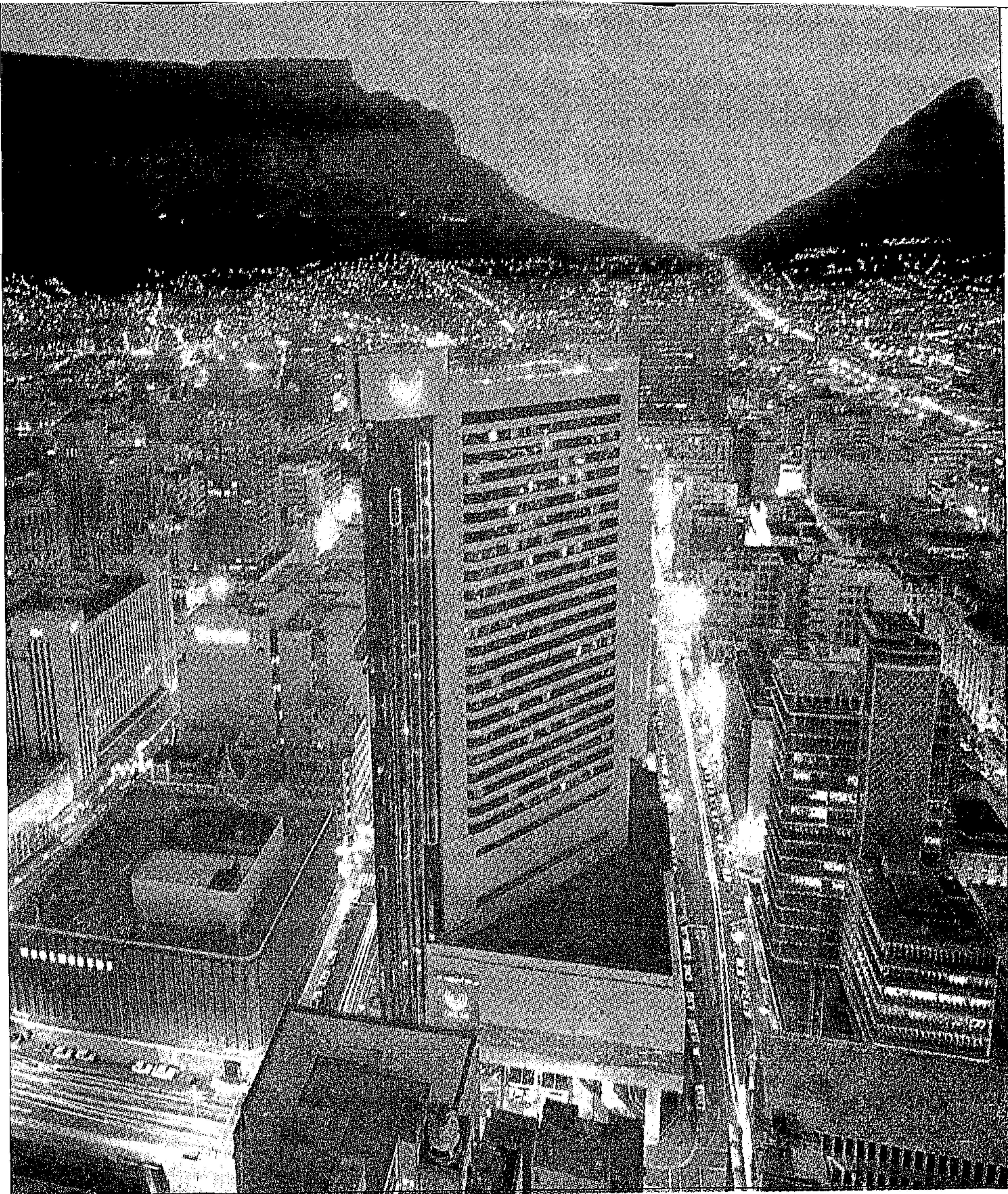
"These improvements will increase the value of the additional sites, including the two held by a private company, Devland, and it would be in the city's interest to bank these sites until such time as the council can reap the benefit."

Young said that while CBC was a construction company, it had indicated that it would be using South African contractors and professionals.

"CBC has not made it clear how much of the development will be funded offshore but it usually takes a stake in its developments around the world. In addition, the Hilton hotel group, to develop one of the hotels on the site, has made it clear that it would finance its hotel with offshore funds."

He said while a Sheraton hotel had been mooted for the second five-star 300-room hotel on the site, it was possible that an eastern hotel group would come on board.





**FIVE-STAR DEAL** New signage is set to go up at three Southern Sun hotels, including the Cape Sun (pictured here), which now form part of Inter-Continental's representation in South Africa. Nine Inter-Continental hotels are also to be adorned with the new signage

## Joint plan to build 10 new five-star hotels in Africa

By MAGGIE ROWLEY

A total of 10 new five-star hotels are planned for the next 10 to 15 years on a joint-venture basis between Inter-Continental and Southern Sun in sub-Saharan Africa.

Helder Pereira, the chief operating executive of Southern Sun, said it had "made no bones" that it would be going after casino licences within the country's borders but had also held discussions in a number of neighbouring countries including Namibia, Mozambique,

Uganda and Tanzania.

And emerging from these negotiations at least one, if not more, new hotels in the sub-Saharan region were expected to be built in the next year or two.

In terms of Southern Sun's link-up with Inter-Continental, Southern Sun had put three of its hotels — the Cape Sun in Cape Town, the Sandton Sun in Johannesburg and the Beverley Hills in Umhlanga, Durban — under the combined new logo, while Inter-Continental had done the same for nine of its hotels

in sub-Saharan Africa.

The three Southern Sun hotels were undergoing revamps, all the old signage was being replaced and the staff had been undergoing training ahead of the re-launch under the new logo of Inter-Continental on September 18.

The agreement between Southern Sun and Inter-Continental Hotels and Resorts — the world's largest five-star hotel chain — not only gained representation in South Africa for Inter-Continental but also gave Southern Sun access to Inter-

Continental's global infrastructure, technology and branding.

All three South African hotels were already benefiting from the link-up with Inter-Continental's established international reservation system, Global II.

Pereira said that while Southern Sun could hold its own in the South African market, the link-up with Inter-continental would make it more competitive in attracting international business travellers, particularly in view of other global hotel chains moving into South Africa.

CT(BR) 30/8/95 (238)



# Flying, tourism: partners in SA

(288) star 31/8/95

■ BY MANDLA MTHEMBU

The integration of aviation and tourism will come under the spotlight at an international one-day conference to be opened by Transport Minister Mac Maharaj next week.

Overseas and local transport experts will give input on the need to integrate aviation and sustainable tourism in SA.

Sharing their experiences will be representatives from India, United Kingdom, New Zealand and Malaysia.

The conference in Johannesburg on September 7 is part of the campaign by the transport department to declare September "Transport Month".

"This would raise awareness about the role of the industry in the development of SA economy," said Transport Ministry spokesman Jodi-Ann Jones.

She said the growing interest in SA as a tourist destination has made the need "to review the most convenient means of getting to the country's exotic destinations".

"Given the vast distances that have to be travelled, air travel is often the chosen transport mode," said Jones. "This, in turn, required careful examination of the aviation business in SA and its regional partners."

Transport and Commissioner for Civil Aviation deputy director-general Japie Smit said unless aviation and tourism were integrated "there would be gloom in both industries".

He was optimistic that the conference would be able to find ways to strengthen the relationship between aviation and tourism.

For more information about the conference contact Jones at (011) 884-9860.



**A**n area which relies on its remoteness as an attraction is making slow progress developing eco-tourism, writes Greg Arde after visiting the area.

# Tourism lags as RDP

## dallies

(288) Jan 31/8/98



Maputaland locals, desperate for jobs in an area they say has almost 90% unemployment, are holding out for a successful tourism boost to rejuvenate the tired economy of their region.

A committee of local people, which falls under the Maputaland Tourism and Development Association (MTDA), at the weekend complained about how difficult it was to get funds from the Reconstruction and Development Programme.

Their aim is to finish building a caravan park adjoining the beautiful Ndumo Game Reserve which could lure more wealthy tourists to the area, increase jobs and promote development.

Their humble project has been riddled with failure and there is an investigation into the embezzlement of funds by the last community committee.

But a solution might be in sight through the RDP or potential overseas funds.

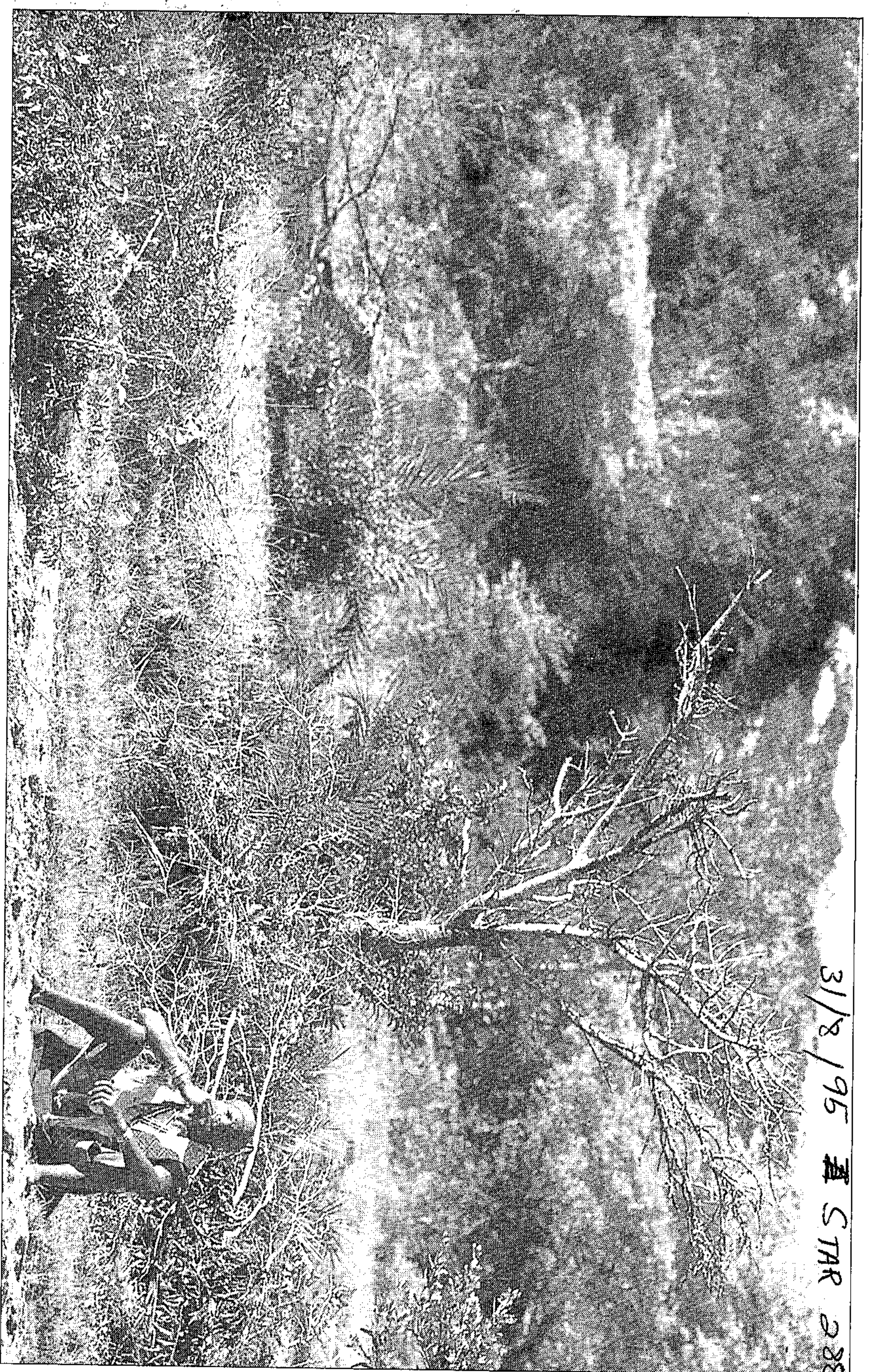
Key to any solution is funding and the involvement of communities, possibly through growing partnerships between locals and private enterprise.

Already, the local tribal authority benefits from a quarter of the profits made by Wilderness Safaris which operates the luxury Ndumo Camp, situated near the scenic Banzi Pan and surrounded by a forest of fig and -fever trees.

Nestled on the side of a river flowing with crocodiles, hippo and a multitude of birdlife, the camp offers tourists everything from a tasty nyala dinner to the bedtime sounds of drums beaten by villagers over the border in Mozambique.

The new committee says tourism is the only thing that Maputaland, in northern Natal, home to about 230 000 people, can really rely on.

"Our people used to go and work on the mines in Johannesburg. But that was dangerous



31/8/95 SAT 288

### Contemplating a better future ... a resident of Maputaland waits for eco-tourism to bring prosperity to the region.

PICTURE: KAREN SANDISON

and they have come back and want to stay here and make use of these forests and this bush," said committee leader Jabulani Mthethwa.

They have been visited by government official Bongani Ngunane who has assured them their caravan park stood to benefit from RDP funds. But MTDA chairman Wilson Nxumalo has warned this might be difficult

until legitimate local government structures are in place. Ngunane says RDP funds should be forthcoming because developments like the caravan park would also bring associated

infrastructure like roads, electricity and water to the local people. In the meantime, however, the MTDA is involved in an initiative with major development agencies despite the enthusiasm

over potential RDP funding. Government consultant John Fowkes said the overseas initiative had been taken in the event of RDP money not being allocated.

RDP money could be delayed until local government structures were in place because communities did not know how to apply for RDP funds and had no structures to manage funds.

All that locals previously knew about tourism was "that it was whites driving around here in four-wheel drives," said potential developer, local businessman and government consultant David Bartle Moore.

Bartle Moore said the MTDA was started about 18 months ago to co-ordinate tourism development in Maputaland, an area flanked by the Ubombo mountain range, the Indian Ocean and the Mozambique border.

At the heart of the MTDA's work, he said, was encouraging community participation in eco-tourism. This was painstaking but necessary work in a vast area where development had to be fostered, but watched carefully so as not to endanger a key attraction, the area's remoteness.

"We identify sights, seek partnerships with communities and negotiate with potential developers. It's important to create committees. They will be the legal entity to safeguard the community's interests.

"It takes a long time, but that's understandable. This is also a pristine area and you can't just do things willy-nilly. If you go at it full burst, somewhere down the line the wheels will fall off," Bartle Moore said.

Fowkes said: "We can't create commercial projects until the community has capacity. We are trying to teach the community how to access funds and to develop the infrastructure."

The MTDA has identified 10 projects with which it hopes to lead the way.

They result from initiatives by local people, or additions to developments in an area with everything to offer tourists, from virgin beaches to salt water lakes - all jam-packed with indigenous wildlife.



# Fairest Cape's grant reduced by half

CT 31/8/95

(288)

## MUNICIPAL REPORTER

THE Fairest Cape Association has had its usual annual grant from the Cape Metropolitan Council cut by half to R100 000.

But this decision may be revoked later. The council left an opening to increase the budget by recommending that "a contribu-

tion of at least R100 000 be made".

Mr Chris Joubert said it was disappointing to hear that "our grant is cut in half", but the association was grateful for the R100 000.

Mr Roger Hulley, deputy chairman of the Metro Council and former chief executive officer of Fairest Cape, said the association had received a grant of R180 000

from the Regional Services Council two years ago, and R200 000 last year. This year, the same amount had been asked for as last year.

The Cape Town Symphony Orchestra is to get R150 000 a year indefinitely, the council decided yesterday. The RSC finance committee had recommended it get R1 million over four years.



# Council grant for Olympic firm

CT 31/8/95

(282)

## MUNICIPAL REPORTER

THE Cape Metropolitan Council (CMC) has found a legal way of providing the Olympic Bid company with a R1,25-million no-interest loan by giving it as a grant.

This follows a three-month impasse.

Deputy CMC chairman Mr Roger Hulley said yesterday the

council had decided in May to make "bridging finance" available to the company.

However, there had been legal problems with this as the office of the minister of finance had to give its blessing.

The office did not want to do this as the government had not yet approved the new company's bid. This is expected to happen soon.



# R1-m council aid for Captour

ARG 31/8/95 (288)  
**ANDREA WEISS, Municipal Reporter**

UNCERTAINTY over the funding of Captour was settled today when the Cape Town City Council agreed to give the tourism organisation a R1 million grant.

This is to be coupled to a further R1 million as bridging finance — which could be converted to a grant provided

Captour has made enough progress in restructuring itself, and has approached other stakeholders for funding.

Captour will also be required to submit quarterly progress reports.

Although the majority of councillors voted in favour of the decision, some members expressed concern about the insecurity this was likely to cause.



## COMPANIES

### Interleisure delisting talks end in failure

Amanda Vermeulen

MD 31/8/95 (288)  
INTERLEISURE's delisting has been called off after parent companies Kersaf and Servgro failed to reach agreement with its minority shareholders, Sanlam, Old Mutual and the Anglo American Pension Fund.

Last week Kersaf, Interleisure and Servgro published a cautionary which said negotiations could lead to a possible delisting. Interleisure and Kersaf chairman Buddy Hawton said yesterday the negotiations had been initiated to find common ground between the shareholders regarding a possible delisting.

But the talks had been called off after failure to agree on the basis of the delisting. Hawton would not say whether the discussions had been fruitless because of a failure to reach a mutually acceptable offer to the minorities, but sources close to the company said one of the minority shareholders had rejected the offer price.

Hawton said it was unlikely that the talks would resume.

The low tradeability of Interleisure's shares and the group's strong cash-generating ability were two of the reasons given for the negotiations to delist. Interleisure MD Mike Egan said the low tradeability made the shares unattractive to institutions.

None of the other parties could comment on the suspension of the negotiations.