SERVICES SECTOR - OTHER

1989

SA wins travel vote

S Times 1/1/89

295

By Udo Rypstra

AN international organisation has accepted a South African proposal that all countries should lift foreign travel restrictions.

The resolution, proposed by Barney Singer, representing the Association of Southern African Travel Agents (ASATA), was passed by 70 nations represented at the annual congress of the Universal Federation of Travel Agents Association (UFTAA) in Perth.

Kenya and Colombia abstained.

Mr Singer said no government could restrict the flow of tourists without damaging international tourism.

The resolution says UFTAA directors should not organise congresses or meetings in countries which do not guarantee entry to all its members.

UFTAA is the world's top organisation monitoring travel and tourism.

Mr Singer serves on the main board of UFTAA and represents Region 8, — all sub-Saharan nations.

Mr Singer says highlights of the congress were:

- More young people are travelling the world;
- Future money power, however, lies with the "grey old" — the fastest growing tourism market;
- Disposable income is growing generally, not only among Wopies (wealthy older people), but in SA's Third World sector;
- Airlines carry 365-million passengers a year;
- Asia remains the fastest-growing travel region, 4-million Japanese alone having gone abroad in 1988. The number is expected to double by 1991;
- Air fares will decrease as new fuel-efficient aircraft come into service. By 1990, a Boeing will be able to carry 800 passengers.

CP MPs may boycott Budget

B/Day 31/1/89

(295)

PETER DELMAR

THE CP's 22 MPs are likely to spearhead a boycott action against Budget Rent-a-Car following the company's cancellation of its agency agreement with a Brakpan town councillor.

CP spokesman on economic affairs and technology Clive Derby-Lewis and Brakpan MP Frank le Roux have already returned their rental cards to Budget.

Derby-Lewis said he believed the other 20 members of the CP's parliamentary caucus had contracts with Budget and expected them to end their business with the company.

Budget last week announced it had withdrawn its agency from Brakpan council member Billy Olivier because it did not want to be associated with the council's return to petty apartheid.

Brakpan recently followed the lead of the Boksburg council in reserving amenities under its control for the use of whites. Both East Rand towns have been hit by large-scale black consumer boycotts since their CP councils started implementing their apartheid policies.

Budget CE Louis de Waal was on holiday yesterday and could not be reached for comment.

Fair-minded all condemn car firm's axe move — CP

By Kaizer Nyatsumba

All fair-minded people would condemn Budget Rent-a-Car's punitive action against a newly elected Conservative Party town councillor in Brakpan, CP spokesman on economic affairs Mr Clive Derby-Lewis said yesterday.

Commenting on the car rental company's decision last Thursday to terminate its agency relationship with Mr Billy Olivier of Billy Olivier Motors in Brakpan because of the town's apartheid policies, Mr Derby-Lewis said CP members and all fair-minded people were tired of punitive actions taken against CP councillors and they would react accordingly.

However, he said no boycott action was planned against Budget Rent-a-Car so far. The CP would issue a statement later, he said.

He had already returned his rental card to Budget and hoped that his CP colleagues in Parliament would do the same.

"We find this kind of behaviour, which sets a bad precedent, totally unacceptable," he said.

In a statement last week the executive director of Budget Rent-a-Car, Mr Louis de Waal, said Budget was an international company which did business with all kinds of people.

In the prevailing climate of disinvestment, it could not afford to be seen to be involved in an agency relationship with a CP councillor in Brakpan who promoted the enforcing of separate amenities.

Mr De Waal said it was his company's belief that the CP, through its office bearers, was attempting to turn the clock back.

Mr Olivier, who is on holiday in Natal, said yesterday he did not intend to fight Budget's decision. It was a pity, he said, that his agency was being terminated when he helped a lot of black customers, one of whom was circulating a petition calling on Budget to reconsider.

Avis to spend R140m on new vehicles

BIDay 18/7/89 (295)

BRUCE ANDERSON

AVIS'S car-leasing operation will spend about R140m this year on new vehicles, and expects turnover to increase 50% to R50m, in its bid to capture a bigger share of the car-leasing market.

Yesterday the company announced a name change, from Avis Car Leasing to Avis Lease, to coincide with the launch of a new Press advertising campaign this week to publicise its full maintenance leasing operation in SA.

The campaign encourages fleet owners to lighten their fleet burden by leasing light commercial vehicles on a full maintenance contract with Avis Lease.

From page 1

Sanroc split

CM 7/7/15 25/1/89 (69) (292)

"The ANC is disgusted with his action and has put out a statement saying he should be treated as an outcast. He is a disgrace to the mass democratic movement in South Africa."

Mr Ramsamy said: "Brutus lost his authority in Sanroc something like 12 years ago. He has now sneaked into London behind our backs and tried to do damage to us. His meeting with Bacher was just the latest in a number of outrageous and strange actions he has taken.

"He has no authority whatsoever and the Sanroc executive is in the process of informing him that his one-man band is over. We have shown him patience and kindness but his behaviour can no longer be tolerated. He is out."

Mr Brutus, a former leading radical who left South Africa on a one-way permit in 1966, has gathered about him a group of old Sanroc activists who have been similarly out of action for many years.

They are now attempting to open talks with all South Africa's "white-controlled" sports bodies, starting with the SACU and Dr Danie Craven's SA Rugby Board.

But Mr Ramsamy clearly has the firepower to crush Mr Brutus.

Under Mr Ramsamy's control Sanroc has become an associate member of the the Supreme Council for Sport in Africa. It is also recognised by the United Nations as the representative body of majority South African sport. Mr Ramsamy himself is an adviser to the International Olympic Committee.

Support for hawkers

Sowetan 26/11/89

295

THE KaNgwane Minister of the Interior, Mr E N Ginidza, said he believed that street sellers have an important role to play in the promotion of the spirit of self-reliance among the people.

He said that hawkers and vendors provided for themselves and their families without being a burden to the taxpayer and should therefore be encouraged.

The Minister said this after conducting a series of informal sector rallies to discuss ways of boosting the sector in the territory.

By JOSHUA RABOROKO

Guests at these rallies included the president of the African Council of Hawkers and Informal Business (Achib), Mr Lawrence Mavundla, Achib's co-ordinator for Employment Creation Project Mrs Nomsa Mabena and Mr Bernard Magabe, the manager of Hoechst SA Development Business Support Unit.

Another speaker at the talks, Mr Leonard Mavuso, explained how the informal business sector should organise itself into a group to take advantage of strength in unity.

He said: "Usually it is the informal business people who have to approach governments with requests to ease restrictions against them.

"In most cases people in high positions think only of their stomachs and that it is not the case with your government."

They should group together to buy in bulk and by training themselves.



Mr LAWRENCE Mavundla

STAR LINE

Client paid twice for car hire

Star 31/11/89

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By June Bearzi

Imperial Car Rental has come under strong fire from a client after an unsigned credit card voucher bearing her card's imprint — left with the firm as security — was used to make a R166,40 debit on her account.

Mrs Heather Foster of Johannesburg explained that she had hired a car in Cape Town in September last year and was told the stamped voucher was needed as a security measure. Three days later she returned the car and settled the R166,40 bill in cash.

In December, however, Mrs Foster discovered that her Master Card statement from Lloyds Bank in London reflected a R166,40 debit for the car rental charges.

"My unsigned voucher was used to get a further payment from my bank," she complained.

A four-month battle has ensued, according to Mrs Foster, in which she has made several calls to Imperial Car Rental demanding that her account be credited immediately and that all interest charges be borne by the merchant.

Unsigned

She said she did not believe it was an isolated incident as a German colleague had recently related a similar experience to her after he had booked into a hotel and provided the receptionist with an unsigned credit card voucher bearing an imprint.

According to Mrs Foster: "He had settled the R2 000 bill in cash. Some

booked into a hotel and provided the receptionist with an unsigned credit card voucher bearing an imprint.

According to Mrs Foster: "He had settled the R2 000 bill in cash. Some time later he received his credit card statement showing the voucher had been used to get authorisation for a R2 000 debit on his card account."

Mrs Foster told Star Line she believed the system, which is widely used by rental firms and hotels throughout the country, could backfire on cardholders.

She believed clients who failed to study their statements methodically could unwittingly pay for services and items debited to them in error.

"It is open to abuse. What is there to stop merchants from adding all sorts of ancillary charges or debiting clients for damage they claim vehicles sustained. What defence does the cardholder have," she asked.

Mrs H Badenhorst, assistant administration manager at Imperial Car Rentals, in Johannesburg explained:

Security

"We normally use credit card vouchers as security if it is not a cash transaction. We do have the client's signature on the rental contract which allows us to get authorisation for payment.

"Problems do arise, however, through communication gaps. A car could be returned to another branch which fails to notify the first branch of this."

She said Imperial Car Rentals had agreed to pay all the interest due on the account and a credit voucher had been forwarded to Mrs Foster's bank.

The manager of the credit card division of a large South African bank told Star Line that these incidents were always "attributable to error".

"We only keep reputable merchants on our books and I certainly do not believe they would abuse the unsigned vouchers left in their possession."

22 hawkers arrested in city centre raid

More than 30 plainclothes policemen and traffic officials swooped on hawkers in central Johannesburg yesterday and arrested 22 on charges of obstruction.

The president of the African Council of Hawkers and Informal Businesses, Mr Austin Mavundla, criticised the action.

He said the Government was calling for the promotion of the informal sector, but there were still many laws restricting hawkers. — Staff Reporter.

Cops raid hawkers

MORE than 30 plain-clothes policemen and traffic officials swooped on hawkers in central Johannesburg yesterday and arrested 22 on charges of *obstruction*.

The African Council of Hawkers and Informal Businesses said in a statement the hawkers were arrested for obstructing the pavement in Noord Street.

Criticising the action Achib president, Mr Austin Mavundla, said hawkers were getting a double message from the Government.

On the one hand, he said, the Government was calling for the promotion of the informal sector, and on the other hand, there were so many laws restricting hawkers. — Sapa.

22 arrests after big swoop on hawkers

SIPHO NGCOBO

AT LEAST 22 hawkers were arrested and thousands of rands worth of goods confiscated when a combined force of SAP and traffic officers raided street traders in central Johannesburg yesterday.

The raid took place around 9am in Noord and Wanderers streets, said several of the hawkers.

Hawkers said traffic officers first arrived but did not make any arrests. Later they returned with the SAP.

A spokesman for the African Council of Hawkers and Informal Businesses (Achib), Vickie Sussens, claimed police impounded the wares of some hawkers without giving them a chance to produce their licences.

Sussens said after their arrest the hawkers were taken to City Deep where they were charged with obstructing the pavements.

Confiscated

Police spokesman Lt-Col Frans Malherbe said he knew nothing about the raid.

Beauty Nkosi, an executive member of Achib whose goods were confiscated during the raid, dismissed the charge that hawkers were causing an obtsruction.

"We never have complaints from pedestrians and we are providing a valuable service. The police should live us alone," she said.

Meanwhile Achib president Lawrence Mayundla, lashed out at the raid, saying it was an example of "goyernment's double standard".

"The government is saying the informal sector must be promoted to boost our economy and provide jobs, yet prosecutions take place on a daily basis," he said.

Hawkers' chief slams authorities

Sowetan 2/2/89 295

BLACK Informal Business has been hamstrung from contributing to the country's mainstream economy by restrictions imposed on them by local authorities, the president of the African Council of Hawkers and Informal Business, Mr Lawrence Mavundla, said yesterday.

Mr Mavundla said hawkers were getting a "double message" from the government, who were saying the informal sector must be promoted to boost the economy and provide jobs.

He was reacting to the arrest and prosecution of about 22 hawkers in Noord Street, Johannesburg, this week by the police.

By JOSHUA RABOROKO

Over 30 plain-clothed policemen and traffic officials from the hawkers' squad swooped on hawkers selling in the area on Tuesday.

Discretion

According to Mr Koos Nel, a senior traffic official from the Hawkers' Squad: "The law says you are not allowed to display or sell any goods on or across or upon a pavement. However, we do not enforce this law strictly. We use our discretion to decide whether or not the pavement is being obstructed."

Mr Mavundla said what was needed was an urgent reassessment of laws restricting hawkers in Johannesburg and, in the meantime, for a moratorium on all prosecutions relating to these laws.

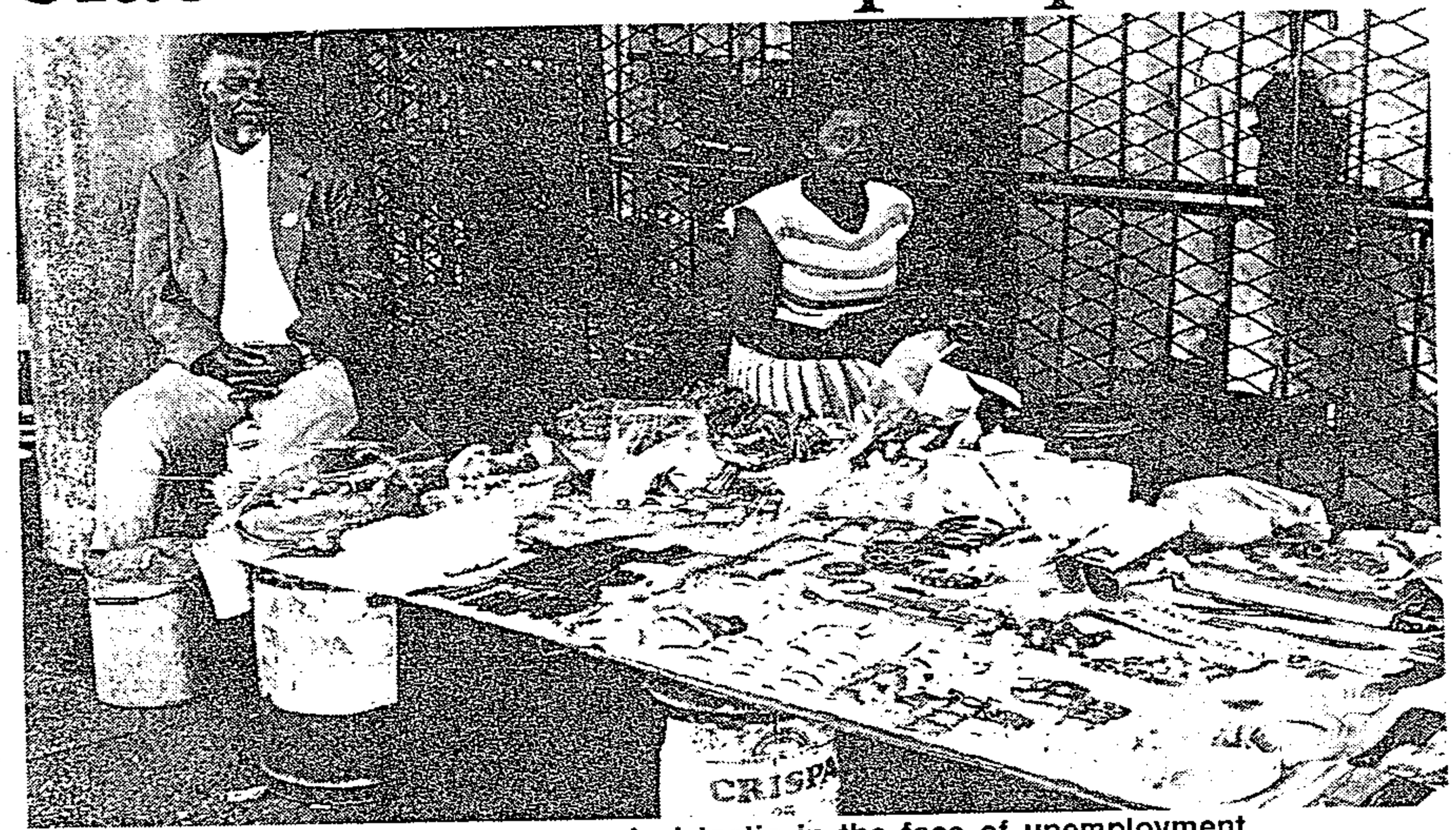
"We call upon the licence board to look into laws affecting black traders as a matter of urgency. The problem is when a hawker is issued with a licence he is not briefed on the laws. We feel the authorities are taking advantage of this fact," Mr Mavundla said.

According to Mr Nel, hawkers ran away when they saw members of the squad. In that instance, the squad was entitled to confiscate goods without asking for licence.

He said most hawkers did not know the laws. The hawkers' squad would be more than willing to lecture Achib's members on the law.

Hawkers: Female, illiterate, black – and still peripheral

Local authorities have largely ignored the state's deregulation policy. The 900 000 street sellers are still regarded as a nuisance and a health hazard.
By HILARY JOFFE



Street traders ... for most, it's a survival tactic in the face of unemployment
Picture: ANNA ZIEMINSKI, Afrapix

DESPITE the government's rhetoric of deregulation, local authorities in most of South Africa's cities and towns have not lifted the restrictions on hawkers which have stopped them trading in the streets for decades.

A new study has revealed that outside the major metropolitan areas of Johannesburg, Durban and Cape Town, progress towards deregulation has been minimal.

According to the authors, Chris Rogerson and DM Hart of Wits University's Department of Geography and Environmental Studies, "a considerable gulf exists between ministerial speeches in favour of deregulation and what has translated into concrete policy action to improve, albeit only marginally, the possibilities for hawkers to secure a better livelihood."

Rogerson and Hart note estimates of 900 000 hawkers and informal traders in South Africa — more than the mining industry's total workforce. As the economy has declined, so people have had to turn to informal sector activities to make a living. Some forms of hawking generate fairly high incomes — selling flowers or soft-goods for example. But for most hawkers, street trading is an attempt to survive unemployment.

"For the majority of South African hawkers, typically female, typically poorly educated and typically black, returns from hawking are meagre and merely a strategy for household survival rather than advancement," they write.

In their view, hawking has only a limited potential for improving the incomes of especially the urban poor.

Policy "from above" by the state and pressure "from below", by hawkers' associations or community organisations, have an impact on hawkers' income earning potential.

Hawkers' access to the CBDs of the "white" urban areas, where there are relatively more affluent people to buy their wares, crucially affects their capacity to earn a living.

The researchers surveyed municipal policy towards hawkers in 28 urban centres in South Africa.

They found policy was in flux in many cities and smaller towns. However, restrictions on hawkers trading particularly in "white" CBDs remained. Outside of Johannesburg, Cape Town and Durban, where the CBD had been opened up to some extent, hawkers have been allowed to trade only at the peripheries of urban areas if they have been allowed to trade legally at all.

In CP-controlled Pietersburg, black (African) hawkers are banned from "white" areas. Rogerson and Hart cite comments by municipal officials describing hawkers as a health hazard for whites: "We (whites) are higher developed than they are and can't take germs as they can." Welkom is another town where there is a total ban on street trading, described by officials as a nuisance and a health hazard. George, the constituency of PW Botha, who has been a vocal advocate of deregulation, the researchers describe as "backward" in its attitude to hawkers, with no changes to policy having been made in the past decade. Hawkers are still prohibited from operating in the CBD.

Larger cities such as Pretoria have also displayed resistance to hawkers and have continued to harass them. Even in towns where policy-makers have been considering policy changes on street trading, progress has been described as "glacial".

Many municipalities have retained stringent licensing requirements which vary from one to the next as well as bans on hawkers trading in central business areas.

In many places hawkers have to own a vehicle and have approved storage facilities in order to be licensed. Some municipalities oblige them to wear uniforms — in Cape Town licensed hawkers had to wear white coats at the time the research was done. Some municipalities levy licensing fees which are beyond the reach of most hawkers. Many municipalities retain regulations which force hawkers to move on at regular intervals (such as every 10 to 15 minutes). In central East London traders have to "walk and hawk".

The researchers found that where licensing restrictions were too stringent, or where hawking was not allowed, hawkers continued to operate illegally.

One problem is the "swamping" effect. Hawkers converge on the most tolerant urban area from places where they cannot trade, a result of deregulation in some cases but not in others.

The urban centres surveyed by Rogerson and Hart covered core metropolitan centres, peripheral metropolitan centres such as Germiston and Bellville, secondary centres such as East London and Pietermaritzburg, and small urban centres such as Worcester, Vanderbijlpark and George.

While in some core centres — Pretoria and Port Elizabeth for example — there had been little progress to deregulation, some small towns had taken steps to encourage hawkers, initiating steps to deregulation. These include Grahamstown, King William's Town and Nelspruit.

In South Africa the central government's deregulation thrust has gone with "reform" and the abolition of influx control in the 1980s. However, the impact at local government level has been limited.

Most of the estimated 900 000 hawkers operate without licences in "homelands" and townships. Only a tiny number operate legally in white urban areas. Even fewer are licenced to trade in the CBDs of these areas.

In Cape Town by 1987 there were 3 306 licensed hawkers, 60 of these operating in the CBD. In Johannesburg, by mid-1988 there were 7 000 licenced hawkers. This represented a sudden increase — in 1976 there were only 200 licenced hawkers and 1 004 by 1987. Rogerson and Hart attribute this in part to pressure from the African Council of Hawkers and Informal Businesses formed in 1986.

Pressure from such organistions can be important in bringing about policy changes. However, they found at least 10 hawkers' associations around the country, operating in an

unco-ordinated manner without much impact. A nationally representative hawkers' association, they believe, could do much

They point also to resistance from formal sector retailers to the hawkers' "unfair trading" as a factor militating against positive local authority policies to hawkers.

What is required for policies which encourage hawkers, argue Rogerson and Hart, is "a decolonisation of the official mind. Throughout history white urban administrators in South Africa have embraced a set of colonial and racist attitudes in order to rationalise and accord legitimacy to a suite of anti-accomodationist urban planning measures, including a tradition of repressing street trading activities."

They will require fundamentally different attitudes to plan for urban growth. "Among the most important of these would be the lingering belief of the impermanency of black settlement in the cities, the preservation of 'First World' standards in areas designated as ostensibly "white" urban space, and the racist assumption associating the presence of urban black with a threat to public health and order", they write.

595 cmm 8/2/89.

Govt urged to revise hawker laws



The informal sector provides a livelihood for many who have little prospect of employment.

By SOPHIE TEMA

HAWKER leader Lawrence Mavundla has made an urgent appeal to the government to rethink hawker legislation and to halt prosecutions of hawkers under these laws.

Mavundla, president of the African Council of Hawkers and Informal Business (Achib), made this appeal after 20 hawkers were charged with obstruction following a "hawker squad" clampdown on street sellers in Johannesburg's Noord Street area this week.

Legal hawkers also complained that their goods had been confiscated before they could produce their licences.

Koos Nel, senior traffic official of the "hawker squad" confirmed the raid, saying the Noord Street area had become crowded with street-sellers, who were a danger to pedestrians, particularly the blind.

He said: "According to the law, hawkers are not allowed to display or sell any goods on or across a pavement."

He said goods were often confiscated because hawkers ran away once the squad arrived.

The major problem was that street-sellers did not know the law. He said the "hawker squad" would be more than willing to teach Achib's members the law.

Mavundla said: "Hawkers are getting a double message from a government

Street-sellers uninformed on details of legislation

which has been saying the informal sector must be promoted to boost our economy and provide jobs, yet prosecution takes place on a daily basis."

Achib's senior legal adviser, Sonnyboy Mmatli, called on the licensing board to look into the hawkers' problems as a matter of urgency.

He said: "When a hawker is issued with a licence he is not briefed on the laws, and we feel the authorities are taking advantage of this fact."

He added that the Noord Street area had been opened for uninterrupted hawker trade two years ago, "so what purpose does it serve if there is another law which restricts hawkers from selling on a sidewalk?"



Shoppers flock to a hawker market tucked under a freeway in Durban.

Hawkers get jobs boost

295

Sowetan 6/2/89

By JOSHUA RABOROKO

A MULTINATIONAL pharmaceutical company has donated more than R32 000 to the African Council of Hawkers and Informal Businesses to help create jobs for about 200 hawkers.

The general manager of Eli Lilly SA, an affiliate of Eli Lilly and Company — one of the largest pharmaceutical companies in the world — Mr Noel Dolman said that the money was for Achib's Employment Creation Project.

In the Employment Creation Project, companies are asked to sponsor the start-up capital of R160 for unemployed people to become hawkers.

It was launched after Achib had more than 600 enquiries from people wishing to become hawkers but without the money for stock or licences.

Competing for the best skills

B/Day 6/2/89 (295)

☐ Continued from previous page

not involve a full-time commitment to accept every offer of work.

Emanu-Temp goes as far as paying its staffers incentives to work more regularly. MD Litsa Roussos says: "We pay bonuses for anything over a certain number of hours worked over three months."

To gain staffers, and also to build loyalty, Emanu-Temp introduced "instant pay" — advance payment of up to 60% of time worked.

The increase in the number of personnel consultancies offering temporary placement services signals the level of growth in the market as a whole.

Companies which trimmed staff during the recession are now understaffed for current business activity levels.

A recent survey by the Association of Personnel Service Organisations (APSO) of member agencies nationally confirmed that jobs available had risen between 5% and 10% on last year (January on January).

There are also more people in the market to work on this basis. Roy Silver, president of APSO and MD of Quest Personnel and Temp.Quest, says: "More career-minded people of all job descriptions are being attracted to the concept. It is being recognised by the workforce as a legitimate choice."

The market is clearly ripe for the temp industry — still young in SA — to mature and become an increasingly viable service industry. This is what has prompted the growth in the number of consultancies.

Cozens Personnel MD Ladragh Cozens says they opened Cozens Casuals division in November 1984 after they had found their own permanent clients required temp services. They decided to go for a dedicated specialist division.

Even from a high base, demand for temporary staff will peak during February when many companies have financial year-ends and tax returns.

APSO reports that permanent position salaries for secretaries have risen by 22%, artisans by 18% and bookkeepers and accountants by 25%.

Silver estimates these figures would be approximately the same in the temp market. Although traditionally permanent salaries were higher in comparison to temp rates, the situation is changing.

"For secretaries, temp rates have probably caught up, and in accounting and computing fields, temp rates are probably ahead — not counting the additional perks that may come with permanent positions," says Silver.

While at the top end of the market, short-term professional assignments companies avoid the "work when it suits you" idea of the industry, consultancies like Kelly do not. It is part of the attraction of temporary work.

Consultancies view the corporate client market as well aware of temporary staffing services, but perhaps mistaken in calculating value for money.

The future is expected to see greater specialisation. In spite of the fact that SA has a limited market size, technology is demanding greater specialisation — such as in the computing fields. Most "general temp market" consultancies limit their involvement in computing to data processing, leaving job descriptions such as programming and systems analysis to specialised companies.

A number of consultancies are employing specialists or forming special divisions to handle placement of word processing staff.

Consultancies generally see future growth in the temporary assignments market as a certainty.

problem.

Counting the cost

13/Dan 6/2/89 (295) (R48)

WHAT are the comparative costs of permanent and temporary staff?

Companies tend to regard it as an expensive way of staffing, and consultancies placing temporary staff will be the first to assure that rates have to be good — but they provide comparisons that indicate just how cost-effective temporary staffing can be.

Accounting Assignments (AA) offers a comparison calculated for a permanently employed, newly qualified chartered accountant employed by a large group. He is married with two children, earns a monthly salary of R5 000. His benefits include a company car — a BMW 320 — pension, group life, medical aid, a 13th cheque and an entertainment allowance of R200 per month.

Annual cost: salary — R60 000; 13th cheque — R5 000; company car — R24 000; pension (12%) — R7 200; group life (2%) R1 200; medical aid (50%) — R1 800; entertainment allowance — R2 400; making a total of: R101 600.

Average hours worked per year are calculated as follows: 260 working days minus 11 public holidays, 15 days leave, six days sick leave. This leaves 228 working days of 7,5 hours each, totalling 1 710 hours.

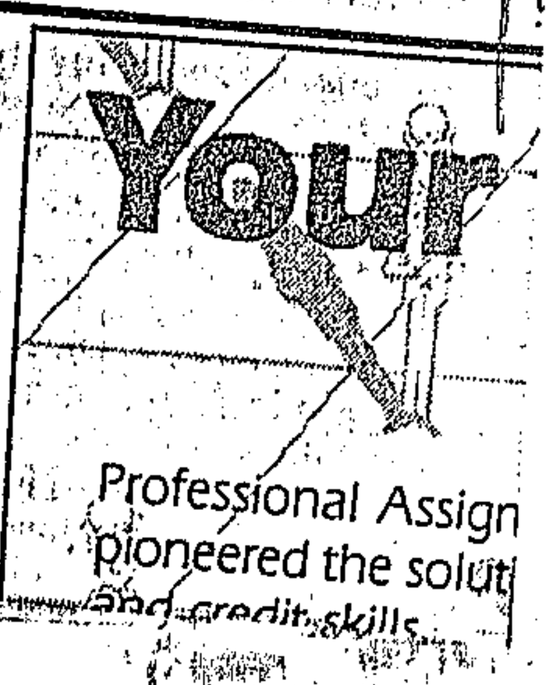
The approximate hourly cost of the permanent employee in this example is R59,42. The equivalent accounting assignee would be charged out at R48 an hour — a difference of 19%.

Another comparison is provided by Emanu-Temp Assignments which is active in the wider office support field up from secretarial and clerical to junior accounts staff. The following comparison is for a situation where two managers working closely each have a permanent full-time secretary. Emanu-Temp's recommendation is for a "planned staffing" situation using one full-time shared secretary supplemented by a temporary secretary for annual peak times.

In the example, the two full-time secretaries earn R1 000 a month each, annually equating to a salary bill of R12 000 and related costs on pension, medical aid and UIF of R1 800, i.e.: R13 800 a year each, totalling R27 600.

One temporary secretary employed in the four peak months of each year will cost R6 000 but will save one whole permanent salary, meaning a saving to the company of R7 800 or 28%.

industry, says Association of Personnel Service Organisations (APSO)



Temporary Assignments



A Business Day Survey

Competing for the best skills

B/Day 6/2/89

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IN A competitive temporary placements market, skilled job candidates go where they find the top rates. Within realistic levels for each skills category, they can almost "barter", say top consultants.

Vacancies outnumber candidates for temporary assignments almost as much as for permanent skilled positions.

To cope, personnel consultancies in the "general office temp" market have to offer sophisticated benefit packages as well as top market rates to attract top staff.

Companies facing delays in filling permanent positions are turning to temporary staff to fill the gap. Alternatively, they may work with their minimum staff complement on the permanent payroll and simply use temporary staff to help them handle the peaks — a system known as "planned staffing".

The skills shortage so evident in the search for permanent staff is, however, also apparent in the temporary staffing field. Much of the advertising by temporary placement consultants is not to attract clients as much as to attract candidates.

"We have a shortage of all types of personnel, but particularly in certain categories such as word-processing operators, bookkeepers and accounts staff," says Kelly Girl MD John Dawkins.



☐ **LADRACH COZENS ... handling irregular peaks**

The origins of the "temp" concept lie in the general office support role. Job descriptions this covers include the skilled clerk, typist, data processing or word-processing operator, bookkeeper, secretary and executive secretaries all the way up to lower middle-management.

There are three or four large consultancies in the market — the largest being Kelly Girl with more than 30 branches countrywide followed by Quest with 28 and Drake with 15 — and with its growth, a number of small ones.

Not as large, but offering highly skilled consultancy services to a smaller client base are Cozens Casuals, Emmanu-Temp, and others.

Newer agencies tend to have been formed as breakaways from the older ones, formed by consultants with a depth of experience in the temporary assignments industry.

Kelly Girl, a pioneer in this market, can take a lot of credit for establishing the concept, refining the relationship between temp staffer and consultancy to one as carefully contracted as in a permanent employment situation — just with greater flexibility.

The company has also pioneered a depth of related services such as office skills training through its Kelly Greenoaks College.

The capital intensive nature of the temporary placements market means that to enter the market, a consultancy has to have a lot more than just an office and a telephone — it has to act as principal employer of temp staffers and as such carry up front the cost of the payroll in advance of receiving payment from corporate clients.

Many companies are also carrying the cost of employee benefits such as public holiday pay, sick leave, and annual holiday pay.

The regular temp may also arrange bonuses and medical aid. And this does

☐ Continued on next page

Somefang

'Aim is to educate'

10/2/87

(295)

PRESIDENT of the African Council of Hawkers and Informal Businesses, Mr Lawrence Mavundla, is to address a general meeting to be held at the Kopanong Community Hall, Dobsonville on Monday at 4pm.

Street vendors, hawkers and members of the small businesses sector are invited to the meeting, according to Mr Mavundla, who also said "we need to educate our members on a variety of matters affecting their daily operations."

ST Time 12/2/89

Carol's Imperial hot on the tail of rental leader

295

IMPERIAL is close on Avis's heels and hopes to become the largest car-rental firm in South Africa within four years.

By Don Robertson

Imperial Car Rental celebrated its 10th anniversary last month. Under founder and managing director Carol Scott, it hopes to maintain its impressive growth and close the gap on the largest rental firm.

On January 2, 1979, Miss Scott and current sales and marketing director Maureen Jackson opened their doors for business with nine vehicles. In the first month the firm's turnover was R1 000.

Chauffeurs

Entering what has traditionally been a male-dominated industry, they worked harder than the opposition — sometimes for 18 hours a day, seven days a week — and slowly began to steal business from then leaders Hertz and Avis.

They analysed all aspects of car rental and realised that service was what was most needed.

Imperial became the first rental company to offer a 24-hour service as well as provide chauffeurs.

In the first eight months, the company built up its fleet to 250 vehicles. In August it opened a branch in Durban and a few months later one in Cape Town. Today it has 73 branches and plans to open another three in the Cape, one in Springs and another on the Natal coast.

Initial expansion was restricted because the company was prevented from obtaining sales kiosks at airports. Instead saleswomen operated from airport foyers and by the beginning of 1983 had grabbed about 11% of the business.

Envy

In November 1979, it was granted kiosk rights at airports and business boomed.

Since then the firm has grown at a rate which would turn smart JSE investors green with envy.

In 1983, turnover rose to



CAROL SCOTT

R15-million, to R18-million the following year and to R22,1-million in 1985. By 1986, turnover was R26-million, producing pre-taxed profit of R725 000, a contribution to the parent company's earnings of 17,5%. At that stage, the company employed 318 people.

In 1987, turnover was R33,8-million, pre-tax profit R3-million and the contribution to the parent 34,5%. Last year, turnover almost doubled to R65,3-million and pre-taxed profit to R6,1-million. The contribution to the group rose to 38,4% and employment to 758.

In the current year to June, turnover is expected to rise to R120-million as the full effects of the merger with Hertz are consolidated for a full year.

Leasing

The fleet runs at between 4 400 and 4 500 vehicles and the company replaces them each year.

Imperial, Avis and Budget have about 95% of the rental market.

Miss Scott says that by 1986, Imperial had grabbed a 19% share of the market, but it was now 35%. This compares with Avis's 45% hold on the rental market.

Miss Scott says: "We believe that in three to four years we will be up there, although our aim is not to be the biggest but the best.

"Car rental is a challenging business and we have to rely on people to make it successful. We have many young people in senior positions and we all work hard."

Imperial also operates Auto Pedigree, which it started in 1982, to sell its used cars. This year's sales are expected to rise to more than 4 000.

The company also has a 50% interest in Prime Leasing, which it inherited from Hertz. Prime is promoting the full-maintenance leasing concept.

Insurance

Imperial self-insures its vehicles — it can be expensive. However, successes by the police in cracking car-theft rings have resulted in the number of stolen cars falling from 15 to 20 a month two years ago to about four or five now. The recovery rate has also improved.

Corporate business represents about 87% of rentals, of which about 67% is generated at airports. As a result, any improvement in rental activity acts as a barometer of economic activity.

Nevertheless, Imperial is hoping to increase its stake in the leisure market, which Miss Scott believes has greater potential.

Miss Scott was elected Business Woman of the Year in 1988 and although this involved additional work, it gave Imperial much publicity.

Uproar over plans to sell impounded goods

By Shirley Woodgate,
Municipal Reporter

Plans by the Johannesburg City Council to sell off wares confiscated from hawkers should be immediately halted, said Mr Tony Leon, Progressive Federal Party leader in the council.

He was reacting to the advertised sale of impounded items at the Fresh Produce Market at City Deep on February 24.

"The council's unsympathetic attitude towards people who have done more than any other group to cope with the negative consequences of unemployment is horrific", he said.

"At this stage a gesture of goodwill is required from the council, which should immediately return the goods to the hawkers instead of proceeding with the sale.

"There has been more than enough time for the council to institute talks with Mr Lawrence Mavundla and the African Council of Hawkers and Informal Businesses (Achib) to discuss ways and means of dealing with this situation in a sensitive manner.

"I have asked councillor Mrs Rae Graham to contact the chairman of the Health and Environment Committee Mrs Marietta Marx to get an urgent resolution of this matter," Mr Leon said.

Mrs Marx was not available for comment but a statement from Achib's legal department headed by Mr Sonnyboy Mmatli said:

"Both the Transvaal ordinance and the Health laws require anyone disposing of goods belonging to someone else to have due regard to the interests of the owner.

"A Health Act regulation says a health officer may not dispose of goods unless the owner has been notified in writing of his intention to do so and we challenge the city council to produce proof of such letters. We would also like to see the terms by which they are entitled to auction the goods."

Impressive 49% climb in profits for Adcorp

SYLVIA DU PLESSIS

INCREASED market penetration took Adcorp Holdings' trading profit from R1,2m in 1987 to R1,8m last year — an impressive rise of 49%.

Year-end results for the group, a recruitment agency for the advertising industry, show earnings a share increased to 14,6c (10,7c) and dividends to 7,0c (6,0c).

Turnover for the year to December increased by 44% and taxed earnings by 36%, indicating a turnover increase of 193% over the past two years and a 545% rise in taxed earnings.

According to financial director Tony Worthington the results were similar to those projected earlier.

"We went with the economy and expanded our product range and client base," he said.

Adcorp had also expanded into Namibia, where it had a "promising" subsidiary and this had contributed significantly to profits.

The group was "again quite confident" this year, largely due to the development of three additional divisions within the existing companies in Johannesburg, Cape Town and Durban.

These divisions, created to access further opportunities in the manpower employment market, would utilise the present infrastructure to service Adcorp's 600 clients.

Sky 21/2/85 295 70

Govt to scrap travel board

By Helen Grange

In what is regarded as another step towards privatisation in South Africa, the Government has announced its intention to scrap the Travel Agents' Board, a state body regulating the travel industry.

The Minister of Trade, Industry and Economic Affairs as well as Tourism, Mr Danie Steyn, told the Association of Southern African Travel Agents (Asata) on Friday that he intends to scrap the board in the wake of Asata's plea for a free market.

It is believed that this step will mean a huge growth in a more competitive travel industry, but that tourists will need to use "more discretion" when choosing an agency in the future.

Mr Steyn said his proposal would be tabled before Parliament for ratification. His concern at present was the current Fidelity Fund held and administered by the TAB.

TAB inherited the Fund from Asata, which handed over the money after it ceased to be the guardian watchdog of its member travel agencies.

Asata's president Mr Rupert Lawler is sending its official proposals to the Minister on how the industry can impose self discipline.

Hawkers paid R960 by Vlok in settlement

Sowetan 27-1-89

By ALINAH DUBE

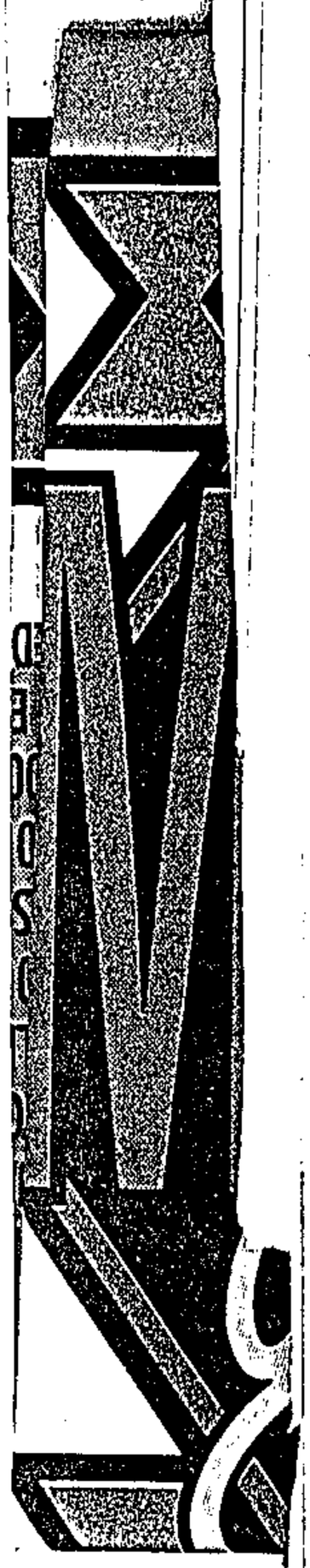
THE Minister of Law and Order, Mr Adriaan Vlok, has paid out more than R960 to six National Hawkers Association members whose wares were allegedly burnt by the police in Marabastad, Pretoria.

The organisation's chief executive, Ms P Makhuda, yesterday told the *Sowetan* that the money will be presented to respective members at a function tomorrow.

The money, she said, was paid out by the minister following a claim for the damages incurred during police action on September 29, 1987.

According to a spokesman for the Legal Resources Centre who was handling the case, a total of R961,60 was received from the Law and Order minister. The money has been divided as follows: Mr Nel Sogamisa (R441,60), Ms Maria Nake (R93,00), Ms Modjadji Nkuna (R121), Ms Maria Letsoalo (R115), Ms Georgina Seema (R89) and Ms Elizabeth Chaka (R83).

The spokesman said the police have denied in papers before court allegations that they set the hawkers' wares on fire while they were selling in Marabastad. However they agreed to settle the claim.



Vlok pays hawkers for damage by police

Star 24/2/89

295

By Mckeed Kotlolo,
Pretoria Bureau

Six members of the National Hawkers Association, whose goods were damaged during a police raid at Marabastad in Pretoria in 1988, were yesterday given cheques for damages totalling R951,60 paid by the Minister of Law and Order Mr Adriaan Vlok.

The presentation was made by the director of the association, Mrs Phillipine Makhudu, in Pretoria.

"July 14 1988 was the saddest day in our lives when police arrogantly and mercilessly destroyed our goods," she said.

A statement released by the hawkers' association condemned the actions of the police during the raid and at the same time commended Mr Vlok for having awarded the hawkers damages.

"I would like to stress that the police must realise that hawkers are not criminals but people who are of service to the community and create wealth for the country," Mrs Makhudu said.

Law enforcement officials should be aware that hawkers were law-abiding citizens who were trying to earn an honest living. Millions of black people were creating employment for themselves "because industry cannot cope with the booming population and equally rising employment".

Mrs Makhudu appealed to hawkers to act with dignity during police raids.

Travel agency closes down

Scores of prospective travellers have had their holiday plans dashed after a Johannesburg travel agency closed down because of financial problems.

The director of Tourcentre Travel in Royal Street, Mr Robert Macieverty, said yesterday the clients would be refunded from the Fidelity Fund of the Travel Agents Board (TAB). This would run into thousands of rand.

"I got into financial trouble because I was too trusting. Now my agency which I started 30 years ago is forced to close down."

When the TAB spokesman announced the closure of Tourcentre Travel he said the agency had had its TAB licence withdrawn.

"The TAB views this in a very serious light and the threat to the Fidelity Fund will be an important item on the agenda at the next board meeting," the spokesman said.

by JULIE WALKER

Hawkers and the high-falutin mix it at Dashaus

S/Times 26/2/89

295

A STONE'S throw from the Carlton Centre in one of Johannesburg's busiest streets is an eye-opening shop to the average white man. Even more surprising is that the shop is a part of the listed Dashaus group.

Its name is Ryans, and its business is supplying hawkers with goods which they in turn sell in townships or homelands. It is a far cry from the prestigious Dashaus outlet in the Carlton Centre itself, but every bit as important to the group as a whole.

WORRIED

Dashaus conjures an image of fine furniture. Mattress House is part of the chain — again projecting that middle-to-upper-income image.

Furniture Hyper gives the impression of an up-market cash and carry, but none of these high-street names prepared me for Ryans.

Ryans is one of six clothing retailers out of 25 furniture and clothing outlets which comprise Dashaus.

Chief executive Fred Ginsberg is worried that he stuck with the wrong name when the group was listed in 1987. He might be right.

Even on a Monday morning Ryans is busy. There are no frills, no changing rooms, no assistants on the floor, but the average customer spends R200 or more on clothing, cosmetics and the latest gimmick — blockmounts of black heroes.

Hawkers can easily spend ten times that amount. The quality of clothes is high.

TROUSERS

Mr Ginsberg says: "We buy from the same people who fill the shelves of leading clothiers. But because we buy in large volume we get a good price and pass it on. Sometimes a major retailer cancels a big order because it is a day late for delivery, but we buy it."



FRED GINSBERG

There are 25 000 pairs of trousers alone on the racks, and 3 000 suits. The whole shop floor is reproduced upstairs so that goods are replaced on the racks as soon as they are sold.

It is a booming cash business, turnover can be R500 000 a month and more.

I counted four armed security guards in the shop. "We were held up last week," explains Mr Ginsberg.

Around the corner from Ryans is Ted's, and opposite it is Lay Low. These shops attract their own hawkers and shoppers, having become well known over the years.

Lay Low has been going for years, having been started by Larry Ginsberg in 1974. "There was scarcely another shop around here dealing with hawkers," he says.

There are few that do not supply them now.

Dashaus has bought Las Vegas, diagonally opposite Ryans and its biggest competitor.

It was a bargain — "We paid one year's earnings for it."

Mr Ginsberg established the Clothing Hyper at Highgate shopping centre as an experiment. It carries the same range as Ryans et al, but the overheads are higher so the clothes are not as cheap. Smarter than Ryans, it has changing rooms, accepts cheques and credit cards and fits into the shopping centre scene.

CASH

"It has been highly successful," says Mr Ginsberg. He is pleased with his baby.

A few shops away is the Furniture Hyper, well laid out and reasonably priced.

"Here we have three ideas under one roof," says Mr Ginsberg. "There is a Dashaus, a Mattress House and a range of other furniture second to none."

Essentially a cash group, the furniture shops grant limited credit to customers.

"We are not really in favour of it, but people can't afford it otherwise," says Mr Ginsberg.

His group has deliberately kept low the amount of appliances sold. Dashaus sells none, and they contribute only 15% of turnover at the Hyper.

"We offer it only to provide a complete range," he says. The margins are too thin because so many outlets sell the same ranges of appliances.

CLUES

From a few clues, I picked up that Dashaus borrowings will be about R8-million at the February yearend.

Mr Ginsberg says: "We had to stock up a lot of new shops last year."

I saw those stocks, and I believe him.

Mention was made of turnover reaching R100-million in the year to February 1990, half from each sector. So on a profit margin of 8% to 10% and a 30% tax rate Dashaus could earn between R5,6-million and R7-million. That could mean between 22c and 35c a share.

As economic activity in the formal sector winds down, the informal picks up, says Mr Ginsberg.

The forecasts sound high, but not impossible. The current share price is only 35c. Barring an economic collapse, Dashaus looks good for a punt.

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Eugene Herbert, left, and Richard Melville, contracts manager, with a selection of trucks

51 Thes 26/2/54

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Full maintenance leasing on used commercial vehicles

PERKINS Carriers Truck Hire offers savings of between 25 percent and 30 percent on vehicle leasing costs with the introduction of a full maintenance leasing option on used vehicles.

The plan, approved by Toyota, is being introduced against a backdrop of staggering increases in vehicle prices and running costs, and the need to optimise utilisation of national resources.

Mr Eugene Herbert, managing director of Perkins Carriers Truck Hire, said the price of a European-sourced, medium-sized freight carrier jumped from R20 000 to R121 000 between 1980 and 1988. The price of an average LDV went from R3 500 to R19 455 over the same period.

Simultaneously, fuel, maintenance, insurance, leasing and other running costs increased equally steeply.

Overseas manufacturers of vehicles and components are coming under growing pressure to curtail shipments to this country, requiring South African companies to adopt strategies which capitalise on local resources.

For their part, South African component manufacturers have been caught short by unforeseen demand, causing industry-wide stock shortages.

"Limited new vehicle availability and high purchase cost has caused many companies to adopt less-than-ideal strategies as far as their fleet is concerned," Mr Herbert said.

"However, amendments to current legislation will put pressure on companies to take a long and serious look at their requirements.

"These and other issues have created a pressing need for an alternative leasing option".

Perkins' full maintenance leasing plan for used vehicles — claimed to be the first such manufacturer-approved scheme in South Africa — involves the remanufacture of selected vehicles.

At a multi-million rand workshop, a team strips down and re-builds each unit, checking, restoring and renewing powertrain and running gear.

Only trucks guaranteed suitable for remanufacture by Probuilt, Gearbox Exchange and Motor Body Construction are chosen.

The FML plan, guaranteed by Perkins and backed by Toyota, offers several benefits, Mr Herbert said.

From a national point of view, it ensures better utilisation of local resources, relieves pressure on local manufacturers and saves foreign exchange.

For individual owners, the FML option offers reduced purchase, financing and running costs.

Perkins has introduced a toll-free service — telephone number 01000104 — for fleet owners requiring more information about FML.

gazette

Hawkers' plea to police

295

Sowetan 27/7/89

By ALINAH DUBE

THE National Hawkers Association yesterday called on the police to realise that hawkers were not criminals, but law-abiding citizens who try to earn an honest living.

This was said by Miss Phillipine Makhudu, a chief executive of NHA, at a presentation ceremony held in Pretoria West yesterday.

Six hawkers were presented with a total of R961,60 which was recently paid-out by Law and Order Minister, Mr Adriaan Vlok, to settle the damages the hawkers incurred during police action in Marabastad over a year ago.

The police allegedly set their wares on fire while they were selling. The hawkers were arrested on the same day.

After presenting the cheques, Miss Makhudu, stated that there were millions of black people who created employment for themselves because the industry could not cope with increasing population and the equally rising unemployment.

"Law enforcement officers must know that hawkers are law abiding citizens who, against all odds, try to earn an honest living," she said.

Orlando YMCA has space

295

CITY PRESS, March 5, 1989

Johannesburg lifts certain restrictions on hawkers

CP Reporter

THE Johannesburg City Council has lifted some restrictions on vendors and hawkers in a move towards deregulation and the promotion of small businesses.

Some of the amendments concern Saturday trading. Vendors and hawkers will no longer have to move every hour. They have two hours at each spot. Their business area has been enlarged to make it more accessible.

A further development to help hawkers has been the amendment of by-laws which made no provision for pitches. The Funds and Licencing Department will help hawkers to apply for licences.

Achib publicity secretary Vicki Sussens said this was constructive and could help bring the informal and formal sectors together, but she called for the complete removal of certain other regulations.

Achib also suggested the council should follow the example of the Maritzburg City Council, which a long time ago halted the prosecution of hawkers.

More students at Medunsa

MEDUNSA's student intake rose 18 percent this year, the university's vice-chancellor and principal, Prof LT Taljaard, said this week.

He said 1 671 students registered this year, compared to 1 420 last year.

Taljaard attributed the increase in undergraduate students to the introduction of a basic BSc degree in the newly-established Faculty of Basic Sciences, where 72 students registered for the part-time course. – Sapa

Motorvia lifts earnings

Star 8/3/89

245

By Finance Staff

Motorvia, holding company for Budget Rent a Car, reported outstanding results for financial 1988, with earnings per share almost doubling to 39,1c on a 84,5 percent improvement in turnover to R173 million. The final dividend was up from 4,6c to 10c.

Commenting on results directors said that substantial growth was reported by all divisions.

They added, however, that profit growth fell from 69 percent at the operating level to 48,2 percent on the taxed level, after the rate of tax charged increased from 29,3 to 39,6 percent.

Borrowings to permanent capital was reduced from 76 to 32,7 percent.

Hawkers backed

THE African Council of Hawkers and Informal Businesses has called on the communities of Boksburg and Carletonville to give their businesses to hawkers, *spaza shops* and other informal businesses.

Achib's president Mr Lawrence Mavundla yesterday said in areas where there are boycotts, the community should take the opportunity of uplifting its own business as opposed to those people who were "giving them their backs".

He said hawkers and *spaza shops* were helping to break a cycle of dependency, crime and poverty by promoting the economic self-sufficiency of communities.

He was reacting to reports that white-owned businesses in the CP-controlled towns were threatening to close down following large scale consumer boycott launched by blacks.

New system will hit students, part-timers

Tax shock for casual workers

Star 9/3/89.

295

By Winnie Graham

Part-time employees — including university students — who once escaped tax because they worked just one or two months of the year, now qualify for SITE tax — if they receive a monthly income of more than R446,50.

This is one of the anomalies the new SITE tax provisions has produced. Previously part-time workers were not taxed unless they earned more than R5 000 a year.

The provisions of SITE tax have been critisised as being "totally bewildering" and difficult to interpret. One top assurance company, Sanlam, has developed a bilingual programme to help people interpret the ramifications of the system. The Life Offices Association (LOA) has sent a memorandum to the Receiver of Revenue outlining its problem, related mainly to the shortage of time in gathering information to apply the tax.

Advantages

In spite of this, Government officials say SITE has major advantages for taxpayers.

The Deputy Director of Finance, Mr Ronnie Stadler, said this week that part-time workers were among the few who were adversely affected by SITE.

He said that anomalies relating to retirement annuities had been eradicated.

He said married women earning R20 000 or less a year, as well as others earning R12 000 annually, were now better off.

The "tax year" had been changed to "tax period" to accommodate the provisions of SITE — and this period could be one day or 12 months. The tax was automatically deducted by the employer. Although the part-time worker might earn less than the stipulated annual minimum, SITE was not refundable.

He said a student who earned R1 000 a month — and worked just one month a year — would be taxed R81, deducted by his employer. Under the old system he would not have paid tax.

"He is the exception," Mr Stadler added. "One might argue that anyone capable of earning R1 000 a month should be willing to contribute something to the Treasury, even if he only works for one month of the year."

He said 80 percent of those who paid SITE had scored. Unfortunately, most tax writers emphasised only the negative exceptions to the rule and had not highlighted the positive aspects of the new tax.

Married women earning R20 000 or less a year — and this represented the bulk of the population — were at an advantage while those who earned between R20 000 and R50 000 were marginally better off. Although these women were taxed jointly with their husbands, the couple qualified for the "joint assessment allowance" (JAA).

He said: "Married couples, where the wife earns R20 000 or less, will save roughly R2 000 or R3 000 a year through SITE. If she earns R20 001 she may have to pay roughly R400 more in tax, but SITE has nonetheless cut the overall tax burden for couples."

There were some teething problems and the private sector was having difficulty in understanding aspects of SITE, but once the provisions of the tax were explained — and this could be done in a two-minute telephone call — most employers had no further problems.

"I suggest anyone with problems telephone us." (012 325-2550).

(295)

Achib pledge to support boycotted Reef traders

By SOPHIE TEMA

THE African Council of Hawkers and Informal Business has come out in full support of hawkers and informal businesses in Boksburg and Carletonville.

Achib said the trade union-related boycott campaign against the reintroduction of separate amenities laws in the two areas by CP town councils, would boost sales of spaza shops and hawkers.

Last week industrialists and retailers met in Carletonville to discuss a joint approach with a view to ending the mining centre's black consumer boycott.

Frustrated by the success of the boycott, the Carletonville Town Council has now called on the SAP to arrest people seen intimidating others to boycott white-owned shops and invited businessmen to a meeting to end the 10-day boycott.

Meanwhile, Achib president Lawrence Mavundla said: "In areas where there are boycotts, the community should take the opportunity of uplifting its own people.

"Hawkers and spaza shop owners are helping to break a cycle of dependency, crime and poverty by promoting the economic self-sufficiency of communities.

"If the community puts its full weight behind informal businesses, the market lies open for other unemployed people."

Citizen 12/3/89

Orientals have the secret of more jobs

S/Times 12/3/87

295

Theo Rudman

executive director of the Self-employment Institute, argues that small is beautiful

WE have been led to believe by authors of best-selling books that the secret of the success of the Orient, particularly Japan, is the quality of the labour, their willingness to work hard and their loyalty to their employers.

Captains of industry tell us that is why we can't achieve the success of the Far East: "We don't have the same level of education and commitment from our workforce."

However, I believe that one of the most important secrets of the success of Japan and Taiwan is the use of the small formal and informal businesses by big business in the "centre-satellite" factory system.

This, too, is one of the solutions for the South African economy to create more jobs and to generate foreign currency, which is a critical necessity in South Africa.

Since 1980 we have produced about 2,5-million school-leavers and provided no new jobs for them. In fact, we now have about 150 000 fewer jobs than there were in 1980.

Small business plays an important role in the economic success in most countries, even in the developed countries, and is more dominant in the developing countries than the underdeveloped ones.

In the present Taiwanese structure, the small and medium enterprises comprise 99 percent of the total number of manufacturers, produce 55 percent of the GNP and hire 70 percent of the total labour force. Even in the US 66 percent of businesses employ fewer than nine people, provide half the country's existing jobs and produce some 43 percent of its GNP.

In Japan the figures are even higher — small businesses there employ 80 percent of the total workforce.

The basic principle is that the centre factory does the design and development, farms out the manufacture of specific components to informal manufacturers, often providing them with the correct material from which the components must be made, with the satellite manufacturer contributing, mainly his labour.

The centre factory only manufactures what it has to. The products are assembled by the centre company where strict quality control is provided. Marketing and distribution is then undertaken by the centre organisation.

This concept is most important in a country where manufacturers are under pressure to improve profits because of high inflation and an undesirable level of productivity from the workforce.

It allows the manufacturer to operate with less capital invested in hi-tech equipment and buildings and a greater achievement of productivity because of greater use of self-employed people instead of clock watchers in a big organisation.

This, I believe, was more responsible for the Japanese success, particularly in the '50s when quality left much to be desired, but in spite of this Japanese products were good value for money because they were so inexpensive.

The method reduces the capital and management resources required by the centre company and creates more jobs, which would not be feasible if all the work was undertaken by the centre company, which by necessity, would have to be more mechanised and computerised.

Opportunities exist too for retailers in selling to hawkers and informal traders. One of the biggest obstacles to obtaining a licence in most towns and cities in South Africa is the provision of storage facilities, approved by the health authorities, near the traders' sites.

An example of the co-operation and natural interface that could exist between the third world and first world sectors, is the African Council of Hawkers and Informal Businesses (ACHIB) in Johannesburg which has found formal retailers, near each of the main trading areas, who are prepared to set up wholesale facilities for street traders.

Hawkers purchase their supplies for the day, either for cash or agreed terms. As these shops are close to their sites the traders can easily return to the wholesaler should they run out of supplies.

At the end of the day unsold merchandise is returned for crediting towards the next day's purchases.

There are many formal small and informal business people who, in spite of limited education and training, have demonstrated their commitment and willingness to work hard, in spite of enormous restrictions and harassment. Imagine what they could do in a supportive environment?

☐ *Theo Rudman is the author of The Third World: South Africa's Hidden Wealth.*

ALLOW US, SAY SA'S EMPLOYEES

DESPITE the fact that company cars present a significantly lower perks tax bill to employees, there has nevertheless been a growth in popularity over the past two years of car allowance schemes.

Of the 235 fleet owners and total of 44 981 fleet cars covered by International Compensation's survey, a fairly even share was noted for both methods of providing employee transport. Fleets offering company cars totalled 48,5%; those on car allowance schemes 9,8%, and the remaining 41,7% were on a combination of both schemes.

However companies are probably attracted to the allowance scheme as a way of handing over the responsibility of supplying and managing vehicles.

"From June, 1988, the scale of values for calculating tax on the company car gave this advantages over the allowance system. The fiscus contends that allowance schemes place substantial sums in employee's pockets," says Prime Car Leasing MD, Nigel Webb.

In the future, a further tax burden may apply unless the receiver deems the allowance value to be "reasonable" meaning that it covers a true cost including nett depreciation, finance charges, maintenance and petrol."

In a job market which needs good pay to attract good staff, and against the background of the high cost of motoring, the company car is still one of the most tax-efficient fringe benefits available to the salaried employee.

Categories are stable

DESPITE runaway vehicle price increases, there is less evidence than might be expected of fleet owners "buying down" in terms of vehicle models and size.

According to International Compensation's survey, 56% of fleet owners had neither up or down graded in the past two years, only 9% had downgraded, and a stunning 35% had in fact upgraded!

Luxury cars as a percentage of overall car sales, at approximately 13% last year, are probably slightly down. No overall figures are available since VW/Nissan and Delta's withdrawal from NAAMSA sales reporting last year.

Mercedes Benz SA estimates that luxury and executive cars make up 7% to 9% of overall car sales. BMW, which contends that there is no evidence of buying down from fleets, puts the estimate considerably higher.

These facts suggest the fleet market is absorbing vehicle price increases with as positive a view of the residual value of luxury cars as the motor dealer industry is taking.

Residual values are believed to be being estimated at probably 15 percentage points higher than in 1984 and they were at high levels then. The 1984 stagnation in the second-hand car market caught many lease and rental companies short.



GRENVILLE WILSON

Avis Leasing MD, Grenville Wilson, cautions, "it can be a mistake to overestimate residual values. Experience in the industry teaches you that — its like a futures market. Just as there has to be an affordability ceiling on new vehicle prices, there is a point above which the secondary market won't stretch".

FLEET LEASING & RENTAL

Contracting and leasing growing

IN SPITE of the tripling in the cost of heavy commercial vehicles in the past five years, vehicle hire, lease and contracting of transport is still growing.

"The number of vehicles on full maintenance lease (FML) contracts has increased from a low base by 231,5% in just over three years with a 291% increase in the number of clients," says RAU's Professor of Transport Economics Jackie Walters, quoting financial statistics.

"This represents an annual increase of 44,5% in the number of commercial vehicles on FML."

Stuart Reeves MD of Imperial Truck Hire says the level of trucks leased by his company has grown from between six and eight a month to 30 a month in the space of a year.

Despite the heightened interest in these alternatives, instalment sale and outright purchase still account for some 86% of commercial fleet purchases which in 1988 amounted to 127 000 units.

RAU's Department of Transport Economics figures show that only 14% of commercial vehicles are leased or rented.

But fleet service rental companies believe the tide is turning.

Fleetrent MD, Mike de Lange says FML's growth, although fast, has been slower to take off in SA than in the UK and the US.

Growth is coming off a small base but is there, says Ian Carmichael, manager commercial vehicle contract sales, Mercedes Benz SA, the major manufacturer in the above 7,5 ton range of vehicle. A factor behind the trend is that fleet costs have risen to a level needing new costing strategy for manufacturers.

Says De Lange, "Transport as a percentage of the cost of bringing a product to the market has risen recently in some cases from 10% to as much as 50%."

In such an event, budgeting fleet costs ahead of time becomes imperative.

Commercial fleet owners perhaps even more than passenger fleet owners seem to have been staving off the inevitable replacement of fleet. In both cases, the lifecycle of vehicles has been extended to nearly 8,5 years and is rising.

Commercial buyers can no longer postpone replacing vehicles purchased immediately prior to the introduction of the ADE programme in 1981.

Says De Lange: "There is pent-up demand created by fleets extending the average lives of vehicles. As a result, commercial vehicle sales are stronger than one would expect in the light of the economy."

Rising maintenance costs prove the false economy of using fleet beyond its useful life and efficiency studies may point to a new range of vehicle sizes more appropriate for fleet needs.

These factors have contributed to the steady performance of commercial vehicle sales in recent months, a pattern which the fleet service industry predicts will hold.

One cloud in the sky affecting the future growth of the commercial vehicle market is the pegging of components imports to 1988 levels by Japanese motor manufacturers.

"The market is severely constrained by supply at the moment," says Reeves. "Last year's truck sales were 8 000, a very low figure compared to 1985's sales figures of 26 000."

An alternative to buying new is refurbishment. Many fleet owners are turning to refurbishment rather than replacement.

One example is Perkins Truck Hire's FML option on used vehicles. This scheme, approved by Toyota, offers savings of between 25% and 30% on vehicle leasing costs.

To offset price increases, companies are realising the benefits of being more flexible in fleet acquisition and using a number of the options available to them, including casual rental, lease, full maintenance leasing and contract hire.

Contract hire has tremendous potential in SA, says Reeves. "Many private hauliers are realising that their core business is manufacturing and not transporting goods. Contract hire offers the advantage of not having to finance and manage a fleet."

Underlying the optimism growth in SA are factors including privatisation, which could open up huge markets for FML from fleets previously run in-house by government and quasi-government organisations.

The CSIR made news recently as the first such fleet to be "privatised". The CSIR switched its 350 vehicle fleet onto FML contract with Avis Lease, gaining overall cost savings.

Along with the deal, Avis employed eight members of transport staff previously employed by the CSIR, took ownership of the fleet as well as all fleet risks and responsibilities.

In another recent privatisation development the Cape Town City Council entered into a six-month trial contract hire agreement with Imperial Truck Systems for its refuse collection services.

The variety of fleet packages available has mushroomed to suit demand and changing transport economics. Fleet owners want alternatives to traditional purchase and there seems no end of assistance from financiers.

"There is no one answer," says Prof Walters. "The trouble is, I get the feeling that many companies take a position and don't re-evaluate that position for many years at a time. Times change, circumstances change and what is right today may not be the correct decision in six months time."

In a market of volatile interest rates, changing accounting and legal regulations and uncertainty regarding the introduction of VAT, flexibility may indeed be the best criterion in fleet policy for a while.

A mix of purchasing methods can in some cases provide the most economic solution.

For example, Sun Sky Couriers, the largest courier company in SA, has daily runs to more than 300 towns and operates a fleet of 450 vehicles — mostly light delivery vans. It acquires fleet methods by three methods — instalment sale, hire with full maintenance, and rental. The choice of which depends on the expected monthly mileage of each vehicle.

"Low" mileage vehicles average 5 000 km/month and are bought by instalment sale over 18 months with a 30% residual value at the end of that period. In return for taking up the cost of refurbishment of the vehicle at the end of the contract, Sun Sky is guaranteed buyback at 60% residual value.

Vehicles doing around 10 000 km/month are acquired by rental over 12 months with a 70% or 80% buyback depending on the size of the vehicle. About 60 vehicles in the Sun Sky fleet average 18 000 km/month and are hired for six months with a full maintenance contract.

Unfortunately, companies in business less directly related to transport tend not to factor the cost of vehicles as closely.

But if fleet service companies and bankers' predictions are true, it is only a matter of time. And judging by the variety of packages on offer, once fleet owners know the nature of their problems, the market will have solutions on tap.

factor for the BoP this year. Should ... to be made in 1990 and 1991.

HAWKER GROUP TO LAUNCH AN INFORMATION CAMPAIGN

SYLVIA DU PLESSIS

RETAILERS lost an "insignificant" amount of money to SA's 900 000 hawkers and spaza shop owners, said African Council of Hawkers and Informal Businesses (Achib) president Lawrence Mavundla.

However, the battle between the two camps persisted, and the only way to solve the problem was through an education campaign to show retailers hawkers did not threaten their business, he said.

Achib, representing 14 400 informal traders, would focus this year on encouraging retailers to work with hawkers, he said.

The organisation was launching a media campaign to dispel the myths surrounding the burgeoning informal sector, and would also be arranging discussions with trading associations later this year.

Mavundla said these moves were a response to retailers' allegations that hawkers provided unfair competition and did not pay rates or sales tax.

Achib is also negotiating with the Johannesburg City Council on the possibility of launching a "Keep Clean" campaign among hawkers.

Retailers needed to understand South Africans were not living in an equal society and many hawkers were unable to find alternative employment in the formal sector, Mavundla added.

Encourage backyard enterprise

Cops should chase thugs, not grannies selling fruit

By SOPHIE TEMA

THE survival of backyard entrepreneurs depends on support given them by the government, according to the director of Business Challenge, Phil Khumalo.

Addressing a seminar in Mmabatho recently Khumalo said the "informal sector or the backyard entrepreneur must be kept alive" because with mega-corporations merging more people were being retrenched and fewer jobs were being created.

It was evident that in many countries the informal sector did not enjoy the measure of government protection normally given to the formal sector.

Khumalo said the constant police harassment of the informal sector was evil, heathen and unacceptable to God.

He asked whether the situation could be condoned where a policeman harassed a poor old woman selling apples – which eventually got tossed into the gutter.

This made a laughing stock of a struggling widow trying to survive, he said.

Khumalo said police often took 24 hours to arrive at a scene of crime, but rushed uninvited to harass street hawkers.

"The law and order portfolio should be renamed the ministry of police and destruction because there is no order about it. There are so many thugs around, yet these officers spend time disrupting progress."

Calling on the government to change its hostile attitude to the informal sector, Khumalo said: "The authorities should maintain a more positive, sympathetic approach."

He added that the government should formulate relevant training programmes aimed at existing informal businesses and avoid the academic approach currently used.

"The authorities should monitor programmes and see the credentials of the presenters to get rid of the fly-by-night types," he said

Khumalo said banks were reluctant to get involved in backyard businesses and regarded them as a high risk, thus causing a major financial setback.

"The banks are only interested in ventures that have the blessing of chartered accountants – something not easily available for the backyard trader.

"The government should set up collateral for this sector and a special budget should be aimed at this important sector of the business community.

"There should also be a follow-up to monitor progress and assist with a further bridging loan if necessary."

The formal business sector needed to co-operate with the informal sector by providing mentorship and know-how.

Big companies could invest in the informal sector by sharing managerial skills, not by dumping on it social responsibility cheques to assuage their guilt.

Khumalo said SA Breweries had at last recognised bootleggers – commonly known in township lingo as "gwevas".

The SAB had built bridges because they linked the bottle stores to the runners and the runners to the shebeeners, and in the final analysis everyone was in the business network.

The problem was transformed into an opportunity for everyone, he said.

Khumalo appealed to Bop President Lucas Mangope and his Minister of Police to look carefully at police action against the informal sector in Bophuthatswana.

"Instead of having a liquor squad, have an informal business promotion squad.

"Let police visit backyard operators and help enforce security for these people who work till late at night to give the public a convenient service."

He said every country which had involved the informal sector had been successful.

Draft Bill will ease hawkers' troubles

B | Day: 10/4/89 RSA 295

DIANNA GAMES

THE new draft Bill gazetted on Friday, dropping licensing requirements for many kinds of businesses, would go some way towards alleviating hawkers' problems, African Council for Hawkers and Informal Business (Achib) spokesman Vicky Sussens said.

But, she said, they still faced a myriad of council by-laws which allowed officials to harass them.

The Bill was "a major and fundamental move" which would certainly speed up the employment process.

However, while Achib welcomed any move to deregulate the situation for hawkers, it did not signficantly alleviate the problems faced by city hawkers.

Sussens said even if the Bill became law, hawkers would still suffer harassment from the traffic department for provisions that included that they must move every two hours, be 100m from a general dealer, 10m from an intersection and where they were fined, their goods were confiscated until the fine was paid.

Proposed

The Bill includes provisions to drop controlled trading hours on six days of the week — excluding Sunday — and to remove the licence requirement for businesses except those which constitute a threat to public health and safety.

In terms of the proposed measures, only food traders and caterers, places of entertainment and social meeting places will need trade licences.

Johannesburg management committee member in charge of the licensing portfolio Jan Burger said the council was sympathetic to doing away with licences. It had set up a committee to look at upgrading sites for hawkers.

He said the council would make representations on the Bill, but did not want to comment at this stage.

The Law Review Project's Professor Louise Tager said she welcomed the far-reaching changes the Bill proposed.

Particularly important was the dropping of a large number of categories for which licences should be obtained, as it was a major step to removing the barriers of entry into the marketplace.

Tager said it was too soon to be excited as it was not yet law. She said exisitng licensing laws demanded many onerous procedures and requirements, licensing people rather than premises.

Another major advance was the opening of trading hours.

Regarding the fact that Sunday trading would still be controlled, she said on sensitive issues like that it was better that the local option applied.

The Bill allows for the Administrator to administer the terms of the draft legislation.

Assocom economist Bill Lacey said Assocom welcomed the broad thrust of the Act and said the proposed Bill went a long way in removing regulations and procedures that had unduly restricted private enterprise.

He said Assocom would be making representations on the Bill. Deregulation of licensing seemed "reasonably satisfactory", but he found its provisions for Sunday trading anomalous.

A Ster Kinekor spokesman said they would not be affected by the proposed legislation as there was a special law that prohibited Sunday cinema.

Centre for hawkers, taxis planned in Plain

By PETER DENNEHY

TAXI drivers and hawkers in Mitchells Plain are planning to build a R25-million shop, office and hawkers' complex alongside a new taxi terminus at Mitchells Plain station.

Mr Noor Hendricks, chairman of the year-old Mitchells Plain Town Centre Taxis and Hawkers' Associations, said yesterday that South African Transport Services owned the land (part of plot 28 093) but had agreed to lease it on a long-term basis to a newly-formed company, Mitchells Plain Taxis and Hawkers (Pty) Ltd.

Majority shareholding in the company had been reserved for members of the associations, Mr Hendricks said.

The company had also secured a massive loan from overseas which would be supplemented by funds from the association, and guaranteed by it, he said.

Amsterdam

"We are 100% sure we will get the loan from overseas," he said. Mr Hendricks is going to Europe next month and will visit Birmingham, Paris, Amsterdam, London and Zurich to look at similar developments there.

The number of storeys in the complex and its design had not yet been decided, he said.

Mr Hendricks said there were more than 1 000 taxi operators in greater Mitchells Plain, but many of them were based outside the area, and others were illegal operators.

Only about 250 legal ones were from Mitchells Plain itself, and the vast majority of these had joined his association, he said. One of its aims was to set professional standards for its members so that the public would have a safer and more efficient service.

Asphalt

Hawkers' facilities at the new centre would be made available "under strict conditions regarding health, cleanliness and safety, to members of the association".

Meanwhile, arrangements are being made to put asphalt on a portion of the leased land "for immediate use" by the taxis.

The association also hopes to obtain control over the station footbridge, which crosses some of the land they will be leasing, "to ensure hygienic and safe operation by hawkers" there.

Bill won't protect hawkers

BDay 12/4/87 (295)

THEO RAWANA

THE draft Business Bill did not protect hawkers from harassment, confiscation of goods or corruption by local authorities, African Council for Hawkers and Informal Business (Achib) president Lawrence Mavundla said in Johannesburg yesterday.

Mavundla said, with the removal of requirements for a licence in certain categories of informal trading, the Bill would relieve only about 10% of hawkers' woes.

Local councils still had their by-laws, Johannesburg still had its requirements that a hawker move every two hours, be 10m from an intersection and 100m from a general dealer and the restricted area where hawkers could not trade was still observed.

The permits local authorities had the power to give could be open to abuse as some black councils charged up to R20 a month for a permit, Mavundla said.

"The TPA has the power to ease things up, but what attitude are hawkers going to get in places like Boksburg? The Marble Hall (Northern Transvaal) council does not even want to talk to Achib," he said.

"What we propose is a sort of Small Enterprise Promotion Act which will contain certain principles fundamental to the potential renaissance of entrepreneurship in SA," he added.

Now thugs join in booze joint raids

Sowetan 12/4/89

By ALI MPHAKI

A SUNDOWNER at your favourite joint may soon become a thing of the past in Soweto.

A series of attacks on shebeens lately by gun-toting thugs has forced the closure of some of these drinking places.

The scenario is such that shebeeners (unlicensed) have now to contend with police raids on the one hand and attacks by thugs on the other.

"These attacks are becoming all too common. It's just pointless running a shebeen today," lamented popular shebeen king Mr Victor Banda of Zone 10 Meadowlands.

The method used by these gun-toting gangs is the same, fuelling suspicion that there may be a well orchestrated movement which has declared war on shebeens.

Patrons

What is frightening is the fact that both the shebeen owner and patrons suffer when the thugs attack.

On March 18 an eight-man gang attacked the Meadowlands Zone 8 shebeen of Mr Morgan *Kgoroba, robbed him of* R7000, a video machine and sound system.

"The gang first cornered one of my security men at the gate. They then entered the house and ordered all the patrons to lie on the floor at gun point.

"The patrons were searched and those with money were robbed and beer poured on their heads as they lay face down," Mr Kgoroba said.

Death

He added: "Everything came to a standstill and in the ensuing confusion I was also held up and had to give them money. I had to choose between life and death."

Mr Isaac "Ma-Dice" Maishoane, owner of a shebeen in Dobsonville, also had his share on the same night when a four-man gang raided his place.

He was robbed of a video machine, had his inside doors broken and his truck's window smashed.

"Fortunately they did not get the money as I had to put up a fight," Mr Maishoane said.

These attacks have affected business for the shebeeners. Many patrons have kept away.

A sign saying "Place closed" hangs sadly on the entrance of Banda's shebeen in Meadowlands, rated as one of the finest shebeens in Soweto.

Banda's Shebeen was raided by thugs three weeks ago and a security man at the gates was wounded. This was one of several attacks made on the shebeen in two years.

"How can you operate when you are constantly raided by thugs. It does not pay," Mr Banda said.

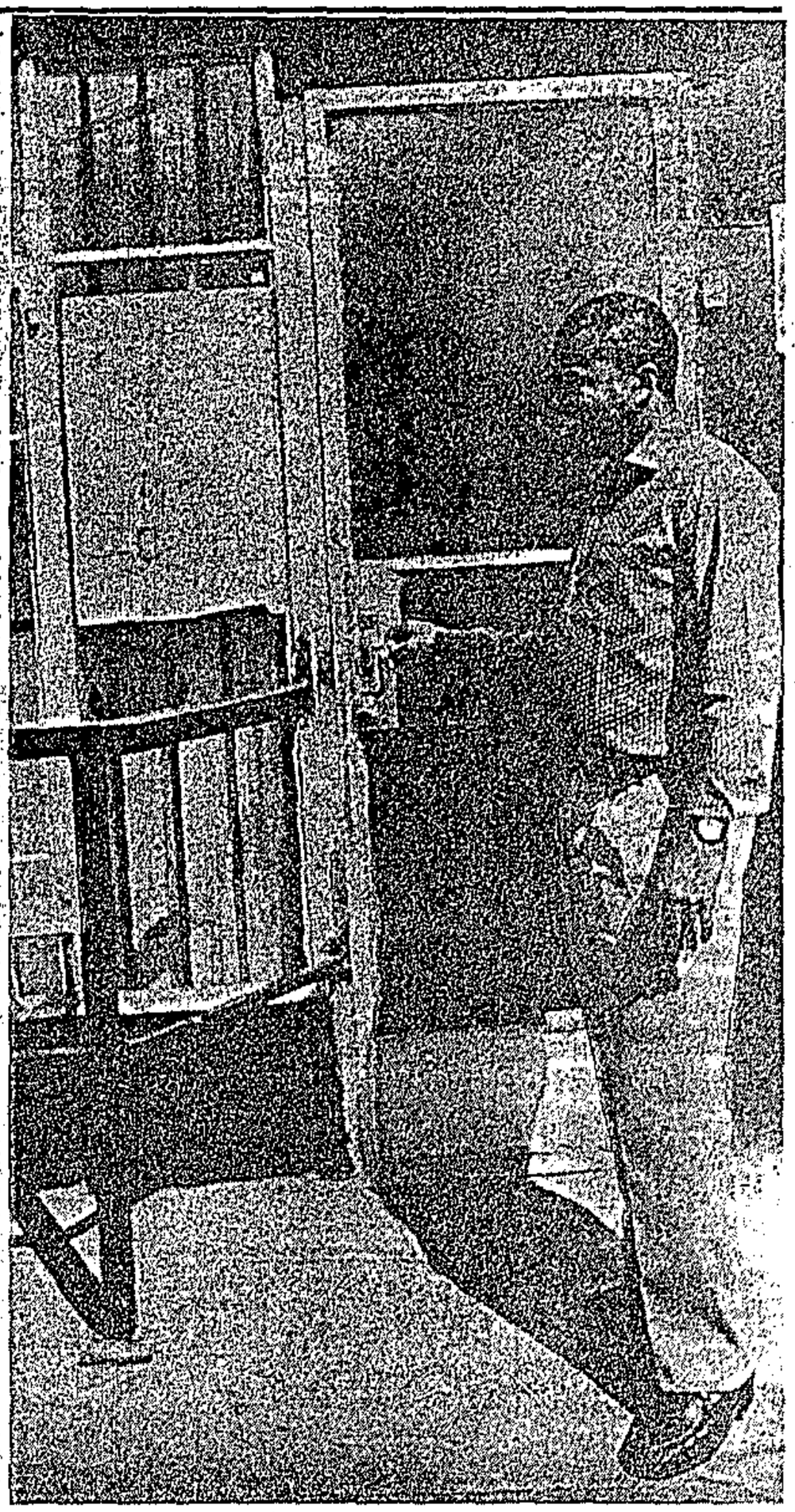
Studies

Shebeens have always been a permanent feature of township life. They serve a need created by the absence of recreational facilities in the townships.

Although in some quarters shebeens are regarded as breeding grounds for crime and immorality, a number of professional people have been able to pursue their studies because their mothers ran shebeens.

Soweto police liaison officer, Major Noel Hartwell, appealed to shebeen owners who have been attacked by thugs to come forward.

He said police investigated all cases thoroughly and all information was treated confidentially.



SOWETAN staffer Rex Pule stands next to a "Place Closed" sign outside Banda's Shebeen in Meadowlands, Soweto.



FOCUS

Political comment in this issue by Aggrey Klaaste and Sam Mabe. Sub-editing, headlines and posters by Sydney Matlhaku. All of 61 Commando Road, Industria West, Johannesburg.

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Training course in travel

Star 13/4/87 (295)

By Helen Grange

In an effort to uplift the standard of South Africa's travel agencies, the Travel Agents Board (TAB) has introduced a training course for prospective and practising travel agents.

Although the TAB training course is not compulsory, students and travel agents who have passed the TAB National Diploma examination will present a competitive edge in the travel industry, says Mrs Ingeborg Vorster, the TAB training officer.

FORMAL

The syllabus for the course has been presented to the travel trade as well as to technikons and colleges.

"There is no formal travel agents' course offered at colleges and technikons at present. Education in this area only forms part of secretarial or other courses," says Mrs Vorster.

The TAB training course can also be used for in-house training and self-study by individuals employed in a travel agency.

"Experienced travel agents could probably do the course in a year, while newcomers to the industry attending colleges and technikons would need up to three years to study for the exam," said Mrs Vorster.

After having passed the diploma exam and having worked for two years in a travel agency, the person would then qualify for registration as a Travel Agent.

Only students enrolled with the TAB are permitted to write the diploma examination.

Licences for escort agencies on cards

Municipal Reporter

Johannesburg's escort agencies may soon have to take out trading licences in line with other businesses if the City Council manages to have a legal loophole closed.

Escort agencies are exempted from the Licensing Ordinance, but the council is making urgent representations to have this altered in revised Licensing and Shop Hours laws now being drawn up for the Transvaal.

Under the present licensing laws the council can only force agencies to comply with regulations such as health or fire.

If agencies were obliged to take out licenses then they would have to advertise on the premises which would give neighbours a chance to object. They would also have to comply with regulations affecting pay, PAYE deductions and pension, an official said.

21/4/89. (295) FM/ML

WORS VENDORS

Market dictates

Large numbers of pirate wors vendors have been swept off Johannesburg's streets by a combination of public distaste, council health and trading by-laws, managerial incompetence and dog-eat-dog competition.

So say sources in the trade.

Outside the Johannesburg Stock Exchange, the absence of the aroma of grilled wors is noticeable. Shoe repairman Derek "Dr Nugget" Mkhaubele says he hears "the council chased them away."

But the mother of famous R1 000-a-day JSE wors vendor, Karl Gribnitz, says he simply decided to "get out of the business." And she has no knowledge of his whereabouts.

A JSE broker says he left broking to go into the business of selling the carts. "I did very well, but sold out at the end of last year when I saw the market was about to be flooded."

A city council licensing officer says few applications were refused. The policy is still firmly in line with deregulation, with intervention invited only when vendors pose a health hazard, cause "trouble" or flagrantly transgress by-laws.

To date the council has granted 11 668 hawkers licences, which includes wors vendors. A council source says: "We went out of our way to deregulate."

The African Council of Hawkers and Informal Businesses (Achib) agrees. "They killed themselves," says Achib publicist, Vicky Sussens. "In the end, market forces dictated and not the laws — which proves that you don't need restrictive laws."

Jeff Lieberman, owner of Mobile Vending Systems which manufactures carts and offers a comprehensive back-up service, says the boom period was bad business for the better qualified vendor.

Lieberman, five years in the trade, says the demise of the pirateers and fly-by-nighters allowed a new breed of vendor to emerge.

"These vendors survived by efficiently managing their businesses, taking note of the by-laws and selling good food. Most importantly, they found areas in the food market not served by cafes, such as taxi ranks, office blocks, industrial areas, hospitals, bus depots, discotheques, sports events — even neighbouring countries such as Botswana and Swaziland and smaller towns and cities in SA and the TBVC national states."

Lieberman wrote to 400 SA municipalities asking for permission to vend and received a positive reply from half of them. He confirms a slowdown in the trade, but says the market is stabilising and the remaining vendors are able to offer better than "junk food."

Dedicated vendors can still make R1 000 a day, he says. ■



Wors vendor... times are hard

Welkom hawkers harassed by police

By DAN DHLAMINI

WELKOM hawkers' representatives have met the town council in an effort to persuade it not have them arrested.

The meeting follows last month's police swoop which netted about 22 hawkers in the town.

The hawkers fall under the Thabong Chamber of Commerce.

Secretary general Lemmy Mule and organiser Rose Tebeli this week told *City Press* their meeting with the council had borne no fruit.

"The council representatives claimed our members were creating a health hazard. They maintained they would continue to arrest us as long as the ordinance empowering them to remains in the Statute books."

Mule said he had told council representatives that by selling their commodities the hawkers were not commiting a crime.

He said they were only trying to earn a living. They were also creating jobs at a time when the government was encouraging free enterprise.

"The representatives indicated they did not have the power to stop police from arresting us, but I told them that we were determined to fight until the bitter end."

Star 24/4/89. (295)

Escort agencies default on licences

Municipal Reporter

There was a growing number of escort agencies in Johannesburg but only 19 had renewed their trade licences for 1989, said chief licensing officer Mrs Cathy Filmalter.

"In the light of the wide publicity which the proposed Draft Business Act of 1989 is receiving, most businesses which should have been registered in terms of the existing legislation have failed to renew their licences this year.

"But until such time as the draft legislation has become law they must still comply with the existing law.

"All businesses which failed to renew their trade licences by March 31 will now have to lodge new applications with the Licensing Board," she warned.

"The motivation behind the draft legislation was that only businesses affecting health and safety of the public had to be licensed. If that is the case ,then the city council believes escort agencies should be included under the health aspect and we have made representations along these lines through the United Municipal Executive," Mrs Filmalter said.



Mrs Sarah Sibisi (56), with eight children to support, has to make ends meet no matter what obstacles are in her way. ● Pic by Alf Kumalo

Star 25/4/89 -295

Hawker's life is a battle for survival

An estimated 18 000 hawkers ply their trade in the streets of Johannesburg. They earn their livelihood despite having to wage a constant battle against the authorities who move them on, the storekeepers jealous of their trade, and the weather which can rob them of their customers. What is the average day in the life of a Johannesburg hawker really like? **THABO LESHILO** took to the streets to find out.

Mrs Sarah Sibisi has one great talent — making ends meet in the face of massive obstacles.

For, being a hawker trying to sell fruit and vegetables to the milling throngs at Johannesburg's Faraday station is no easy living.

Aged 56, widowed, she has been a hawker for 38 years.

Her hours are long and the level of trade unpredictable, made more so by official action against hawkers and bad weather which sends the crowds hurrying past her "spot" with never a thought of buying a morsel.

"I start selling at 6.30 in the morning and go home at 6.30 at night."

How much does she earn?

Daily turnover fluctuates between about R40 and R60.

"Winter is worst. Few people buy fruit, sales drop sometimes down to R20."

Traffic officers of the Johannesburg City Council are her greatest problem.

She says her goods have on occasion been confiscated even though she has a licence.

That licence finally came two years ago, thanks to the African Council of Hawkers and Informal Businesses (Achib).

But even with a licence, there are regulations which hawkers ignore at their peril.

She recently lost two days of precious trading when her stock, worth about R200, was taken and charges of trading within 100 m of a general dealer and failing to move every two hours, were laid against her.

Her goods have since been returned and all charges withdrawn — thanks to Achib.

A bitter Mrs Sibisi remarked: "How do they expect us to pay our rent and feed our families? They must leave me alone. My eight children will starve if I stop selling."

She is not alone in her problems — according to Achib, there are more than 15 000 registered hawkers in the Johannesburg area alone.

These people are harassed for allegedly "poaching" customers away from established business.

But, of course, not all shopkeepers have declared war on hawkers.

A fruit dealer, near whose shop Mrs Sibisi conducts her business, said he had no reason to complain. He even stores Mrs Sibisi's stock in his refrigerator and she sometimes bought stock from him, he said.

A nearby butcher, Mr Jose Gonzales, said he had no complaint since "she brings me business and I also bring her business".

In response to hawkers' complaints of harassment, the Johannesburg Traffic Department said it is only acting in terms of the ordinances governing hawkers and their trade.

Traffic Department spokesman Mr Eric Hill said officials usually acted on complaints by shopkeepers whose trade was being negatively affected by hawkers' irregular trading.

The restrictions imposed on hawkers are that they may not cause obstruction to shopowners, pedestrians or traffic, they may sell only goods specified on their permits, they cannot trade goods near retailers trading similar goods, they must move every two hours, they cannot trade in a restricted area or within 10 m of an intersection and they must keep their trading area clean.

If a hawker contravenes these regulations, his goods are confiscated and returned only when a fine is paid.

450 overseas agents for Nasrec tourism show

By Kaizer Nyatsumba

The international tourism show, Indaba/Focus '89, which opened yesterday at Nasrec, in Johannesburg, will be visited by nearly 450 overseas agents, 1 500 local travel agents and journalists from 37 countries, a Satour spokesman, Ms Marie Wessels, said.

Satour chairman and Transvaal administrator Mr Danie Hough officially opened the show in front of about 1 700 people yesterday. Also present at the opening were the administrators of the three other provinces and mayors of most PWV towns and cities.

DELEGATES

Yesterday and today were set aside for attendance by overseas delegates, while local travel agents are expected to attend the Indaba/Focus tomorrow and Thursday.

There are 260 stands representing over 200 companies at the show this year.

For the first time ever, this year members of the public will be able to attend the exhibition on Saturday from 9 am to 6 pm, and tickets — which can be purchased at either the show or Computicket — will cost R5 an adult and R2 a child.

This is also the first time Indaba, the marketing and promotional workshop for the international travel trade, and Focus, the educational tool for domestic travel agents, are presented as a combined travel exhibition, Ms Wessels said.

"Indaba/Focus '89 has gained international status, and compares in quality and effectiveness to some of the best tourism shows in the world," Ms Wessels said.

Countries taking part in this year's exhibition are South Africa, Botswana, Namibia, Malawi, Lesotho, Swaziland, the Comores and the four independent homelands.

Laws make life hell for hawkers

Star 29/4/89 · (295)

PAT DEVEREAUX

HAWKER Mr Lukas Mkhwanazi finds it a constant battle to earn a living from takings at his meagre stall — but what is more frustrating is the plethora of laws with which he is confronted.

This month alone Mr Mkhwanazi collected 11 tickets from Johannesburg's traffic department amounting to R700.

"After losing my job at a bakery about a year ago I began selling fruit and vegetables on the street," said the 20-year-old Lukas. He has two dependants — his common-law wife, Miss Martha Dlamini, and her baby.

In February this year, said Mr Mkhwananzi, he decided to "go legal" and get a hawkers' licence. However, this has not made life easier for him.



FINES GALORE: Mr Lukas Mkhwanazi this month collected 11 fines amounting to R700.

Restricted

Mr Mkhwanazi is often seen trading in central Johannesburg's Sauer Street — a restricted trading area — because he said: "I have customers who know where to find me and the areas which are unrestricted are very competitive."

Lukas explained how he got so many fines in one month.

"On April 4, Martha was watching my stall for me as I had to buy stock. A traffic officer arrived and demanded to see the licence — which she produced. However, it appears that as the licence was not in her name the licence was confiscated by the officer who claimed it had been stolen. The goods were confiscated and she was given three fines."

Four days later, said Lukas, he was once more trading in the same spot when two traffic policemen demanded his licence. He said after he replied that they already had it he was assaulted by them for "being cheeky". He was once more fined and his goods confiscated.

He was treated by a doctor, returned to trade and was fined again on April 11 and 21. The fines relate to trading in restricted areas, being too close to an intersection or general dealer and failing to move on when ordered to.

Mr Mkhwanazi plans to contest the fines and the assault in court and has approached the African Council of Hawkers and Informal Businesses (Achib) for help.

Asked to comment, a spokesman from Achib said: "Mr Mkhwanazi's persistence in trading shows a desperate need to survive for which he is prepared to take the risks and be prosecuted".

The draft Business Bill published in the Government Gazette this month proposing that hawkers can trade without licences (as long as their goods are not a threat to public health or saftety) may be passed this parliamentary session.

Asked to comment on Mr Mkhwanazi's alleged assault by two traffic officers liaison officer for the Traffic Department Mr Eric Hill said he was looking into it.

Red Cross row

• From page 1

conference in Geneva in 1986, there had been a build-up of tension between himself and incumbent leadership at national and regional levels.

He said matters came to a head last Friday when Mr Ross wanted to force him to resign from the society.

He said he declined to do so because he viewed the matter as unprocedural. Mr Ross did not have the authority to dismiss him.

According to a speaker at the meeting, Mr Ross had on Wednesday called a meeting of office staff members and said Mr Khumalo was no longer in the employment of the society. The community organisers were not present.

At yesterday's Funda Centre meeting, the HDC members passed a resolution calling on the society's Southern Transvaal region management to explain events that led to Mr Khumalo's dismissal.

The HDC members said, as workers they viewed Mr Khumalo's dismissal as a racist and contradictory to the principles of the International Red Cross movement.

They viewed the dismissal as an attempt to perpetuate the white supremacy which has always been a fact at the decision making and management levels of the Sarcs.

The HDC resolved that should the matter not be settled amicably, they were considering legal and diplomatic options.

Bearing the Cross

Sowetan 5/5/89 - (4) 2 295

PROFESSOR JEAN PICTET, an executive member of the International Committee of the Red Cross, says in his commentary of the Seven Fundamental Principles of the International Red Cross and Red Crescent Movement: "While people differ, human nature everywhere is the same — and there is nothing more widespread than human suffering, to which all men are equally vulnerable and sensitive."

That observation sums up the commitment of the movement towards humanity and human suffering.

The South African Red Cross Society is one of 149 National Red Cross and Red Crescent societies worldwide. It is a member of the League of the Red Cross and Red Crescent Societies.

Work

It enjoys the recognition of the International Committee of the Red Cross (ICRC) and has an obligation to work strictly according to the Seven Fundamental Principles of the International Red Cross and Red Crescent Movements (IRCRCM).

These principles are humanity, impartiality, neutrality, independence, voluntary service, unity and universality. The movement has always scrupulously guarded its traditions of remaining above political positions and contentions of an ideological nature. The character of the Red Cross is best dramatised by its neutrality in conflict and impartiality in its rendering of humanitarian assistance to victims of natural as well as "man-made" disaster or emergencies.

THIS revealing article is by BONGANI KHUMALO, assistant regional director of the Southern African region of the South African Red Cross.

Mr Khumalo was appointed to this position in 1986 and has held that position up to now.

He gives a brief resume of the International Red Cross and the Red Crescent Movement, with specific reference to the South African Red Cross Society (SARCS) which is in its 75th year. Mr Khumalo is a graduate of Fairfield University, Connecticut, USA, and holds a Masters degree in Corporate and Political Communications. He is the first black to hold such a senior position in SARCS, and is presently researching for a senior degree with Rhodes University on the subject of Communications and Competitions in Philanthropic Communications.

FOCUS

The South African Red Cross Society covers the whole sub-continent, including the TBVC areas and Namibia. Its structure is federal with all its eight regions being "autonomous." The regions are the Northern Transvaal, Southern Transvaal, Free State, Eastern Cape, Border, Cape (Western Cape) and Natal.

The national policy-making body is the National Council while there is a regional council governing the affairs of each of the eight regions. As it is basically a voluntary organisation the SARCS relies much on volunteers. The Voluntary Aid Corps (VAC), one of the oldest units of the movement in South Africa, is a highly disciplined and well-organised arm of the Red Cross.

Skills

There are other units of volunteers, including the newly formed Special Skills Unit (SSU) in the Southern Transvaal Region: the community organisers, the first group of fieldwork professionals who were introduced to the SARCS and have enrolled hundreds of people, young and old as volunteers.

Since the beginning of 1986, the SARCS has gradually been establishing a permanent presence in the black areas where it had been almost virtually absent.

Old age homes and creches for whites only, which had become "traditional" Red Cross activities in South Africa became more and more contentious in the debates about the IRCRCM mandate in the last three years. The National Society has been under tremendous pressure to prioritise activities which fell within the scope of the mandate of the international movement.

It has been seriously questioned about the lack of meaningful black participation in its structures at all levels. The simple theory is that with effective participation by members of all South African population groups, the Red Cross in South Africa would be non-racial in its interpretation of IRCRCM mandate and the ideals of the movement.

While the inception of the Community Organiser Project has brought in some inspiration and creativity into the organisation, the entry of blacks has become a type of "swaart gevaar" to many whites who have used blacks as "tea-girls," "kitchen-boys," drivers and messengers. The community Organisers Project, which was the brainchild of the International Committee of the Red Cross and whose initial funding came from that international organ of the movement has had a great impact in the communities where these field workers have been operating. In certain regions they have helped bring the members of their population into the region councils. This work has transcended political ideological barriers and they have done a sterling job in introducing a great spirit of humanitarianism. The problem is where do they go from there?

South Africa needs a Red Cross Society which would be beyond reproach and would be a pride of the international movement. Besides the awkward federal structure of autonomous regions, which renders the society a cumbersome cluster of organisations with no sense of common destiny, the entire structure is racial. The exclusive black and white detachments of voluntary Aid Corps. Resources are not impartially distributed. White detachments have equipment and black ones are unequipped. White ambulances lie gathering dust in "white" towns, waiting for sport games on weekends while there is a desperate shortage of emergency services and equipment in the settlements where blacks live. There are highly trained members of the VAC who hardly use first aid kits.

Problem

The South African Red Cross today resembles other philanthropic organisations, including the Church, about a decade or two ago.

In the business arena many companies wasted no time to ratify the Sullivan Code, but there was great frustration as some companies still practiced racism behind their steel grates and marble-plated walls.

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The South African Red Cross Society today is like a congregation or subsidiary whose observance of the ideals of the mother body are questionable.

Small capitalists? No, hawkers are workers

White business leaders may believe that hawkers are capitalists in the making, but unionists have other ideas. Hawkers are workers, they said at a conference this week

HAWKERS are part of the working class, they were assured this week, at a conference organised by the African Council of Hawkers and Informal Businesses (Achib) which brought together hawkers, trade unionists and business people to exchange views on privatisation and deregulation.

It was very important for Achib to have a relationship with trade unions, said the organisation's representative, Vicki Sussens.

National Council of Trade Unions (Nactu) president James Mndaweni said Achib "should avoid being made an appendage of the business captains and the ruling class — but should be linked to the working-class movement it was designed to serve".

He said the capitalist system had ruthlessly pushed millions of people out of formal economic activity. The unemployed were definitely "part and parcel of the working class movement". They became hawkers because they had to make a living, and provide shelter for their families and clothing and education for their children.

Mndaweni said hawkers were harrassed by municipalities and city councils for not playing according to the "rules". But "these people forget hawkers cannot play according to rules because they do not have access to capital and 'expertise'", he said.

Nactu, as a working-class organisation, "perhaps may not agree with the Achib's notion of informal business", Mndaweni said. It believed rather in collectivism and co-operatives. Achib could provide skills and develop projects such as co-operatives for the unemployed, he said.

A hawkers' organisation also served the trade union movement in that it assisted in curbing scabbing by the unemployed during strikes, Mndaweni said.

The National Union of Mineworkers' national organiser, Gwede Mantashe, also described hawkers as workers, making a link between hawking and unemployment.

Speaking on "privatisation from a worker point of view", he said the strategy was aimed at profits at the expense of workers, and would result in an increase in the rate of unemployment.

"Workers are actively trying to counter this attack by forming workers' co-operatives and organising themselves into hawkers' organisations," Mantashe said.

He said privatisation would have serious social effects. Parastatals were established to render services to the public with the objective of simply breaking even — now they would be transformed into profit-oriented establishments, and profits meant exploitation, no regard for safety and little job security.

He cited as an example Escom, which started implementing its privatisation programme in 1985/86 by reducing the workforce by 6 000.

He asked whether the government should not be subsidising electricity, housing and infrastructure, instead of privatising "because of greed for profits".

Federale Volksbeleggings general manager Anton Roodt argued, however, that privatisation and deregulation could provide a very significant step in the direction of economic empowerment for the masses.

He said a competitive market was fundamental to economic well-being and economic growth, pointing to the Soviet Union as "the most fascinating privatisation experiment".

Privatisation was essentially about "too much government and too little freedom", Roodt said.

JWT chairman cuts stake to 20%

Bldy 3/15/04 295

TOP ad agency J Walter Thompson SA chairman Tim Hamilton-Russell has agreed to give up 60% of his majority shareholding to allow senior staff members to become shareholders.

This move resulted in eight senior staff members of JWT Cape Town, including MD Victor Bennett, withdrawing their resignations at the weekend.



● HAMILTON-RUSSELL

Unhappiness with Hamilton-Russell's handling of the company and the lack of a share-scheme arrangement for senior staff were among the reasons given by six senior JWT Johannesburg staff, including MD Elliot Schwartz, and the eight JWT Cape Town staff who

MANDY JEAN WOODS

resigned last month. Schwartz, together with four former JWT employees, has since started his own agency within the Grey Group.

Former JWT Worldwide president of the Asia/Pacific/SA region Don Thompson said yesterday JWT Worldwide would continue to hold its 20% stake in the company, Hamilton-Russell would reduce his shareholding from 80% to 20% and the remaining 60% would be allocated to senior members of staff in JWT Cape Town, JWT Johannesburg and Enterprise.

He said: "Not all of the 60% of shares will be allocated immediately. Some of it will be held in trust for future allocation."

Under the new shareholding arrangement, Hamilton-Russell will continue in

● To Page 2

JWT chairman to give up 60% of stake

Bldy 7/5/04 245

● From Page 1

his position as chairman and, together with the MDs of the three companies, will head up the board.

Hamilton-Russell said last night he had wanted to involve senior staff in a share scheme for a long time but had been prohibited to some degree by a contract he had with JWT International.

He said: "With the brain-drain situation in SA it is not possible to run a meaningful agency without some sort of share-scheme arrangement. I am delighted JWT Worldwide and WPP have agreed to this."

Thompson said the agency had only lost the R1,4m Appletiser account since the mass resignations.

He also said the agency had been inundated with candidates applying for the vacancies created by the resignations.

SOWETAN Tuesday May 9 1989

Workers protest Red Cross firing

UNION members yesterday picketed in central Johannesburg to protest the dismissal of South African Red Cross Society assistant regional director for Southern Transvaal, Mr Bongane Khumalo.

A spokesman for the National Education, Health and Allied Workers' Union (Nehawu), said the protest was aimed at the "unfair dismissal" and demanded Mr Khumalo's immediate re-instatement in pickets at the Jeppe and Kruis Stretes intersection.

The picket had been initiated by Red Cross workers, who "feel strongly" Mr Khumalo's dismissal was related to his efforts to end racial discrimination within the SA Red Cross management structure and policiy direction, the spokesman said.

"The SA Red Cross has shown an apathy towards assisting and creating facilities for people in black communities and squatter camps whereas it continues to fund and facilitate projects in white communities," the Nehawu spokesman said.

When contacted yesterday Mr Khumalo told *SAPA* he had not read the letter of dismissal handed to him on May 2 by his immediate senior — Southern Transvaal regional director, Mr Neil Ross — and as a result did not know the Red Cross' reasons for sacking him.

He was, however, aware of moves to oust him from his job after Mr Ross previously asked him to resign.

Mr Khumalo said there was "a build-up of tension" among the SA Red Cross' black members following his attempts to bring to the national executive's attention the racial imbalances at management and policy-making levels.

The fact that all policy making was dominated by whites had created dissatisfaction and a morale problem amongst black staff and members.

The SA Red Cross' "poor image" in this regard had led to threats that it could be expelled from the international body of the Red Cross, he said.

He had called on the executive to investigate the SARC's interpretation and implementation of the mandate of the International Red Cross. — SAPA.

Resurrecting 'dead' money

By JOSHUA RABOROKO

295 Sowetan 11/5/89

BLACKS spend most of their time worrying about death and invest millions of rands each year saving for funerals.

This is the finding of a research team of church-oriented Zikhuliseni Community Programmes which investigated stokvels, burial societies, women's and mohodisano (communal exchange of funds) clubs.

It suggested that the money could be used to help destitute children, aid the poor, mobilise and stimulate the country's economy.

FOCUS

Power

The community programmes, brainchild of the Methodist Church of Southern Africa, are designed to make blacks aware that without economic empowerment the prospects of their achieving liberation and a rightful share of the power — political and commercial — will remain a dream.

According to the survey more than 100 000 of these organisations are trying to use the ventures to create major money development projects.

Burial societies in the PWV collect approximately R250 000 a month.

Burial societies, another form of stokvel, were established in the latter part of the 19th century as blacks caught up in industrialisation faced high costs of funerals, which play an important role in black culture.

One of the pioneers of burial societies was founder member of the African National Congress, the late Dr James Moroka, who formed the Goodwill Burial Society in the Free State in the early 1930s. He formed the society to enable blacks to help themselves bury their dead.

Offshoot

Dr Moroka initiated the society after he had buried destitute patients who died. The idea spread to other black areas like Sophiatown and Orlando East.

Today, the well-established Orlando East Goodwill Funeral Undertakers is an offshoot of Dr Moroka's burial society.

The Zikhuliseni Community Programme, whose chairman is Bishop Stanley Mogoba, deputy chairman, the Reverend Peter Storey and director, Mr Sam Maufhe, plans to mobilise the wealth generated by burial customs, into a powerful economic force to aid the living.



Mr Maufhe says they want burial schemes to join a co-operative movement which would use its collective money power to negotiate cheaper funeral cover rates from insurance companies.

He says millions of rands are lying idle in the banks with interest which can be used to help educate destitute children and also help victims of apartheid.

"The money lies dormant in the bank awaiting for death to occur, while thousands of black children, who apart from political reasons, cannot go to school because of financial problems can be assisted by burial societies," he says.

He urged undertakers to consider this major project for themselves if they want to be seen to be helping the black communities.

"Blacks spend most of their time worrying about death," he says, "but now they should start thinking about socio-economic problems of the living."

He contends that the potential to mobilise burial societies into a financial giant is there, but the idea needs guidance from financial experts.

"Blacks need to exploit their resources for the sake of black economic empowerment," he says.

Women's and "mohodisano" clubs can also play a major role in these undertakings. They need to be mobilised to realise their potential.

The ZCP intend to bring all these black ventures under one umbrella. It sees the potential of these institutions as ways and means of encouraging capital formation within their communities to find means of setting up self-help scheme projects to support themselves.

ZCP will also approach funeral undertakers, businessmen and community groups to help financially.

"It is high time we do things for ourselves, instead of shouting slogans. We also want to work in conjunction with other organisations with similar interests," he says.

Cheaper

Mr Maufhe says blacks will have to start looking into business ventures such as farming and livestock to enable the bereaved families to cut costs when preparing for funerals..

Sabta and Saldta will also be approached to help run funerals cheaper.

The second organisation with a similar interest is the National Stokvels Association of SA, which is considering mobilising burial societies in its own way.

Nasasa's chairman, Mr Andrew Lukhele, says: "People should stop worrying about death and address socio-economic problems facing us. We should improve our living conditions.

"Some burial schemes have more than R40 000 in the bank and this money could be used to provide educational loans or fund black business, which needs capital for expansion.

"A burial scheme with R40 000 in its account can afford to invest say R10 000 of the total sum. Most developing business in the townships need as little as R2 000."

Risk

Applications for loans will still be scrutinised, but not as stringently as in financial institutions.

He sees the main objective as being to educate burial society members about sharing the risk with insurance companies and then using the rest of the money to provide venture capital.

The stokvel is planning a trust fund from which members can borrow money for wedding ceremonies, buy and hire out cars, make home improvements and pay for the education of their children.

"Investing in property holds one of the keys to economic empowerment.

CRISIS IN RED CROSS

Official's plea for harmony

IT is now up to South African Red Cross workers to outline their proposals for a more representative and racially integrated organisation, says the head of the delegation of the International Committee of the Red Cross for South Africa.

Mr Dominique Dufour said his meeting with 35 community organisers from Red Cross House in Johannesburg on Tuesday had clearly shown that the South African Red Cross (SARC) had hit a crisis.

Last week assistant regional director for the Southern Transvaal branch, Mr Bongani Khumalo, was dismissed, raising allegations of racism.

SOWETAN Reporter

"We cannot exaggerate the seriousness of the crisis. We want a fully multiracial society, but now we have a racial clash on our hands.

"This is the worst thing. We must try to make creative and imaginative progress out of this situation."

"As part of the process it was necessary for people to voice their frustrations with attitudinal and structural problems within the organisation.

"But now the second page must be written. People must outline constructive solutions to the situation," said Dufour.

"The international committee has no power or authority over the SARC. We cannot give orders or directives. All I can do is suggest, give advice and make recommendations."

He added dialogue must be established between the mainly white leadership of the SARC and black staff.

Students back

MEDICAL University of South Africa students returned to lectures yesterday after the authorities undertook to reschedule tests and practicals missed during the boycott.

AWB boss is freed



AWB leader Mr Eugene Terreblanche was acquitted on charges of malicious damage to property and crimen injuria in the Krugersdorp Magistrate's Court yesterday.

Magistrate Mr S W van Niekerk found part of the testimony heard in

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TRADE INDABA

By JOSHUA RABOROKO

THE newly-formed Foundation for African Business and Consumer Services yesterday opened its two-day annual conference to highlight and review progress of the organisation and to plan for the future.

Mr Joas Mogale, the acting general secretary, said the foundation wants to put black business in its rightful place in the country's expanding economy.

Attending the conference were members of the Southern Africa Black Taxi Association, the National Black Consumer Union, the National Hawkers Association, the National Stokvel Association of SA, the Black Association of Travel Agents of SA, Sechaba-Sizwe Co-operative, The Natal Cane Growers Association and Madadeni Hawkers.



Imperial Group lists its subsidiary

The Imperial Group is to become a pyramid company through obtaining a listing for a new company, Imperial Investments, it was announced yesterday.

The new company, Imperial Investments will hold all the group's investments — Imperial Car Rental, Imperial Truck Systems and Imperial's motor interests.

According to the announcement by UAL Merchant Bank the new listing will be achieved by a reduction in the Imperial group's share premium account which will be effected by giving Imperial shareholders shares in the company.

Although Imperial's stake in the new company will be reduced by the capital reduction, the shareholders' interest in the group will remain unchanged as in exchange they will receive shares in the new company.

Joint managing director Bill Lynch explained that the move will be beneficial for Imperial. "The new company, Imperial Investments, will have greater flexibility to take advantage of all expansion and acquisition opportunities without Imperial's controlling shareholders losing control of the group."

In the financial year to end-June last year, turnover had soared to R321,4 million and earnings to R8,6 million. For the six months to December, Imperial further reported a 51 percent rise in earnings and a 50 percent increase in its interim dividend. — Sapa

Garlicks set to travel as well

CHRIS CAIRNCROSS

CAPE TOWN — A big yearly travel bill — built up by executives — has persuaded the Garlicks departmental store group to take steps to set up its own in-house travel agency.

A grass-roots establishment is being set up and experienced personnel are being recruited to man a pilot operation in the group's flagship store at the bottom of Adderley Street. The agency will be operating under the Gartravel banner.

It is intended that Gartravel will initially provide a full service to the group's in-house travel needs, including air, rail and shipping tickets, tours, hotels and car hire. If the pilot scheme works successfully, it will be extended to provide a full service to store customers.

Garlicks CE Noel Boyes said yesterday the new venture was still very much in an embryo stage and did not in any way represent any significant diversification for the group.

But, if it proved its potential in Cape Town, agencies would be opened up in all Garlicks' stores.

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Township boomtime is going to spread

By JOSHUA RABOROKO

BOOMTIME has come to the townships — and it is going to spread, experts predict.

The Central Statistical Service estimates that the informal black business sector contribute millions of rands to the country's economy every year.

Indications are that the amount is rising dramatically.

The Free Market Foundation has engaged The Information Transfer Group (ITG) and its associate, Econometrix — both research companies — to head an investigation into the contribution made by the informal black business.

ITG director Mr Jan Strauss said: "We believe no-one knows what is really going on. Officially figures are at best not reflecting the tremendous growth and energy or the patterns of trade or the needs of this sector."

Strauss said the studies will reveal details of the economic structure of life in the townships.

"The spaza shops, which operate from a homeowner's garage or lounge, were born when boycotts of white shops were enforced in the most brutal ways. But they are not going away now that things are quieter."

"Also, in their off-peak hours black taxis are becoming delivery vehicles for the spazas. This is the start of wholesale hawking. And conventional wholesalers cannot compete because their cost structure is all wrong," he said.

He believed that spazas and other informal black businesses will bring about fundamental changes in the national social fabric.

"They show that more and more people will work where they live," he said.

"It is ridiculous that the city the size of Soweto has no central business district.

"Once the regulations are changed we will see businessmen buying blocks of houses, razing them and putting up offices, shops and factories.

"Blacks are now aware of convenient shopping.

"If they can shop at a spaza, even paying fractionally more than at a white supermarket, they will not shop anywhere else.

Cops to stop seizing fruit

Argus 24/5/79 295

The Argus Correspondent

PRETORIA. — The city council has stopped confiscating fruit and vegetables from street vendors.

At the same time the council has made conflicting statements about the traffic department's handling of the last confiscated vendors' wares.

According to information supplied this week by a council spokesman after a request, no vendors' wares were confiscated after May 12.

From May 13 until late on Monday 23 vegetable vendors were given summonses to pay R100 each or appear in court for trading without licences. Twelve vegetable vendors, six fast foods cart operators and five ice cream vendors were warned in the same period.

Crate dumped

The council spokesman, when asked when traffic department officials last dumped vendors' wares, said "a crate" of confiscated fruit and vegetables was dumped on Monday last week, May 15.

Last Wednesday, however, the spokesman said 35 boxes of fruit and vegetables confiscated the previous Friday, May 12, "were all dumped" the same day at the Eersterus dumping grounds "because the officials realised the fruit and vegetables would not keep until Monday."

On Monday last week a reporter and photographer of the Pretoria News, sister newspaper of The Argus, while on a tour organised by the city council's cleansing department, noticed several cartons of vegetables in a store room at the traffic department's Boom Street depot.

295

Star 23/5/89

Red Cross strike in third week

By Sue Valentine

The dismissal of the Red Cross southern Transvaal assistant regional director, Mr Bongani Khumalo, has been referred for arbitration while a strike by workers at Red Cross House enters its third week.

This follows a special meeting last week in which it is understood heated discussion took place and three council members left the meeting. No decison was taken on whether to suppport or reject regional director Mr Neil Ross's decision to fire Mr Khumalo.

The Star has it on good authority that during the meeting, one white council member, later followed by two black members, walked out of the discussions.

ATTITUDES

Mr Khumalo said he was taking advice from the Henri Dunant Coalition (a group of volunteers within the South African Red Cross) of which he is president, the International Red Cross and his lawyers.

"The position of the HDC is that the issue should not be a personal one about my dismissal, but rather a matter of principle regarding attitudes within the SARC and its policies," he said.

The National Education Health and Allied Workers Union said it had 48 paid-up members in the Red Cross and all of them were on strike.

Union demands include Mr Khumalo's reinstatement as well as "an end to discrimination", payment of a "living wage" and maternity rights for women workers.

MARCH STOPPED

POLICE fired teargas to disperse more than 50 hawkers at the corner of Hoek street in Johannesburg on Wednesday.

The hawkers were taking part in a "keep clean campaign."

The SAP liaison officer for the Witwatersrand, Colonel Frans Malherbe, yesterday said about 50 to 60 placard-carrying and chanting people were warned by the police to disperse as they marched.

He said they were told "loudly and clearly" that what they were doing was illegal and ordered to disperse within three minutes. The police also talked to some of the leaders of the group.

The police fired teargas canisters to disperse the crowd when it appeared that the people were not prepared to obey the orders. Nobody was injured or arrested.

The secretary of African Council of Hawkers and Informal Business, Mr Esau Rankholo, yesterday claimed that the group was on its way to Achib's offices when they were confronted by police who ordered them to disperse within five minutes.

He said that according to several witnesses, including by-standers, canisters of teargas were fired into the crowd only 30 seconds after the order was given.

However this allegation was denied by Malherbe, who said the police sprayed teargas and did not fire it into the crowd.

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Transport managers are on the way out

25/6/87 295 S/Times

By Don Robertson

THE rapid growth in the use of full maintenance leasing (FML) will ultimately change the role of the internal transport manager.

Although representing only 9% of the corporate fleet market at present — equivalent to 15 000 vehicles — FML is expected to treble in size in the next five years.

As a result, internal transport managers eager to maintain their positions will have to become more professional in handling what has become a major asset in a company, rather than a mode of transport, say leasing companies.

Grenville Wilson, managing director of Avis Leasing says the role of the internal transport manager will definitely change with the increasing use of FML.

"The skills emphasis will shift from mundane and repetitive administration work to a more professional role of planning, organising and the control of various aspects of the fleet.

"As motor vehicles have become such high cost items, the fleet manager will have to concentrate on getting the best return for the company's investment in fleet vehicles," he says.

Smaller

The fleet department, under the internal fleet manager, will definitely be a much smaller and efficient department and will have to aim at reducing overheads which normally have to be carried by the rest of the organisation.

With some of the larger companies having fleets of up to 1 000 vehicles and the cost of these rising by about 20% a year, the role of the transport manager will have to become more sophisticated and one which will require more than keeping a record of the number of kilometres travelled.

Nigel Webb, managing director of Prime Car Leasing says that in the past, the transport manager had little training, but now that vehicle prices are rising, a vehicle fleet has become a major asset for some companies.

"The transport manager will have to develop new skills and become more professional," he says.

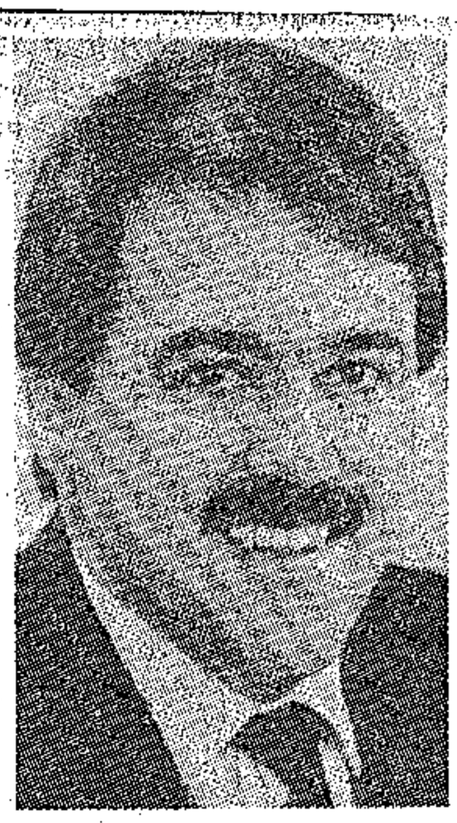
It is for these reasons that companies selling the FML concept talk almost exclusively to managing directors or financial directors.

With the dearth of these professional skills in most companies, FML has become a top priority for organisations with large fleets. An additional advantage is that a fleet which is managed by an FML company can be carried off balance sheet.

In terms of a new directive from the SA Institute of Chartered Accountants numbered AC105, the FML should not provide for transfer of ownership to the lessee and if this is the case, it meets with these requirements and can be carried off balance sheet.

This allows for a substantial improvement in cash flow and also guarantees a fixed financial commitment during the period of the lease.

Another benefit, which FML offers, is the provision of monthly accounting reports, detailing all items such as maintenance costs and petrol and insurance usage.



Nigel Webb

Motor Industry & Fleet Management
A Business Times Survey June 25, 1989

Shed motor costs, free managers

5/Times 25/6/89

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Trend towards letting the experts run your fleet

RAMPANT inflation in vehicle prices, the cost of maintenance and all other fleet operating costs may make comparisons over the past few years difficult.

But one trend is very evident in fleet management — the growing trend towards relinquishing the cost and the management burden by opting for full maintenance leasing (FML).

One of the industry leaders, Prime Car Leasing (formerly Hertz), monitors industry trends. The company reports that in line with growth forecasts based on international figures, FML has tripled its share of fleet sales in the past three years, and looks set to meet expectations of a market share of 15% by the early nineties. In 1986, FML represented just 3% to 4% of fleet sales in South Africa.

In the UK, FML accounts for 23% of new car sales, showing to what extent the method can still be expected to gain in popularity.

Just what lies behind FML's appeal? According to Prime MD, Nigel Webb, the two main attractions for fleet owners lie in affordability (making replacement and good maintenance of the fleet a viable financial proposition) and fleet management (removing an immense management burden from the company).

Says Mr Webb: "It can be financially very advantageous to relieve the fleet operator of the capital expense tied up in ownership of the fleet, a depreciating asset, as well as removing the administration burden of maintenance, of acquisition and of disposal.

Gearing

"The fact that the deal is off balance sheet provided no ownership option vests with the lessor has a very favourable impact on gearing and on return on assets.

"The fleet buyer is looking for more than just a car. He's looking for a package that is optimally financed, and guarantees profitable road time for the fleet with the least involvement by management who are better employed on other tasks."

Full maintenance leasing schemes are designed specifically for the needs of the company car owner and the corporate fleet. The system is not intended to offer ownership, but cost-effective vehicle usage and as such, the system offers significant monthly and overall savings.

An average fleet valued at perhaps R1-million in 1985, now due for replacement, will cost R1,9-million to replace. FML not only waives the capital outlay but reduces monthly expenditure.

Says Mr Webb: "This sounds impossible until one is familiar with the way FML works. How can you get more and more and pay less? The fact is, while you are paying for regular, high quality maintenance and usage of the vehicle, you're not paying for ownership and as a result, you pay less.

"The FML company bears the risk of resale. With excellent maintenance as part of the contract and considerable skill, the FML company can predetermine best resale values for the vehicle."

This anticipated resale value is deducted from the purchase price and the client pays only for the remaining portion (market depreciaiton).

New car prices have risen steeply. The lowest point of entry for the tool of trade vehicle may be R25 000 by 1991. But a similar rise in value applies to the second hand car market, increasing resale values, and either stabilising or even decreasing market depreciation. Consequently, FML rentals succeed in beating vehicle price inflation.

Another area of saving is pegged maintenance costs in terms of the FML contract, at levels below anything the individual fleet owner could achieve.

Prime Car Leasing's average cost for maintenance achieved for clients currently runs at about 60% of the Automobile Association's figures.

One reason, apart from expertise and buying power, is that the company has built up a database of historic records of maintenance costs incurred by various vehicle models. This information is built into rental packages.

After-tax

Prime Car Leasing quotes total monthly cost for an FML rental on an average 2000cc vehicle at well below that for a straight financial lease. In terms of after-tax net present value, Prime says FML reduces costs by up to 18%.

And this calculation reflects direct costs only — lease instalment, maintenance cost and licence/registration. It doesn't take into account the less tangible savings FML offers in terms of reduced administration and vehicle management.

FML also minimises employee exposure to perks tax.

The fact that the company gains all these advantages, as well as a superior fleet that is always in tip top condition — without any crippling cash outlay — makes FML a ray of hope in the general vehicle affordability crisis.

(295)

AN INVESTIGATION INTO THE

Inside the sisterhood

The women who live at the Hillbrow hotel share a common look: teased hair, wads of make-up, red, red lipstick and a strange, nasal accent. The image escapes definition until one realises ... this is a caricature of a white woman.

The girls call each other 'mzala' or cousin, and think of themselves as 'home-girls', who send back money each month to their families ... but not too much or mother might get suspicious.

Two Weekly Mail reporters spent days mingling with prostitutes, talking about why they came to Hillbrow and what they think of their clients.

This is their report on a growing sub-culture of women who hate being prostitutes, who hate their clients, hate the big city ... but can earn money no other way

By THANDEKA GQUBULE and AUDREY BROWN

IT is Tuesday, 10am in the dimly-lit bar of a well-known Hillbrow hotel. Barbara, a beautiful woman in her mid-20s, is wearing a skin-tight dress, fishnet stockings and stilleto heels — ready for her first customer of the day.

Her position at the entrance to the bar is a prime spot. There is much competition for this strategic position, for here bargaining and essential conversation can take place away from the crowd.

"If you are serious in this business, you can have a customer every hour, love," she says. Her rate is R50 or more per customer, depending on how much money he has in his pockets.

This means she can earn, in a good week, well over R1 000.

Barbara is one of 80 women living and working in this particular hotel, the centre of Hillbrow's prostitution. At mid-morning and in mid-week, about 20 of them are working this bar. There are fewer men, coming and going, looking around, having a meal or a drink, playing some pool.

The men laugh and joke with the women, who are either sitting around or playing the videogames lined up against one wall of the foyer. Shapes drape themselves across the bar, and the light chatter is punctuated with the tinkle of laughter. Black women and white men connect in lingering touches, slinky glances and coy conversation.

The bar is slightly shabby, though it is clear it was once plush, with elaborate crystal chandeliers, polished wood and gleaming leather chairs. The air of old money prevails.

Barbara looks like a mannequin as she sits at the entrance, but tears well up in her eyes when we start to probe her about her work.

"You musn't think that women here are doing it for the fun of it, lovey," she said. "All of us here have mothers and children to support.

"Right now I'm building a house for my mother. She is looking after my child."

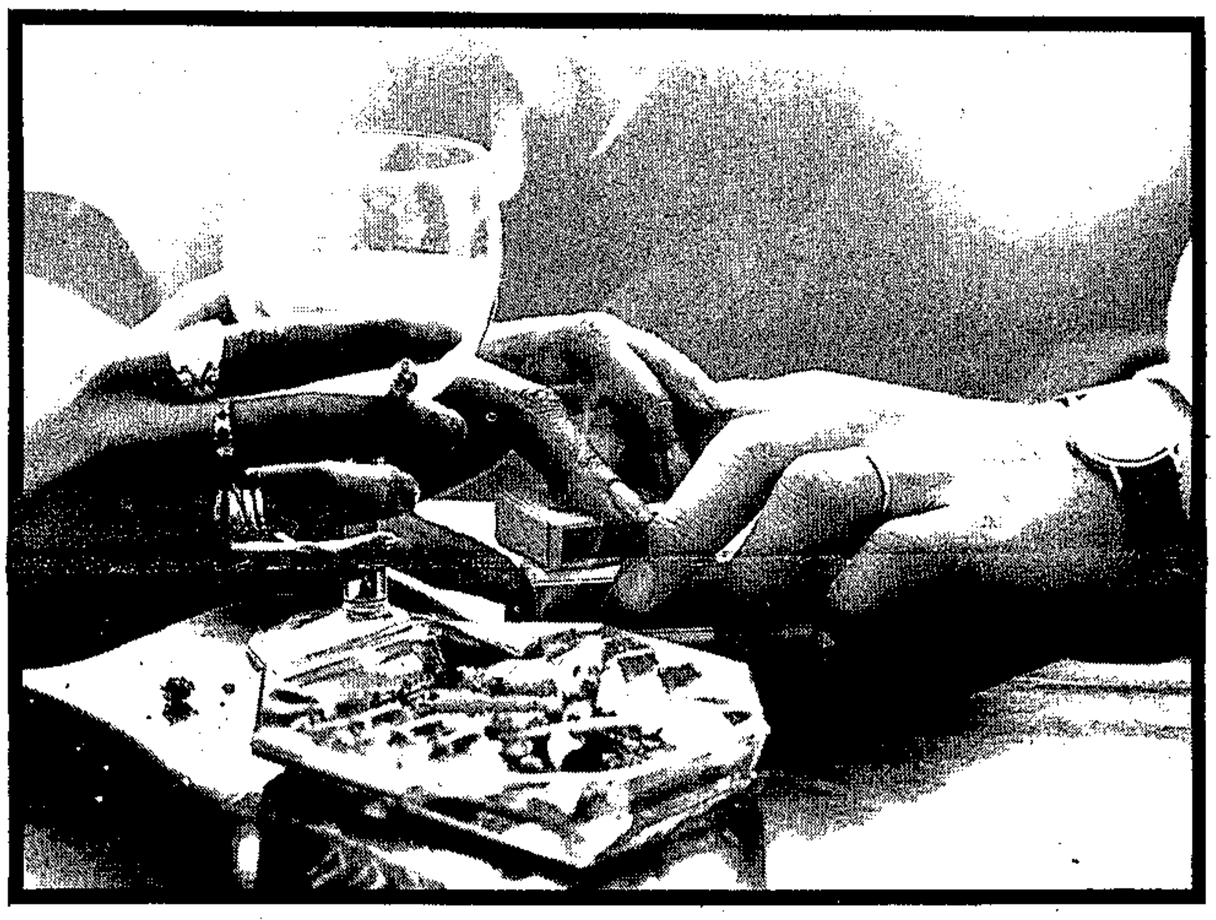
All the women tell a similiar story. They came, generally, from out of town and either couldn't find other work or couldn't earn enough to send money home. They made contact with "home girls" who were in the "business" and, wanting to drag their families out of poverty, found themselves drawn into the "business".

"I came to Johannesburg and started to work in a paint factory," Barbara says.

"Before leaving home, my aunt gave me the address of a cousin. She lived in Hillbrow. Lovey, she was in the business, and, lovey, was she making money!

"At the factory, wages were very low. So I joined the business," she says.

Now she shares a room in the hotel with a colleague, splitting the cost of R50 a night. They both sleep in the room, and take turns to bring "steamers", as they call their customers, upstairs.



The engineer is quiet, but Pat chats away, telling him about her boyfriend

This has led to the development of a network of "home girls".

"I do go home to visit and when my friends ask for my address, I give it to them. Many of us are in the business," Barbara says.

Money is sent home every month, but not so much that families may get suspicious about how it is earned. "I give my mother money every month and I am building her a house. One must be careful not to send too much money, or else they will smell a rat."

But it is the money that keeps these women working. "My boyfriend at home knows the kind of work I'm doing, but he knows that we would have no money if I stop."

The women all have a distinct "look": strongly redefined eyebrows, long, elaborately-teased wigs, thick layers of make-up and very red lips. They talk in an indeterminate, nasal accent. The image escapes definition, until one realises that this is a caricature of a white woman.

They call each other "mzala", or "cousin", moving in groups of "home girls". They don't often talk to other groups, very conscious of which of the women are "Zulus" or "Xhosas". At the end of the day, however, they are united by their disdain for the "steamers" and a sisterhood prevails; they are all "boMzala".

Asked if the "boMzala" often fight with each other, one of them, Lerato, said: "There's no point in fighting over steamers. He doesn't know me, or where I come from. And I don't know where he goes from here."

Pat, about 22 years old and a tall, razor-thin beauty in skin-tight pants and leopard print top, calls herself the "main ousie". She is in demand and can charge the highest rates.

Her main concern this morning is a cracked fingernail — she would "just die" if it broke. We all chipped in to advise her how to salvage it.

Her boyfriend, a white ex-policeman, goes away on endless business trips. At the moment, he is overseas and has left her with flat in Ponte that is too much for her to maintain for long.

While we talk, her first "steamer" of the day arrives: Dominique, a French engineer in his mid-30s who works in Johannesburg and is clearly a regular customer. He sits at the bar and Pat joins him, ordering a beer. He is quiet, but she chats away, touching him and telling him about her broken fingernail and her boyfriend troubles.

When Lerato tells her it is enough of this "happy hour", she takes Dominique upstairs to conclude their business.

Ten minutes later, she's back downstairs, having showered, redone her make-up and with R80 in her pocket.

Pat is from Katlehong and she left school in Standard Eight. Business is good for her, and she is popular enough often to hang out and do business at some of Johannesburg's posher hotels. At these places, she said, "they don't hassle, they pay".

Lerato is an old friend, also from Katlehong. She has a child from one of the "steamers". The child lives with her parents, although it took a long time for them to accept it, she says.

Lerato is more businesslike than most of her "boMzala". She made R1 000 last Saturday, she says with a sparkle in her eyes.

She is in the business only for as long as it takes to get enough money to open a shop back home. "As soon as I've made enough money to buy my bottle store, I'm out."

"I hate the steamers who come here looking for girlfriends. If they come here, they must know that we are prostitutes and this is business," she said.

Rose adds: "If you want to do this job, you have to be tough. No-one will look after you."

"It's not fun, lovey," one of her colleagues adds.

All of the women fantasise about leaving the business. They are just saving enough money to get out, or are waiting for a rich "steamer" to rescue them, putting them up in a flat or whisking them away to Europe.

Diana is an ex-"mzala" who visited while we were sitting in the bar. Her boyfriend was overseas, she explained, and she had just come back for a two-week stint.

The rules of this particular hotel — established by consensus — are strict: no fighting, visit a doctor every three months and always use a condom. Keep up your appearance and don't drop your price below R40. "If you want to lower your price, go elsewhere," they say.

The "boMzala" are conscious of Aids and the condom rule is sacrosanct.

There is no sign of any pimps. These women work alone, paying only for the use of the hotel room. Hotel bouncers keep the peace, searching everyone for arms. They have a warning system if police raid.

The waitresses do a small trade in watches and sex aids, such as vibrators.

The "boMzala" are all black, except for one Brazilian (the white women ply their trade through agencies closer to the city centre); the "steamers" are mostly white, but come from all walks of life. Within a few hours, we met engineers, an airoplane mechanic, a convict, a student and a retired civil engineer. They were mostly in their 30s, but ranged from a 25-year-old ex-convict to the retired 71-year-old.

To some passing men, any woman is for sale

FOR some men, any black woman on the streets of Hillbrow is for sale.

It does not matter that her presence is totally unconnected to Hillbrow's main activity — prostitution. She may live in the area, or just be visiting, but she will have to negotiate her way through obscene suggestions and physical abuse in the form of a pinch or a touch, from black and white men.

If she objects to this behaviour, some of the men will threaten to beat her up.

In a recent incident, a university student hit a man with a packet of buns for attempting to pick her up. Hillbrow people stood by, watching and laughing — it was such a familiar sight.

These two reporters returned to their Hillbrow home after work one evening to find a 27-year-old signwriter on their doorstep demanding an impossible bargain — R30 for the two of us.

Women complain that cars follow them around Hillbrow, block after block, before the initial attempt at negotiation. The car will even-

Behind this harrasment of black women lies a perception of their position in South African society.

The migrant labour system means that black men in the city are seen only as bachelors having no other business except the selling of their labour.

The flip side of this is the black prostitutes of Hillbrow. In the eyes of the men who proposition every black woman in the area, they too cannot have any other reason to be in the city except to sell their labour. Black women, according to this view, can only operate in one of two markets in South Africa: they are maids or whores.

This perception is fostered by the general view of Hillbrow as a market-place where *laissez faire* reigns.

In these few blocks of the city, touted as one of the most cosmopolitan areas of the subcontinent, the rules do not differ from those of any other market: where there is a demand there is a supply.

Hillbrow is the place which feeds the indulflesh.

Consumerism — use and discard — is the motor behind the catcall and the whistle that demands, "Baby, come home with me."

"Baby" is the black woman who apparently has no will of her own. She is supposed to be as passive as the exotic but cheap curios sold by the old women on Hillbrow's pavements

She is there to provide instant gratification like the boerewors roll bought from the black hawker.

Like the product of a foreign and exotic culture, she is beyond the mores of normal, white culture.

She supposedly does not care what is done to her or whether you buy her flowers.

While home is probably the dry and barren hills of Mahlabathini, she is the product of Hillbrow, where the old apartheid does not hold.

But she knows overt racism has only gone underground like all else on "the Brow". The consumers are predominantly white middle class and the suppliers black.

Weekend 23-29/6/89.

LIVES OF HILLBROW PROSTITUTES

of the boMzala



'All the women are waiting for a rich 'steamer' who will put them up in a flat or whisk them off to Europe'

Picture: STEVE HILTON-BARBER, Afrapix

"They own factories and shops," says Rose vaguely. "How else would they be able to come here and spend two, three hours during the day if they worked for someone else. And besides, they spend a lot of money here. They cannot be poor."

Why do they come? "How would I know? Maybe they get bored with the things they know. White people like to try different things."

Some of the women will only deal with white customers. For Rose, however, it makes no difference: "They're all just cocks to me," she says.

Andreas, a well-dressed German immigrant and businessman who looks about 40, tells us he came from a country where there were 60-million whites, all of them with cars and houses. "They are all clever and they all argue... how boring," he says. He wants something different and speaks of the "dark berries" and "sweeter juice" he finds in Hillbrow.

Jimmy, a retired civil engineer, is an impeccable gentleman, dressed in a cardigan and cravat. For him, the "chemistry" has to be just right before he can be comfortable with a "mzala". He offers to buy us cigarettes and gallantly shields us from imagined danger as we cross the road.

But Jimmy's wife, "a wonderful, lively woman", will be home early and he has to go. He presses R50 on us — "for being such charming, delightful girlies" — and scurries home.

They are very conscious of who is 'Zulu' and who is 'Xhosa'. But at the end of the day, the are united by their disdain for 'steamers' and a sisterhood prevails: they are all boMzala

Eric is a 25-year-old aeroplane mechanic by day and a small-town house robber by night.

He demonstrates a political awareness that is not common in these circles. On the walls of his Braamfontein flat, he tells us, he has pictures of the Rivonia trialists. "Do you know Nelson Mandela?" he asks. When we said yes he shouts "Amandla! Viva!", so loud that business comes to a halt as the entire bar turns to look at us.

He quotes long extracts from Mandela's speech from the dock for us, and was, he says, at the recent funeral of assassinated activist David Webster.

Eric, it emerged, spent a brief spell as a student at Rhodes University, and another in prison — not for his obvious political dedication, but for housebreaking and robbery. He flashes a wad of notes, which he says is the profit from a recent foray into suburbia. He sports tattoos from prison and recent scars on the insides of his wrists.

Eric threatens to go out and steal a television and video recorder for us. Despite our attempts to dissuade him, he gulps down his drink and exits, saying, "I will return."

Upstairs, the rooms are clean, neat, warm and homely — reminiscent of a university residence. Cosmetics — mostly hair products, make-up, Dawn lotion, glycerine and baby oil — are neatly stacked at the dressing table.

The only police we saw during our time in the bar were two who came, in plainclothes, for a drink.

There was a series of police raids two years ago, the "boMzala" tell us, and a bit of trouble more recently when someone was killed in the hotel.

But, generally, the law leaves the place and the women alone.

As we leave the hotel one evening, a PJ Powers song is booming out of the barroom speakers. Andreas, the German "steamer", throws an arm around each of us and sings with her at the top of his voice: "All you need is here in Africa."



FIVE FREEDOMS FORUM

invites you to the launch of a new book entitled:

101 Ways to end apartheid

Monday 26 June 1989
6 pm - 8 pm
Bozzoli Pavilion, Wits University
(entrance in Empire Rd
just off Jan Smuts Ave)
Guest speakers and performers:
Pieter-Dirk Uys
Jennifer Ferguson

Helping black business

By JOSHUA RABOROKO

THE formal business sector was yesterday asked to help the growing black informal enterprises to prosper and contribute in the country's mainstream economy.

Speaking at the launch of a hawkers' clean-up campaign in KwaThema, Springs, Nafcoc public affairs manager Mr Gabriel Mokgoko said the informal sector held the key to South Africa's economy.

He estimated that hawkers and spaza shops contributed over R3 - R4 billion to the country's economy annually.

His association has pledged to work closer with informal sector undertakings such as hawkers, spaza shops, street vendors and manufacturers to promote black economic empowerment.

The aim of the campaign launched by the African Council of Hawkers and Informal Business (Achib), is to help hawkers and spaza shops to operate their business ventures from clean premises in order to avoid harassment, arrest and confiscation of their goods by local authorities.

The campaign started in Johannesburg.

"Nafcoc realises the need to talk to hawkers because most of its members started as hawkers.

Separate listing plans for Imperial's trading division

BIDay 14/6/89 295

THE Imperial Group plans a separate listing of its newly established trading division, Imphold, offering shareholders another investment vehicle.

Imphold will hold the trading assets of the group's car rental, truck systems and motor trading operations.

The new company will be financed by reducing the group's share premium account by R11,9m and awarding Imperial shareholders an additional 100 shares each in Imphold for every 100 held.

UAL Merchant Bank, which structured the deal, says Imperial shareholders will receive a holding in Imphold equivalent to, and in addition to, their Imperial holdings.

One share in pyramid company Imperial will be equal in value to approximately three Imphold shares.

EDWARD WEST

Once the transaction is complete, Imperial will hold 75% of the issued share capital of Imphold, and the public 25%.

Before the reduction in its share premium account, Imperial forecasts earnings for the year to June 25 of 99,6c a share. Management forecasts a final dividend of 21,8c a share for the year. This means Imperial's total dividend for the year is forecast to be 39,8c a share, almost 60% higher than the 25c achieved a year ago.

Earnings

Imphold would have pro forma earnings of 24,9c a share on the basis of forecast earnings of 99,6c a share for Imperial, MD Bill Lynch points out.

When this is coupled with Imperial's earnings of 74,7c a share (on reduced share capital) it leaves the Imperial shareholder in the same financial position as before the listing, except he now has two listings in place of one.

The forecast final dividends of the two companies are 16,3c a share for Imperial and 5,5c as share for Imphold. Shareholders would receive the same income (21,8c an Imperial share) had Imperial's share capital not been reduced.

"Our shares are tightly held and nobody seems to want to relinquish their holding. We are hoping that with the second listing, and yet with control secure, shares tradeability will improve," said joint MD Stephen Abelkop.

An Imperial shareholders meeting will be held on June 6 to approve the capital reduction. Imphold's shares are expected to be listed on the JSE on Monday, July 17.

Teljoy spends record R38-m

295

Sta 13/6/87.

In a year which saw a record R38 million investment in new TV and VCR equipment for its core rental business, Teljoy Holdings Ltd lifted after tax income by 24 percent to R17,2 million after a 32 percent increase in turnover to R90,2 million for the 12 months to March 31.

A final dividend of 9c has been declared, making a total for the year of 13,5c, a 23 percent increase on 1988. Earnings a share advanced 20 percent to 30c. Operating income was 22 percent better at R26,7 million.

Executive chairman Theo Rutstein says that the interest bill was 54 percent higher at R3,4 million, largely as a result of the investment in new TVs and VCRs and rising interest rates.

"We spent the R38 million to meet growing demand from new customers. The benefits of this capex will be felt for many years since investment in additional appliances provides an expanded base for ongoing growth.

He says that, while the rates of profit growth was, as predicted at the start of the year, lower than in 1988, the 1989 performance brings average annual compound growth in taxed profits for the two years since Teljoy's JSE listing to 58 percent.

"All divisions traded profitably. The core TV and VCR rental business produced almost 90 percent of group profit, while Mastercare and Tejoy Business Services exceeded budgeted expectactions and showed strong growth," Mr Rutstein said.—Sapa.

More viewers switch to rentals

JABULANI SIKHAKHANE

HIGH IMPORT duties on television sets and video cassette recorders and the winter season have all provided a major boost for the TV and VCR rental industry, says Teljoy's MD Graham Taylor.

Deposits for TV sets have gone up by 20 percent and 30 percent for VCR's. Repayment periods have been shortened from 24 to 18 months for TV sets and to 12 months for VCR's.

Import duties and the weak rand have pushed prices up by some 10 to 15 percent on TV's and 30 percent on VCR's. Another increase is due in July when the new deal for TV manufacturers is introduced.

Mr Taylor said the net result was that the consumer was now faced with R780 deposit and HP payments of about R178 a month for a typical bottom of the line brand name imported VCR — excluding GST and insurance.

"The consumer is simply be squeezed every way he turns, but does not want to forego his entertainment — and television provides inexpensive entertainment for the whole family."

There is also a surge of demand for rental in the black townships as the public understanding of the benefits of rental as opposed to HP has grown. Another factor is the ageing of some 500 000 television sets bought when TV was introduced 14 years ago. these were now being replaced mostly with rental sets, Mr Taylor said.

Traffic police crack down on hawkers

THE African Council of Hawkers and Informal Businesses says prosecutions of Johannesburg hawkers have increased dramatically since the city's traffic department instructed officials to assist the Hawkers Squad.

Ironically, the council is involved in talks with the Small Business Development Corporation, the Johannesburg City Council, the traffic department and senior public prosecutors on removing certain bylaws and easing prosecutions.

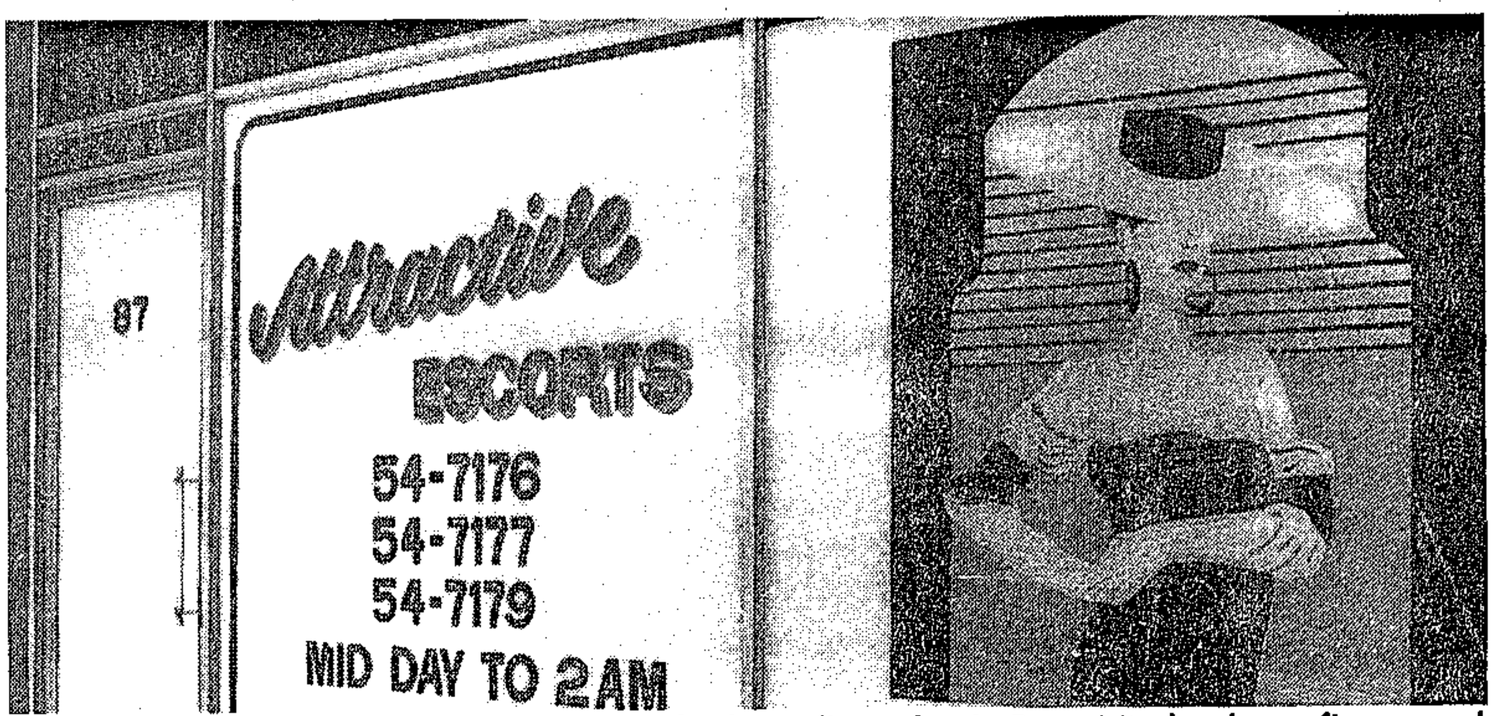
Although no figures were available, a spokesman said hawkers operating in restricted areas had been hardest hit and claimed the council's legal department was overburdened with cases.

"Hawkers continue to operate in restricted areas, even though they know this is against the law, because unrestricted areas are over-traded or do not offer the same business opportunities."



The Reverend Richard Verreynne of the Christelike Gereformeerde Kerk is ardently opposed to the escort agencies which he claims are making Benoni "the red light district of the East Rand".

● Pictures by Stephen Davimes and Sean Woods.



The attractive facade of an escort agency might draw clients, but in Benoni it also draws fire — and the wrath of the churches who believe the agencies are fronts for prostitution.



Mrs Debi da Silva, manageress of Attractive Escorts, believes her premises were gutted by a rival agency.

Escort agencies come under hellfire — and damnation

Accused of making Benoni the "red light district of the East Rand", local escort agencies are coming under heavy fire from churches and the town council. Last weekend two of the town's four agencies were damaged — one was torched and shots were fired at the other. Agency owners have different views on who is responsible. One says it is his opposition, another blames political extremists.

DAWN BARKHUIZEN reports.

Hellfire was visited on a newly opened ecort agency in Benoni on Sunday when it was torched and gutted.

The same weekend a bullet was fired through an opposition agency's front window.

Police are investigating eyewitness accounts that white men in two white cars were seen outside Attractive Escorts minutes before it went up in flames.

The new agency, which slashed the going rate for booking a girl from R260 to R210 for two hours when it opened its doors, believes the attack is the work of a rival agency.

The more established Benoni Escort Agency, which had shots fired at it, believes that political extremists, spurred on by the coming election, are to blame.

Whatever the cause, the incidents represent only the surface of an increasingly emotive issue. Angry agency owners say strong-arm tactics are being used in bitter inter-agency rivalry.

Even angrier church and community leaders say the agencies are stigmatising the town and should be banned.

"Praise the Lord" was their reaction on hearing that the new agency had been gutted. Only hours before they had prayed for the end of the agencies making the town the "red light district of the East Rand".

With fresh memories of the Krebs case, they claim the agencies are brothels where drug abuse is rife.

The final straw came two weeks ago when the fourth agency, Attractive Escorts, opened its doors in the CBD.

"We have counselled women out of spiritual dilemmas after they worked in these places," said the Reverend Richard Verreynne of the Christelike Gereformeerde Kerk.

"A woman can earn R6 000 a month and for that kind of money you don't think she is just sitting around having dinner. We are all adults, we know what is going on here. Church leaders in this town are fed up with people burying their heads in the sand about this. We have had no satisfaction from the licensing board and we intend taking the matter to the highest level."

Agency bosses and the working girls are quick to defend their "clean operations", saying they say are simply dating agencies and money earned is seldom more than R1 200 a month.

The manager of Benoni Escort Agency, who declined to be named, said his girls were required to sign contracts prohibiting them receiving gifts from, or conducting sexual relations with, clients.

"Vicki" a Benoni escort for the past eight months dismisses whispers about the activities of "consenting adults" and says she has certainly "never ever" heard of incidents of prostitution or drug abuse.

But she does admit to strong competition between agencies who "obviously want to make money".

Attractive Escorts claim competitors "suggested" they maintain the going price of R260.

Another relative newcomer, Mr Leon van der Berg, owner of Elite (his premises overlook a Christian book shop) agrees "it could happen that an agency might put pressure on you to maintain certain prices".

"I run a business here and I obviously make decisions in the best interests of my business. We keep to ourselves."

He counters church opposition to the agencies by arguing that none of his clients are "dragged into the door or forced into the shop".

The Benoni Escort Agency manager says: "The agencies fill a need in society. Often they can save marriages. A man can book out a lady after having a fight with his wife and go home afterwards and the air is cleared."

He points to the fact that police have raided his premises and failed to find drugs or incidents of prostitution as clear evidence of his innocence.

East Rand police said no charges had been laid against any of the agencies and there had been no indications of vice.

The town council — who last month took a vote against the presence of the agencies — and the churches — which are holding regular prayer meetings over the issue — hold a different view.

The town council, unable to act because licences are granted by an autonomous board, are preparing to go to Cabinet level, according to the chairman of the management committee, Mr Vic Penning.

"Girls are attracted by the bright lights. Easy money always causes problems and they usually have to resort to drugs and liquor to dull their senses of morality," he said.

"They say that whatever happens after hours is something that takes place between two consenting adults. But that's simply a cover up for prostitution."

Rev Verreynne has lobbied the support of 40 Benoni churches in the area. In addition to prayer meetings they plan to petition the Minister of Home Affairs and have requested a meeting with the leader of the National Party Mr F W de Klerk.

"We have lodged objections and testified before the licensing board but have had no satisfaction. We were told there were no legal grounds supporting our objections," Rev Verreynne said.

Decision made

"Now our only course of action is to go straight to central government."

"Those agencies are nothing more than cover-ups for legalised prostitution. The proprietors cannot stand in for what happens after handing the girls over."

Benoni Licensing Board chairman, Mr J A J Reynders, dismissed questions from The Star saying: "We have made our decision and that is that".

He refused to expand on the legal ramifications or answer questions about the laws governing escort agencies. He would not comment further.

Municipal sources claim that licences were granted within the context of the law. Claims of prostition were only speculative and could not be supported.

The board turned down an initial application by Attractive Escorts to open shop over the road from a church building because it was morally inappropriate. It was however, deemed appropriate for them to open a few blocks down the road in the heart of "motor town".

DIAGONAL STREET by

Teljoy happy to have a TV rental competitor

(295)

S/Times 23/7/89.

TELJOY'S share price remains strong in spite of the advent of a competitor in the television rental market it dominates.

Chairman Theo Rutstein is not alarmed at the move from Tedelex, which has established TV rental services at its Empisal retail outlets in an attempt to keep overheads down.

"We welcome it. More advertising improves the profile of renting television sets. July will be our best month ever," says Mr Rutstein.

MERGER

Teljoy was listed in 1987 after the merger with Visionhire — the other large survivor from the 10 rental companies which existed in 1977.

Television rental in South Africa accounts for about 9% of the market, but for between 16% and 20% of new business each year.

Even in Britain there are only two big rental companies. Rented sets and accessories account for perhaps 40% of the market.

The big two rent out 6,5-million pieces, and perhaps another two-million are hired through independents. It is estimated that there is TV in 20-million British homes, that 30% have two sets and 10% have three.

CHANGES

With 46% of the British market, Granada is the smaller of the two. It came to own 42% of Teljoy after several changes of ownership. Teljoy bought Visionhire, which was owned by Electronic Rental Group (Erg). Granada bought Erg two years ago, and sold all its foreign investments except Teljoy.

Bill Andrewes, chairman of Granada's rental and retail division, is a director of Teljoy. He has 13 years of experience in the industry, and believes SA is ripe for a boom in television rentals.

STIGMA

High interest rates, tight credit restrictions with high deposits and short repayment periods encourage rental more than purchase of big-ticket items such as TV sets.

Unlike in America, where rental is held in poor regard, there is no stigma attached to renting a TV in this country or in Britain. It is becoming the preferred route for many reasons.

Nevertheless, it can take 45 minutes or more to enter into a rental contract in a shop. This leads to queues and the potential loss of custom.

For this reason Teljoy has introduced Rent-A-Color — a telephone ordering system for the impulsive. If Rent-A-Color receives an order before 3 p.m., it guarantees to deliver a set before nine in the evening.

All the details are taken by telephone, and creditworthiness is checked. The contract is presented for signature when the TV set is delivered.

Mr Rutstein says the response to Rent-A-Color has been staggering.

SATELLITE

More pressing reasons not to own a television set could be the advent of technological and regulatory change in SA.

Satellite television could be given the green light, placing higher demands on the performance of TV sets, and the Government could ease the restrictions on broadcasting to make way for more channels.

The cost of sets in SA will always be high because of imported components. Only four companies in the world make tubes in only seven factories.

High volume is essential to make the high capital investment worthwhile, and plans to make such a plant on SA's humid coast might not come to fruition.

Sets are rented on a minimum contract of five months, but clients can upgrade their sets at Teljoy at any time at a cheaper price than it would cost a new customer.

HAPPY

Mr Andrewes says Granada is happy with Teljoy, which has yielded a high return on investment. But it is not happy with the rand. The sterling value of dividends declared by Teljoy declines even though the rand value climbs.

There is no question of a politically motivated pullout by Granada. It would be based on economic considerations. If its stake were sold, it would have to be at the right price.

Teljoy introduced Rent-A-Color to increase the choice for consumers. Even though there is only one large brewer in SA, it offers several brands to give customer satisfaction.

Teljoy welcomes the advent of a competitor because it promotes the notion of rental and, according to Mr Rutstein, it presents an acquisition opportunity.

He says that four years ago, Teljoy and Visionhire each had 60 000 customers. Teljoy's profits were a modest R500 000. Only when the big two got together did the super-profits start to come in because of economies of scale.

This is not because the only large rental company fleeced its clients. It has never increased rentals by more than half the rate of inflation.

Furthermore, the newcomer has not been able to undercut Teljoy's rates.

"The margins are tight, especially in the first year of rental when the overheads are highest," says Mr Rutstein.

Teljoy has always regarded retailers as its major competition, and pitches rents about a third below the price of a credit instalment on the same set.

EXPOSURE

Teljoy believes Tedelex could make a go of its venture if it is prepared to serve a long and costly apprenticeship, and to focus on the TV rental business.

Diversification at Tedelex's retail outlets opens up lots of ideas. Perhaps Ellerine will start to hire out cars. It has high-street exposure in good sites, trained staff and more.

Tedelex's share price is at a high of 240c, and Teljoy's is 20c off its June high at 250c. The market capitalisations are both R145-million.

On the fundamentals, I favour Teljoy's chances.

S/Times 16/7/89

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Americans ignore SA travel warning

By Udo Rypstra

FOREIGN tourists are flocking back to South Africa, revelling in the amounts of rands their strong currencies can buy.

Travel agents are particularly optimistic about the number of visitors from the United States.

They are also trying to ease the way abroad for South Africans. They are trying to get anti-South African rulings on visa applications to visit Canada and Japan removed. One country expected to drop the curbs soon is Yugoslavia. Visas for SA visitors to Australia are now being issued from Nairobi. Previously they could be obtained only in Australia.

The US State Department has issued an updated "travel advisory" urging Americans to exercise caution when travelling to SA. It has issued these notices since the riots in 1984. However, this time it notes that the danger of being caught in a bomb attack in SA has diminished.

Travel agents believe the notice will probably deter only a few business and other visitors from coming to SA.

The State Department regards several other countries as unsafe — they include Israel, most communist nations and turbulent states in Asia.

Changed

Latest figures suggest that Americans are ignoring their government's warnings about touring SA.

From January to April 1989, 11,6% more Americans came to SA than in the same time last year — 13 222 compared with 11 936, according to the SA Tourism Board (Satour) and Central Statistical Service in Pretoria.

In April alone, 3 576 North Americans came here — a 12,8% increase on April last year.

The Association of Southern African Travel Agents (Asata) suggests that the Government, Satour and Sun International do much more to enlighten the State Department about conditions in SA.

The State Department warns Americans to keep out of Bophuthatswana, Venda, Ciskei and Transkei.

Asata president Rupert Lawlor says: "The political scene in SA has changed dramatically in the past few years and business travellers and tourists hear of improvements by word of mouth. Many more Americans are arriving to 'see for themselves' — much to our delight. Tourism is the best form of diplomacy."

Asata has appealed to the Canadian and Japanese governments through the Universal Federation of Travel Agents Association (UFTAA) to relax restrictions on intending SA visitors to their countries.

Canadian visas have to be applied for in person at consulates outside SA. Japan grants only 10-day business visas.

Asata argues that if SA businessmen's visits and money are acceptable, so should its tourists be.

Asata director Barney Singer, who recently returned from Yugoslavia, expects that country to grant SA tourists visas soon.

Asata believes Yugoslavia is an ideal tourist attraction and can be incorporated in tour packages to Greece, Israel, Austria and Turkey.

Style is in for working dress

By Julie Walker

SACKLESS is out and chic is in when it comes to corporate uniforms designed by Maria Rabie-Jacobs.

Market research indicates a negative response to uniforms with company logos splurged across the chest.

Miss Rabie-Jacobs does not deal with companies employing hordes of workers. She favours the small operation where sales and marketing fluorish under well-groomed employees.

She keeps one type of fabric chosen by the company, but tailors the clothing to fit each woman.

"Hardly anybody is a standard size. Some require bigger skirts or longer jackets than an off-the-peg suit offers. Women don't look or feel smart in ill-fitting clothes."

Companies spend large sums on uniforms which are not worn.

Miss Rabie-Jacobs makes a posture analysis of each woman and discusses the cut of the clothing.

"It's an exclusive way of doing it, but the clients have been delighted with the outcome."

The KWV, Transkei Airlines and the dairy, meat and banana boards are among her customers.

She also redesigned the traditional councillors' robes for Kempton Park — "the mayor couldn't get his handkerchief out of his trouser pocket from under the old robes".

Many companies, especially those which deal with the public, are providing their staff with cost-saving corporate uniforms. Miss Rabie-Jacobs' designs them so that new items can be added each season to build up a wardrobe.

Employees are instructed in the care of their uniforms and given guidance on appearance and self-image. A loose brooch can bear the woman's name or company logo.

The uniforms are made in Miss Rabie-Jacobs' design studio in Braamfontein, Johannesburg, which employs about 20 people.

Awards for Toyota

TOYOTA Marketing SA has won three awards from Toyota Japan.

The "Excellent Overall Performance Award" went to the parts and service division. Two individual awards were made to members of the division.

The contest involved distributors in 71 countries and Toyota SA achieved a 98,6% rating.

Imperial sets up pyramid company

Shareholders in Imperial Group have approved the reduction of Imperial's share premium account to create a new trading company, Imphold Limited.

Imphold will hold the trading assets of the group — the group's car rental, truck systems and motor trading operations and its recently formed financial services and property division.

In fiscal 1987 and 1988 Imperial's earnings grew by 73 percent and 58 percent respectively and the group is forecasting another year of record earnings.

On a pro forma basis Imphold would have earned 24,9 cents a share in the year to June 25, 1989; it would have paid a dividend of 5,5 cents a share and have a net asset value of 82 cents a share.

Imperial shareholders are being given, for no charge, 100 Imphold shares for every 100 Imperial shares they hold.

The Johannesburg Stock Exchange has granted a listing for the ordinary shares of Imphold next Monday.

From that date Imperial's shares will trade ex the entitlement to the Imphold shares and the Imperial share price should adjust to approximately 75 per cent of the previous price as a result of the capital reduction.— Sapa.

Imphold trading company given the nod

LIZ ROUSE

IMPHOLD shareholders in Imperial Group have approved the reduction of Imperial's share premium account to create a new trading company, Imphold Limited.

Imphold will hold the trading assets of the group — the car rental, truck systems and motor trading operations and the financial services and property division.

With Imperial's excellent track record since listing in February 1987, it is no surprise that investors sanctioned the scheme as it gives them a second investment in the group. In fiscal 1987 and 1988 Imperial's earnings grew by 73% and 58% respectively and the group is forecasting another year of record earnings.

On a pro forma basis Imphold would have earned 24,9c a share in the year to June 25, paid a dividend of 5,5c and have a net asset value of 82c a share.

Imperial shareholders are being given, for no charge, 100 Imphold shares for every 100 Imperial shares they hold. The JSE has granted a listing for the ordinary shares of Imphold to start on Monday.



Achib president Lawrence Mavundla.

Hawkers told to keep on applying for licences

THE president of African Council of Hawkers and Informal Businesses, Mr Lawrence Mavundla, yesterday appealed to hawkers and spaza shop owners to continue applyihg for licences, despite the publication of a new draft Bill aimed at abolishing trading licences.

Mavundla said it was vital that this section of the informal sector should apply for licences to avoid further prosecution by local authorities.

He said it had come to Achib's attention that more hawkers and spaza shopowners were prosecuted for trading without the necessary documents.

"The draft Bill is not yet law. People should still apply for trading rights. As soon as the Bill becomes laws we shall inform our members and the community," he said.

The Bill, published in the Government Gazette recently, proposes the repeal of the old licencing laws. The list of licensable categories is reduced from 70 to two.

Welcomed

The Bill provides for the licencing of premises not persons. All the old grounds for refusal — a fit and proper person and language requirements fall away. Health and safety legislation are the only criteria for the award of a licence.

No licences are required for persons in private residences who prepare food or meals for sale. This means that home industries or spaza shops will not have to be licenced.

Mavundla has welcomed the new Bill and said it looked as if South Africa was about to take a few giant steps towards becoming a freer economy.

Tedelex declares rental war on Teljoy

BT Dec 2/7/87

295

Business Times Reporter

TELEVISION manufacturer Tedelex is to challenge Teljoy's virtual monopoly in TV rental through its subsidiary Empisal.

An epic battle is expected because both companies are powerful and highly profitable.

From next Sunday, 68 branches of Empisal will hire out TV sets at reduced rentals. Empisal has set aside R40-million for rental in its first three years.

Tedelex managing director Jack Cohen contends this is one of the biggest one-day retail openings ever. He wants at least a third of the rental market — 140 000 sets installed in five years. Tedelex believes Teljoy has 220 000 sets installed.

Empisal managing director Mandy Herman says: "From day one, we aim to install any set ordered before 10am on the same day." He claims his rental prices will be about 10% lower than Teljoy's.

Lucrative

Mr Cohen says Teljoy's record shows that TV rental is lucrative. Real growth has been about 10% a year.

He says growth will accelerate because the rising cost of sets, high interest rates and tighter hire-purchase terms mean that fewer customers can afford to buy.

Mr Cohen doubts that retail distributors of Tedelex sets will be put out by Empisal's entry.

"In today's tight market, they don't want R40-million of extra stock."

Mr Herman says that because it is already paying rent for stores and salaries and wages to service and sales staff, Empisal will be able to run an operation similar in size to Teljoy's with operating costs R21-million lower.



Tedelex's Jack Cohen and Empisal's Mandy Herman ... an epic battle for TV business

Empisal will get its sets slightly more cheaply than Teljoy because of the link with manufacturer Tedelex. Tedelex does not sell sets to Teljoy, so will not lose sales from that quarter.

Welcome

Teljoy managing director Theo Rutstein welcomes Empisal to the market. He regards retailers as competition, not other rental companies. The presence of Empisal will increase rental's share of the market.

He contends that Teljoy is more "focused" than Empisal, which also sells sewing and knitting machines, micro-waves and other appliances.

Mr Rutstein wishes to avoid a price war, but warns: "If they hurt us, we will retaliate."

Teljoy has spent R38-million on equipment recently. It bought Rent-a-Vision, a six-store hiring company, from the Triad TV manufacturing company. Teljoy claims Triad decided to stop competing against its customers. Rent-a-Colour, an old Visionhire company, is being revived.

Mr Rutstein says: "If Empisal is serious about this, it will have to commit itself to installing 60 000 sets at a capital cost of R60-million. It can forget about a return on its investment for five years."

He predicts that Tedelex will have an experience similar to that of National Panasonic, which sold its Telarama Redifusion rental arm after it discovered that it was a drain on capital and it antagonised its customers.

"We look forward to buying them when they've had enough," says Mr Rutstein.

Charges

Mr Cohen says Mr Rutstein is throwing up a smokescreen in saying retailers are the real opposition and that they will be offended by Tedelex's entry.

"We are the opposition. We want to take away 75 000 of his 220 000 units. The rest we expect to get from growth of the market. We expect rental's share of the pie to remain at about 16%-17%."

Mr Cohen says National Panasonic's withdrawal from rental was irrelevant to Empisal. He says the Barlows manufacturer did not have 68 stores in place before it started.

Empisal will charge R56,27 a month for a new 51cm colour set. The charge includes GST and insurance. Teljoy charges R60,05 for a similar package. Aerials are extra in both cases.

Empisal's price for a 67cm colour set is R77,62 a month; Teljoy's R83,78. Both companies encourage customers to take sets for a minimum of five months, but Empisal will permit shorter rentals.

The cost of a video casette recorder is R69,49 a month at Empisal and R66,83 at Teljoy.

Strike-busting is big business

THE stronger trade unions become, the more ways businessmen are finding to circumvent them or at least lessen the effects of their actions. ST Times 3/9/87

One personnel consultancy is doing good business by supplying strike-hit organisations with temporary workers — quickly. Classic Personnel has been operating for almost three years now, but business really began to boom in May this year.

Classic Personnel director Danie Lewis says the company's directors saw that organisations were being paralysed by strikes, go-slows and sit-ins, and thought they could do something about it.

In the recent unrest in the motor industry, Classic supplied Toyota with about 52 white employees to work in the plant.

"Toyota needed good people in the shortest time possible. We have extensive contacts in industry, and managed to produce them in four days," says Mr Lewis.

This week, he was called in by Frasers International, Volkswagen and Plascon, all of which were facing industrial action. The consultancy is still on standby for Consol, which faced strike action three weeks ago.

"We find we mainly use whites and coloureds in these temporary positions. In this way we avoid intimidation by the unions.

"We supply mainly unskilled and semi-skilled people to strike-hit companies. Sometimes they stay for a couple of days, other times they can remain for a month or more."

Mr Lewis says he can easily find temporary workers through contacts in manpower departments, social welfare and unemployment agencies.

"Lascon Lighting recently wanted 60 coloureds. I had them at the factory within 36 hours, working steadily.

"The union can say nothing to me or the workers because I work purely as a sub-contractor. My company is saving organisations hundreds of thousands of rands in lost production. We offer a good service."

WOMAN



Jean McCleod, Shimane Khumalo, Lindi Myeza and Cikizwa Mokoena at the International Secretaries Day function.

In praise of the secretary

September 14 1989

By SIZAKELE KOOMA

SECRETARIES are important people, says Mr Shimane Khumalo, director of Nicro-Soweto.

Khumalo, talking at the function when Secretarial Values Consultants celebrated International Secretaries Day in Soweto recently, said he endorsed the aims of the consultancy - a project of Women's Informal Training Institute, which is committed to upgrading black secretarial standards.

"A secretary is vital to any organisation. She should never be neglected because if she is the whole company will degenerate. People from impressions about establishments from what they see in the secretary," Khumalo said.

He said technological developments demanded that secretaries be empowered with skills needed to cope with change. If steps were not taken to improve the standard of secretaries it would be difficult for them to hold their own in the highly competitive corporate world.

"There are a number of fly-by-night schools that purport to train secretaries but they are only out to make money. It is encouraging to see projects like the Secretarial Values Consultants who want to upgrade black secretaries and promote professionalism in the job," he said.

The consultancy offers on-going courses to secretaries to keep them up to date with developments in technology and new office trends. Their aims include: providing secretarial services to women's organisations, community-based and self-help projects and entrepeneurs; providing a platform for an exchange of ideas and a learning forum for secretaries; promoting a spirit of achievement among secretaries; promoting relations with other secretaries locally and internationally and building a strong secretarial guild.



Hawkers urge probe into problems

By JOSHUA RABOROKO

THE African Council of Hawkers and Informal Businesses has recommended to the QwaQwa Cabinet to look into various problems facing hawkers, spaza shop owners and other informal traders in the territory.

Achib's general secretary Mr Frances Moleko has also negotiated with local wholesalers to give informal traders buying cards and to help them develop financially.

Speaking at the opening of Achib's new offices in Phuthaditjhaba in QwaQwa, Moleko said the organisation had been negotiating with the QwaQwa Cabinet to open its doors to informal traders.

"We need to develop the small businessmen so that they can run big ventures in the future. The hawkers and spaza shop owners contribute millions of rands to the country's economy and the time is ripe for them to development themselves," Moleko said.

He appealed to the QwaQwa government, the private sector and the development corporation to help hawkers with loans.

Traders are not criminals - Achib

The government should not grant more and more hawkers licenses to trade freely without any harassment, intimidation, arrests and confiscation of their goods in daily operations.

Hawkers were people who were trying to earn an honest living and should not be treated like criminals, he said.

The newly-formed branch of Achib comprises informal businessmen from Bethlehem, Reitz, Harrismith and other areas in and around QwaQwa.

'Camouflage' shops keep popping up

'Secret' shops or 'spazas' are becoming increasingly common as a means of combatting unemployment, reports PHILIPPA GARSON

SPAZA shops are the latest attention-grabbers for those companies venturing into the informal sector.

More and more of these little home-made shops are popping up in townships all over the country, as their owners look at small business as a means to combat unemployment.

Manager of *Black Enterprise* magazine Gill Stacey spoke at the Black Consumer Conference this week about these shops, which are not as new as many think. They've been around since the days of Sophiatown in the 1950s.

The word "spaza" — meaning camouflage or dummy in Zulu — gives some indication as to the origin of these ventures, which came into being when black entrepreneurs tried to fight police harassment by selling their goods secretly at home.

Stacey, who has conducted extensive nationwide research on spaza shops, says it is impossible to gauge just how many there are, but she estimates a figure of 20 000 countrywide, with more than 1 000 in Soweto alone. The last 18 months have seen a boom in this particular area of informal trade, she says.

The legality of spaza shops depends on their location. In KwaZulu, for example, they are strictly illegal but, says Stacey, "the message has by and large filtered down from top government levels to leave these people alone — they are creating their own employment". And a new business bill to be discussed in parliament next year suggests that spaza owners won't need trading licenses at all, unless they sell cooked food.

One reason why it is impossible to keep a track record of spaza shops is that they are either registered as ing else or not registered at all, says Stacey.

They appear in numerous guises, from converted garages, to bedrooms, lounges and, in one instance, even an old bus in Eldorado Park.

Most have fridges, electric tills and sell a variety of consumer goods, including beer.

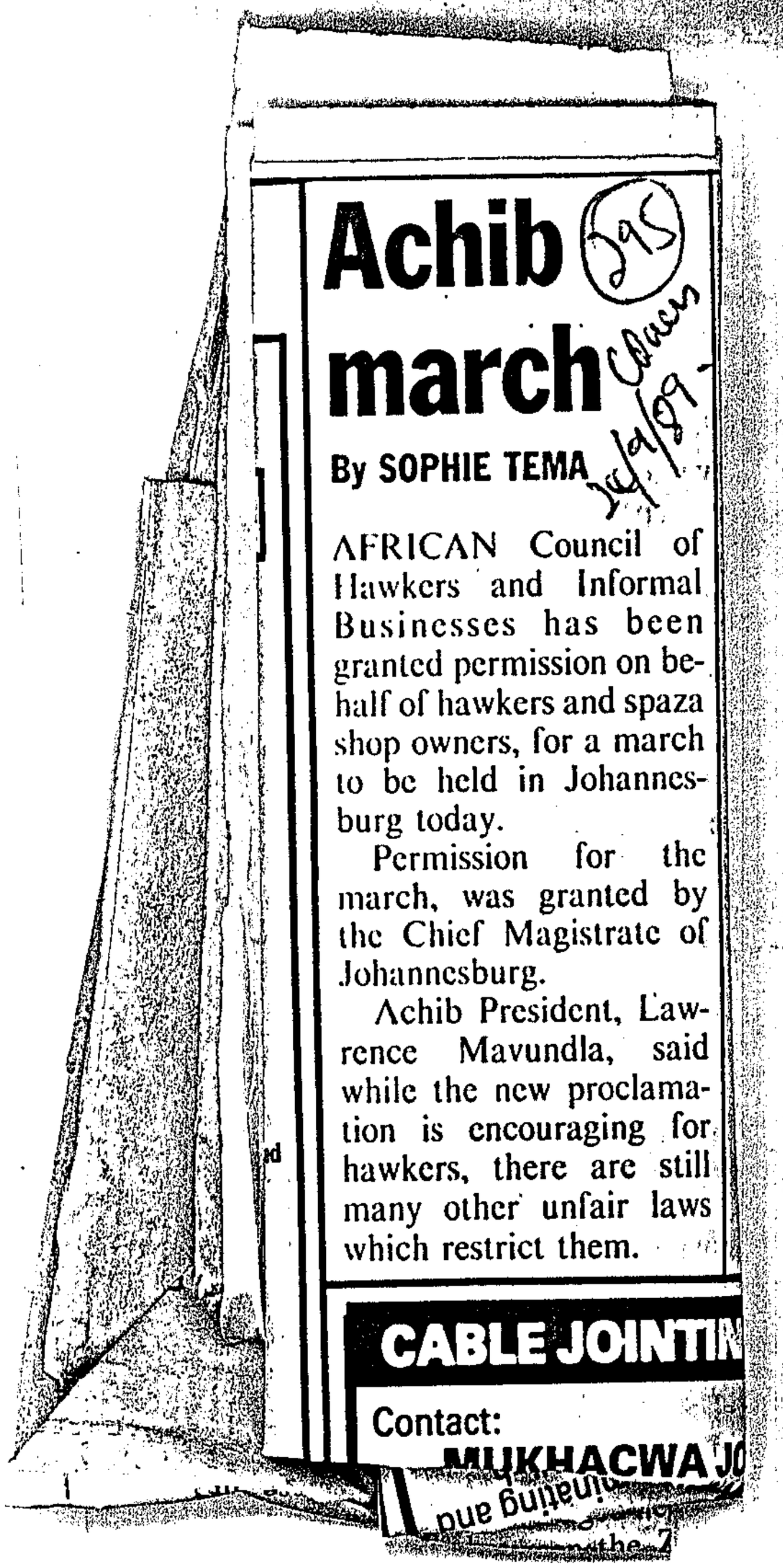
The growth in the number of spaza shops indicates they are commercially viable and fulfil a vital role for consumers in the townships.

Formal-sector outlets are usually sparse and often far away. There are obvious perks to having a shop just round the corner and contrary to popular belief spaza goods are usually sold at competitive prices, or at prices at least matching those in formal-sector shops.

The expected back-lash from the formal sector has not happened, says Stacey, "predominantly because a basic attitude of live-and-let-live seems to prevail. Many store-owners even welcome the competition, and some do business directly with spaza-shopkeepers."

Turnover from these stores ranges from R5 000 to R15 000 per month, with an average of between R10 000 and R20 000. Those smaller ventures selling only cool drink may have a lower turnover, while a more sophisticated establishment can bring in as much as R60 000 per month.

15-21/9/89. WMail


Achib
march
By SOPHIE TEMA
AFRICAN Council of Hawkers and Informal Businesses has been granted permission on behalf of hawkers and spaza shop owners, for a march to be held in Johannesburg today.
Permission for the march, was granted by the Chief Magistrate of Johannesburg.
Achib President, Lawrence Mavundla, said while the new proclamation is encouraging for hawkers, there are still many other unfair laws which restrict them.
CABLE JOINTIN
Contact:
MUKHACWA JO

ST Times 1/10/89

Duros at Motorvia wheel

By Ian Smith

DUROS, the Cape-based investment holding and financial services group, has pulled off a coup.

It has taken control of Motorvia, holding company for Budget Rent-a-Car, lease and vehicle transport operations and short-term insurance interests, from other buyers with a R52-million cash bid.

Motorvia controlling shareholders chairman Pienkes du Plessis and James Thompson have accepted the Duros offer of 247c a share for their 68% stake.

A similar offer will be made to minorities for their 6,5-million shares and 3,5-million convertible debentures.

The JSE price on Friday was 230c.

The acquisition will boost Duros group's turnover to more than R1-billion a year and operating profits to more than R100-million.

"This puts us among the big industrial groups," says chairman Johan Claasen.

Senior management of Motorvia, which is ungeared and has cash of R8-million, will remain.

Mr Claasen says Motorvia lines up with Duros's intention to get into consumer-related growth industries with high entry barriers. The car rental and lease business fits with the Tollgate and Entercor travel and leisure businesses and the insurance operation will strengthen Duros' link with IGI.

Imperial expects right royal profits next year

(295)

THE Imperial group, consisting of operating company Imphold and pyramid company Imperial Group, should increase profits in the year ahead with the group's four operating divisions geared for further growth. BIDay 2/10/89.

During the year to June 1989, Imphold, which holds Imperial Car Rental, a motor division, a truck systems division and a recently established short-term insurance property and finance division, earned pre-tax profits of R33,8m on a turnover of R446,5m.

The group's annual report shows a 34,4% return on shareholders funds. Operating profit to turnover was 8%.

EDWARD WEST

Borrowing to shareholders funds was 37% in 1989 compared to 26% in 1988. In the report the prospects for each division were outlined. The car rental division was in a growth phase.

Imperial's Auto Pedigree business, which disposes of rental cars, maintained profits in the year in spite of a softer used car market. The car rental division saw turnover increase 88% due to asset management while pre-tax profits increased 106% to R12,6m. This divion was the largest contributor to Impholds profits, earning 37% of total profits.

The motors division saw pre-tax profits soar by 108% to R9,8m on a modest 18% increase in turnover. The division's parts and service operations made a useful profit and should continue to grow. In addition the division acquired Wadeville Toyota which would strengthen the division.

The truck systems division was also expected to grow in 1990. The insurance, finance and property division with Regent Insurance was not expected to show meaningful growth in its first year.

Imphold's directors said its activities were contra-cyclical in many respects and the group was not likely to be adversely affected by an economic slowdown.

Duros takes over Motorvia for R52-m

Duros has made a successful R52 million cash bid for Motorvia, holding company for Budget Rent-A-Car, Budget Autolease, Motorvia's motor vehicle transport operations and its short-term insurance interests.

The controlling shareholders in Motorvia, "Pienkes" du Plessis, executive chairman of Motorvia, and James Thompson, have accepted a Duros offer of R2,47 per share for their 14,697 million ordinaries, constituting 68 percent of the authorised issued ordinary share capital.

A similar stand-by offer will be made to minority shareholders of the remaining 6,5 million ordinaries and 3,5 million convertible debentures.

The acquisition will boost Duros turnover to R1 billion a year and operating profit to R100 million.

Senior management of Motorvia will remain intact. The full board has agreed to service contracts with Duros and restraints of trade in favour of Motorvia and Duros. Duros's Mervyn Key and Johan Claasen join the Motorvia board.

Motorvia is completely ungeared and has a cash balance of R8 million.

Motorvia will eventually be de-listed and the various operating divisions blended with counterparts in the Duros group.

Mr Claasen says: "The divisions operate as independent profit centres at present so the merging process will be straightforward. Also, had we not been completely satisfied with the calibre of Motorvia's senior management, all of whom will remain with the group, we would not have concluded the transaction."

Motorvia's transport division will probably become part of the TGH transport division.

Budget Rent-a-Car is likely to be closely associated with TGH's leisure group, Entercor.

Budget Autolease will probably become part of the retail division of TGH.

Motorvia's short-term insurance interests will remain in Duros, which has a 26 percent strategic stake in Saflife, the life assurance operation controlled be HCI.

The deal is a coup for Duros in that Budget Rent-a-Car has been the target of several unsuccessful bids.

The offer price was struck on the basis of the Motorvia board warranting a 50c-a-share taxed profit for the year to December, which coincides with the year-end of the Duros and TGH. — Sapa.

Section: 1 FREQUENCY OF REVISION. 7

Concorde poised to hit R100m turnover

B Idaily 13/10/89

DURBAN — Concorde Travel Holdings (Contrav), freed of its links with Columbia and getting ready to forge links with the Miller Weedon travel companies in the Transvaal, is set to emerge with turnover of about R100m a year and 11 branches round the country.

Recently appointed chairman Alec Rogoff said that the Beare Holdings company Summit Travel had been absorbed into Contrav in return for a 30% holding in the group to be held by Aaron Beare, Jonathan Beare and himself.

The management of Contrav had executed a management buyout (MBO) from Columbia and would hold about 30%. It was planned that once the option to buy control of Miller Weedon was exercised (from R3,2m) Jack Walsh would hold about 18% of the equity.

A 20% share in Pride was bought by

Own Correspondent

Contrav from April 1988, but it has been decided to sell this and concentrate on the travel interests.

Minority shareholders are being offered 50c a share for their holdings — the same price for the MBO and the purchase of Summit Travel.

Rogoff said the tourist industry was promising, not only in terms of foreign visitors but for the increasing numbers of people in SA.

While Contrav had been focused on corporate and overseas travel he saw great scope for exapansion in other areas.

The absorption of Summit and the likelihood of taking up the Miller Weedon option would lead to some rationalisation in the administration of the companies.

Rogoff retired as chairman of the Durban-based Beare Group late last year.

Concorde poised to hit R100m turnover

B Day 13/10/89

DURBAN — Concorde Travel Holdings (Contrav), freed of its links with Columbia and getting ready to forge links with the Miller Weedon travel companies in the Transvaal, is set to emerge with turnover of about R100m a year and 11 branches round the country.

Recently appointed chairman Alec Rogoff said that the Beare Holdings company Summit Travel had been absorbed into Contrav in return for a 30% holding in the group to be held by Aaron Beare, Jonathan Beare and himself.

(295)

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989

B | Day 18/10/89

US to sponsor Achib legal team in fight

295

THEO RAWANA

THE US government is to sponsor a legal team which is to represent African Council for Hawkers and Informal Business (Achib) in its fight against laws adversely affecting hawkers.

Achib president Lawrence Mavundla said at a briefing session in Johannesburg on Friday there was still a host of restrictive laws that needed to be removed despite the planned scrapping of the licensing laws.

Mavundla said Achib's legal team was to be headed by human rights lawyer Raymond Mashazi.

Mashazi said he saw his appointment as a continuation of his human rights campaign since the hawker was one of the most defenceless victims of harassment.

"We aim to protect the rights of the hawker at central and local government level and are starting a legal training centre where hawkers will be taught their rights and laws they should observe," said Mashazi.

Distributing

Mavundla also said Achib membership had swollen to 20 000 in the PWV, Northern Transvaal, Eastern Cape, Free State and Natal and 1 500 jobs had been created since the council's inception in 1987.

Achib Chemicals, a two-month-old project manufacturing dishwashing liquid and fabric softener had started distributing to outlets such as Soweto's Blackchain.

Many manufacturers' products had gained access to Achib members through the council's Company Promotions Project, whose in-house calendar lists branches' weekly meetings where products can be exposed.

Achib Trading Company, as the trading arm of the council, was a link between big and small business. Getting produce directly from producers and control boards, the company was able to side-step the high handling fees that tended to shoot up prices.

Repo not y says

HOME loan foreclo creased significantly but repossesions by not yet reached alarm SA Perm senior finan ing GM Peter Hibbit

He said that in May, came to 550 homes ex June the figure was 677 bank sales in execution

The July figure jump while in August the figu

The rapidity of the in sures is revealed when t compared to only 475 sa November 1988, said Hi

Property economist said people seeking ho seek profesional advice bility levels, preferably dent attorney, before c selves to a home loan

Berkowitz was react reports about on the su in home loan foreclosur last year.

the NP won co

prove the economic situation, in regard to inflation; and if it eed in getting a process of rea

[redacted] **Avis Lease** [redacted] **A Business Times Corporate Survey October 22, 1989** [redacted]

Smoothing out the new car bugbears . . .

Avis Lease to assist the buyer



GETTING A LOOK . . . one of the vehicles Avis Lease intends incorporating in its new programme gets a thorough once

SA's HIGH inflation rates, the rising cost of cars and the threat of sanctions on vehicle supplies has prompted Avis Lease to introduce a new full maintenance leasing (FML) concept.

The idea, the first of its type in SA, could save large and small fleet owners hundreds of thousands of rands.

The idea is to sell corporate fleet buyers "nearly new cars" which will come from the sister company, Avis Rent-a-Car.

These will have low mileage and will be in top condition, with new tyres and an A-1 guarantee.

Using its experience and in-house expertise, Avis Lease spotted a gap in the market which it believes will be well received.

Each "nearly new car" will have an average of about 30 000km on the clock, a new set of tyres and will be fully reconditioned.

They will be leased to corporate fleet owners at extremely competitive rates — much cheaper than the prices fleet owners would have to pay for new vehicles.

Because Avis Lease carries all the risk in maintaining and running the vehicles, any reservations fleet owners may have in utilising pre-owned vehicles are eliminated.

For example the cost of a typical fleet owner's car, a Monza 1,8GLX with air condi-



FRONTLINE . . . the front office at Avis Lease

Privatisation of fleets growing

AVIS LEASE has taken over the full maintenance leasing of the 350-vehicle CSIR fleet.

This is the first privatisation of a previously owned state or semi-state car fleet in SA.

The fleet ranges in size from 1,3l sedans to light commercial vehicles, all

of which have been taken over by Lease.

Avis Lease retains ownership vehicles but carries all risks a sponsibilities.

A smooth transition took considering the diverse m which had been carried.

Cover for FML users

AVIS LEASE has had great success with the launch of SA's first comprehensive insurance package to cover vehicles operating under full maintenance lease (FML) and maintenance contracts.

With a highly competitive policy costing only R130 a month on vehicles with a value of less than R50 000, the cover includes administration and insurance service.

It is payable with the FML or maintenance contract.

Premium

For vehicles in excess of R50 000, the premium is 3,5% of the value.

The charges remain fixed to August 31 1990.

Managing director of Avis Lease, Grenville Wilson says the package was negotiated with Price Forbes Volkskas Southern Transvaal and is underwritten by Santam.

"The new full insurance service will greatly facilitate the purchase of new vehicles and is a big plus for those fleet owners who have switched from their traditional methods of acquiring and mantaining motor vehicles to FML with our company," says Mr Wilson.

Service

The service includes the settlement of claims, negotiating with third parties, recoveries, risk management and the provision of monthly claims experience.

The popularity of FML has increased substantially since it was introduced by Avis Lease in 1980.

It now offers business fleet owners, including professional people such as doctors, lawyers and accountants a cost effective and valuable alternative to acquiring, insuring, managing and reselling a vehicle.



OVERALL HEAD ... Glenn van Heerden, group managing director of Avis



LEASING HEAD ... Grenville Wilson, managing director of Avis Lease

36-month period covering 75 000kmh is leased for R1 010 a month.

However, the new scheme will allow the same car to be leased for R850 a month, or R160 a month cheaper.

These amounts exclude GST.

Concept

The new concept is particularly suited to large fleet owners, those who have tool-of-trade vehicles for employees such as sales representatives.

To large fleet owners who run, perhaps, 150 vehicles, the discount, inlcuding GST will mean a saving of R27 120 a month or R325 000 a year.

A medium-sized fleet owner with 50 vehicles will save R9 040 a month or R108 000 annually.

For the small fleet of 10 vehicles, the saving is R1 800 a month and R21 700 a year.

Examples

From these examples, it is obvious that those making use of the new scheme will save substantially at the bottom line.

"With the effect of sanctions on the availability of new vehicles and the resultant upward spiral in new vehicle prices as well as the high inflation rates being experienced in spares and tyres, we see this market for reconditioned vehicles as having tremendous potential for future growth," says managing director Grenville Wilson.

The vehicles will be supplied through dealer outlets and will be serviced by them.

Customers will be treated as if they were buying a new vehicle.

Choice

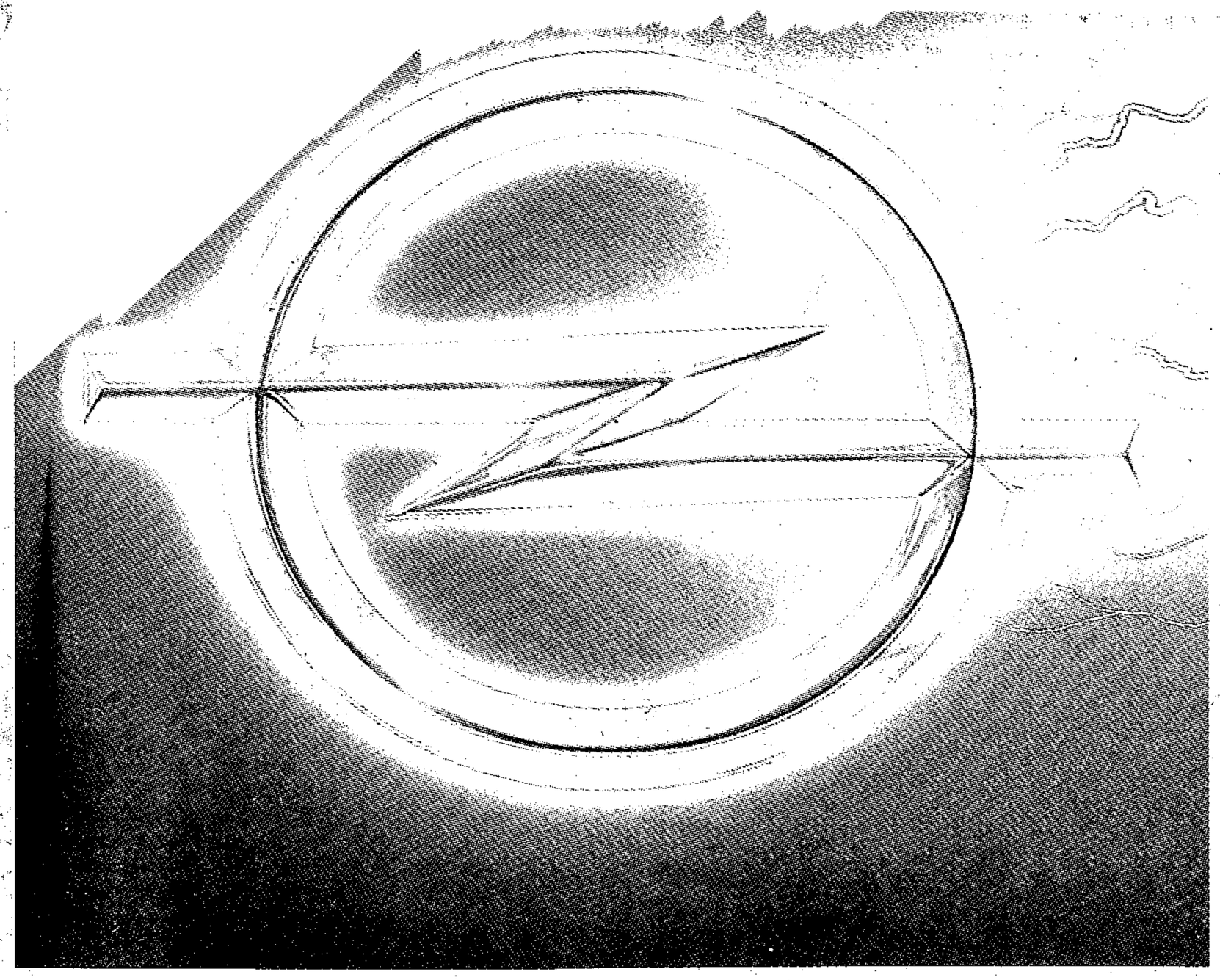
The supply and range that Avis Lease will have on offer will make it possible for customers to have a limited choice of colours.

With the Avis Lease relationships which it has built up through many years with dealers and through Avis Rent-a-Car, it believes it will be the only company to be able to meet the expected demand.

☐ **Fixing fleet costs** — Page 8

☐ **Edge off increases** — Page 9

☐ **FML idea grows in SA** — Page 10



OPEL.
A FLEETCAR NAMED DESIRE.

It's interesting to note that Avis Rent-a-Car, among others, choose Opel as an integral part of their fleets. Years of operating experience has taught them that the Opel philosophy of "Engineering a Better Way" pays dividends in terms of reliability, driveability, economy, comfort and performance.

Isn't that worth thinking about next time you rent a car?

OPEL
ENGINEERING
A BETTER WAY.

Manufactured by Delta Motor Corporation and distributed by 200 Delta Dealers countrywide. 3 year rust and 12 month unlimited kilometre warranties.

LINTAS DEL

FML takes edge off the increases

ST Times 22/10/89

THE dramatic increase in vehicle prices, maintenance costs and finance charges can be substantially reduced by the use of full maintenance leasing (FML).

FML has proved to be most effective in off-setting cost increases as well as softening the impact of rising prices.

Comparisons done by Avis Lease show that the price of a Jetta CLX has increased from R15 716 in 1985 to R33 000 this year — an rise of 110%.

Contrast

In contrast, a similar car taken on FML with Avis Lease in 1985 — with 100 000kmh over 36 months — would have cost R558 a month for the full period.

The same car on FML will be R916 a month for the full period of the lease.

This represents a 64% over the four year period.

Other examples include a Skyline 1,8*l* which would have cost R11 838 with an FML rental of R543.

Increase

Today the car costs R36 250 and the FML rental would be R1 043.

This represents an increase in the price of 207% and an increase in the rental of only 92%.

In the case of a Cressida GLi 6, the price has risen by 164%, but FML by 75%.

The Rekord 2*l* GL has risen in price by 122%, but the FML by only 95%.

During this period, the cost of maintenance has risen substantially.

Tyres have increased by 69%, oil filters by 87%, brake pads by a massive 424%, labour rates by 85%, exhaust systems by 56% and shock adsorbers by 69%.

In terms of FML, the fleet owner pays for the usage of the vehicle or fleet for a fixed period at a fixed rate.

Avis Lease holds ownership of the vehicle, but also carries all the risks and responsibilities such as inflation, cost increases, repairs, registration, administration and resale at the end of the contract.

Examples are:

Product	Retail Price 3/85	Retail Price 3/89	% Invoice
Tyres	R 84,73	R143,00	69%
Oil Filters	R 7,99	R 15,00	7%
Air Filters	R 13,64	R 21,20	55%
Brake Pads	R 25,95	R110,00	424%
Labour Rates	R 30,00 per hour	R 55,60 per hour	85%
Exhaust Systems .	R396,00	R618,00	56%
Shock Absorbers .	R104,00	R176,00	69%

Maintenance costs have shown equally dramatic increases over the same 4-year period.

Further examples are the following:

MODEL	1/11/85 Retail Price	1/11/85 Rental 36/100 000	7/6/89 Retail Price	7/6/89 Rental 36/100 000	Retail Price % Increase	Rental % Increase
Skyline 1.8 Man	R11 838	R543	R36 250	R1 043	207%	92%
Cressida GLi6 Manual	R17 785	R740	R47 045	R1 305	164%	75%
Hilux 1.8 SWB c/s	R10 495	R429	R22 870	R783	118%	82%
Rekord 2.0 GL	R15 320	R540	R34 115	R1 055	122%	95%

SA is growing to accept concept

S/Times 22/10/89.

295

FULL maintenance leasing (FML) is a relatively new concept in SA, but is growing at a rapid rate as the price of cars, spares and repairs increases.

Avis began FML in America more than 40 years ago and quickly moved into Europe.

In SA, Glenn van Heerden, group managing director of Avis, was the man behind the introduction in SA.

Avis Lease was started as a separate company in 1980 and now manages about 7 350 cars and light commercial vehicles throughout the country.

The company deals only with creditworthy corporate and business fleet owners and professional people who use the vehicles in the process of generating taxable income.

FML is not available to the individual, but is particularly suitable for the small business.

According to Grenville Wilson, managing director of Avis Lease,"a client only needs to tell us his requirements and we will analyse his needs, suggest a lease period — from 12 to 48 months — and buy the vehicle or vehicles of his choice, equipped as he chooses."

The car is bought in Avis Lease's name — which ensures a healthy fleet purchase discount — and after delivery to the client, all bills, apart from petrol, go stralght to Avis Lease.

Charges are based on the distance travelled by the client each month and provided he keeps within a small percentage of this, the monthly motoring budget can be accurately calculated.

Should distances be increased or decreased, charges can be altered.

"We look at each client according to his needs and finance charges are either fixed or linked to the prime rate.

All expenses are covered — including tyres — but we do not pay for driver abuse of the vehicle," says Mr Wilson.

Mr Wilson emphasises that the major benefit of FML, particularly to the small business, is the fixed budget, although the system is totally flexible according the clients needs.

Avis backs black rhino

AVIS LEASE is to sponsor the Black Rhino Pro-Am golf tournament at the Skukuza Golf Club in the Kruger National Park on December 2.

Ever concerned about the environment and conservation, Avis Lease is associated with the Rhino and Elephant Foundation in arranging the inter-city golf tournament.

The Rhino and Elephant Foundation launched the programme in September aimed at raising R2-million to protect the black rhino.

It is hoped that the Government will match rand-for-rand all funds received. This could boost the fund to R4-million.

The venue will provide a most appropriate site to stage the event to help save one of Africa's most majestic animals.

Johannesburg, Pretoria, Bloemfontein, Durban and Cape Town will provide 20 players who will "adopt" a black rhino.

The teams will be supported by their mayors.

Luxury coaches will provide transport to and from Skukuza where players will be accommodated at the rest camp and a hotel on the border of park.

The event has the endorsement of the SA Professional Golfers Association.

The professionals involved have agreed to donate their fees back to the fund.

In terms of a corporate challenge which has been established, companies and individuals will be asked to "adopt" a rhino for R10 000.

Pressure on fleet owners in . . .

Used-car decline

THE market for second-hand cars has taken a tumble and fleet owners are having great difficulty in getting rid of their used vehicles at acceptable prices.

Used car prices began to decline from the beginning of May and since then, resale values have fallen by between 10% and 15%, with the 2*l* and 3*l* cars experiencing the largest falls.

Even prices of 1,3*l* and 1,6*l* cars have fallen.

The reason for the softening in prices is the introduction of stricter credit controls and the fact that almost every used car is sold to an individual, whose disposable income has not kept pace with the rise in new car prices and consequently the upward pressure on used cars.

This means that the private buyer has been unable to enter even the used car market, especially in view of the prices fleet owners expect to get for their used vehicles, based on a planned residual price.

Although there is still a market for used cars, prices before the May tumble rose to extremely high levels.

Difficulty

This was caused largely by fleet owners, who take up about 77% of new vehicle sales, having favourable financing mechanisms and who, in any event, must have vehicles to conduct their business.

It has long been the contention that if new vehicle prices continue to rise, used vehicle prices will rise in tandem.

This, however, is now not the case.

In contrast, the private buyer does not have access to similar funding methods and must use his disposable income to match a car purchase.

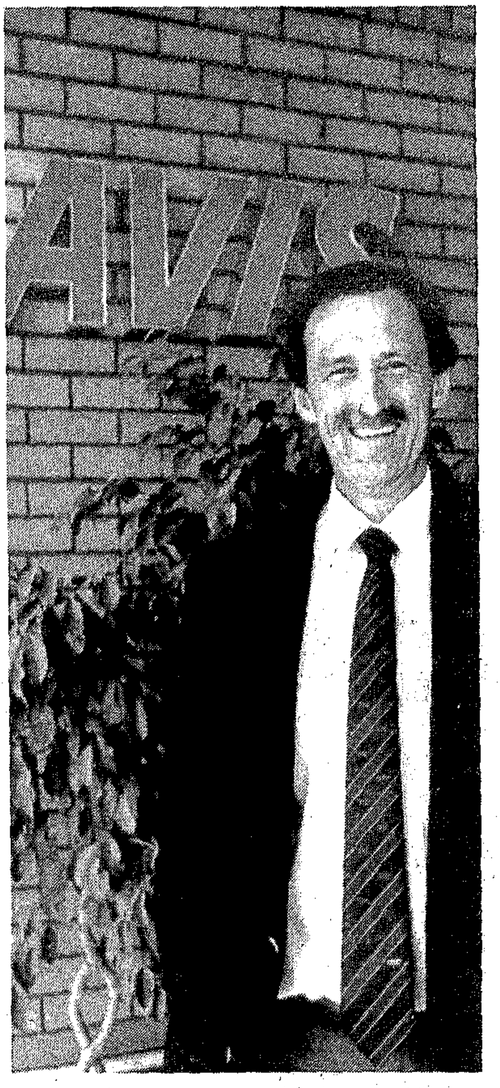
The result of these factors is that fleet owners are now having great difficulty in disposing of used vehicles at expected prices.

Problems

To counter these problems, Avis Lease has suggested the use of full maintenance leasing (FML).

In terms of FML, there is no risk for the user of the car, as Avis Lease is responsible for the eventual disposal of the vehicle at no risk to the user.

"Although trading under these conditions is extremely difficult, we at Avis Lease are not concerned that it is happening as it will, hopefully, bring a bit of sanity to the market," says managing director Grenville Wilson.



MARKETING MAN . . . John Whitehead, national sales and marketing manager at Avis Lease

"This should put pressure on some of the less professional players who seem to believe that there is no end to the heights that residual prices will go.

"As pioneers of FML in SA, Avis Lease has experienced a number of downturns in the used car market and is fully aware of how to handle the situation.

"We are geared up to meet this situation having experienced it before and we are able to handle it to the best advantage of our customers," he says.

"In the past couple of years, prospective clients have resisted coming to FML because they feel they will always be able to get good prices for their second-hand vehicles and it will not cost them anything.

"But not with the used car market where it is at present. The corporate and other fleet owner will be finding it difficult to move their vehicles and might even be taking a loss on them.

Benefit

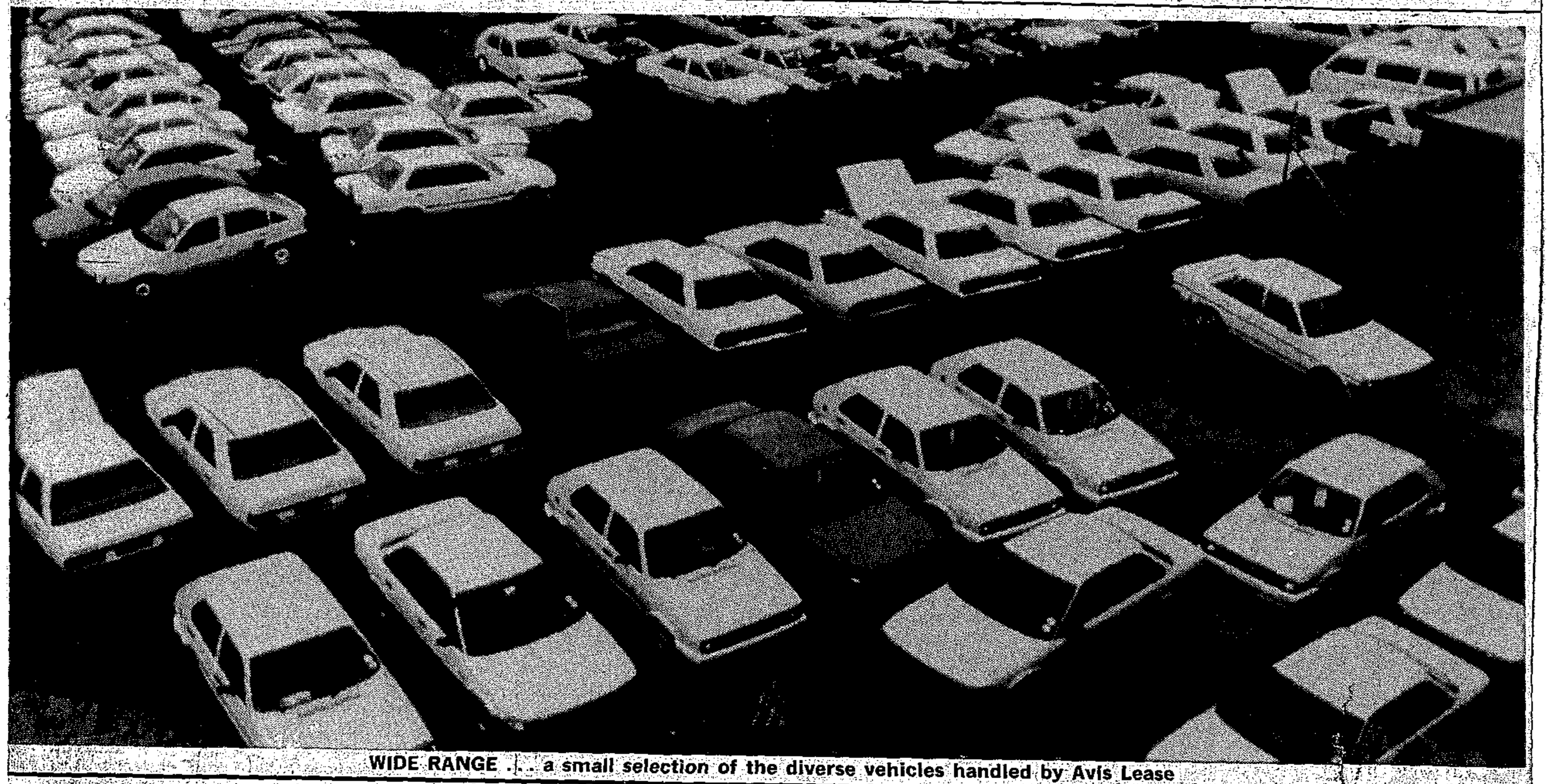
"This is an opportunity for us to emphasise this benefit of no risk," says Mr Wilson.

The FML, in effect, offers a residual value guarantee or a residual value insurance, which alleviates any risk clients might experience.

Avis Lease has been doing this since it introduced FML and has all the experience to make it work.

Avis Lease

A Business Times Corporate



WIDE RANGE ... a small selection of the diverse vehicles handled by Avis Lease

Travel Agents' Board to be scrapped — Durr

B/Day 17/11/89

295

MIKE ROBERTSON

GOVERNMENT is to abolish the Travel Agent's Board, Tourism Minister Kent Durr announced yesterday.

Durr said in a speech to the SA-Israel Chamber of Commerce that he would, at the earliest opportunity, repeal the Travel Agents and Travel Agencies Act in terms of which the board is constituted.

This, he said, was in keeping with government's commitment to withdraw unnecessary restrictive legislation.

Durr said that at best the board's fidelity fund could be retained in the interests of consumer protection.

The minister added that in view of his intention to repeal the Act, he was granting permission to Computicket to resume selling SAA Skybird travel packages.

The Travel Agency Board last week suspended the sale of Skybird tickets through Computicket outlets. It said that as Computicket was not a travel agency, it could not sell tickets.



● DURR

Skybird packages were introduced by SAA to sell low cost charter flights to the man in the street, said an SAA spokesman.

Durr said that by exempting Computicket from the provisions of the Act he was benefiting consumers from the non-traditional travel market.

Durr explained: "Experience has shown that black consumers, in many instances, prefer a more unorthodox approach in securing their travel arrangements than other sectors of the community. As the travel packages are all-inclusive, no travel expertise is required from Computicket staff."

The minister said it was vital that all opportunities be utilised and encouraged for easing the entry of the non-traditional market into the mainstream of domestic tourism in SA.

B/Day 24/11/89

Some labour brokers operate as modern day 'slave traders'

EDWARD WEST (295

SOME labour brokers in the SA construction industry were "modern day slave traders" and were inflating wage costs by about 70%, industry sources said yesterday.

Constructional Engineering Association executive director Rene Schmetz said some labour brokers were conducting unscrupulous and unethical labour practices, costing the taxpayer millions every year.

Schmetz said there were about 700 labour brokers in SA, some of whom promoted corruption, bribery and kick-backs.

These brokers exploited the skilled manpower shortage. The brokers lured staff from permanent employment by offering substantially higher rates of pay, usually for short periods of employment.

They recruited staff from site to site on a merry-go-round system and encouraged tax evasion by telling employees to register as close corporations, sub-contracting labour to clients with brokers acting as agents only. Registration of employees with bodies such as the industrial council was required by law, but many brokers only registered a few of their employees.

Dark side

This meant people employed by brokers had no social security, medical cover or workmen's compensation insurance.

Schmetz said the use of ficticious addresses, avoidance of levy payments and the importation of employees from overseas on tourist visas were all part of the dark side of the labour broking industry. Between 16 000 and 20 000 people were working for brokers.

A Manpower Department spokesman said the department was aware that some brokering practices were causing problems in the industry, but there was little it could do about it. B/Day 24/11/89

The Labour Relations Act said disputes arising out of labour brokering practices could be referred to the industrial court.

Group Five CE Peter Clogg said brokers were necessary in peak periods of construction activity because of the cyclical nature of the industry, but he realised the potential of brokering rackets.

Plea for higher commissions

BDay 28/4/89

FIONA FOURIE

THE growth of the SA tourist industry could be seriously hampered if retail travel agents are not given greater incentives to sell local travel, says the Association of SA Travel Agents (Asata). (295)

The fixed commission travel agents received for local products had remained static at 7% for about 19 years, Asata said in a statement released at the weekend.

This situation would improve next year when all travel agents belonging to Asata would have the option of charging a R10 service fee for any domestic transactions.

Asata spokesman John Fryer said retail travel agents retained their important function of presenting the wide range of travel products on the market, despite hotel and car rental groups marketing directly to corporate clients.

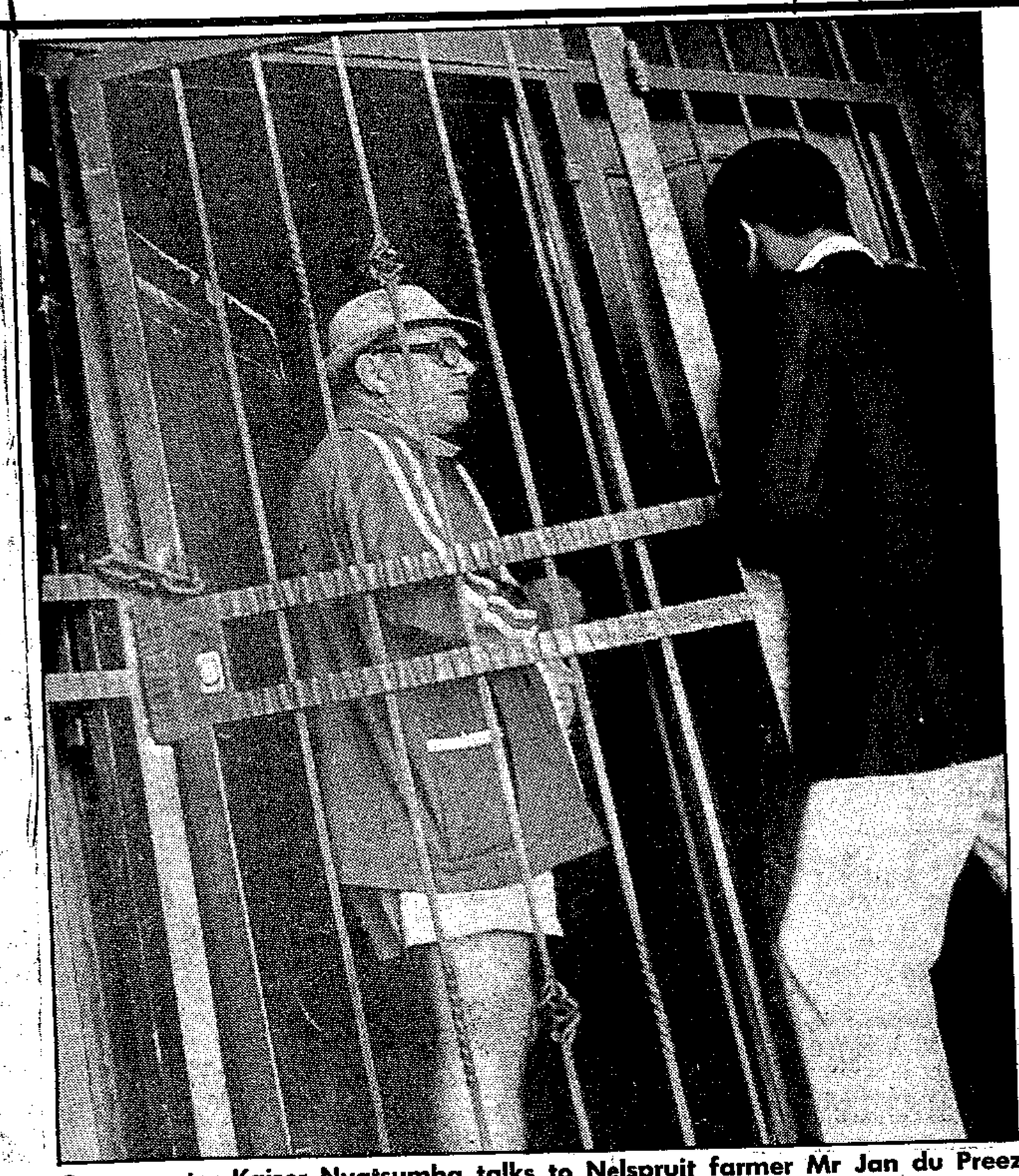
"The increasing trend of deregulation in the tourist industry is evident in the recent decision by government to abolish the Travel Agents' Board and in the permission given by Tourism Minister Kent Durr to Computicket to continue selling SAA Skybird travel packages."

He said local airlines, hotels and car rental companies should recognise that travel agent should be paid "a fair commission".

"Domestic travel is becoming less and less attractive to promote as double digit inflation in operating costs has been running well ahead of the fixed commission income, particularly arising from air ticket sales," said Fryer.

Asata was still hopeful SAA would recognise the agents' serious situation and increase commissions.

Star 5/12/89. (295) (X) (X)



Star reporter Kaiser Nyatsumba talks to Nelspruit farmer Mr Jan du Preez about alleged exploitation of workers on a building site in Johannesburg. ● Picture by Stephen Davimes.

Eastern Tvl men tell of Jo'burg exploitation

By Kaizer Nyatsumba

At least 21 young men from White River in the eastern Transvaal work 16 hours a day for R150 a week in a Johannesburg building — and some of them have not been paid in full, The Star has established.

The men, most of them illiterate, were brought to Johannesburg on an open bakkie by Mr Jan du Preez of Nelspruit about three weeks ago. They told The Star they were promised a salary of R150 a week, free food and accommodation and normal working hours.

They work at the old Cosatu House in Jeppe Street, which was damaged when a bomb exploded there about a year ago. A few of the men are painters and most are labourers.

WORKING HOURS

"When we got here we were told we would be required to work for 16 hours, from Monday to Friday. On Saturdays we work until late in the afternoon and on Sundays we work until 1 pm. Our weekday working hours are 7 am to 10 pm," said one of the men.

Their daily menu was porridge.

The man said he and his friends had already spent two weeks in Johannesburg and were supposed to have been paid R300 for two weeks' work last Saturday. Instead they were given R100 each and were told they would get the rest of the money this week.

"I don't want to work for them anymore. All I want now is to be paid all my money and then go home," said the young man, who did not want to be identified.

The Star first heard about the young men's plight on Sunday afternoon, and went to the building. A security guard, from the Future Security firm, refused The Star entry into the building and radioed his senior. A man immediately came to the scene and threatened to "throw all the people working on the painting contract out of my building".

When The Star went there yesterday, another security guard denied entry. However, Mr du Preez came down to talk to reporters.

He said some of the people had not been paid in full because they got drunk and spent their money on petty things. Their outstanding money, he said, would be paid to them.

Mr du Preez said they were all — including himself — employed by a Mr Ahmed Alli Dadabhai. Mr Dadabhai, a friend of his, had asked him to get people to come help them with the painting project, and he had obliged, he said.

However, Mr Dadabhai told The Star his company, which owned the building, had "absolutely nothing to do with the whole thing".

Mr Dadabhai said his company had given a painting contract to a Nelpruit-based painting company, which had brought the men to Johannesburg.

"We do not know about the people and where they come from. All we are interested in is for the company to do its job on time," he said.

'Slave traders' hit back

ST Times 10/12/89.

(295)

LABOUR brokers have been accused of being modern-day slave traders, inflating wage costs by up to 70%.

Strong words indeed, and ones to which the Association of Personnel Service Organisations of SA (APSO) strongly objects.

Construction Engineering Association (CEA) executive director Rene Schmetz believes that labour brokers cost taxpayers millions of rands each year, promote a network of corruption, bribery and kickbacks. He claims they encourage tax evasion by recruiting staff on a merry-go-round system.

APSO past president Sydney Catton has put the ball back in the CEA court, saying any unscrupulous and unethical practices should be blamed entirely on the employer organisation's members.

"After all, they are the clients who pay labour brokers and it is entirely within their powers to give business only to those that meet certain standards."

Mr Catton compares the situation to the biblical story of David and Goliath, saying CEA members are on average huge corporations with big monthly budgets.

The labour brokers, he says, are on average in a small business trying to make an honest living by supplying the services that meet their clients' needs.

"The truth of the matter is that CEA members actively promote the practices in question by handing out contracts to the cheapest labour broking service, irrespective of whether it complies with the law, deducts industrial council levies, or belongs to an association like APSO which requires it to conduct ethical business practices."

Mr Catton believes it is absurd for the CEA to call on the Government to bring labour brokers under control, saying it should first put its own house in order.

Temporary staffing is one of the fastest-growing industries in the world, he says. In America alone more than a million people are employed consistently as temps. They earn more than $10-billion annually.

"APSO is proud to represent the industry in SA. It has the world's first mandatory accreditation examination to ensure that all personnel consultants and labour brokers know enough about labour legislation.

"It ensures that they are familiar with the industry's codes of ethics and conduct to be able to carry on their business within the law."

The answer to the CEA's complaints, says Mr Catton, is for it to get its priorities straight, and use APSO members only.

295 Star 31/12/89

FML heads for R300m in 1990

FULL maintenance leasing sales could exceed R300-million in 1990, says Fleetlease Contracts managing director David Owens.

Mr Owens says there has been a rapid growth in the FML market.

"At the beginning of this decade FML was a terminology which occasionally drifted across from abroad.

Iceberg

"In the mid-1980s FML emerged in SA. The market grew quickly and sales this year came close to the total for the preceding nine years."

He believes that growth so far has been only the tip of

By Robyn Chalmers

the iceberg which will become increasingly visible in the Nineties. By the middle of the decade, annual FML business could exceed R1,2-billion.

However, Mr Owens warns fleet owners against a trend developing in FML. He says many owners are considering the leasing of a used vehicle or a secondary lease of a fleet car.

The problems associated with this trend include two- or three-year-old vehicles being offered at higher prices than new ones, higher maintenance costs and demotivation of staff.

"Rising vehicle costs and, at times, poor availability are factors promoting this trend. Any agreement which allows the depreciation curve to level off more slowly should have financial merit.

"This is particularly so if the vehicle life can be extended to facilitate its sale in the wider but lower-priced five-to-seven-year-old market."

Protected

Mr Owens warns that the used-vehicle option poses potential problems which have not been considered by some parties offering such a service.

For example, some advertisements offer two-to-three-year-old vehicles for a further lease at higher prices than reputable suppliers can provide a new vehicle.

"The customer must also ensure that he is adequately protected from higher costs of mainenance and the less tangible but vital cost of vehicle downtime because of more frequent repairs."

Mr Owens says companies considering the savings to be had in leasing a used vehicle should obtain comparative prices from a reputable supplier of new cars or trucks.

Busaf on the move

BUSAF Letaba, the largest manufacturing facility in Gazankulu, has opened a production line to build cabs for Komatsu heavy earthmoving machinery.

The line will produce cabs and sheet-metal components mainly for wheel loaders, graders, excavators, dump trucks and bulldozers. It will help Komatsu to increase its local content.

Busaf Letaba was the first factory to move to the Nkowakowa industrial township about 14km from Tzaneen. Since it was opened in 1972, it has supplied more than 4 900 buses to customers from northern Namibia to Zululand and from the Zimbabwean border to Cape Town. Star 31/12/89.

The factory is to deliver its 5 000th bus to Gazankulu Transport in February.

SERVICES SECTOR- OTHER

1990

F|M 5|1|90 (191) 295

DIAL-A-MOVIE

Intermission blues

Activities: *Has a chain of video stores, mostly franchised. Other interests include TV, VCR and fax rentals and sales, photographic goods and electronic goods.*
Control: *The Cunningham family has control.*
Chairman and MD: *B A Cunningham.*
Capital structure: *8,8m ords of NPV. Market capitalisation: R1,8m.*
Share market: *Price: 21c. Yields: 14,3% on dividend; 34,3% on earnings; PE ratio, 2,9; cover, 2,4. 12-month high, 36c; low, 20c. Trading volume last quarter, 347 000 shares.*
Financial: *Year to June 30.*

	'88	'89
Debt:		
Short-term (Rm)	—	1,3
Long-term (Rm)	—	0,6
Debt:equity ratio	—	0,50
Shareholders' interest	0,63	0,47
Int & leasing cover	54,8	8,1
Debt cover	—	0,7

Performance:	'88	'89
Return on capital (%)	30,9	17,4
Turnover (Rm)	4,6	12,7
Pre-int profit (Rm)	1,7	1,4
Pre-int margin (%)	36,8	10,7
Taxed profit (Rm)	0,8	0,6
Earnings (c)	10,1	7,2
Dividends (c)	2,8	3,0
Net worth (c)	39,4	41,7

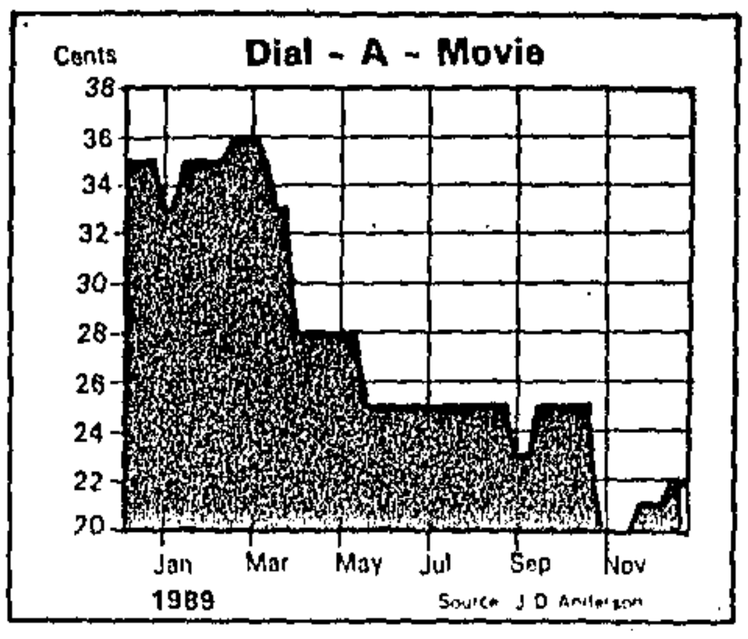
Prospects for Dial-a-Movie are cloudy after the recent expansion. Until the diversification into electronics retailer Top Tec produces profits, the share's rating is unlikely to recover. Since the listing in November 1987, management has tried to lessen the company's dependence on video — but last year's diversification absorbed the R1m cash reserves and left the company with net debt of R1,8m by year's end, financing stocks which had more than doubled.

Though turnover nearly trebled, EPS declined 29% despite earlier optimistic predictions about growth. The costs of financing stocks for the TV hire business and Top Tec took their toll. And even heavier interest payments are in prospect.

The TV rentals sector is highly competitive as Teljoy and Empisal slug it out for market share. Chairman Brian Cunningham says Dial-a-Movie's rentals from existing outlets are easily competitive on lower overheads. He adds that rental TV stocks can be modulated to meet the group's profit goals and will grow slower this year.

Cunningham is committed to consolidation this year and hopes strong cash flow from the core 70-outlet video business will allow the company to grow if its new businesses break even. That depends on the performance of the five Top Tec stores which dragged down margins last year. Cunningham says management problems have been resolved but Top Tec now has to contend with interest rates and the economy. Growth is unlikely to be strong this year.

Teigue Payne



Labour brokers polish image

A FLEDGLING organisation intended to eradicate malpractices among labour brokers has received widespread support from industry. (295)

SA Labour Services Association (Salsa), which is being registered, hopes to recruit all of the estimated 700 brokers in SA.

Constructional Engineering Association (CEA) executive director Rene Schmetz accused labour brokers last year of behaving like slave traders. He alleged they cost taxpayers tens of millions of rands every year through unscrupulous and unethical practices.

Mr Schmetz said some labour brokers were operating on the fringe of the law. Their activities promoted a network of bribery and corruption.

Mr Schmetz welcomes the formation of the association and says CEA will be delighted to endorse Salsa.

"It would appear that some people think we are the warpath to annihilate brokers. Nothing is further from the truth. We need the services offered by good brokers.

"Salsa needs all the support it can get from contractors and clients alike, and I urge organisations to deal only with Salsa members."

Manuel Marques of the Industrial Manpower Recruitment has been appointed provisional chairman of Salsa. He says Salsa hopes to foster an improved image for labour broking.

"One immediate result of the establishment of Salsa has taken place at the Mossgas onshore project where labour broker practices have been brought in line with both our and CEA guidelines."

This should be good news to Mr Schmetz, who says most malpractices affect artisans. He claims that brokers are inflating wage cost by about 70% by exploiting the chronic shortage of skilled manpower.

Mr Marques says that when Salsa is registered, it will have a voice and be in a position to negotiate with industry, the Government and other authorities.

"Salsa will be able to explain that traditional methods of paying tax, medical aid and pensions are not necessarily suitable where the workforce is highly mobile and varies in number from week to week."

Times 21/11/90

Labour brokers in spotlight over 'poaching'

GRAHAME RUSH

IN A bid to impose tighter control over labour brokers in the construction industry, a monitoring body has been formed under the auspices of the Constructional Engineering Association (CEA).

It will be known as the SA Labour Services Association (Salsa).

CEA executive director Rene Schmetz said several labour brokers have been abusing the shortage of skilled labour in the construction industry.

"They lure staff from permanent and secure employment by offering substantially higher rates of pay. They re-recruit staff from site to site on a merry-go-round system," he said.

Schmetz hopes to combat these inflationary practices by urging brokers to join Salsa and by encouraging companies to deal only with Salsa brokers.

"One immediate result of the establishment of Salsa has taken place at the Mossgas onshore project where labour broker practices were brought into line with both ours and the CEA'S guidelines," Industrial Manpower Recruitment's Manuel Marques said.

Schmetz stressed Salsa had no intention of forcing brokers out of the market.

UNION MAN TIPPED FOR AGRICULTURE MINISTER

WINDHOEK — National Agricultural Union of Namibia president Andreas Mouton is a possible candidate for the post of Minister of Agriculture, Fisheries, Water and Rural Development.

Up to now there has been speculation that Jannie de Wet, chairman of the white right-wing action Christian National party and a member of the 72-member Constituent Assembly, is in line for the post.

Mouton, 43, who farms north of Otjiwarongo, has not played any active role in politics.

The National Agricultural Union of Namibia is an apolitical body.

Mouton contributed greatly to the formulation of the union's proposed agricultural policy which was presented to all the political parties represented in the November elections.

Fifteen shadow ministers have been appointed to various posts by Swapo president Sam Nujoma in a shadow Cabinet which has been working on reviewing job descriptions and drafting budget requirements in administrative departments.

No Minister of Agriculture has yet been appointed to the shadow Cabinet.

Windhoek's pro-Swapo daily newspaper, The Namibian, has said that the portfolio of agriculture is believed to be earmarked for a "white" Afrikaans-speaking Namibian.

Mouton said he knew nothing of his possible appointment and did not wish to comment. — ISNS.

Pilot 'provoked race incident'

MICHAEL HARTNACK

HARARE — A "white racist pilot" working for Air Zimbabwe was alleged to have provoked an incident at London's Gatwick airport last week when police and civil aviation authorities demanded to see an all-black air crew's flying licences.

Capt Alex Makanda and co-pilot Eric Matava were preparing for homeward takeoff in the airline's new R160m Boeing 767-200 flagship when it was boarded by two policemen and an official. It was the first check Makanda had been subjected to in 12 years of flying.

The Herald reported an exchange of notes between UK and Zimbabwean civil aviation authorities about the incident, which was regarded here as a racial insult sparked by an "unhappy white pilot".

NDS loaded with more companies

MELANIE SERGEANT

NATAL

SOWETAN BUSINESS

The travel trail-blazers

By JOSHUA RABOROKO



Moeletsi, Seakatsie and Shongwe . . . trail-blazers in the tourism industry.

THREE former taxi drivers have formed the first township-based, registered travel agency, Zenzo Action Travel and Tours.

The three want to tap the R3,9-billion industry, hitherto the preserve of white entrepreneurs. Their target is, however, getting a bite at R2,4-billion in revenues generated by South Africans within the country.

The three lifelong friends have graduated from driving taxis "for other people" and running stokvels to start the agency.

They maintain that Africans, like other people, "like travel" and have until now supported agents in town because there were none in the township.

However, this is the second first for chairman Mr Joe Seakatsie (54), and directors Mr Mavela Shongwe (54) and Mr Peter Moeletsi (61). In 1974 they pioneered the introduction of the minibus into the taxi industry.

Their savings while in the lucrative taxi industry provided them with capital for their present venture.

When they launched their travel agency things "were not rosy". They did not have sufficient funds or a licence to operate in the industry. Financial institutions were reluctant to provide them with the R1-million needed.

But after borrowing here and there they managed to get part of the capital.

They are now recognised by the International Association of Travel Agencies and are registered with the local Travel Agency Board - thus becoming the first black agency to have such status.

Sekatsie says they battled from 1974 to get a licence because "we were venturing into an unknown business that has not been tapped by blacks". It was not easy, but they finally got the licence in 1977.

The director of Travel Agency Board, Mr F Botha, confirms that Zenzo is the first black agency to register with the board.

The trio formed a group after many small agencies folded their businesses, probably because of lack of finance and experience.

Botha said the group was being helped to improve its service which would enable it to compete against the established agencies.

However, Zenzo Action is already going big. In 1989 it extended its operations and was joined by two other travel agencies, enabling them to open offices in Johannesburg, Attridgeville and Pietersburg. The company's ambition is to go national.

It organises travelling for women's clubs, whose members consist of professionals and housewives. It also specialises in travel for businessmen and academics taking their families on holiday in South Africa, Africa and overseas. This forms the bulk of their business.

Their objectives are to:

*Provide a top class, complete travel service to the black community;

*Take part in the development of black business advancement;

*Provide professional training and create job opportunities for black employees.

Seakatsie says that this corporate mix enables blacks to enter into what has been and still is exclusively a white area. It enables blacks to acquire the technical know-how, the business acumen and the managerial skills to handle this business as well as anyone else in the market place.

"We are getting into this because we know that at the turn of the century blacks will be a very important force in the market place.

"If you do not lay the foundations for the future now you are probably going to lose it to someone else.

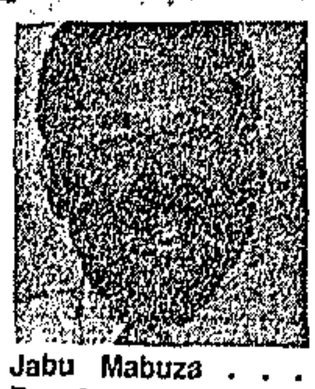
"As you know, by the year 2000 tourism will be second only to mining, so it is only economic wisdom to look in a direction that has never been tapped from the blacks, and which lays the ground for us to succeed when we compete with others." he says.

"For instance, blacks have always been frustrated when they get to hotels at peak periods to find that accommodation has been taken up by whites who had booked 12 months in advance. Education would have saved the travellers from embarrassing situation,"

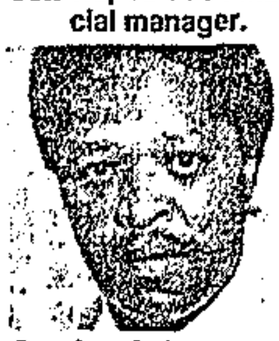
Sabta men on the move



Jeff Rapoo . . . Financial manager.



Jabu Mabuza . . . Deputy managing director.



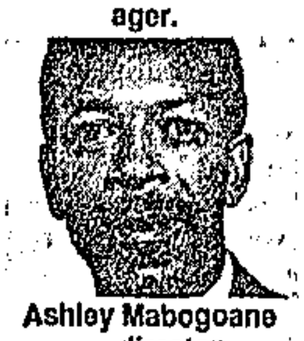
Cyprian Lebese . . . Marketing manager, Sabta marketing.



Knox Matjila . . . Strategic Planning and Promotions manager.



Terry Mphahlele . . . Media liaison manager.



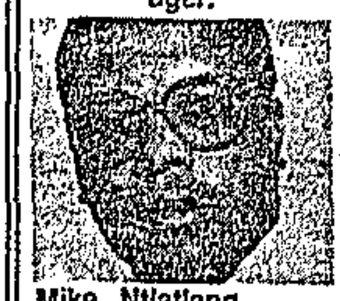
Ashley Mabogoane . . . director.



Tebello Radebe . . . Projects co-ordinator.



Bigriver Ratlhagane . . . Client liaison manager.



Mike Ntlatleng . . . Director: Public affairs.

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Couriers take it to the country

S/Times 28/1/90

295

FIVE Transvaal couriers have banded together to offer clients a cost-effective, personalised service.

Combining forces under the banner of Country Couriers, the group offers a broad coverage of the Transvaal with a 24-hour delivery guarantee. Each member of the organisation will remain autonomous and keep responsibility for his traditional area.

Director of the Eastern Transvaal Highveld area Andre Snyman says the efficiency and personal service on which the members built their businesses will remain a cornerstone of their philosophy.

"Individual members have no ambition to expand beyond their existing regions, but the group plans to grow through mergers with the top operators in other major centres.

"In areas not covered by the group, Country Couriers will set up links with national operators in return for business destined for the group's Transvaal regions."

Mr Snyman says one of the benefits to clients of the enlarged organisation will be greater convenience. Country Couriers has five Johannesburg depots for delivery or collection, an increased number of satellite vehicles and offers a broader area of distribution.

In addition, the hands-on owner-manager will ensure a high degree of efficiency and reliability. He believes the smaller structure of the components of Country Couriers will give the group an edge when it comes to pricing.

"In an industry where growth in size can lead to increased bureaucracy and diminished efficiency, Country Couriers retains the benefits of a small company while offering clients the benefits of economies of scale."

Car rental firms plan strict new controls

DANIEL SIMON

CAR rental firms are to implement stricter customer controls in an attempt to curb big losses — amounting to R8m in the industry last year. $10 Dan 29/11/90

About 366 vehicles were stolen in 1989.

Statistics from three major car rental firms showed that the bulk of thefts occurred in the PWV area.

Vehicle thefts in the industry during the first three weeks of January this year are already higher than in the corresponding period last year.

Commenting on the trend, Imperial Car Rental marketing director Maureen Jackson said car theft was having a worrying effect on the "bottom line" of the company's operations. (295)

"On Friday alone, two of our cars were hijacked by thieves in Soweto and Hillbrow. One of our drivers was stabbed and a client ended up in hospital," Jackson said.

During 1989 Imperial lost 122 vehicles to thieves.

"Fifty-four vehicles were recovered. The net loss from the remaining 68 vehicles represents a R2,4m loss."

Jackson said Imperial was to implement a plan — modelled on a European version — whereby credit card customers would in future have to produce two credit cards instead of one, to cover possible losses.

Budget Rent-A-Car fleet and risk MD Tony Greggor said his company had about 100 vehicles stolen last year.

"About 61 vehicles were recovered but our net loss represents nearly R2m."

Greggor said Budget would start implementing stricter controls on credit card holders by checking with their banks.

□ Members of the SAP's central Johannesburg car theft unit are investigating a syndicate which rents luxury cars, reports them stolen in Soweto and then sells them in Namibia.

Unit chief Major Paul Looke said investigations were still in progress and several arrests had been made.

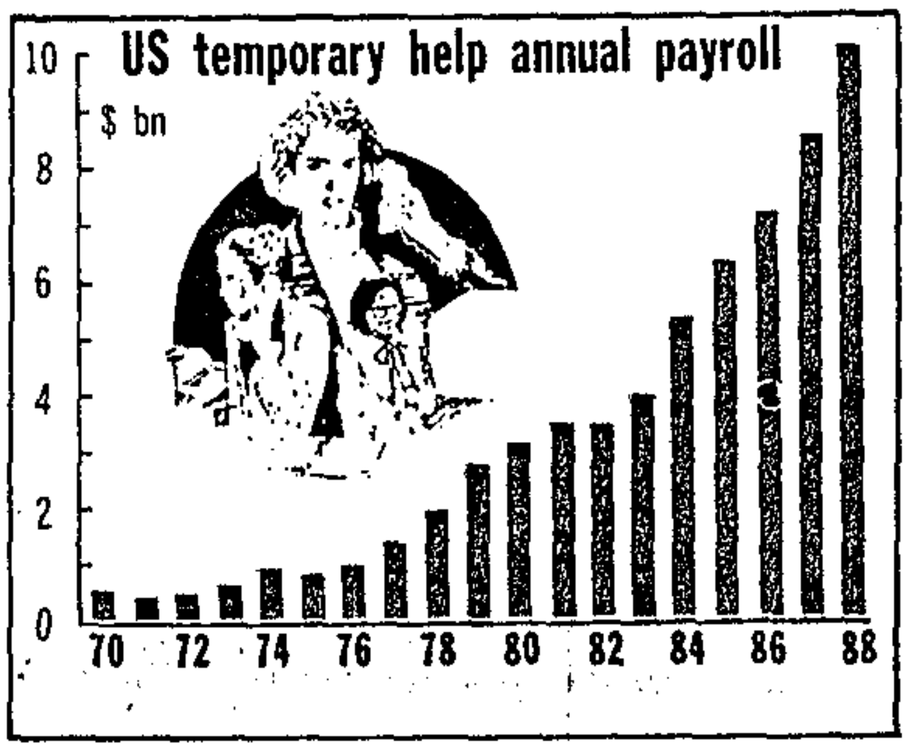
They're all there, from the old folk to young executives

CAs do it for the experience, secretaries do it for the money, CEs do it while waiting, housewives do it for the confidence, older people do it to keep busy.

In fact, the temping industry is showing phenominal growth, using people in just about every possible job to meet the local skills industry and use available manpower efficiently.

And SA is following international trends.

Quest Personnel executive chairman Roy Silver says an estimated $60bn was spent on temporary employment worldwide in 1988.



Optimise

Because of the skills shortages that exist the world over, management is being increasingly forced to optimise human resources when planning budgets.

According to the British Sunday Times, during 1990 75% of the workforce will be permanent employees, 15% temp and 10% part-time.

Projections indicate that in five years, 60% will be permanent, 25% temporary and 15% part-time — a significant shift towards temporary labour.

EmmanuTemp Assignments marketing manager Melanie Pavkovich says the US temping industry has an annual turnover of $10bn and is showing growth of 30% a year.

By the year 2000, one out of every eight jobs available in the US will be a temporary assignment.

Last year, the US Chamber of Commerce reported temping jobs were growing seven times as fast as ordinary jobs, says Kelly Girl operations director Lorraine Bell.

Professional Assignments Group MD Sid Catton says world-wide trends indicate that the temping staff industry is the fastest growing service industry and one of the biggest growth areas in employment in the world.

While figures for the SA industry are not available, Catton estimates the temp industry in SA had a turnover of about R300m in 1989.

Bell says that as an estimated 0,3% of SA's work force are temps, SA has a long way to go. However, about 90% of local companies are using temps.

By the year 2000, SA will need an additional 120 000 executives and have a shortfall of more than 500 000 highly skilled people — and use of temps can go a long way to meet the gap.

Pavkovich says SA's temping market has shown strong growth in SA over the last two years and she expects it to boom in the '90s.

More and more people are seeing temping as a viable way to earn a living and the number of permanent temps is consistently growing.

With temps available to do just about every kind of work from riding motor cycles to running companies, efficient human resource planning with companies budgeting to use temps during overload periods can ensure the cost-effective use of their own permanent staff.

While this type of budgeting is widely used in the US, it is only starting to take off in SA, says Pavkovich.

In addition, the image of the temping industry and temps has also changed.

Silver says 10 years ago, people tended to temp because they had nothing better to do or could not hold down jobs.

However, today temping is regarded as a career and the new breed of "permanent temp" is highly skilled and professional.

They not only do the work and get paid by the hour, but they bring along a wide range of experience gained from the market place.

Vetted

Bell says temps are vetted as strictly as permanent candidates and are assessed at the end of each assignment. A person who does not perform will not get another temping job.

Temping is a competitive industry. If the contractor does not perform the client will take his business elsewhere. There are no second chances.

This has made the industry highly professional and efficient.

efficient human resource efficient.

Senior citizens proving their worth in the market

8 IDay 31/1/90 (SBO)

IN LINE with trends in many Western countries and especially the US, SA senior citizens are increasingly entering the work force as temps, helping to overcome the skills shortage.

Senior Citizens Employment Agency (SCEA) marketing manager Katia Kyriakou says the demand for senior citizens is growing across the board.

Her company specialises in placing people aged 50 and upwards.

She says: "People are never too old to work.

"We have placed people of 75 and older, but obviously, the older the person is the more difficult it is to find employment, as older senior citizens have to compete with younger ones."

Variety (295)

At any time, SCEA has a variety of positions available for senior citizens.

These jobs can range from packers in supermarkets to secretaries, accountants and finacial directors.

Father Christmases were in big demand over the festive season and positions such as caretakers and ground keepers are open for couples.

Kyriakou says the advantages of using senior citizens are that they have years of experience, are loyal and do not bring their personal problems to the workplace.

Many senior citizens want to keep active, but do not want to be tied to permanent jobs. For pensioners, temping is a good way to supplement their incomes while keeping active.

Emphasis

EmmanuTemp Assignments marketing manager Melanie Pavkovich says her company will give special emphasis to bringing senior citizens back into the job market this year.

The temping industry can use them because in this industry it is not demographics that count, but the end result — whether the job gets done quickly and effeciently.

Pavkovich says: "In SA, people are refusing to retire. Many older people are still young at heart and very capable."

With lower population growth and longer life expectancy in many countries, senior citizens will have a more important role to play in the job market, she says.

CATERING FOR THE SPECIAL PROJECTS

TO SET it apart from other companies involved in the competitive temping market, Drake Personnel is specialising in temps for special applications or projects.

National sales manager Grant Chaney says Drake provides a specially trained team for projects like stock takes, financial year-ends and computer installations.

Auditors often prefer using temps for stock takes because they are independent, he says.

By using temps, a company can get the work done without overworking its staff.

Financial year-ends are busy for Drake's financial temps. About 5% to 10% of its temps are qualified bookkeepers and CAs.

BIDay 31/1/90 (295)

Fringe benefits

Chaney says Drake has been improving the fringe benefits offered to its temps in order to increase the quality of temping.

He says: "The number of permanent temps has been growing. Two years ago, 5% of temps were permanent temps. Today this number is around 30%, and in some of our branches about 50%."

In addition, temping with Drake, which has offices in New Zealand, Cananda, US, Hong Kong, Japan, Singapore, Switzerland and the UK, can provide a "passport" to travel.

A career passport is compiled which provides a full record of the temp's assignments, skills and work history.

A temp can take his "passport" to Drake offices in other countries and work there.

A popular choice as career option

B1 Day 31/1/90 295

TEMPING is becoming an increasingly popular career option, with the number of permanent temps growing steadily.

Kelly Girl operations director Lorraine Bell says the attractions of temping include its flexibility and variety.

In addition, many people see temping as a way to broadening experience.

It also tides people over while they are looking for permanent jobs and examining the job market.

Temping has many benefits to offer housewives. It enables them to work during the school term and be home with the children during holidays.

Many temp for a special luxury item beyond the family's average budget. Others temp until they have earned what they can tax free and then only again in the next tax year.

For housewives wanting to re-enter the job market, temping helps build up confidence.

Bell says many temps get full-time job offers and, as they have been in the environment, they can make better decisions.

It is a fallacy that temps earn less than those in permanent jobs. Temps are paid market-related salaries and many large temporary contractors offer benefits found in permanent jobs such as medical aid, annual leave, sick leave and public holiday pay.

Interesting

Temping can be fun and interesting, too.

Supertemp Ronda McEwan, for instance, acts as Miss SA's secretary three days a month.

However, says Bell, there are some disadvantages to temping.

Temps may have to work harder and, unlike permanent employees, they are only paid for the hours they work.

Driving on the road to company expansion

THE temporary driver market has moved into top gear, with companies increasingly realising the benefits of using temporary drivers to supplement their workforce.

Drivers Galore has grown steadily since it started six years ago.

It currently has four branches and is set to expand.

Operations director Gayleen Siegers says using temp drivers offers companies flexibility and eliminates the need to keep permanent drivers who may not be used all the time.

Drivers Galore has a wide client base, ranging from large trucking companies to small firms who have only occasional need for a driver.

Siegers says: "On a daily basis, we could supply a few hundred drivers if needed, but this would depend on the demand for the various categories of drivers."

All drivers are carefully selected and must have a minimum of two years' driving experience. All are reference-checked and have to pass clerical, road sign and eye tests to qualify for the temp team.

B'Day 31/1/90

Top-level assistance available

THERE are people temping in just about every job, so if your managing director leaves, don't worry, just call in a temp.

Professional Assignments Group (PAG) temp divisional manager Rosemarie Davie says that along with a broad range of temps, her company supplies MDs.

There are advantages to hiring a temp MD.

For example, if a company brings in its No 2 person after losing its MD it may create false expectations and subsequently lose the No 2 when a new person is appointed as MD.

Davie says temp MDs are high-level people.

They may be between jobs, waiting for the right job to come around or about to emigrate.

PAG supplies a full range of temps, from bookkeepers and credit controllers to CAs and financial directors. Out of its 500 assignees, about 30% are at the top end of the market.

Says Davie: "There are more senior people available than at the lower levels. We have more CAs available than bookkeepers. (295

"There is an extreme shortage of skilled credit controllers and bookkeepers."

B|Day 31/1/90

Saving permanent staff stress at work

295

IN PLANNING their human resources, SA companies should be budgeting to use temporary staff and take advantage of the benefits they have to offer.

Emmanuel Personnel marketing manager Melanie Pavkovich says planned temporary staffing is widely done in the US, but still has to catch on in SA.

In most companies there are departments that experience "peak and valley periods".

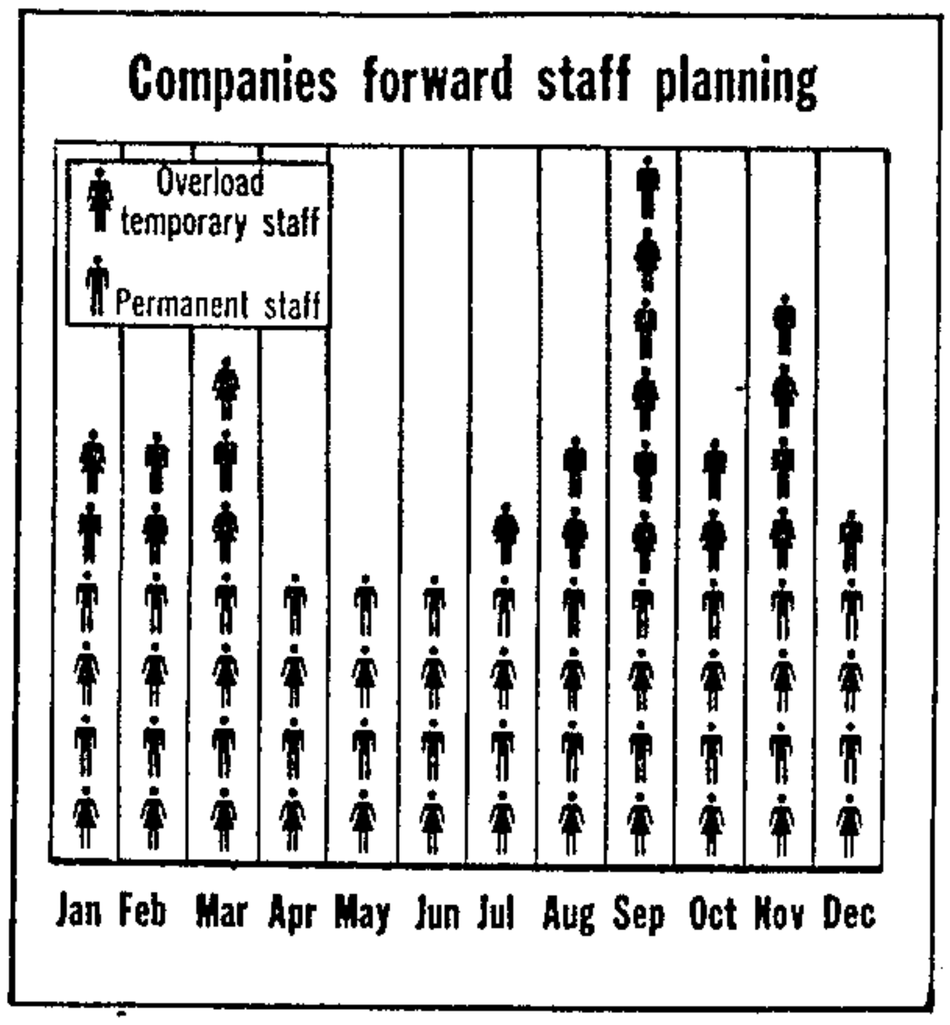
Abnormally

At certain stages ot the week, month or year they experience either an abnormally heavy work load or a dip in activity.

Pavkovich advises companies to staff for their valley periods using permanent employees and use temps to help cope at times.

Companies should not employ staff they cannot keep busy at least 90% of the time, because this is costly and has a minimal return.

In SA, companies generally use temps when key staff are off sick or on leave or when there is an excess work load.



Pavkovich says some companies have a policy of not using temps because their staff are expected to assist in any area of need.

However, overworked staff get tired, resulting in lower and slower productivity and poorer accuracy and work quality.

If not compensated for overtime, they become even more unhappy. This kind of pressure is a major reason why staff resign.

Removing permanent staff from their functional areas to fill another space allows their work to pile up and can cause bottlenecks for other departments.

Pavkovich says, in times of overflow, bringing in a temp has many benefits.

The temp will be fresh, resulting in peak performance, high accuracy and good-quality work.

In addition, permanent staff come to work fresh and produce the same results.

Companies using temps only pay for the hours worked and they do not incur the expenses of employee benefits and the administrative burden of UIF and tax deductions.

Assesses

Temps are often used to fill a position while the company asseses whether it should be made permanent. This saves the embarrassment of hiring a person and later having an underutilised employee who may have to be retrenched.

Pavkovich says if a position does warrant a permanent employee, there is someone already doing the job who is familiar with the work and systems.

If the company likes the temp, it could make her an offer, thereby employing someone who is immediately productive.

Because of the huge shortage of skilled and quality employees available in SA, companies are making more use of the temporary workforce to accommodate their needs until they find suitable permanent employees.

South LABOUR

Racism claims at seaside market

South 11/2-7/2/90 295

By REHANA ROSSOUW

ALLEGATIONS of bad working conditions at the popular Hout Bay seafood emporium, Mariner's Wharf, have been made by workers claiming to have been dismissed unfairly.

They have also accused owner Mr Stanley Dorman of paying white casuals workers more than black staff.

"White casual workers get R4 an hour and others earn R3. It's wrong because we all do the same work," said a casual worker, still employed at Mariner's Wharf.

Workers claim they must work an eight-hour shift — from 7am to 3pm — before getting a tea break.

A worker, who is still employed at Mariner's Wharf and asked not to be named, said most of the staff were unhappy at the way they were treated.

Arrested

Dismissed worker Miss Veronica Douglas this week claimed she was arrested and fired in December after Mr Dorman alleged that she had stolen fish to give to the other workers.

"Two girls who work in the fish market asked me to bring them some fish and chips to eat because they know that other women working in the restaurant do the same.

"Mr Dorman saw me as I was taking the two pieces of fish to them and called the police and security.

"I was held in police cells for two nights and when I appeared in court, the magistrate let me off with a warning," Miss Douglas said.

Another former worker, Mrs Elizabeth Arendse, has instructed a lawyer to demand she be reinstated, claiming she was not given any reason for her dismissal two weeks ago.

Arendse said she had been paid R90 a week, which she felt was not a living wage.

"The women who clean the fish stand in water all day and have to work in their own shoes. They aren't given boots, not even in winter."

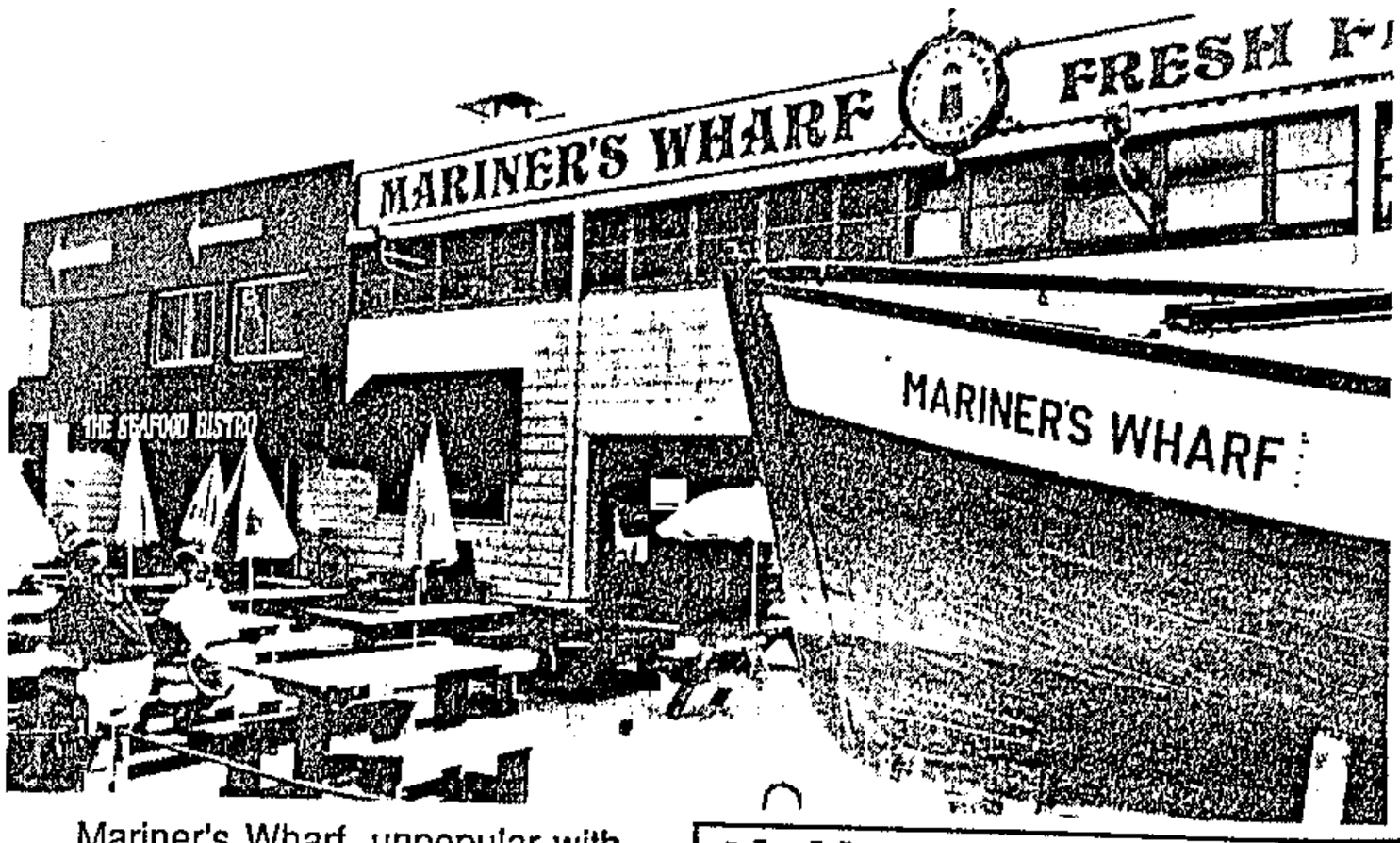
Mr Dorman said he was aware that some staff were paid more than others, but denied that the difference was based on race.

"We pay a transport allowance for casual staff who live outside Hout Bay and for those who deal upfront with customers."

He said Douglas was arrested and dismissed because the other staff had not backed up her story that she was taking fish for them.

He said his staff had to show proof of purchase when eating fish on the premises, as he had had reports of stealing.

He denied that workers were not given boots to wear, saying this was something on which the Department of Health insisted.



Mariner's Wharf, unpopular with staff who claim working conditions are bad



Elizabeth Arendse



Veronica Douglas

'Historic victory' for Sats strikers

South 1/2-7/2/90 14

From MONO BADELA

JOHANNESBURG. — The settlement that ended the 13-week bloody dispute between members of the South African Railway and Harbour Workers' Union (Sarhwu) and the South African Transport Services (Sats) has been hailed by Sarhwu general secretary Martin Sebakwane as "an historic victory".

Key features of the settlement hammered out last week are the re-employment of all 23 000 fired strikers without loss of pension benefits and the waiving of the strikers' disciplinary records.

Sebakwane said other "breakthroughs" included Sats' agreement to submit disputes over the return to work outside arbitration.

Sarhwu made no gains in terms of its original demand of a minimum monthly salary of R1500 but Sats has indicated it will re-negotiate wages in April.

Sats has also agreed to recognise Sarhwu and to bargain with the union where it is registered.

Membership

The union has already applied for registration in southern Natal. Sebakwane said Sarhwu was poised to register in many other areas.

Although the strike had been very costly, it had been "a tremendous boost" to the union which has 50 000 members.

"Membership has leapt during the strike and the union expects to win recognition countrywide," he said.

Sebakwane said there had been a flood of defections from the rival Black Trade Union (Blatu).

"There is overwhelming support for Sarhwu, with thousands leaving Blatu. Stop-orders forms are pouring in," Sebakwane said.

While the settlement is a major breakthrough in industrial relations at Sats, Sarhwu remains firmly opposed to taking part in the Labour Council.

Sebakwane said this was because the council was "undemocratic and discriminatory".

EGINNERS

EARLY LEARNING CENTRE
ATHLONE

APPLICATIONS ARE INVITED FOR

$ | Tues 4/2/90.

295

Dial-a-Movie franchisees break away

By Charmain Naidoo

AT least 20 disgruntled franchisees in the listed Dial-a-Movie stable have broken away, aggravating the company's troubles.

Recent expansion incurred heavy start-up costs in the video chain's electronics and photographic divisions.

In the year to June 30 last, turnover nearly trebled from R4,6-million to R12,7-million, but earnings a share declined by 29%.

The share price is now 25c. Issue price was 100c, but the share fell to 70c at the end of trade on day one. Dial-A-Movie was listed in November 1987.

Umbrella

Brian Cunningham, chairman and managing director of the 70-outlet company, refuses to comment on the cancellation of contracts.

He says directors are meeting franchisees. He expects some to withdraw their resignations after the talks.

Spokesman for the breakaway franchisees John Hopkins says most of those who have quit have joined forces under a rival banner. He does not wish to dislcose its name.

"We will operate under an umbrella similar to that of an association. It will be a non-profit outfit," says Mr Hopkins, who has resigned after seven years as a Dial-a-Movie franchisee.

"Our main concern was affordability. Mr Cunningham disregarded our budget mandates, often spending more on video titles than we had agreed to.

"My profits have dwindled over the years. I have suffered a 45% drop in turnover and cost increases of 30%.

"We got none of the kickbacks from advertising which was promised in our contracts."

Negative

Mr Cunningham says: "In March 1985 TV4 had an extremely negative effect on the video industry. In the shakeout that resulted, half of the independent video stores closed.

"Even though the group gave weaker stores financial assistance several of the 60 existing outlets were unable to survive. We lost about R750 000 in write-offs and were reduced to slightly more than 40 stores.

"Our board is not prepared to repeat the mistakes by giving financial support to weak franchised stores.

"The accounts of certain franchisees were placed on hold because of non-payment. They have been refused supplies of products until their accounts are in line."

Mr Cunningham says three or four franchisees, all of whose accounts were placed on hold, gave notice of their intention to terminate their agreements.

"They went to other franchisees and lobbied for a breakaway. Althouth policy is to have a year's notice either way with franchisees, it is not the chain's philosophy to lock them into an agreement if they are unhappy.

Music

"Shorter, mutually acceptable notice periods will be considered provided the chain's customers are protected."

He says a handful of franchisees complained about the cost of a TV campaign "even though they were present at our national convention where all delegates voted in favour of the promotion presented".

Mr Cunningham says strategy is to convert the Dial-a-Movie chain from video stores into video and music, offering compact disc software and high-quality videos.

Acquisitions help boost Adcorp earnings

SYLVIA DU PLESSIS

ABOVE-BUDGET results from recent acquisitions helped boost earnings for professional services agency Adcorp Holdings by 37% to 20c (14,6c) a share in the year to December.

The group improved taxed profit by 41% to R1,3m on turnover 36% up at R31,7m after the acquisition of public relations practice TWS Communications, corporate design company JSA Design International and financial advertising agency Adplan International with effect from last July.

Dividends of 9c (7c) a share, covered 2,2 (2,1) times, have been declared. B/Day 16/2/90

Chairman John Barry said yesterday the results reflected growth in the form of an increased contribution from the DCM-listed group's traditional manpower companies, supplemented by acquisitive growth.

The three communications acquisitions had achieved a "strategic widening" of Adcorp's activities within the professional services field.

"During 1989 the communications division handled one or more aspects of financial communications for 120 companies listed on the JSE. Of these, 46 called on Adcorp subsidiaries to provide service on two or more areas — financial notices, annual reports and investor relations," he said.

A strong second half, during which TWS and JSA worked on the privatisation of Iscor, enabled management to improve on the first half's 23% rise in earnings (~~25~~) (295)

On prospects, Barry said the strength of the enlarged group, coupled with expansion opportunities under consideration, would help management achieve earnings a share growth of at least 20% this year.

BI Day 16/2/90

Profit margins for industry to come under pressure

295

ALL categories of South African travellers — corporate, leisure, inbound or outbound — should be ready to take advantage of their bargaining power this year.

While in many ways the '90s herald excellent revenue prospects for both foreign and domestic tourism and travel — an industry which according to Satour earned the country R3·866m in 1988 — profit margins for all players are likely to come under unprecedented pressure.

Even now, retail travel agents say their ability to retain two percent of revenue after operating costs is considered good.

A host of factors are culminating in the travel world, including:

Pressure

☐ Deregulation and the downward price pressure of new competition it will bring;

☐ Greater competition in the retail travel trade as barriers of entry fall away;

☐ Increasing tendency of airlines, hotels and car-rental companies to market directly to corporate clients.

Deregulation will affect all operators and, in particular, will challenge SAA's domination. It will introduce a host of new alternatives for travellers, all of which could trim travel agency bottom lines as they cope with a smaller share of a fragmented market.

TOURISM EARNINGS 1983 TO 1988

YEAR	FOREIGN	DOMESTIC
1983	R 750 m	R1 300 m
1984	R 900 m	R1 583 m
1985	R 904 m	R1 618 m
1986	R 905,2m	R1 738 m
1987	R1 162 m	R1 983 m
1988	R1 494 m	R2 372 m

Holiday Travel executive chairman Gavin Simpson says: "With deregulation, new ground rules apply which call for a different calibre of executive in the travel business. Price and service are paramount.

"The days of the IATA man in the dark raincoat skulking around the corner checking on the prices passengers paid are over.

"There may be no official discounting on ticket prices, but all airlines offer travel incentives and that makes a lot of price flexibility possible.

"The costs of a three-week trip for three executives to London and New York could vary by R10 000 between different agents. The business is becoming competitive and it pays to shop around."

Airlines internationally have creative offers with hotels and car-rental companies in special deals to attract customers to sometimes roundabout routes but at cost savings and often with some leisure perks thrown in.

Simpson says: "An airline seat is a perishable commodity, it must be filled before takeoff."

There are ways of achieving bargain basement prices on air travel which bend the limits of legality, say some agents — for example, having the ticket issued in another country to take advantage of a stronger currency. But such a practice could never be openly encouraged.

Where passenger flexibility is possible, travel agency expertise can assist in taking advantage of special offers and the best timing and routing for a particular passenger.

Gundelfinger chief executive John Fryer says buyers should search for the travel agency that has recognised changed tim and has realised the nec sity of being more than j an "order taker".

"Many clients and sup ers of retail travel age see the industry as no m than a necessary evil – conduit for taking ord but offering little for commission.

"The retail travel ind try has to recognise need for it to offer true pertise to clients — son thing it can only do throu understanding the speci requirements of each ent.

Detailed

"In the case of corpon clients, this requires a cl relationship and detai involvement in the forw planning. It takes in from both sides.

"If the travel agency allowed to use its full pertise in working with company there can alm certainly be in excess 10% savings," says Fryc

Behind the increasi competition is the Board Trade and Industry moves to remove all "b riers or measures restri ing any person acting as travel agent".

Fryer says while dereg lation in principle is w come, it is now more i portant than ever th travel buyers search for superior service level fro their agents and dema the kind of service th makes budget planning a savings possible.

B/Dm/6/2/90 (295)

Call to raise commission rate on the local flights

TRAVEL agents form the cheapest distribution system for British Airways, according to an airline survey.

This was confirmed by BA's head of commercial and government affairs John Meredith, who was in SA recently.

Kouni Travel MD Norman Nicholls says: "This should confirm for all players in the travel industry that a thriving retail travel trade is essential and too much pressure on profitability is dangerous."

He says the Association of SA Travel Agents (Asata) recognises the need to maintain a basically profitable industry, particularly in the face of deregulation.

"As travel agents derive the greatest portion of their income from air tickets, particularly local ones, Asata has long lobbied for an increase on commission from local flights from the current 7% to a level at least in line with that for international tickets — 9%.

"The 7% commission has been in force since 1970. SAA, by its own admission in a letter to frequent flyers recently, was at pains to show that local air prices had increased at a lower rate than costs.

"This fact works to the detriment of the retail travel industry."

Whatever the outcome of this debate, it is almost certainly true that the retail travel agent does have an important role to play.

But it seems the industry's services are in need of improvement.

Holiday Travel executive chairman Gavin Simpson says: "Most corporate agents are order takers. They do not have the expertise to advise the traveller on what to do in his leisure time."

Although Holiday Travel is primarily a leisure market agency, it has attracted corporate business anyway — because its leisure expertise offers strong spin-offs for the corporate traveller.

Challenges

Industry leaders say the retail travel agency is facing serious challenges and has to change its modus operandi, becoming more computerised, streamling operations to save costs and improving service levels.

Gundelfingers Travel CE John Fryer calls this changing role "industrialisation" and says the group's future strategy involves a higher degree of computerisation, slick administration to cut down on "order-taking" and a greater emphasis on planning and contact with the client.

Simpson says: "It can be very time consuming and unprofitable to arrange a local itinerary — dozens of phone calls, paperwork, deposits up front and so on.

"That's why we developed packaged tour holiday concepts covering virtually all needs.

"The ideal is to have slick computerised systems for processing local travel arrangements — almost a conveyor-belt approach."

Margins may be squeezed and the future may be hard for travel agents, but the general view is that the most professional will survive.

Says Simpson: "With Beltel, companies can book travel arrangements directly. Car rental agencies are also putting travel schemes together. There are many alternatives, but the problem with this type of arrangement is it's faceless.

"If a booking goes wrong, there is no one to turn to. Only a travel agency can provide the professional and personal service.

"But to survive, the travel industry has to become much more professional in the service and expertise it provides."



JOHN FRYER

Doors opened for blacks

ST Times 25/2/90 (295)

PERSONNEL consultant Dalene Stiff decided about a year ago that little more than lip-service was being paid to finding solutions to the black unemployment problem.

Private-sector organisations talked a lot about burgeoning jobless numbers, but no steps were being taken to combat the problem.

Although personnel agencies adopt a non-racial approach to their recruiting, few are prepared, except in exceptional circumstances, to look for applicants to fill vacancies where salaries are less then R1 000 a month.

FIRINGS

The result is that employers seeking staff for those positions either advertise them or take people off the street. This can result in firings, retrenchments and general inefficiencies.

Mrs Stiff says that blacks competing with whites for top jobs fare badly because they do not have a properly prepared curriculum vitae (CV) and are not versed in the art of being interviewed.

She decided to form the personnel consultancy Black Jobs.

"I first traded from a shop in Delvers Street, Johannesburg, opening in January 1989, but I soon had to move. In response to my first newspaper advertisement, the pavement and road outside were jammed with more than 500 work-seekers.

"It was a problem which did not diminish until we moved offices to more expansive premises in Market Street."

SHOPPING

The operation is fully computerised, and all applicants for skilled positions are interviewed by Mrs Stiff or the black personnel consultants she employs. Details of the experience and capabilities of each prospective employee are recorded.

The result is that when employers come shopping for applicants to fill their vacancies, suitable people are usually immediately available for an interview.

Black Jobs also has a training division where short but effective courses are held to teach people how to conduct themselves during interviews, what to say and what not to say, what they should wear and other hints.

For those wishing to try their own hand at seeking jobs, professional CVs are prepared by interviewers at Black Jobs.



DALENE STIFF ... Jobseekers blocked the roads

Hawkers are trading in a freer climate

B/Day 5/3/90

PIERRE DU PREEZ

HAWKERS traded in freer conditions than in the past, African Council of Hawkers and Informal Business (Achib) president Lawrence Mavundla said last week.

This was because police could no longer confiscate goods, traders did not have to pay licence fees and had access to legal protection, Mavundla said in an interview.

Achib, which began with 250 members in 1986, now claims more than 26 000 members at more than 70 branches. Last week it launched a magazine called Traders Talk.

Mavundla said some hawkers lived from hand to mouth, but others could make as much as R300 a week. Achib's objectives this year were training members and provision of loans through a guarantee fund. (295)

He objected to nationalisation, saying people who called for such moves "had never run an economy before". (~~531~~)

Monopolies were not what was needed to create a freer economic society. The redistribution of wealth was of paramount importance as SA moved towards a new future.

Wives stand in for Kruger Park strikers

Star 9/3/90
295

By Norman Chandler
Pretoria Bureau

The wives of white employees at the Kruger National Park's main camp, Skukuza, are keeping services going while black National Parks Board employees are on strike over pay.

A spokesman for the camp said the wives were making beds, servicing bungalows, doing the laundry and helping in the restaurant.

Industrial action spread to Skukuza this week.

According to a statement by the NPB the stayaway was "instigated by dissatisfaction with the wage structure". No violence had occurred.

Dr Salomon Joubert, the park warden, said wages appeared to be the only complaint. Negotiations were under way.

The chief director of National Parks, Dr U de V Pienaar, was taking part in the negotiations "to normalise matters as soon as possible".

decisions — the buck stops here."

PEET VAN DER WALT

Clear focus

Through the mixed fortunes of the industrial conglomerate Federale Volksbeleggings, its service sector has been a consistent success. Since 1974, the service contribution to the bottom line has increased from R1m to more than R30m; companies such as Avis, Priceforbes and Interleisure have been built into market leaders.

It was, therefore, hardly surprising when Peet van der Walt (51), who is responsible for services and pharmaceuticals, was appointed Federale MD from April 1.

Van der Walt hasn't unveiled his complete strategy for the group yet, but he is prepared to say: "We need to regain focus and not get too diversified as we did in the past. There are some weak points in the company which aren't providing good returns and there'll have to be some rationalisation."

He says Federale will still look at opportunities, but only within its defined core businesses — food, motor components, services, pharmaceuticals, domestic consumer goods and mineral fibre.

Van der Walt is a career Federale man. "I have had the good fortune to enjoy new career challenges within the Federale group, first within the finance department and then through my line responsibilities."

Born in Burgersdorp and educated at Robertson High School and Stellenbosch, he has a picture of Table Mountain in his downtown Jo'burg office to remind him of his home territory. He and his wife Erika have two sons.



Van der Walt ... a hands-on approach

After qualifying as an accountant, he joined Federale and spent ten years in the finance department before being transferred to head the service division, where he had a number of successes.

"I'm most proud of the way we built the Priceforbes Group into the biggest risk management company anywhere outside the US and UK. We expanded Fedics from conventional catering into inflight services and airport catering. We also built Avis into the market leader."

He joined the Federale board in 1981 and the following year he was also given responsibility for the pharmaceutical industry and became chairman of SA Druggists. At the time, SAD was one of the black sheep of the group after the Alumina acquisition gave it a weak balance sheet. After rationalisation and the strengthening of the key Link, Lennon and Fine Chemical subsidiaries, SAD became one of Federale's profit centres. In September 1987, just a month before the crash, SAD was relisted and Federale's stake reduced from 100% to 68%.

In the same year, Federale took over Sanlam's cinema interest Satbel and joined forces with Kersaf to form Interleisure, which subsequently acquired a sports division that includes wholesalers Game Set and Match and retail outlets such as the Golf Discount Centre and the Pro Shop. This acquisition delighted Van der Walt, who is a keen golfer and a member of the Randpark Club.

Though Federale is only a minority shareholder in Interleisure, he says: "We usually like to have control of our subsidiaries, otherwise we like to have input in their management. In Interleisure, we share management responsibility with Kersaf by agreement."

But Van der Walt insists his job isn't to run the operating companies. "I need to find the right people to run our companies, to ensure we have a balanced portfolio of investments and to allocate funds properly."

Van der Walt says services, pharmaceuticals and foods represent the stable elements in the Federale mix, as well as motor components, but expects short- to medium-term problems with the consumer durable sector. Federale sold its interest in the Morkels furniture chain; it is having a close look at its durable manufacturing arm, Tek; and is concerned about tractor company Fedmech.

But with Van der Walt's track record, he's probably got a good chance to make things work. ■

Lid off the head-hunters

Sunday Times 1/4/90

295

MOST clients of personnel search consultants have no idea of how the agencies work and cannot evaluate the quality of their service.

This was the finding of a survey by The Economist of the executive search industry in Western Europe. It earns more than £50-million a year in annual fee income in the UK alone.

The survey attributes the shortcoming to the fact that research by consultancies tends to be shrouded in mystery. Woodburn Mann research head Bev Damant says SA clients are in a similar predicament.

"Ethics dictate that confidentiality be maintained to protect clients and prospective employees in the search. Being discreet gives us a leading edge in eliciting information.

"Clients have every right to inquire about the services they can expect for their money. How the executive search consultants intend to approach the search should be established at the initial briefing session with the client."

Miss Damant says a good indication of how seriously the consultancy takes its research is whether or not the researcher is present at that meeting.

She says contact with the client is crucial to the success of the search in terms of gaining a thorough understanding of the brief and an insight into the corporate culture of the organisation

LATERAL

"We believe in the blank-sheet-of-paper approach. This entails gathering fresh information for each assignment and the need for creativity, lateral thinking and a thorough investigation of all potential candidates.

"Critical to the search is the development of an in-depth understanding of the client's market. Unlike executive research overseas, SA practitioners place strong emphasis on targeting companies which operate in the same markets, as opposed to purely targeting on people."

Once the strategy for research on an assignment has been settled, gathering of information begins. It involves examination of documents about the candidate, detective work, direct inquiries and sifting through details provided by database.

Although computers are necessary in an inquiry, Miss Damant says they should not be seen as the complete answer.

"The number of potential candidates sourced from a computer database is often as low as 2% — simply because a good search requires human interaction."



BEV DAMANT . . . research quality critical to success

Game reserve creates jobs

Star 3/4/90 195

Lowveld Bureau

MATSULU — Many jobs had already been created and kaNgwane's Mpakeni tribe would in future benefit from the region's Mtetomusha game reserve the Chief Minister, Mr Enos Mabuza said at the weekend.

At the official opening of a game lodge in the reserve, Mr Mabuza said despite an acute shortage of land and overcrowding it had been a dream of his since 1977 to establish a conservation area different from the Kruger National Park.

All income from the reserve, Mr Mabuza pointed out, will be shared between kaNgwane Parks Corporation and the Mpakeni tribe on whose ground the game park is situated.

Some of kaNgwane Parks Corporation's money would also flow back into the community as wages while the tribe's share will be used to fund community development projects for people living around the reserve.

In keeping with preserving the best of the region's traditions the kaNgwane Parks' Corporation would issue hunting licences to the Swazi people, allowing them to cull once game stocks have built up sufficiently.

"We owe it to our future generations to hand them the earth — in all its wondrous variety and beauty — that we have been privileged enough to experience as children and adults," Mr Mabuza said.

"We are justly proud that despite our people's inherent hunger for land they have been prepared to enter into a project such as this and provide an example to other traditional leaders," he added.

INDIAN MARKET FIM 13/4/90

A touch of spice (295)

It's been a long time coming but at last Durban once again has a purpose-built Indian market for hawkers and traders.

The original market, established in 1910, was destroyed by fire in 1973 and this hit the livelihoods of hundreds of small traders. Rumours of arson were rife at a time when the market was in financial difficulty and an irritation to Durban Corporation.

An inquiry found, however, that a tailor, warming himself on the pavement, lit newspapers that blew into the building.

The market has operated from Warwick Avenue, on the fringe of the CBD, for the past 17 years but the arrangement was never satisfactory. Controversy surrounding relocation has led to many squabbles involving trader associations, the House of Delegates and municipality.

Now the R22m new Indian market is virtually complete. Shopfitters have moved in and the market opens officially in June.

The project, financed by the SBDC, is a joint venture between it, Grinaker and J H Isaacs on the original 9 318 m² site. The market is bounded by Victoria Street, Cemetery Lane, Russell Street and Queen Street at the western tip of the city. It is accessible by train and road from the CBD and a new link bridge from Berea Road railway station.

FINANCIAL MAIL APRIL 13 1990

FIM 13/4/90

The Victoria Street Market is the biggest single investment by the SBDC. Developers believe the location is right because an estimated 240 000 people cross Russell Street each day.

The market is almost under the main N3 route to the city and has a high profile. The council's brief called for special design attention for the roof. The dozen domes, turrets and 3 m high golden spires are built with brilliant green sheet metal with golden guttering.

Grinaker started work early last year and completed construction two months ahead of schedule. The market will house more than 180 traders. Provision has also been made for vendors and informal traders.

Leasing agent J H Isaacs says it has been flooded with applications for shops and all but three have been let. Gross rentals are about R55/m² with 12% escalation.

The market seems assured of success and could work well as a tourist attraction. Its brightness and exotic atmosphere help to contribute to Durban's Oriental charm though, with only 180 bays, parking could be a problem. ■

Travel club fears R10m loss from lodge row

By Charmain Naidoo

A BATTLE between travel group Club Africa and self-governing Kangwane's parks department ended in stalemate when a judge ruled the case could not be heard in the Witwatersrand Supreme Court.

Mr Justice Roux said he had no jurisdiction.

One of the questions before the court is whether or not an agreement exists between the Kangwane Parks Corporation (KPC) and Club Africa over the marketing and management of a 32-room luxury game lodge, Gambule.

Club Africa, owner of the successful Ngala game lodge in the Eastern Transvaal, stands to lose more than R10-million in projected income from Gambule should a court rule that no agreement exists.

Debentures

Club Africa says in court papers that it was responsible for the design, development and marketing of the project. By late last year the company had spent R853 000 on it.

Club Africa says it has a formal and binding agreement with the KPC.

On March 21, Mr Justice Roux reserved judgment on costs pending the outcome of Club Africa's action in the Supreme Court, Pretoria.

The KPC distanced itself from Club Africa in a statement this week, claiming that "the application was dismissed and all interim arrangements between the parties were discharged and terminated".

It would "admit no persons to the reserve" or provide accommodation booked through Club Africa "unless payment has been made to the KPC in full and in advance".

In particular, the alleged rights of debenture holders to accommodation at the lodge would "not be recognised on any basis whatsoever".

Court papers show that Club Africa set aside nine units at the lodge for use by debenture holders for 25 years — equal to the alleged lease agreement granted by the KPC to Club Africa.

The KPC claims it did not authorise, nor was it a party to the debenture offer made by the travel group.

Club Africa applied on December 6, 1989, for an urgent interdict to prohibit the KPC from issuing "a one-sided press statement" regarding its contention that no binding agreement existed.

It said the matter was sub judice.

Club Africa asked that both parties agree on a statement giving both sides of the story. The result was that a joint statement was issued in the form of a court order.

On December 15, another interim order was issued by Mr Justice O'Donovan in the Rand Supreme Court to regulate the conduct of both parties until the matter could be heard by way of oral evidence on March 19.

Marketing

Mr Justice Roux's ruling on March 21 that he could not hear the case rendered null and void the earlier order.

The essence of the order issued by Mr Justice O'Donovan on December 15 was that Club Africa would continue with the SA and international marketing of Gambule and control all bookings. The KPC would manage and operate the camp until the outcome of the court action.

Club Africa's dealings with the KPC began early in 1989. The KPC planned to build a R1,2-million 12-roomed bush camp and was looking for someone to manage it.

Club Africa was appointed by the KPC to build, manage and market a 32-room luxury lodge to be built at a cost of R4,8-million, according to court papers.

The plan included leasing the land from the Mpakeni tribe for 25 years, renewable for another 25 thereafter.

The proposal called for Club Africa to fund 66% (R3,2-million) of the required R4,8-million.

Delay

This amount would be lent to the tribe, interest free for 25 years, and the R3,2-million would be advanced to it over two years after completion of the lodge. It would be funded from the debenture issue.

Club Africa claims that late in February 1989 it was officially appointed and these and other rights were granted to it.

Club Africa says it accepted that the rights had been granted and asked that a more formal contract be entered into with the KPC.

The lodge was due to open on December 1, 1989. On November 17, Club Africa received a letter from the KPC saying there was no agreement between the parties, thus claiming the debenture holders had no rights.

By that time, 55 debenture contracts had been concluded out of a possible 1 130.

The action is expected to be delayed for about a year because of heavy court rolls.

Companies opting for fleet buyouts

CHARLOTTE MATHEWS

COMPANIES are selling their fleets to fleet management companies to benefit from the cash injection and off-balance sheet financing.

A further spin-off for them lies in avoiding the high cost of motor vehicle purchase and maintenance.

Fleetlease Contracts market and product development manager John Bell said he had experienced a surge of inquiries for fleet buyouts over the past year.

A company could sell its fleet at market or book prices and lease it back under a fleet management leasing (FML) contract for a specified period.

In the case of, for example, a 40-vehicle fleet, a company could gain R1,2m to invest in product or raw materials to turn into profits.

"The takeover of a fleet which results in an immediate cash injection for a company has led to some 1 200 vehicles from 30 companies converting to FML with us in the last year," Bell said.

Avis Lease marketing director Nic Griffin said his company had seen a significant swing towards FML in the last year.

"It has become more attractive because the Receiver of Revenue interprets FML as off-balance sheet financing.

"As companies need to watch their cash reserves more carefully they see opportunities to use these resources in their businesses.

"We are now handling fleets of 12 000 to 14 000 cars."

Budget Autolease MD Sarel Rudd said FML was the solution to rising vehicle prices and the problem of putting this on the balance sheet.

"Another very important factor of course is the administration involved in running a fleet. It results in a big saving for a company to have us buy and register and maintain their vehicles."

Rudd said the top leasing companies had the purchasing power and the expertise to get the biggest advantages out of running a fleet.

Sabta's opens 1st service centres

THE first Shell/SA Black Taxi Association (Sabta) service centres in the Western Cape have opened at Nyanga and Guguletu.

They are owned by Sabta and the operating companies will be owned by Sabta-affiliated taxi associations.

They are headed by two prominent Western Cape Taxi Association chairmen, Clement Ramatlakane (Webta) and Mack Nonkonyana (Lagunya).

The service centres will cater for the general public as well as taxi operators.

Car listing service proves to be popular

BUSINESSMEN wanting an investment are inundating Compuwheels with requests for cars like Porsches and Ferraris, says the listing service.

Managing Member Rod Taylor said although the second-hand car listing service had been set up for only seven weeks, it had secured advertising space from more than 80 dealers and several private buyers.

He attributed the success of the service to the advent of fax technology.

"We are handling over 70 calls a day," Taylor said. "We have just secured a deal with Lindsay Saker which has given us access to dealers nationwide. In the future we will be opening branches in Cape Town and Durban."

A buyer who phones the service is faxed a print-out of models he requests. He can also specify price range or colour.

CHARLOTTE MATHEWS

"Ultimately the intention of the organisation is to gather and disseminate vital statistical information on trends in the wheels business to dealers to assist them in the design of marketing strategies," Taylor said.

Another application Taylor mentioned was a security service to the police force. If the police provided Compuwheels with a list of stolen vehicle registration numbers, the service could check these against its system.

The service is free to buyers. Private sellers pay R50 a month for a space on the computer to advertise their car, while dealers pay R250 a month for 20 computer spaces.

Teljoy and Dial-a-Movie strike a membership deal

SYLVIA DU PLESSIS

STRUGGLING video store chain Dial-a-Movie has reduced its gearing from 50% to "just under" 30% as a result of a cross-marketing agreement with TV and VCR rental giant Teljoy, CE Brian Cunningham said yesterday.

In terms of the deal, effective from April 2 and aimed at boosting both groups' share of the visual home entertainment market, JSE-listed Dial-a-Movie has sold its TV and video rental contracts and sets to Teljoy.

The undisclosed cash inflow from this transaction was used to reduce Dial-a-Movie's borrowings.

Cunningham said the deal meant the group had effectively withdrawn from the TV and VCR rental market and would concentrate on the software side.

The deal also allows Teljoy's 200 000 customers to receive special discounts on video hire, video contracts and compact disc and music cassette purchases at Dial-a-Movie.

In turn, Teljoy has granted Dial-a-Movie the exclusive right to promote video rental and the sale of compact discs through its Club Teljoy newsletter.

"The benefits arising from the agreement, coupled with the saving in interest, should result in our earnings a share increasing by about 1c in the coming year," Cunningham said.

His group produced a 34% decline in earnings to 5,1c a share in the six months to December after a hefty rise in finance charges to R217 000 (R35 000) and losses from its electronics and photographic chain Top Tec.

Teljoy executive chairman Theo Rutstein said the transaction would have no material effect on earnings a share.

The hidden bolts of any business

Black secretaries air their concerns

By SIZAKELE KOOMA

RELIABILITY, efficiency and loyalty were among a list of non-technical skills secretaries were told they should possess by speakers at the launch of a black secretaries' forum in Johannesburg.

Secretaries were encouraged by the speakers, among them social worker Malikolo Motumi and secretary Shirley Mamphiri, to "take challenges in their jobs with zest" and be "visible" in order to be noticed and have their contributions acknowledged.

The message in the motivational talk was an inspiration to about 100 secretaries present at the function with their bosses. But this advice is unlikely to permeate the work environment, with the general inadequacy of secretarial training.

Motumi acknowledged the crippling effect that inferior training had on black secretaries. The quality of education for blacks, she said, put them a step behind their white counterparts.

The advantage of a good educational background and growing up in an atmosphere which exposed them to the corporate world at an early age enabled white secretaries to be more efficient and confident in their jobs.



Social worker Malikolo Motumi.

Angie Makwetla, director of a Johannesburg-based commercial college, conceded that the quality of training offered by some colleges was superficial.

"The training is just basic and does not provide background information," Makwetla said.

Language

"Some fly-by-night colleges take it for granted that secretaries do not need to know the techniques of computers, for example. Trainees are simply shown how to insert a disk into a computer, which keys to press and are then told to write down what appears on the screen. There is no way a person who is computer illiterate can be taught this way."

Compounding sketchy tutoring and other inefficiencies in the training of black secretaries, said Makwetla, was the lack of interest by lecturers in the trainees as individuals. The language problem, she said, was taken as a natural handicap which could not be helped.

"Most secretarial students would allow a teacher to proceed with the lecture even when they do not understand - either because they have difficulty articulating their problem in English or because they are not confident."

"There are things peculiar to blacks that only a black person can understand," she said.

"Experience has taught me that most students would allow a teacher to proceed with the lecture even when they do not understand. They would not say so either because they have difficulty articulating their problem in English or they are not confident.

"If you cannot relate to them, their problems will probably go undetected and a whole class of black secretaries would leave the course having understood very little of what was taught."

Registration

People had to be very careful when choosing training institutions, she said. They should check the quality of training, the courses offered, material supplied and the ratio of students to the lecture equipment available in a class.

She said compulsory registration of commercial colleges and the appointment of a monitoring body could improve the quality of training for blacks.

ble for liquidity that could well tighten margins.

determine lending rates, not the discount rate.

Imperial voted tops

ST Times 27/4/90

TRAVEL agents have given Imperial Car Rental the thumbs up sign — twice.

Members of the Association of SA Travel Agents (Asata) voted the company the best car-rental company and the one with the best staff in a national survey.

Imperial managing director Carol Scott, who was 1988 Businesswoman of the Year, says: "This is the highlight of our 11-year history."

(295)

The group's 5 400 vehicle fleet is based at 82 offices in SA, Namibia and Swaziland. Budgeted turnover in the year to June 30 is R152-million.

Our water 'not to drink'

Engineers make waves at seminar

JAMES CLARKE

TWO Johannesburg engineers claim that millions of South Africans — including those on the Witwatersrand — are drinking sub-standard water.

Health officials and the Rand Water Board have denied the claims.

In a technical paper delivered at a conference on water, the engineers claim that permissive water laws are allowing the indiscriminate pollution of streams by industries.

This, say Mr Paul Polasek and Mr Claude Mangeot, makes it more and more difficult for the country's "antiquated waterworks" to provide safe domestic water.

They say the industries claim that they cannot afford to comply with Government water standards and thus get them lowered.

They say:

- South Africa's water-quality standards are among the lowest in the developed world.
- No check is kept on carcinogenic substances in drinking water.

Lack of research

- South Africa's standards are below those in some Third World countries.
- There is sometimes bungling by civil engineers who have too little knowledge of water purification.
- There is an "almost total absence of research into water purification technology in South Africa".
- The cheapest tenders, rather than those most technologically sound, are accepted.

The jointly presented paper caused a stir at the International Water Supply Association seminar on water and sanitation in Durban. But silence followed.

Most engineers the Saturday Star spoke to scoffed at the claims.

Mr Polasek, when asked about his paper, said: "What we revealed appears to have had little impact on the authorities."

An SA Bureau of Standards spokesman told the Saturday Star: "There are no specific standards for water in South Africa, but the Department of Health and the CSIR are working on some."

At another recent conference, a Rand Water Board chemist admitted that testing for organic substances — which grow worse with industrialisation — is only 30 percent efficient.

Mr Polasek says he is concerned about drinking-water quality. He told the Saturday Star that neither waterworks nor municipalities and health departments carry out daily check analyses on tap water as received by householders.

The engineers say the most lax of all international drinking water standards is that of the World Health Organisation, which takes into consideration the technological limitations of Third World countries — but South Africa's quality control is even lower.

"And it is being adjusted downwards."

Even if drinking water meets SA standards, it can still be harmful.

The engineers claim there are no threshold limits set for carcinogenic (cancer-producing) substances and "any quantity of these, even the most insignificant, represents a hazard".

With the exception of phenol compounds (powerful caustic poisons) — where South Africa permits levels 10 times higher than the WHO recommends and 20 times higher than the EC — "it ignores other organics as well as organo-chemical parameters *in toto*".

South African waterworks use alum in the purifying process and this can cause residual aluminium in drinking water which in turn can cause brain damage — yet the Government does not set threshold limits to the amount of residual aluminium.

Diseases

When it comes to chlorides — which can indicate the presence of faecal matter — the EC limit is 25 mg a litre, WHO's is 200 mg/l and South Africa's 600 mg/l.

Cadmium and mercury — both poisons which can build up in the human system causing anaemia, brittle bones and liver diseases, and which can enhance the toxic effects of zinc and copper — is very strictly controlled in Europe.

The EC limit for cadmium is 0,005 mg/l and for mercury, 0,001 mg/l. The SABS allows four times more cadmium and 10 times more mercury.

"While the rest of the world is attempting to improve the quality of drinking water by upgrading standards, South Africa is taking the opposite approach."

A Rand Water Board spokesman said: "Let me assure you that you can safely drink our water."

JSE main board debut for Adcorp

PROFESSIONAL services group Adcorp Holdings — listed in 1987 — makes its debut on the JSE's main board today.

The group, invested in manpower, communications and market research activities, moves from the DCM to the Banks and Financial Services sector.

Chairman John Barry said on Friday: "We qualify for the main board and have for a while, but the timing was relative to acquisitions we have made over the past year.

"Because of these, our business has expanded from that of an advertising agency to a lot more involvement in the financial services arena, and we have succeeded in changing our profile into a more broadly spread professional services group," he said.

Earnings per share for the group have grown at a compound average of 37% annually since its listing, totalling 20c at end-December 1989 on turnover which rose by 36% to R31,7m.

SYLVIA DU PLESSIS

Directors predict an increase of about 20% in earnings per share for 1990 on increased share capital, based on the strength of the enlarged group.

Acquisitions include public relations practice TWS Communications, corporate design company JSA Design International and financial advertising agency Adplan International.

These acquisitions, all of which make up the group's communications division, are effective from July 1. The group also acquired 50% of market researcher Research Surveys for R3,1m from January 1.

Directors intended to complement the group's existing base with further acquisitions.

The share was last traded at 120c but was quoted at 125c sellers on Friday.

ST Times
13/5/90

Travel agents off to school

By Charmain Naidoo

THE Association of SA Travel Agents (Asata) has instituted new training requirements for members.

In spite of the fact that tourism is a multibillion-rand earner for SA, no official training for travel agents has been required.

Travel agents have complained for years about the absence of professional status, and the concomitant lack of training in their business.

Now training in the form of a diploma course covering public relations, accountancy, management and computer use will be a pre-requisite for travel agents.

295

Board

Asata executive director Chris du Toit hopes that the educational qualification will ensure recognition of SA travel agents internationally.

Mr Du Toit says: "In the past we relied on the Travel Agents Board (phased out late last year) to provide training. It didn't work very well.

"Asata and the National Training Board believe that a training board should be established in line with the Department of Manpower requirements.

"A travel industry education and training board (TIETB) should be set up to co-ordinate educational work and training activities."

Mr Du Toit believes that the national diploma examination, which will be set and monitored by Asata in conjuction with the Institute of Travel Management, will "upgrade the professionalism of the industry".

"With the diploma, the member will be a professionally qualified travel agent. The course should last at least two years, followed by a two-year apprenticeship giving the student practical as well as theoretical knowledge."

Mr Du Toit expects the diploma to be offered at technikons.

"It could even become a university degree course. Initially, the training will be done in-house by the different agencies."

The cost of training will be high.

Mr Du Toit says the Department of Manpower has been approached and it is hoped that everyone involved in tourism will contribute a small fee to a training fund.

"Within the next four to five years, given the direction politics is taking in SA, travel will be one of our three major income earners. We need to prepare for this time.

"A major gripe has been that some companies spend a lot of money and time training staff only to have them poached."



FRANCIS MOLEKO

Klerksdorp hawkers are invited back

By JOSHUA RABOROKO

MORE than 66 hawkers who were hounded out of the Klerkdorp's Central Business District can now trade in the western Transvaal town, but only from designated areas.

Town clerk Mr Jan Muller yesterday confirmed that the decision was taken after a meeting between the council and the African Council of Hawkers and Informal Businesses (Achib) last week.

Developer

Muller said the parties agreed that a developer would be appointed to look at possible spots where the hawkers could erect their stands in the city centre. He emphasised that the process would take some time and "not a matter of days".

The move has been welcomed by Achib's marketing manager, Mr Francis Moleko, who confirmed that their members were earlier restricted from trading in the town. They were arrested, harassed and their property confiscated by the authorities.

He said that the council had agreed to suspend the fines - ranging from R50 to R100 - which were imposed on hawkers for trading.

"We are happy that the council has at last allowed our members to ply their trade in the town. Some of them are unemployed people trying to earn a decent wages," he said.

Warned

He said they had also asked the council to investigate complaints about harassment and intimidation from black local authorities on the East Rand, and warned of possible legal action if this continued.

SA in line for freebie top spot

295

S/Times 20/5/90

SOUTH AFRICA could become a favourite destination for foreign businessmen after sanctions are lifted, says international incentive marketing expert Christopher Bonn.

He estimates that incentive freebie trips for businessmen could be worth R50-million a year.

Mr Bonn, principal of the Jersey School of Motivation, is in SA to prepare for the development of such a market and to speak to the Tourism Board.

He will also hold seminars for travel agents to show how to market SA and how to host specialised international business groups.

Mr Bonn believes that SA has been neglected as an incentive destination because of sanctions.

"Once restrictions are lifted, the climate, beauty and hotel infrastructure in SA will make it a world leader in this market.

"Marketing this country as an incentive destination will involve reshaping the tourist industry in preparation for an upsurge in demand for trading relationships."

"British industry and commerce spend £262-million a year on incentive travel packages, and the figure runs into billions of dollars in the US, so the sky is the limit for SA.

"The average visitor would stay for 10 days on a budget of £2 500 and belong to a party of about 100.

"We should have no difficulty in sending 50 such parties a year."

He believes that one of the spin-offs will be breaking of the seasonal tourist mould.

Bridges

"It will also provide a way of building bridges burnt through sanctions.

"This is a wonderful means of communicating with the corporate sector worldwide. It accelerates the dissemination of information and real-life as opposed to distorted media impressions," Mr Bonn says.

Outlining the difference between incentive travel and ordinary tourism, Mr Bonn says: "Tourism packages generally run on a minimum management structure worldwide.

"There are low profit margins because of competition and the exchange rate is often an improtant consideration.

"Incentive travel is exactly the opposite. It requires lots of senior management involvement.

"Price is not a dominating factor because the equation is not what is saved, but how much much more profit is generated by motivation."

By Charmain Naidoo

TOURISM FIM 25/5/90

Bright outlook (295)

The SA Tourism Board (Satour) and SAA spent R400 000 on the recent Indaba-Focus 90, the tourism industry's annual showcase.

96

FIM 25/5/90

The pay-off is expected to be another record year for foreign visitors.

If this year's show follows the example of last year's, the 339 exhibitors at the Durban Exhibition Centre will have concluded tourist deals estimated at over R1bn. Deals worth more than half the industry's R1,9bn in foreign earnings were sealed at Indaba-89, says Satour chairman Piet van Hoven. (295)

"According to the feedback we have been getting from participants, both overseas delegates and local exhibitors, this has been the most successful Indaba yet in terms of actual business transactions," Van Hoven says.

The Indaba attracts representatives of every sector of the travel industry, from hotels to adventure operators, and is usually a strong indicator of the coming year's tourist potential. Based on the success of this year's show, Satour is confident that more

FIM 25/5/90 (295)

than 1m foreign tourists will visit SA this year. This would top last year's record 930 393 foreign visitors.

Kent Durr, Minister of Trade, Industry & Tourism, says the industry's major markets — France, West Germany, Italy, Taiwan and Israel — are sending a record number of visitors this year. And he says the US, Canada, Australia and Japan are showing increasing interest. Also, a large number of visa and immigration inquiries are coming from Hungary, Poland and East Germany — "an indication of possible future markets," he says.

It was clear at the Indaba that a strong draw card is the country's game parks and reserves. With the world swing towards ecological awareness and "Green" issues, SA's vast wilderness areas and rich animal life should provide a strong boost to tourism this year. ■

R440m for new cars

LEADING car rental group Avis has earmarked R440m for 16 500 new cars this year. (295)

Group MD Glenn van Heerden forecasts real growth in the new financial year — from April — despite the slowing economy.

Mr Van Heerden said Avis Rent-A-Car achieved real growth — measured in rental volumes — of 8% and maintained a 51% market share last year.

The higher price of cars, high interest rates and a rise in the cost of accidents put a severe squeeze on the rental company's margins.

High costs have been cushioned by the sale of cars retired from the fleet, but used-car sales have softened, intensifying the pressure on margins.

There were also supply problems due to strikes.

0-1511-2 Sun Times

Prisa projects 25% increase in turnover

THE Public Relations Institute of Southern Africa (Prisa) is projecting a turnover increase of 25% to R733 000 (R546 673) in the coming year. BDay 29/5/90

Prisa president B S Cullingworth says in his presidential report that Prisa is no longer solely dependent on member subscriptions, with additional revenue flowing in from education, investment and professional development activity.

It has raised R230 000 of the targeted R400 000 to finance a professional recognition and awareness campaign to help the public identify the professional public relations practitioner. (295)

Business Day Reporter

Membership, which generated R240 535 in fees last year, stands at 3 600. A Zululand region has been established and one in Kimberley is planned.

Cullingworth says it is important that professional public relations practitioners obtain accreditation from the Public Relations Council of SA, an independent examining body.

Big return is offered by Techire

By JULIE WALKER

TECHIRE's share price is only 2,2 times historic earnings, according to the latest figures from the skills-hire and credit-management company.

The share price is almost 4c more than the tangible net asset value of 17,6c.

Earnings in the pro forma 12 months to March were R1,16-million — 80% higher than the previous year. An annualised extraordinary item of R386 000 — representing a restraint of trade made in terms of a service agreement with a director and a write-down of listed investments to market value — was charged. (295)

Earnings a share before the extraordinary item are 9,4c annualised — 77% more than last year.

ST Times 17/6/96

Foolproof

Techire's core businesses are the hiring and placing of draughtsmen and other skilled personnel, and the collection and administration of debts.

Both businesses are recession-proof. Contractors find it more cost-efficient to hire staff hourly than to have them on the payroll.

Personnel stay on the Techire books for long periods. Techire pays the salaries of the hired employees and collects from the hiring client. Strikes play right into Techire's hands because they prompt companies to search for temporary staff.

A maiden dividend of 3c for the 14-month reporting period to March will be paid.

Teljoy fades as high interest bites

ST Times 8/7/90

By DIRK TIEMANN

TELJOY television rental company has increased turnover by 28,8% to R119,9m in spite of difficult market conditions.

Group chairman Theo Rutstein says in his review of the year to March 31 that Teljoy faced "punitive interest rates and increased competition in the TV and VCR rental business".

"Good growth has been achieved in the customer base, which translated into a 15,6% rise in operating profit to R30,9m. Investments in new TVs and VCRs reached a record R43,2m."

Net pre-tax income dipped by 0,45% to R23,1m because of higher finance charges. Retained profits at the end of the year were R26,5m.

Mr Rutstein says interest costs rose by 125% to R7,7m because of additional borrowings at high rates to fund new investments.

Operating margins were squeezed because trading conditions did not allow for inflation-adjusted increases in the rents to customers.



THEO RUTSTEIN

Attributable earnings increased by only 5,9% to R17,8-million, giving much the same earnings a share of 30,4c. The dividend was unchanged at 13,5c.

Mr Rutstein says: "Tighter asset management contributed to a substantial reduction in the ratio of interest-bearing debt to shareholders' funds in the second quarter. This was reduced to 88% at the end of the year compared with 118% at the interim stage."

Mr Rutstein expects the high gearing to continue in the short term because of further investment in rental equipment. 295

Hotels

"At the prevailing high interest rates this will adversely affect earnings."

The current ratio of 1:2,26 indicates the group's illiquidity. Teljoy sees opportunities in the "announcement of major new hotel projects in Southern Africa".

A division has been established in Botswana.

Restrictive conditions in the economy and high interest rates are expected to continue, but the group expects to show "modest growth" in the current year because of its dominant market position.

The travel bug still bites

ST Times 8/7/90

295

By DON ROBERTSON

EUROPE still attracts South African tourists in spite of a six-month plunge in the rand's value against most currencies.

Travel agents say that although the cents are being more closely watched, outbound tourism continues to grow, albeit modestly.

TFC Tours managing director Daphne Osborn says the effects of the falling rand were taken into account at least a year ago, and tourists are now planning more carefully.

The rand has remained fairly steady against the dollar, declining by 3,5% since the beginning of the year, but it has lost ground against sterling, falling by 11,6%. It has declined by 5,8% against the mark, 11,1% against the Swiss franc and 6,2% against the French franc.

Sales of tickets to South Africans heading abroad in April rose by 18% to R81,3m — R12,7m more than in the same month last year. Sales in the first four months of 1990 were worth R521,3m — R174,6m higher than in the corresponding time last year.

There has, however, been little real income growth for travel agents in the past two to three years, partly because of higher fares, says Rupert Lawlor, president of the Association of SA Travel Agents.

Mr Lawlor says latest figures show that 488 000 SA tourists went abroad last year compared with 478 000 in 1988.

exchange rates and other factors.

and turnover should top R500m for the first time.

for expansion of the chain. The group is unborrowed — "we earn interest," says Mr

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ST Times 8/7/90

295

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Hospital forced to use agency nurses

Star 13/7/90

Johannesburg Hospital was forced to call in agency nursing staff on Wednesday after it had an "abnormal admission rate of patients and had no staff for more beds," said the Transvaal Provincial Administration.

By yesterday the situation had improved.

The TPA issued the statement after The Star approached acting chief superintendent Dr Trevor Frankish following reports on conditions at the hospital.

Dr Frankish had said the situation was due to a "seasonal" increase in admissions.

The hospital has suffered a long-term shortage of staff and a large percentage of its bed capacity is not utilised.

In Durban, the King Edward VIII Hospital was forced to close its doors to emergency surgical cases yesterday as theatre space ran out.

All operations scheduled for yesterday had been cancelled.

Acting chief medical superintendent Dr Ayesha Seedat said hospital authorities had suggested she divert the patients to other hospitals. — Staff Reporter-Own Correspondent.

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FM ; 13/7/90 (295)

Delta later withdrew after a more thorough examination of Budget's accounts.

A car manufacturer owning a car rental and leasing company would have been a departure for the SA car rental industry. But in the US and Europe, most rental and leasing companies are owned by manufacturers. Manufacturers benefit by being assured of selling a certain number of vehicles to their own rental companies and by sales to people who take a liking to the cars they hire.

Meanwhile, the car rental market is being plagued by prohibitive interest charges, high accident and theft rates and a soft used-car market, says Glen van Heerden, group CE of Avis, which sells 12 000 used cars a year.

Despite the problems, Van Heerden expects the sector to turn over R310m this year — 21% up on last year. The leasing sector, he predicts, should turn over R300m, or 28% up on last year.

He says the soft used-car market will limit the industry's spending on new cars to around R400m. This is up in nominal terms on the R360m spent last year, but down in real terms with last year's 7%-11% increase in small car prices and the 23%-27% increase in the price of large cars.

Robin Binckes, MD of Entercor and executive chairman of Budget, says the company has a fleet of 2 000 cars and plans to buy 3 000 cars this year. The policy, he explains, is to turn the fleet over one-and-a-half times a year. He believes that Budget's market share can be increased with more aggressive marketing.

Binckes admits that Budget has lost market share since November. Staff morale took a knock after Tollgate took control in October and the uncertainty over the future was aggravated by the lack of a marketing thrust after former MD Louis de Waal left.

"In addition, Imperial has been very aggressive and has done well," Binckes says. He puts Avis in the industry lead with a market share of 44%, Imperial second with 31% and Budget with 16%. The rest is shared by the smaller operators. Van Heerden, however, claims Avis has closer to 51% of the market, citing a study by the University of Pretoria.

Imperial MD Carol Scott says that at the end of March, there were 16 175 vehicles in renters' fleets. She believes that this year the industry will show 10% real growth and buy about 17 700 new vehicles.

Imperial, which Scott claims has 36% of the market, will buy 6 000 units. Marketing director Maureen Jackson says Imperial has heavy bookings, mainly from overseas visitors, for the December holiday period.

David Pincus



Avis ... in the driver's seat, for now

CAR RENTALS FM 13/7/90

Changing gears (295)

The "For Sale" sign has been taken down at Budget Rent-A-Car. Instead, Tony Langley, who resigned recently as MD of SA's premier car rental company, Avis, has joined Budget as MD and Mr Fix-it.

Langley could not be contacted, but his appointment was confirmed by Mervyn Key, joint chairman of Duros. Duros owns Tollgate Holdings, which owns Budget. Tollgate's brief to Langley is to turn Budget around. "We want to build it up and make it a force in the market again," Key says.

Before Langley's appointment, Budget had been shopped around for some time. There were at least three serious bids for the business — the one from Delta Motor Corp got furthest. It was actually accepted, but

DEREGULATION DELAY

FM 13/7/90

Tourism Minister Kent Durr said in November he planned to repeal the Travel Agents and Travel Agencies Act and abolish the Travel Agents Board "at the earliest opportunity in terms of government's policy of withdrawing unnecessary restrictive legislation." (295)

But in this year's parliamentary session neither the Act nor the board were scrapped. The travel industry is confused.

A Trade & Industry Department spokesman says action won't be taken until next year's session and till then agents must still comply with all regulations of the Act and the board.

Durr ordered a review of all tourism legislation and this cancelled any hope that the changes could be made this year. The goal is the drafting of one Act to replace the five existing: the SA Tourist Corporation Act of 1947, the Hotels Act of 1965, the Tour Guides Act of 1978, the Travel Agents & Travel Agencies Act and SA Tourism Board Act of 1983.

Before proposing a new Act, Durr will study reports on tourism now being prepared by the Board of Trade & Industry and Development Bank of SA. The bank is focusing on the infrastructure and financial components of tourism.

The new Act is expected to abolish most of the Travel Agents Board's functions, such as the licensing of travel agency premises and registration of travel agents. The remaining functions, such as maintaining the Fidelity Fund set up to protect customers, will be carried over to the Tourism Board.

AA in major rationalisation drive

HIGH operational costs and the economic slump have forced the Automobile Association (AA) to close its entire marketing division and retrench 21 senior staff — including two executive directors.

Announcing the rationalisation drive last night, AA MD Peter Elliott said the motoring club also had to close the AA Foundation and AA's training department and would freeze budgeted development expenditure.

AA hoped the rationalisation would ef-

B10 18/7/90 (295)

THEO RAWANA

fect a R2m saving this year.

Elliott said in a statement: "The rationalisation arises from the operating deficit for 1990 viewed against the current state of the country's economy. In all, 21 people (3%) will be affected out of a total of about 700," he added.

The two affected executive directors

☐ To Page 2

AA drive

B10 18/7/90 (295)

☐ From Page 1

were Andy Miles and Romano del Mistro.

Elliot said the pruning effects would be felt mainly in 1991 and the AA faced a further operating deficit in the current financial year.

He said many of the AA's costs had risen above the average rate of inflation.

As a non-profit organisation without access to share capital for development purposes, the AA could be expected to show an operating deficit each year.

He said members belonged to the AA for it "to be there when they need us". Thus, he said, all services such as emergency road services would be fully maintained and continue to be subsidised from other sources of revenue.

He said the AA intended to retire its on-balance sheet debts within the year. In spite of an anticipated 1990 operating deficit of R4m (on operating revenues of R41m), the association would show a bottom-line surplus of about R6m after taking into account investment income and extraordinary items.

This would result in the AA's reserves rising to about R35m, Elliott said.

...dium members building on a solid reputation

and will no doubt be prepared to pare prices.

...coal has come from natural-gas competition in Europe.

TV rental tough for Tedelex

V-RENTAL newcomer Tedelex is ading the going tough.

Tedelex entered TV rental in July 89 through subsidiary Empisal, allenging market-leader Teljoy.

Empisal, now with four stores fewer an the 68 it had at the start, has set ide R40-million for its rental siness.

Tedelex managing director Jack hen says the aim is to gain a third of e market — 140 000 sets in five years, arting from July 1989.

Mr Cohen says: "The market has been iet. We are up against Teljoy, a sound

By DIRK TIEMANN

trader running an excellent business.

"Our rental business will show a profit this year and will be a significant contributor to earnings in the future.

"Interest rates have not affected business because they were high when we launched our operation."

Teljoy chairman Theo Rutstein is not worried about Empisal's arrival, saying: "Tedelex is not the threat we thought it would be. We are trading ahead of last year's figures."

Teljoy is curtailing growth to maintain market share. "The faster and the more we grow the higher our borrowings. Gearing could be dropped to zero by not buying new sets.

"This would enhance short-term profits and cash flow, but stunt long-term growth."

Empisal's new 51cm sets carry a monthly rent of R69,70, including sales tax and risk cover. The 67cm sets cost R93,83.

Teljoy's new 51cm sets cost R74,65 and the 67cm one R86,01.



JACK COHEN

FM 27/7/90 295

TELJOY FM 27/7/90

Stocking up

295

Activities: *Rents TVs and VCRs, distributes M-Net decoders, services and repairs appliances and manufactures, distributes and installs audiovisual products.*

Control: *Sanlam via Fedvolks and Sankorp.*

Executive chairman: *T B Rutstein.*

Capital structure: *58m ords. Market capitalisation: R139m.*

Share market: *Price: 240c. Yields: 5,6% on dividend; 12,7% on earnings; p:e ratio, 7,9; cover, 2,2. 12-month high, 300c; low, 220c. Trading volume last quarter, 44 500 shares.*

Year to Mar 31	'88	'89	'90
ST debt (Rm)	3,4	7,7	25,0
LT debt (Rm)	12,0	22,2	24,5
Debt:equity ratio	0,55	0,78	1,02
Shareholders' interest	0,41	0,38	0,39
Int & leasing cover	7,9	6,7	3,7
Return on cap (%)	32,7	26,2	24,7
Turnover (Rm)	68,3	90,2	119,9
Pre-int profit (Rm)	24,2	30,1	30,8
Pre-int margin (%)	32,1	29,6	25,7
Earnings (c)	25	30	30
Dividends (c)	11	13,5	13,5
Net worth (c)	48,1	66,1	83,8

Teljoy's management decided last year to invest a hefty R43,2m in television and video cassette recorders to cater for an expanding rental business. As a result, EPS rose by only 2,7% for the year to end-March and the dividend was pegged.

The investment was made at that time on the grounds that spiralling retail prices of sets, restrictive credit terms and high interest rates make rental a more affordable alternative for consumers.

The 29% surge in turnover to nearly R120m partly reflects this. Chairman Theo Rutstein says the turnover growth was achieved in difficult market conditions and against tougher competition. The rental business contributes about 80% to total group income.

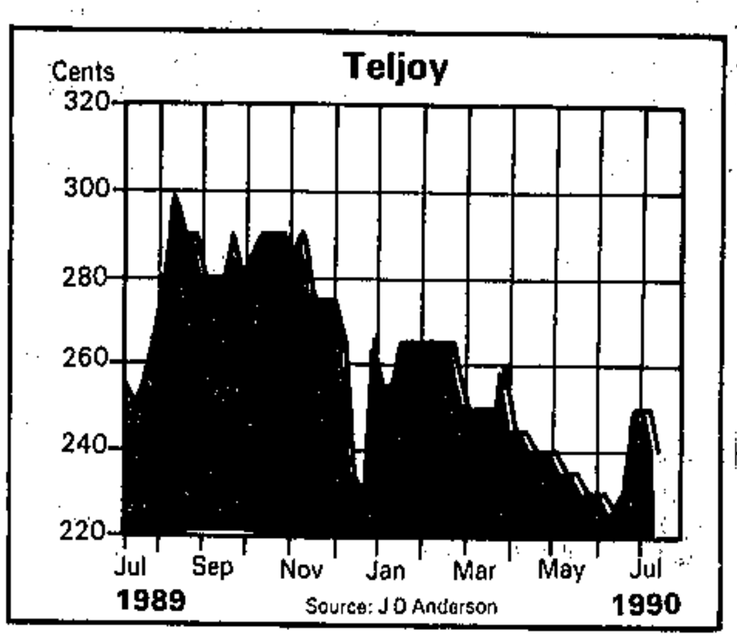
The investment in rental equipment was financed primarily out of trade cash flow and partly out of borrowings — which explains the 223% hike in bank overdraft and the more than doubling of finance charges to R7,7m. Some funds were used to cut creditors to R9,8m from R12,9m. Another significant change on the balance sheet is the debtors, which rose to R15,8m from R9,5m. Rutstein says the increase simply reflects the increase in Business.

These developments left the current ratio at a low 0,44. However, Rutstein is not particularly worried about these liquidity levels which he says are not abnormal for the group's business. Teljoy could repay all its borrowings within a year out of current trade cash flow.

Rutstein expects continuing organic growth from the rental division with its expanding customer base. A pleasing aspect was the more than doubling in the number of black subscribers, though off a low base.

Last year's investment in rental equipment may have strengthened the base for future growth; rental contracts are fixed and earnings would benefit from any drop in interest rates. But investors have taken a jaundiced view of the effect on earnings. The price has fallen sharply and could still prove brittle.

Gerhard Slabber



Consumer boycott: hawkers expelled

Sowetan 30/7/90

295

MORE than 100 hawkers operating from the Marble Hall bus and taxi rank have been expelled from the centre as whites retaliate to the continuing consumer boycott in the north eastern Transvaal towns.

The director of the Organisation of Progressive African Healers and Informal Business, Mrs Maggie

By MATHATHA TSEDU

Rankuesi, said yesterday the owner of the complex, Mr JJ Garden, had informed all hawkers through a loud hailer that they would have to leave.

"He said he could not allow them to sell in the complex anymore because black people were boycotting white-owned shops.

"As a result, many hawkers are now destitute with rotting stocks. The attitude of these whites will only lead to the lengthening of the boycott," she said.

Comment

Garden said he had no comment to make on the matter. He said he was involved in meetings to try and resolve the boycott.

The consumer boycott, affecting Marble Hall and Groblersdaal, started last Saturday. It was organised by the Groblersdaal/Marble Hall Consumer Boycott Committee which comprises activists from Azapo and the ANC.

S(Times 9/9/90

RCI spawns giant tour group

A NEW force has emerged in South Africa's travel business.

Odyssey Group, which is expected to have a turnover of R55-million in its first year, has grown out of RCI, the SA arm of the worldwide holiday exchange organisation.

The group has bought independent travel company Williamsworld and corporate travel specialists Travel Experts.

Milestone

The restructing with RCI's own diversfied operations has created a strong, fast-growing group which is placed to expand geographically and into other sectors of the market, says group managing director Bruce Ravenhill.

Mr Ravenhill says: "It has been our strategy in the past five years to expand the core business of RCI from timeshare exchange alone into travel and related activities.

"The formation of Odyssey Group is an important milestone in our growth."

Group subsidiaries are:

☐ Wholly-owned RCI, with

By IAN SMITH

former operations director Stephen Griessel as managing director;

☐ Travelink, which is 65% owned, incorporates the R25-million-a-year Williamsworld and Iata agency Travel Experts. Discount travel pioneer Bob Williams, who holds 30% of Travelink, will head the operation;

☐ Leisure Computer Corporation (60% owned) sells computerised resort reservation and management systems. It is run by Wayne Kruger; and

☐ Platinum Publications (76% owned), publisher of leisure magazines Endless Vacation and Holiday Inns Traveller as well as specialist trade publications. Sandra Gordon is managing director.

Mr Ravenhill, who joined RCI in 1985 and three months later negotiated a licence deal with the US-based parent, says the acquisitions and reorganisation have strengthened the group.

RCI has an SA timeshare membership of 82 000 families, projected to grow to 90 000 by the end of the year. Its travel club, Endless Vacation Travel, will turn over about R8-million this year and is said to be one of the fastest-growing travel companies.

This will boost Travelink operations and open a new marketing arena.

RCI members will benefit from Williamsworld preferential rates, including discount airfares and theatre tickets.

"Everthing fits together so well that I see this as a clasic win-win situation," says Mr Ravenhill.

"We can consolidate our buying power and combine complementary resources in the form of people, expertise and technology."

295

Disney

He says internationally timeshare has become a more significant element in the travel business with the entry of heavyweights like Disney and Hilton hotels.

All the companies have a strong technology base, says Mr Williams, who was the first SA travel operator to be given Reserve Bank permission to import discounted air tickets.

Avis goes for classy fares

ST Times 9/9/90

Business Times Reporter

IN A major shake-up in the car-rental business, Avis is to close its central Johannesburg branch, increase prices and impose stricter hire and credit conditions.

Announcing the move to reduce Avis's share of the mass market, chief executive Glenn van Heerden says there has been a "staggering rise in accident, theft and insurance costs, which have virtually doubled over the past few years". Profits have also come under pressure from high prices for cars and interest rates.

Much of the business conducted by the central branch is over weekends, when rates are discounted. Avis will return to its traditional business, the corporate and professional markets and the upper end of the tourism sector.

Mr Van Heerden says rental firms' drive to increase trade by going for "downtown" business "proved counter-productive in Avis's view". The central branch will be moved to the outskirts of the CBD where it will continue to serve these customers. The loss in business for Avis, which claims to have a 50% share of the market, will be marginal.

295

Mr Van Heerden says the company is not geared for the ordinary customer. It wants the business of travelling executives or professionals as well as that of the affluent tourist.

ORANJE-VRYSTAATSE PROVINSIALE ADMINISTRASIE

No. R. 2159 **14 September 1990**

REGULASIES KRAGTENS DIE KINDERWET, 1960.—WYSIGING VAN GOEWERMENTSKENNISGEWING No. R. 1086 VAN 1960

Kragtens artikel 29 (1) (k) van die Kinderwet, 1960 (Wet No. 33 van 1960), wysig ek, Louis Johannes Botha, Administrateur van die Provinsie Oranje-Vrystaat, hierby die regulasies afgekondig by Goewermentskennisgewing No. R. 1086 van 22 Julie 1960, soos gewysig, ooreenkomstig die bygaande Bylae, terugwerkend met ingang van 1 Oktober 1986.

BYLAE

1. In hierdie Bylae beteken die uitdrukking "die Regulasies" die regulasies afgekondig by Goewermentskennisgewing No. R. 1086 van 22 Julie 1960, soos gewysig.

2. Regulasie 62 van die Regulasies word gewysig—

(a) deur in paragraaf (a) van subregulasie (1) die uitdrukking "R79" deur die uitdrukking "R97" te vervang;

(b) deur in paragraaf (b) van subregulasie (1) die uitdrukking "R19" deur die uitdrukking "R24" te vervang;

(c) deur in Opmerking D die uitdrukking "R155" deur die uitdrukking "R193" te vervang; en

(d) deur in die voorbehoudsbepaling tot Opmerking D die uitdrukking "R185,50" deur die uitdrukking "R217,50" te vervang.

No. R. 2160 **14 September 1990**

REGULASIES KRAGTENS DIE KINDERWET, 1960.—WYSIGING VAN GOEWERMENTSKENNISGEWING No. R. 1086 VAN 1960

Kragtens artikel 92 (1) (k) van die Kinderwet, 1960 (Wet No. 33 van 1960), wysig ek, Louis Johannes Botha, Administrateur van die provinsie die Oranje-Vrystaat, hierby die regulasies afgekondig by Goewermentskennisgewing No. R. 1086 van 22 Julie 1960, soos gewysig, ooreenkomstig die bygaande Bylae, terugwerkend met ingang van 1 Oktober 1987.

BYLAE

1. In hierdie Bylae beteken die uitdrukking "die Regulasies" die regulasies afgekondig by Goewermentskennisgewing No. R. 1086 van 22 Julie 1960, soos gewysig.

2. Regulasie 62 van die Regulasies word gewysig—

(a) deur in paragraaf (a) van subregulasie (1) die uitdrukking "R97" deur die uitdrukking "R117" te vervang;

(b) deur in paragraaf (b) van subregulasie (1) die uitdrukking "R24" deur die uitdrukking "R31" te vervang;

(c) deur in Opmerking D die uitdrukking "R193" deur die uitdrukking "R241" te vervang; en

(d) deur in die voorbehoudsbepaling tot Opmerking D die uitdrukking "R217,50" deur die uitdrukking "R279" te vervang.

ORANGE FREE STATE PROVINCIAL ADMINISTRATION

No. R. 2159 **14 September 1990**

REGULATIONS UNDER THE CHILDREN'S ACT, 1960.—AMENDMENT OF GOVERNMENT NOTICE No. R. 1086 OF 1960

By virtue of section 92 (1) (k) of the Children's Act, 1960 (Act No. 33 of 1960), I, Louis Johannes Botha, Administrator of the Orange Free State Province, hereby amend the regulations promulgated by Government Notice No. R. 1086 of 22 July 1990, as amended, in accordance with the accompanying Schedule, with retrospective effect from 1 October 1986.

SCHEDULE

1. In this Schedule the expression "the Regulations" means the regulations promulgated by Government Notice No. R. 1086 of 22 July 1960, as amended.

2. Regulation 62 of the Regulations is amended—

(a) by the substitution in paragraph (a) of subregulation (1) for the expression "R79" of the expression "R97";

(b) by the substitution in paragraph (b) of subregulation (1) for the expression "R19" of the expression "R24";

(c) by the substitution in Note D for the expression "R155" of the expression "R193"; and

(d) by the substitution in the proviso to Note D for the expression "R185,50" of the expression "R217,50".

No. R. 2160 **14 September 1990**

REGULATIONS UNDER THE CHILDREN'S ACT, 1960.— AMENDMENT OF GOVERNMENT NOTICE No. R. 1086 OF 1960

By virtue of section 92 (1) (k) of the Children's Act, 1960 (Act No. 33 of 1960), I, Louis Johannes Botha, Administrator of the Province of the Orange Free State, hereby amend the regulations promulgated by Government Notice No. R. 1086 of 22 July 1960, as amended, in accordance with the accompanying Schedule, with retrospective effect from 1 October 1987.

SCHEDULE

1. In this Schedule the expression "the Regulations" means the regulations promulgated by Goverment Notice No. R 1086 of 22 July 1960, as amended.

2. Regulation 62 of the Regulations is amended—

(a) by the substitution in paragraph (a) of subregulation (1) for the expression "R97" of the expression "R117";

(b) by the substitution in paragraph (b) of subregulation (1) for the expression "R24" of the expression "R31";

(c) by the substitution in Note D for the expression "R193" of the expression "R241"; and

(d) by the substitution in the proviso to Note D for the expression "R217,50" of the expression "R279".

No. R. 2161 **14 September 1990**

REGULASIES KRAGTENS DIE KINDERWET, 1960.—WYSIGING VAN GOEWERMENTS-KENNISGEWING No. R. 1086 VAN 1960

Kragtens artikel 92 (1) (k) van die Kinderwet, 1960 (Wet No. 33 van 1960), wysig ek, Louis Johannes Botha, Administrateur van die provinsie die Oranje-Vrystaat, hierby die regulasies afgekondig by Goewermentskennisgewing No. R. 1086 van 22 Julie 1960, soos gewysig, ooreenkomstig die bygaande Bylae, terugwerkend met ingang van 1 Januarie 1989.

BYLAE

1. In hierdie Bylae beteken die uitdrukking "die Regulasies" die regulasies afgekondig by Goewermentskennisgewing No. R. 1086 van 22 Julie 1960, soos gewysig.

2. Regulasie 62 van die Regulasies word gewysig—

(a) deur in paragraaf (a) van subregulasie (1) die uitdrukking "R117" deur die uitdrukking "R150" te vervang;

(b) deur in paragraaf (b) van subregulasie (1) die uitdrukking "R31" deur die uitdrukking "R41" te vervang;

(c) deur in Opmerking D die uitdrukking "R241" deur die uitdrukking "R314" te vervang; en

(d) deur die voorbehoudsbepaling tot Opmerking D die uitdrukking "R279" deur die uitdrukking "R358" te vervang.

No. R. 2162 **14 September 1990**

REGULASIES KRAGTENS DIE KINDERWET, 1960.—BEPALING VAN DIE BEDRAG VAN DIE ONDERHOUDSBYDRAE

Kragtens artikel 92 (1) (k) van die Kinderwet, 1960 (Wet No. 33 van 1960), vaardig ek, Louis Johannes Botha, Administrateur van die provinsie die Oranje-Vrystaat, hierby die regulasies vervat in die Bylae hiervan uit, met terugwerkende krag tot 1 Mei 1988.

BYLAE

Woordomskrywing

1. In hierdie Bylae beteken die uitdrukking "Wet" die Kinderwet, 1960 (Wet No. 33 van 1960).

Onderhoudsbydrae

2. 'n Eenmalige onderhoudsbydrae van R60, soos beoog in artikel 89 (1) (c) van die Wet, is aan alle Swartes in die Oranje-Vrystaat, wat op 'n onderhoudstoelaag ingevolge die Wet geregtig is, betaalbaar.

No. R. 2163 **14 September 1990**

REGULASIES KRAGTENS DIE KINDERWET, 1960.—BEPALING VAN DIE BEDRAG VAN DIE ONDERHOUDSBYDRAE

Kragtens artikel 92 (1) (k) van die Kinderwet, 1960 (Wet No. 33 van 1960), vaardig ek, Louis Johannes Botha, Administrateur van die provinsie die Oranje-Vrystaat, hierby die regulasies vervat in die Bylae hiervan uit, met terugwerkende krag tot 1 Oktober 1989.

No. R. 2161 **14 September 1990**

REGULATIONS UNDER THE CHILDREN'S ACT, 1960.—AMENDMENT OF GOVERNMENT NOTICE No. R. 1086 OF 1960

298

By virtue of section 92 (1) (k) of the Children's Act, 1960 (Act No. 33 of 1960), I, Louis Johannes Botha, Administrator of the Province of the Orange Free State, hereby amend the regulations promulgated by Government Notice No. R. 1086 of 22 July 1960, as amended, in accordance with the accompanying Schedule, with retrospective effect from 1 January 1989.

SCHEDULE

1. In this Schedule the expression "the Regulations" means the regulations promulgated by Government Notice No. R. 1086 of 22 July 1960, as amended.

2. Regulation 62 of the Regulations is amended—

(a) by the substitution in paragraph (a) of subregulation (1) for the expression "R117" of the expression "R150";

(b) by the substitution in paragraph (b) of subregulation (1) for the expression "R31" of the expression "R41";

(c) by the substitution in Note D for the expression "R241" of the expression "R314"; and

(d) by the substitution in the proviso to Note D for the expression "R279" of the expression "R358".

No. R. 2162 **14 September 1990**

REGULATIONS UNDER THE CHILDREN'S ACT, 1960.—DETERMINATION OF THE AMOUNT OF THE MAINTENANCE CONTRIBUTION

298

By virtue of section 92 (1) (k) of the Children's Act, 1960 (Act No. 33 of 1960), I, Louis Johannes Botha, Administrator of the Province of the Orange Free State, hereby make the regulations contained in the Schedule hereto, with retrospective effect to 1 May 1988.

SCHEDULE

Definitions

1. In this Schedule the expression "Act" means the Children's Act, 1960 (Act No. 33 of 1960).

Maintenance contribution

2. A non-recurrent maintenance contribution of R60, as contemplated in section 89 (1) (c) of the Act, shall be payable to all Blacks in the Orange Free State, who are entitled to a maintenance allowance under the Act.

No. R. 2163 **14 September 1990**

REGULATIONS UNDER THE CHILDREN'S ACT, 1960.—DETERMINATION OF THE AMOUNT OF THE MAINTENANCE CONTRIBUTION

298

By virtue of section 92 (1) (k) of the Children's Act, 1960 (Act No. 33 of 1960), I, Louis Johannes Botha, Administrator of the Province of the Orange Free State, hereby make the regulations contained in the Schedule hereto, with retrospective effect to 1 October 1989.

BYLAE

Woordomskrywing

1. In hierdie Bylae beteken die uitdrukking "Wet" die Kinderwet, 1960 (Wet No. 33 van 1960).

Onderhoudsbydrae

2. 'n Eenmalige onderhoudsbydrae van R60, soos beoog in artikel 89 (1) (c) van die Wet, is aan alle Swartes in die Oranje-Vrystaat, wat op 'n onderhoudstoelaag ingevolge die Wet geregtig is, betaalbaar.

SCHEDULE

Definition

1. In this Schedule the expression "Act" means the Children's Act, 1960 (Act No. 33 of 1960).

Maintenance contribution

2. A non-recurrent maintenance contribution of R60, as contemplated in section 89 (1) (c) of the Act, shall be payable to all Blacks in the Orange Free State, who are entitled to a maintenance allowance under the Act.

SUID-AFRIKAANSE WEERMAG

No. R. 2172 **14 September 1990**

WYSIGING VAN DIE ALGEMENE REGULASIES VIR DIE SA WEERMAG EN DIE RESERWE

Die Staatspresident het kragtens artikel 87, saamgelees met artikel 12, van die Verdedigingswet, 1957 (Wet No. 44 van 1957), die regulasies in die Bylae uitgevaardig.

BYLAE

1. In hierdie Bylae beteken "die Regulasies" Hoofstuk IV van die Algemene Regulasies vir die SA Weermag en die Reserwe afgekondig by Goewermentskennisgewing No. R. 274 van 26 Februarie 1971, soos gewysig by Goewermentskennisgewings Nos. R. 918 van 9 Mei 1975, R. 314 van 27 Februarie 1976, R. 832 van 21 April 1978 en R. 2203 van 24 Oktober 1986.

2. Regulasie 21 van die Regulasies word hierby gewysig deur subregulasie (4) deur die volgende subregulasie te vervang:

"(4) Die uitkoopgeld wat 'n manskap van die Staande Mag vir sy ontslag ingevolge subregulasie (3) moet betaal word ooreenkomstig die duur van sy ononderbroke diens tot en met die datum waarop betaling daarvan geskied, vasgestel ooreenkomstig die volgende skaal: Met dien verstande dat 'n manskap in buitengewone omstandighede en met die goedkeuring van die Tesourie van die betaling van enige uitkoopgeld in hierdie regulasie genoem, geheel en al of gedeeltelik vrygestel kan word.

Diensjaar	Uitkoopgeld gedurende iedere diensjaar in kolom (a) genoem
Kolom (a)	Kolom (b)
Eerste	R65
Tweede	R130
Derde	R97
Vierde	R65
Vyfde	R33
Sesde	R16
Sewende en elke daaropvolgende jaar	R6"

3. Die Regulasies word hierby gewysig deur die Eerste Bylae daarby in sy geheel te skrap.

4. Hierdie regulasies tree op 1 Julie 1990 in werking.

SOUTH AFRICAN DEFENCE FORCE

No. R. 2172 **14 September 1990**

AMENDMENT TO THE GENERAL REGULATIONS FOR THE SA DEFENCE FORCE AND THE RESERVE

The State President has in terms of section 87, read with section 12, of the Defence Act, 1957 (Act No. 44 of 1957), promulgated the regulations in the Schedule.

SCHEDULE

1. In this Schedule "the Regulations" mean Chapter IV of the General Regulations for the SA Defence Force and the Reserve promulgated by Government Notice No. R. 274 of 26 February 1971, as amended by Government Notices Nos. R. 918 of 9 May 1975, R. 314 of 27 February 1974, R. 832 of 21 April 1978 and R. 2203 of 24 October 1986.

2. Regulation 21 of the Regulations is hereby amended by the substitution for subregulation (4) of the following subregulation:

"(4) The purchase money payable by an other rank of the Permanent Force for his discharge in terms of subregulation (3) shall, according to the length of his continuous service up to and including the date of payment thereof, be determined in accordance with the following scale: Provided that an other rank may in exceptional circumstances and with the approval of Treasury, be exempted from the payment of the whole or any portion of any purchase money referred to in this regulation:

Year of service	Purchase money during each year of service mentioned in column (a)
Column (a)	Column (b)
First	R65
Second	R130
Third	R97
Fourth	R65
Fifth	R33
Sixth	R16
Seventh and every subsequent year	R6"

3. The Regulations are hereby amended by the deletion of the First Schedule thereto in its entirety.

4. These regulations come into operation on 1 July 1990.

Almost any post can be filled by a temp

B Diary 26/9/90 295

THE use of temporary staff has evolved well beyond the practise of hiring a receptionist or secretary to fill in while a regular employee is on leave or off sick.

Kelly Girl Services MD John Dawkins says: "Most firms function on a feast or famine basis.

"They have found it pays to employ a streamlined core staff, supplemented by qualified temps during busy periods."

Dawkins is a pioneer of the temping business and chairman of Apso's temporary staff section.

"It is possible to employ the full range of staff on a temporary basis, including the professional sphere — from draftsmen and architects to accountants, nurses and engineers."

In many cases, this approach makes low-risk corporate growth possible.

"Sometimes, someone will join a firm on a temp basis during a busy period and his presence will make it possible to accept more work towards the end of the cycle.

"If the individual and the firm suit each other, he will often accept a permanent position," Dawkins says.

Temping is also a popular way of job-hunting.

Not only does it allow the assignee and firm time to get to know one another in an unthreatening environment — it also enables staff who would otherwise have been disqualified on "cosmetic" issues to get a foot in the door.

PB&A Personnel Consultants' Dr Ken Phillips says: "If a businessman wants to employ a full-time staff member, issues such as age, sex and racial group can make a difference.

"But when looking for a temp, all he wants is someone who can do a job efficiently."



JOHN DAWKINS

Business Day SURVEY

Recruitment advertising is an effective barometer of the economy and revenues are 33% down on last year's. At the same time the recruitment industry has taken a long look at itself and has adopted a number of strategies aimed at improving the level of professionalism.

***HELEN GWYNN** reports.*

There are too few 'true' consultants

CRITICISM has been levelled at the recruitment industry by consultants and clients alike.

They say entry barriers are too low, resulting in a poor level of professionalism.

PB&S Personnel Consultants chief Dr Ken Phillips says: "There are a lot of agents working to targets for commissions and too few true consultants."

He says "recruitment rip-off" is a feature of the industry.

"It's quite common for an agency, staffed by a few young ladies with little or no knowledge of management structures and individual functions, to advertise non-existent jobs to swell their contact lists.

"Another method is to collect CVs and fax them all over town, taking no care to match the person to the job, and then claim the commission for any placements that occur."

CPL Computer Personnel director Peter Maybury says: "I can spend two hours interviewing a candidate and putting together a meaningful CV — and before I've had a chance to send it to a few selected clients, another firm can fax his CV to every company in the business.

Contact

"Then, because they made contact with the client first, they claim the introduction fee," he says.

Phillips says that even among agencies which adopt a more professional approach, agents with too little experience of the working of business tend to look purely at the applicant's "job label" and not his performance history and aspirations.

The result, he says, is a poor success rate.

Statistics collected by Apso from 67 of its members for 1988 show consultants interviewed only 65 035 candidates for 35 012 permanent vacancies — fewer than two interviews per vacancy.

Of these, 60 674, or some 92%, were referred to the clients — indicating a poor level of screening.

Only 10 025 were appointed, giving a success rate of only one in six referrals — and of these, around 18% failed to last out the guarantee period.

Even allowing for some degree of improvement over the past 18 months, it is clear the industry has a long way to go.

Judging by a small survey of clients published in the November 1989 edition of Recruiter, the official Apso journal, the perception of the industry is poor.

Of 16 companies — both large corporations and medium-sized businesses — not one was content with the level of professionalism among recruitment consultants.

Wanting

Screening of applicants by agencies was judged wanting, and only four considered the CVs they received comprehensive and accurate.

Many agencies say their clients tend to give inadequate briefs — yet the companies interviewed all said they were prepared to give detailed specifications, while all but two did not believe the consultants knew how to take down this information and all but one said consultants didn't take specifications seriously.



PETER MAYBURY

Adverti

RECRUITMENT advertis
ing needs greater focus
an injecti

Concerted bid for a new image of professionalism

B Day 26/9/90

295



LITSA ROUSSOS

A CODE of ethics, training programmes, an examination for agents and reference and credit checks on members are a few of the strategies adopted by the Association of Personnel Service Organisations of SA (Apso) in an effort to improve the level of professionalism in the industry.

Apso president and Emmanuels Personnel Group CEO Litsa Roussos says: "There are many professional agencies which do a good and thorough job, but there is plenty room for improvement.

"There are incompetents and unscrupulous operators in every business. It's unfair to condemn the entire recruitment profession because of the poor performance of a few agents, who should in any case never have got past first base with the client."

Bryan Hattingh Key People and Bryan Hattingh Executive Services MD Bryan Hattingh says the biggest challenge facing the profession is to accept responsibility for clients and applicants alike.

"We need to make young applicants aware of the need to be proactive in their careers," he says.

His companies are specialists in placing data processing personnel.

He says the average young entrant to the computer industry is faced with a multitude of job opportunities and potential for rapid advancement in career and income.

Encourage

"His inclination is to jobhop — and all the social pressures towards financial success encourage him to do so. Yet at a more senior level the opportunities narrow down, and he needs to be more than a high flying boy genius to succeed.

"The consultant's function must be to focus his attention on his real needs — both for immediate job satisfaction and for long-term career development. Sometimes this may involve discouraging him from making a move.

"I will often spend hours consulting someone whom I know will not make me any short-term commission," Hattingh says.

Despite the desire for professionalism and control within the industry, its image as perceived by the public is poor.

Quest Personnel executive chairman Roy Silver says this is due to low entry barriers and the cost of the service to clients.

Fees for clerical and secretarial staff average around 10% to 15% of the first year's salary package. For the recruitment of middle and upper management the commission increases to 15% to 25% of the first year's package.

"At clerical and secretarial level, most agencies operate on a contingency fee basis, with the fee payable on the appointment of an applicant recommended by the agent.

"The guarantee period — which usually lasts from three to six months — ensures an unsatisfactory appointee will be replaced free of charge.

"For the appointment of more senior staff, most agencies operate on a retainer basis. The fee breakdown is usually around one third payable after the first consultation, one third at short-listing stage and the final third on the employment of a recommended person.

Expensive

"This can make it an expensive process for companies using a number of agents," Silver says.

Leading consultants say the client needs to be selective in his choice of an agency. Referrals from regular clients and a presentation of the agency's methods will help ensure a service orientated approach.

Cozens Personnel MD Ladragh Cozens says: "The ideal is to have just one consultant operating on an exclusive basis — although this is feasible only when an atmosphere of trust has been developed.

"When you have that relationship, foster it. Allow time with the consultant to keep her informed about your business.

"This will enable her to select people who will match not only the job but the environment, saving time, money and frustration."

Adcorp results 'satisfactory'

B Day 28/9/90 ACHMED KARIEM (295)

PROFESSIONAL services group Adcorp Holdings has reported a marginal increase of 6,25% in earnings a share to 8,5c (8,0c) — based on a higher share issue — for the six months to end June.

Margins came under heavy pressure as operating profit rose by 26,8% to R1,2m (R948 000) on a 60,6% increase in turnover to R20,4m (R12,7m).

Attributable profits went up by 13,7% to R573 000 (R504 000) after allowing for tax and outside shareholders' interest in Research Surveys, which was now a 50,1% subsidiary.

Chairman John Barry said the results were "satisfactory" considering the state of the economy.

He said client budgets came under pressure in the three divisions — manpower (Admark Recruitment Advertising and Admark Response Handling, and Prepress in typesetting); communications (TWS in public relations, JSA Design International in design and Adplan International in financial advertising); and market research (Research Surveys and The Qualitative Consultancy).

He said the trading environment for the remainder of the year would remain difficult. "The level of the annual dividend will be considered when the results for the year are to hand," he said.

Imphold hopes for profit growth

(295)

B/Day 1/10/90

EDWIN UNDERWOOD

IMPHOLD, the diversified industrial company focusing on transport, vehicle rental, motor trading and financial services, expected further growth during its current financial year, chairman Bill Lynch said in the group's annual report.

After reporting a 21% increase in earnings a share for the year to end-June, Lynch said he was confident that Imphold — 75% held by the Imperial Group — would show further growth in profits in the year ahead.

Difficult issues during the period which limited profit growth were the high cost of finance, double-digit inflation in motor vehicle prices and the more than doubled number of incidents of theft and hijacking of vehicles.

The high cost of money resulted in finance charges for the year rising to R7,6m (R5m).

In the car rental division, the fleet peaked at just over 5 500 cars and Imperial now had 81 outlets.

While turnover rose by 11%, rental grew by 29%, reflecting a gain in market share.

The Auto Pedigree division, which disposed of some of the rental fleet, had a difficult year, largely due to the decreasing sales of used cars.

Lynch said although the company was not expecting an increase in new vehicle unit sales in the current climate, it expected an improvement in used car sales and a continuation of the growth in profits in the parts and services divisions.

Autopage Holdings shows 31% increase in turnover

BD Day 3/10/90

RADIO paging company Autopage Holdings boosted turnover by 31% to R15m in the six months to August from R11m in the comparable period in 1989.

Operating income rose by 19% to R4,4m (R3,7m).

The group posted earnings of 8c (7,1c) a share on a slightly increased number of shares in issue as a result of a bonus share offer.

The group does not pay an interim dividend.

Although the interest bill fell to R268 000 from R458 000 — doubling interest cover to 16 times from eight times — the group became liable for a higher tax charge of 47% (40%) on the expiry of certain tax advantages. (295)

Chairman Don Snedden said the Autopage sector had achieved substantial growth and the Telerate division, which collates and sends out financial information, performed well in the six months.

CHARLOTTE MATHEWS

With effect from September, the circuit television security system division CCTV was sold to former group MD Robin Beek for R1,5m.

Snedden said the financial effects of this transaction on earnings and net asset value (NAV) would be minimal but it would help to reduce borrowings. It would also allow management to focus on the group's traditional businesses.

"Prospects for the Autopage group are good with the continued promotion of its services in the field of communications which yield user productivity and efficiency.

"Autopage expects to achieve continuing solid growth with resultant increases in turnover and earnings for the 1991 financial year," he said.

"Suitable acquisitions are constantly being pursued."

DIVIDENDS

Last day to register Friday Oct 12:
Bearman 15c; CFC 8c; Confram 17c; Dalys 25c; Dispatch 8,5c; Ed L Bate 159c; Frame 30c; Groprop 16,6c; Ilco 7,5c; Metro 10,5c; Minorco 82,3c; Pals 1,6c; Safren 155c; Suncrush 254c; Tafelberg 1,5c; Toyota 170c; Tradegro 6c; Tradhld 3c.

B/Day 8/10/90

THIS WEEK'S AGMs

Tuesday Oct 9: Afpac; Afcom; Bidcorp; Bidvest; Claude N; ET Cons (Ord & S); Harties (Ord & S); Lindum (Randfontein); Pleasure; Pricefurn (S); Village (Ord & S); Zandpan.
Thursday Oct 11: Foschini (S) (Parow East); Lefic (S) (Parow East); Siltek (Randburg).
Friday Oct 12: Deelkraal; Doornfontein; Drie Cons; Grintek; Kloof; Libanon; Northam; Venterspost; Vlakfontein.

All meetings are in Johannesburg unless otherwise stated.
S = Special meeting.

F/M 19/10/90 (295)

CONCORDE TRAVEL

TRAVEL PLANS

Activities: *Corporate travel services.*
Control: *Directors 86,2%.*
Chairman: *A Rogoff; MD: A D Lunz.*
Capital structure: *16m ords. Market capitalisation: R4,8m.*
Share market: *Price: 30c. Yields: 12,5% on dividend; 34,5% on earnings; p:e ratio, 2,9; cover, 2,8. 12-month high, 60c; low, 30c. Trading volume last quarter, 56 700 shares.*

Year to Mar 31	*'88	'89	'90
ST debt (Rm)	—	—	0,6
LT debt (Rm)	—	—	0,1
Shareholders' interest	0,5	0,44	0,22
Int & leasing cover	—	—	9,5
Return on cap (%)	†22,8	9,3	17,3
Pre-int profit (Rm)	1,5	1,1	2,2
Earnings (c)	†8,4	9,7	10,3
Dividends (c)	†2,7	3,5	3,8
Net worth (c)	27,9	34	17,7

† Annualised.
* Nine-month trading period.

Chairman Alec Rogoff hopes pent-up demand for new tourist destinations, such as the Soviet Union and China, will be the main force boosting growth. Concorde now has a second tour group visiting the Soviet Union.

With recent political developments opening up new destinations for South Africans, the group has developed new packages. Rogoff is not particularly worried about airfare increases resulting from soaring fuel prices; airfare is not the biggest cost factor for an SA tourist. With the weak rand, land arrangements — particularly hotel accommodation — are usually the biggest expense.

Most business is related to the corporate sector. Much private business also stems from corporate relationships.

Rogoff says weakening corporate profits have not yet persuaded the sector to cut back on travel.

The strategy to sell the 20% interest in Pride Consultants and focus on expanding basic travel operations was successful. Results more than offset the loss of Pride's significant contribution to earnings.

Pre-interest profit doubled on turnover which advanced 97,5%, helped by the acquisition of several Miller Weedon Travel branches. This year Rogoff intends to concentrate on improving efficiencies rather than pursue further takeovers.

Deregulation of the travel industry enabled many new agents to enter the market and rising competition is likely to mean narrower margins. Concorde's response was to introduce new facilities and better standards.

The market takes a bleak view of the travel industry, as indicated by the share's 2,9 earnings multiple. Events in the Middle East and other political developments could continue to influence performance.

Gerhard Slabber

F/M 26/10/90 295

IMPERIAL GROUP F/M 26/10/90

SPREADING THE RISK

Activities: *Industrial group with focus on transport, vehicle rental, motor trading and financial services.* 295
Control: *Directors 37,5%.*
Executive chairman: *W G Lynch.*
Capital structure: *56,1m ords. Market capitalisation: R137,4m.*
Share market: *Price: 245c. Yields: 4,9% on dividend; 12,3% on earnings; p:e ratio, 8,1; cover, 2,5. 12-month high, 250c; low, 180c. Trading volume last quarter, 63 600 shares.*

Year to June 25	'89	'90
ST debt (Rm)	13,9	29,2
LT debt (Rm)	12,7	12,3
Debt:equity ratio	0,28	0,40
Shareholders' interest	0,40	0,40
Int & leasing cover	7,8	6,6
Return on capital (%)	19,3	21,1
Turnover (Rm)	446,5	544,5
Pre-int profit (Rm)	36,4	45,7
Pre-int margin (%)	8,2	8,4
Earnings (c)	25,1	30,2
Dividends (c)	10	12,1
Net worth (c)	91	107

The diversified group does not expect near-term earnings growth from car sales, but instead from insurance and dedicated trucking services to bluechip companies. The motor division's contribution to earnings began to fall some five years ago, from a then high of 54,2% to 28,2% now. Nevertheless, Imperial had an excellent year: pre-interest earnings rose 29% on a 22% turnover gain.

Regent Insurance was launched in 1989 with a paid-up capital of R7m, licensed to underwrite only motor and related business. The venture proved highly successful and kicked in 9% of earnings. Panel beating operations in three major centres enhance services by speeding up claims and repairs for customers. The insurer was also fortunate not to get caught up in the latest price war and a R2m pre-tax profit was achieved on R13m premiums in its maiden year.

Imperial Car Rental dethroned the motor division as the biggest contributor to earnings in 1987 and remained in the first spot for three consecutive years. Auto Pedigree, which disposes of some of the rental fleet, had a difficult year in the used car market where 80% of the buyers are now private individuals. Unit sales dropped by 25% and this trimmed profit growth for the car rental division to 14%, even though car rentals grew by 29%, indicating market share gain.

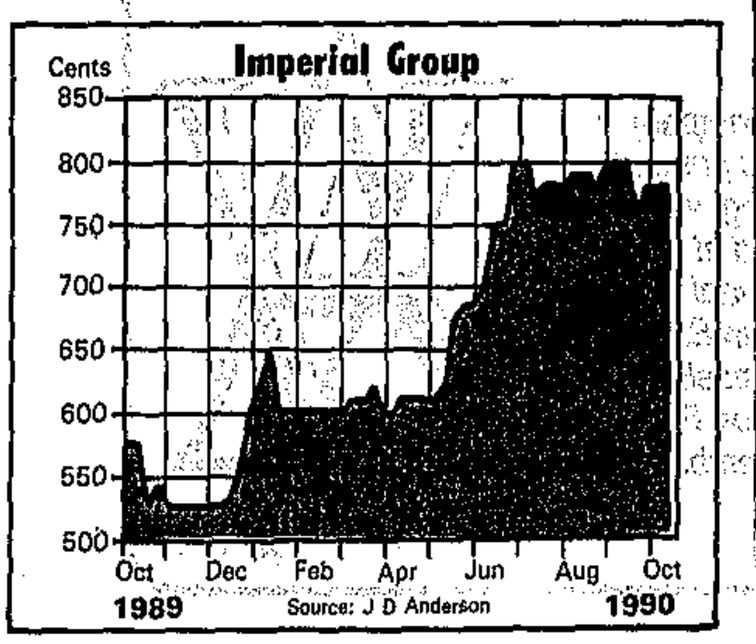
The truck systems division had an excellent year. With a 30% boost in pre-tax income, it is now the biggest contributor to group income. Executive chairman Bill Lynch expects the "present correction in the economy will not materially affect the volumes of bluechip customers" — but this may be too optimistic.

Imperial has not written off the motor division. With a growing population, and if medium-term economic growth is reasonable, joint deputy chairman Stephen Abelkop maintains: "There must be pent-up demand for vehicles, which should translate into profitable sales in future." Meanwhile an ageing vehicle population should ensure healthy demand for parts and services.

Financial director Hafiz Mohamed is not particularly worried about the 110% growth in interest-bearing debt to R29,2m from R13,9m. This was in line with asset growth. He expects a slight improvement this year.

By adding value to motor business, Imperial seems able to spread the risk. The market rewards this with a 7,9 earnings multiple, compared to the 4,3 of its supplier, Toyota SA. At 245c, the share does not seems overpriced.

Gerhard Slabber



Kelly transformed personnel business

Diary 30/10/90 295.

THE personnel business, for many years the province of small independents and registry offices, was transformed by the entry of the "Kelly" companies in 1969 and founder Neville Mackay's moves to form an industry body.

The growth to market leadership of the Kelmac Group, now a group of nine specialised personnel services companies, has continued the impact, taking industry practices to international standards.

Kelly Girl Services (temporary staff placements) was an SA Non-Listed Company finalist last year.

This year, Kelmac is an award finalist.

It has expanded into several specialised areas of employment and training.

Kelmac controls the Kelly Group — Kelly Girl (temp), Kelly Personnel (permanent), and Kelly-Greenoaks Private School, as well as the MacGroup — Executive Secretary Appointments, Senior Citizens Employment Agency, Inn-Staff (hotel & catering staff), Salesstaff (sales & marketing personnel), Triple A Accountancy Personnel and Drivers Galore (short term driving assignments).

Dominance

Growth in the market for temporary services in recent years, as well as Kelly's dominance in the industry and commitment to offering top benefits to attract the best staff, are among the factors which have contributed to the company's steady expansion.

Perhaps the greatest factor, however, is the innovative management thinking that has permitted recognition of market opportunities.

Performance includes growth in turnover of 75% in 1988, 58% in 1989 and 44% in 1990. Taxed profit more than doubled in 1988, rose by 70% in 1989 and by a further 16% in 1990.

The group employs 462 people on its own permanent staff and has 55 branches throughout the country.

In 1990, the representative daily employment figure runs to over 1 735 people. In the year ended February 1990, the group assigned over 10 000 individuals.

The Kelly-Greenoaks Secretarial and Business College has also been expanded to meet growing demand for trained secretaries and word processor operators and it now operates two large colleges, one in Johannesburg and one in Rosebank.

Over 400 full-time secretaries graduate annually.

The edge that has permitted the development of Kelmac lies in its approach, something established when Mackay opened the company in 1969.

"I'm glad I had no disadvantage in knowing how the industry here was supposed to operate. I knew nothing about it.

"So I started from the client's point of view and took something of a Man from Mars approach," says Mackay.

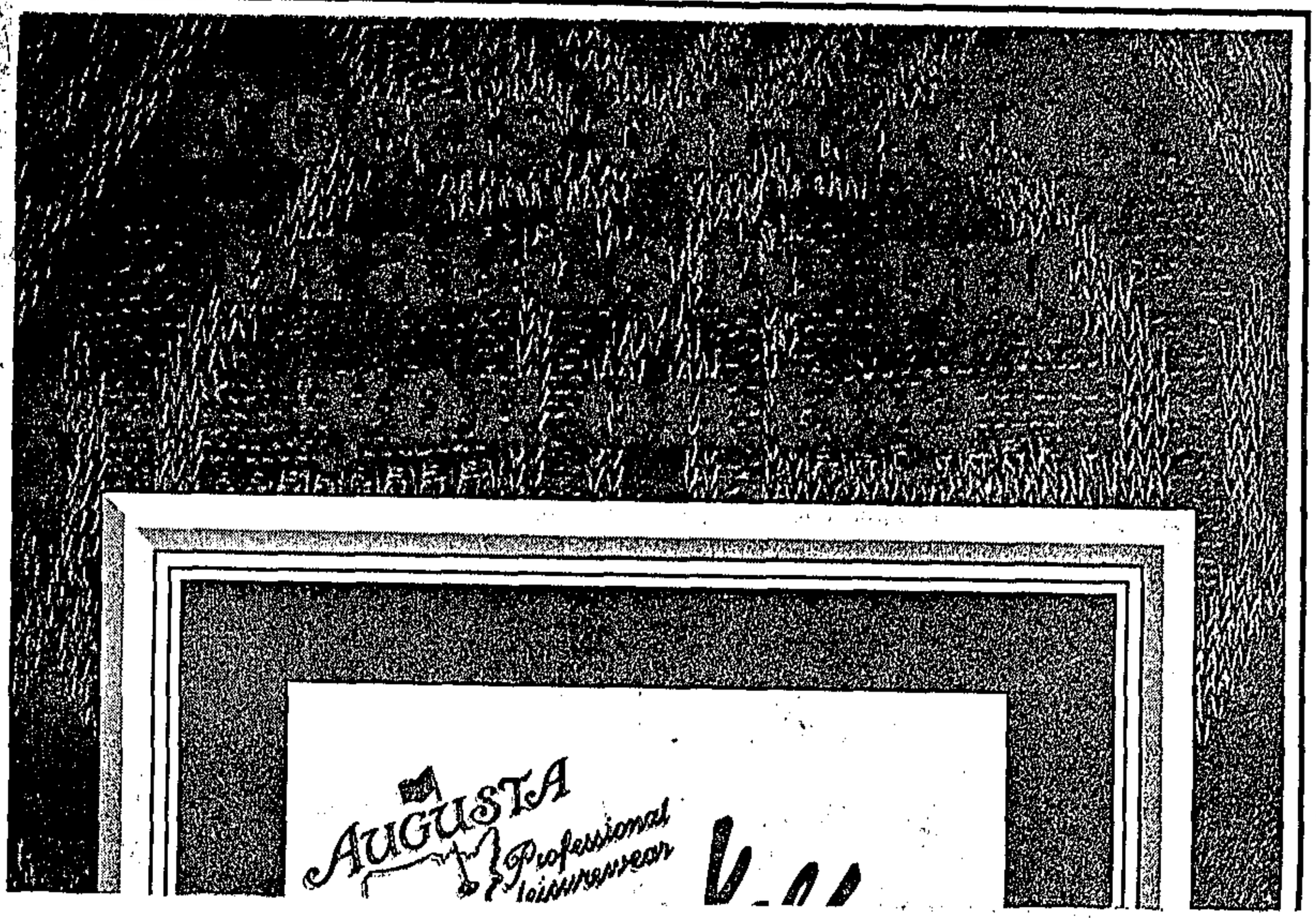
Lookout

"We remained on the lookout for new opportunities. As we saw related needs in the market, we moved to fill them.

"Not enough companies were training and there was a lack of skilled employees — so in 1985 we opened Kelly-Greenoaks and began training.

"In the '70s we realised there was considerable under-utilisation of older people in the job market.

"So we opened the Senior Citizens Employment Agency, which has placed thousands of people in employment."



Travel training to upgrade skills

ST Times 4/11/90

(295)

RENNIES Travel, part of the Safren Group, has opened the Travel Training Institute (TTI) in Johannesburg. It will conduct mangement training and travel courses to improve skills.

Rennies Travel previously ran only in-house courses, but so great was the demand for training that it set up TTI for all.

It has introduced a three-day travel management course. It covers aspects which include the manager's role, leadership styles, financial and manpower management, industrial relations and foreign exchange.

It is held monthly at the TTI, and is also conducted in-house.

Other courses offered by TTI are the Certificate of Travel Agency Competence (COTAC) — the SA National Travel Industry Diploma; the International Air Transport Association (Iata) and the Universal Federation of Travel Agency Associations (UFTAA) Diploma; the SAA Fares Course; and the Bank Settlement Plan Procedures.

COMPANIES

Imphold set for earnings rise — chairman

Business day Reporter

DIVERSIFIED industrial company Imphold was on track at this stage to achieve another earnings increase, executive chairman Bill Lynch said after yesterday's AGM. BDay 8/11/90

The four months since Imphold's June year-end had been good for the group, Lynch said. 295

"All four divisions — car rental, motors, truck rental and our new insurance, finance and property division — have performed steadily, much in line with our expectations."

While trading conditions were not easy, Lynch was confident Imphold, and its parent company, Imperial Group, would weather the storm.

"Our operating companies are all very sound financially, are marketing driven and are in good condition to ride out the downturn."

In the financial year to June 25, Imphold earned 30,2c a share (25c previously).

The group paid out a 12,05c (10c) a share dividend.

WE UNCOVER A NETWORK OF SLAVE TRADERS...

They fled a war ... only to

(295) (295) w/Mail 16/11 - 22/11/90

WEEKLY MAIL INVESTIGATIONS TEAM

Victims of the Mozambique war are crossing the border ... where they are sold as slaves to South African farmers. The Weekly Mail proved this by buying two slaves

By PHILLIP MOLEFE & EDDIE KOCH

A SLAVE trade, in which desperate fugitives from Mozambique's civil war are sold as forced labour and sex chattels, is thriving in the Eastern Transvaal and the townships of the Reef.

The Weekly Mail investigations team this week bought two young boys for R200 each to prove that the traffic in human beings exists.

An organised network of slave traders, who entice young boys and girls from war-torn Mozambique across the border by offering them jobs, operates from villages in the Komatipoort area of the Eastern Transvaal and has tentacles that spread into the townships of the Reef and the Vaal.

A *Weekly Mail* investigation has uncovered that Mozambican girls, mostly aged between 14 and 17, are lured over the border with the offer of work and then sold to men in townships on the Witwatersrand and in the Eastern Transvaal as concubines. Boys of the same age are sold to businessmen who use them as forced labour in bottle stores, shops and other enterprises.

Reporter Phil Molefe, acting undercover as a businessmen from Daveyton, this week purchased two Mozambican boys for R200 each from a trader based in the Nkomati district of kaNgwane, which is located on the Mozambican border between Swaziland and Komatipoort. He spoke to three traders in the area before making the transaction and obtained details about how the network operates. (See separate story).

The investigation is also based on interviews with former slaves and field workers who care for refugees in the homeland. The kaNgwane police have confirmed that they are investigating the network and plan to arrest at least two of the dealers.

The going rate for a slave is R200 if the person is sold in a village or township near the Mozambican border. By the time the slaves reach the Reef the price increases to around R350. The traders ferry the boys and girls in taxis to the townships around Johannesburg where they try to sell them.

There are also indications that white farmers in the Barberton and Komatipoort districts obtain a steady supply of forced labour from the traders. The farmers pay pitiful wages, often in the form of food and clothes or as little as R40 a month. There are frequent cases on record where farmers have called in the South African Police just before pay day so that the Mozambican workers are arrested as "illegal aliens" and deported before being paid.

The trade in human labour revolves around the professional "agents" who ferry fugitives from the 15-year-old war waged by Renamo rebels across the electrified fence that separates the two countries. These agents usually charge a fee of between R100 and R150 for each person they bring across.

The refugees are desperate to leave their villages. Renamo rebels are notorious for their barbarity and atrocities and the havoc wreaked by the war on Mozambique's economy has created astronomical levels of unemployment.

Once safely across the border, most of the guides direct the fugitives to a transit camp at a village in kaNgwane called Mangweni where the homeland government registers them as refugees and arranges for them to live with local families or to obtain land in one of the surrounding villages.

But before the refugees are registered they have no official status, no identity documents, no family, no means of being traced, no record of being in existence.

Most of the fugitives are unwilling to return to Mozambique because even the most adverse conditions in South Africa — including slavery and forced labour — are preferable to life amid the devastation caused by the war.

The Weekly Mail last week interviewed a former slave, 17-year-old Jabulile Masuku, at Shongwe Hospital in kaNgwane. She was admitted to the hospital after being seriously assaulted by her former "owner" as well as the agent who sold her after refusing to sleep with the man.

KaNgwane police have confirmed they are investigating her case and plan to arrest Patrick Mashwama, a resident of a village near Mangweni who purchased Masuku for R200, as well as Josea Sibuya, a Mozambican citizen who sold the girl to Mashwama for R200 after failing to find a buyer for her on the Reef. (See separate story).

Mashwama's sister, Nomvula, has confirmed that her brother paid R200 for Masuku and *The Weekly Mail* has photographs of the house where she was kept as well as the place in Block C where Sibuya, the Mozambican trader, carries out his activities.

Another slave, 23-year-old Aduzinda Langa from Maputo, was interviewed at a refugee centre in kaNgwane, where she has been given sanctuary by the homeland authorities. She told *The Weekly Mail* that she paid a Mozambican guide, named as Anthony Mhlanga, to take her across the border in August 1989 after her parents had been killed by Renamo.

Langa suffers from osteo-arthritis and the guide promised that he would take her to a hospital in South Africa for treatment. Instead, once across the border, Mhlanga refused to release her and forced her to become his chattel. "He

P.T.O

The fugitives who are sold in SA

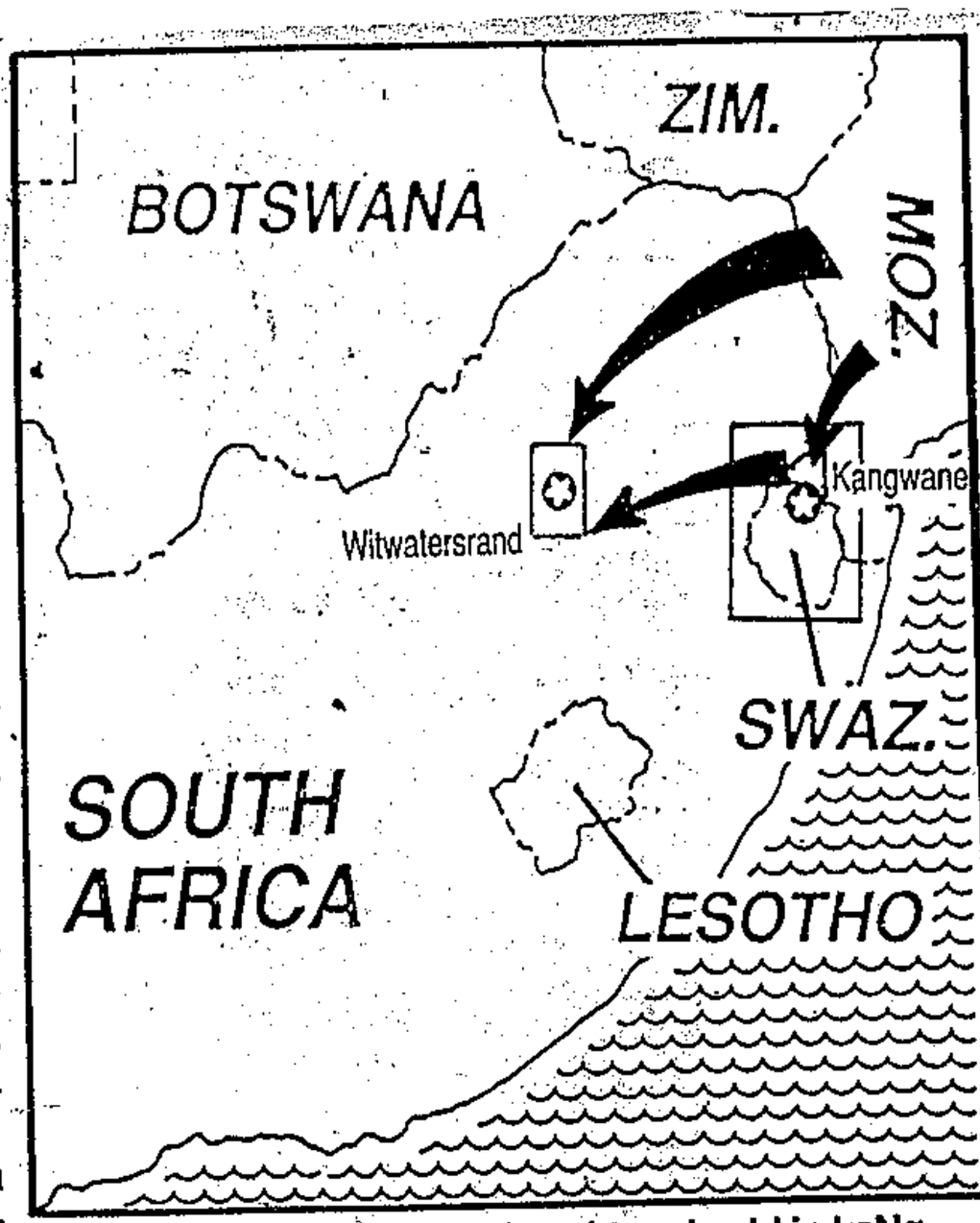
●From PAGE 3

Mangweni, acknowledged that he had paid for her but said this was *lobola* — a dowry — and the girl was his "wife". It would appear that the traditional practise of paying *lobola* before marriage is being perverted to legitimise the trade in women.

●Slave labour in township businesses. Young boys and girls are sold to local and Reef businessmen by the agents without any conditions attached to the transaction. The "owners" are then free to do what they like with the labourers and can pay them a small wage or simply feed them.

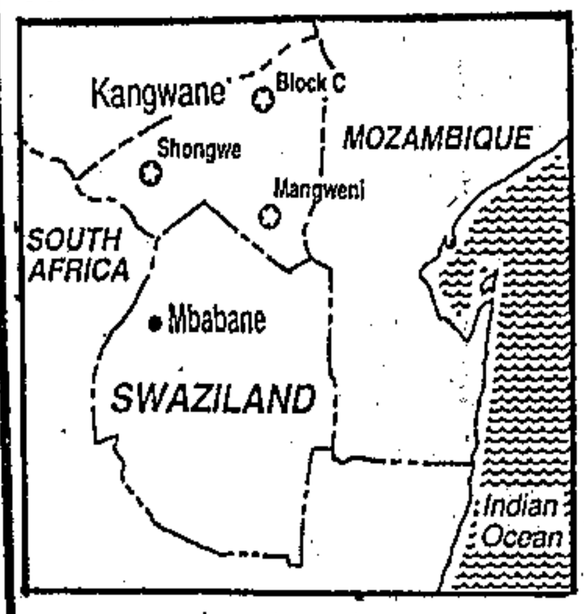
●Forced labour on farms. White farmers recruit labourers from the agents and offer to pay them a monthly salary. They then pay a much lower wage and use a range of coercive measures, including the threat of deportation, to keep them in check.

The United Nations High Commission for Refugees said it had no record of war refugees being enticed into slavery in other parts of the world.

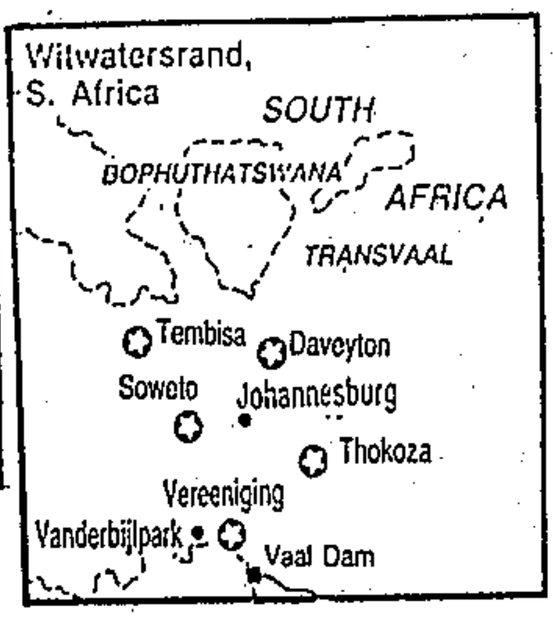


Slave route ... fugitives are bought and sold in kaNgwane and from there transported to the Reef

KANGWANE



WITWATERSRAND



ovember 22 1990

Raped and enslaved



Sold for R200 ... Seventeen-year-old Jabulile Masuku Picture: JUSTIN SHOLK

From PAGE 3

"When I persistently refused to consent to Mashwama, he went to complain to Sibuya, who came and beat me up until I bled.

"Sibuya tied me with robes, pushed a wet paper into my mouth, closed my mouth with a wet cloth and started beating me up, saying I must sleep with Mashwama because he has paid for me.

"I ran out of breath and passed out. I was bleeding through the nose."

Mashwama then forced Masuku to have sex with him, after which Nomvula, Mashwama's sister, took her to a local clinic.

"I could not eat, I was vomiting."

From the clinic, Masuku was taken by ambulance to Shongwe Hospital, from which she was discharged last week.

She said she wanted to get a job in South Africa and earn enough money to go back home, but was afraid of Sibuya.

"I could not run away from him because I knew he would kill me if I did."

She said two other girls who had lived with them in Block C were taken to the bush one night when they refused to be sold to local men as wives.

"We last saw them when they were led away and I do not know what happened to them afterwards," said Masuku.

Promised a job ... instead raped and sold as a wife

(295)

Seventeen-year-old Jabulile Masuku was promised a job in South Africa. Instead, she received brutal treatment at the hands of a slave trader, was repeatedly raped and beaten, and sold as a concubine.

PHIL MOLEFE reports

ABOUT four months ago, Jabulile Masuku (17) lived happily with her sister in Chokwe, Mozambique, until a slave trader arrived at her village and promised to offer her a job in South Africa.

Today, young Masuku has been through a traumatic experience — repeatedly raped by her guide and then sold as a concubine to a man old enough to be her father.

Masuku, another woman and five boys were fetched from Mozambique in September by Josea Sibuya, a slave trader living in Block C village in kaNgwane's Nkomati district.

"He promised to give us jobs if we came with him," said Masuku.

The group travelled from Maputo Province to Lomahashe in Swaziland and then crossed to South Africa.

"When we arrived in Block C, Sibuya repeatedly forced me to have sex with him and threatened to kill me when I refused," said Masuku.

"He slept with me every day and I did not know how to escape," she said.

The boys went to live with other people around the village and were apparently sold later. WMail 16/11 - 22/11/90

Sibuya took Masuku and the other girl to the Reef to find buyers.

"The other girl was sold somewhere in Johannesburg.

Sibuya was now left with Masuku and he travelled with her around the Reef, using taxis and forcing her to have sex with him wherever they slept.

"He then took me to Thokoza, Daveyton, Tembisa, Soweto, Vereeniging and the Vrystaat."

"He attempted to sell me for R200, but could not find a buyer," she said.

The "couple" then returned to kaNgwane.

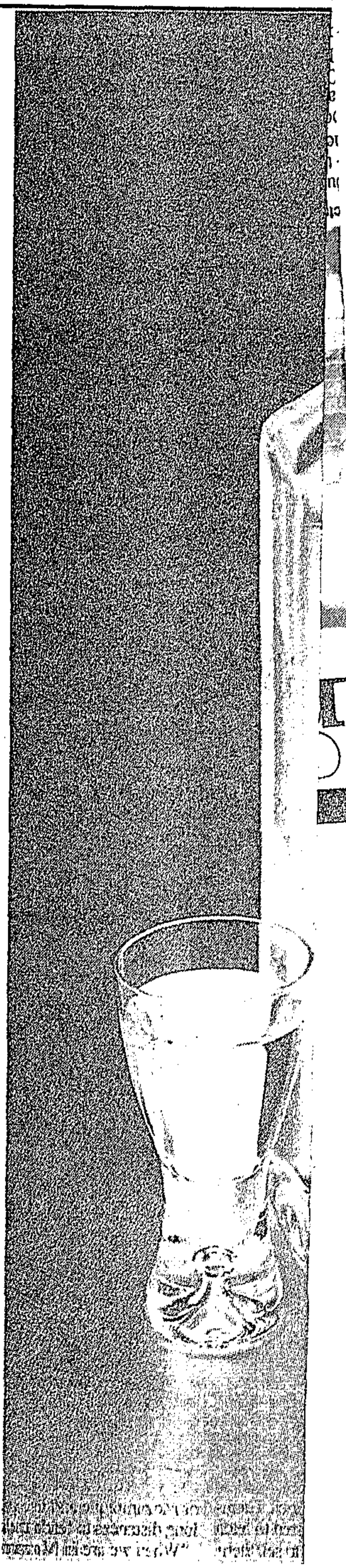
"We stayed at Block C for three days and he sold me on the fourth day to Patrick Mashwama (a friend of Sibuya's who lives in the area)," she said.

"He told Mashwama: 'Here is a woman for you. All you need to do is pay R200'.

"I told Sibuya I did not want Mashwama, but he forced me to go and live with him because he had already received money from him."

Masuku said she had refused to have sex with Mashwama and she got a thorough beating for it.

●TO PAGE 4



'How I bought two boys – for only R200 each'

295

W/Mail 16/11 - 22/11/90

Mozambican youths, desperate to escape the war-torn country, have two choices — slavery or starvation. Many choose slavery. PHIL MOLEFE describes how he 'purchased' his 'stock'

I BOUGHT two slaves on Wednesday: Jorge Mthembu (17) and his friend, Immanuel Kambule (18). The price was R200 each.

They are among hundreds of young Mozambicans — rendered desperate by that country's civil war — who are being brought into the country with the promise that they will be given a job.

They were not: they were sold to me with the sole condition that I pay hard cash for them. They are now at my mercy: if they refuse to work, demand pay or threaten to run away I can call the police and have them arrested as illegals and deported.

Many young boys and girls are fetched from Mozambique and sold by their guides every week. The network is big but traders do their operations semi-underground.

You have to be introduced to the handlers or win a guide's confidence before you become a prospective buyer.

The regular buyers include a white farmer who grows tobacco in Barberton, businessmen from Reef townships and around kaNgwane and individuals who want to keep young girls as wives.

My purchase began in the nondescript Block C village in kaNgwane's Inkomati district, which looks like an ordinary refugee settlement camp. Behind the wooden huts a heartless child slave trade goes on every day.

After doing a few rounds of the village this week I pulled off the road to ask one old man where I could buy youths to work in my businesses in the Reef.

I introduced myself as Mahlangu, a businessman from Benoni, to one of the chief handlers in Block C known as Baba (father) Thobela.

Thobela lives in a small wooden hut plastered with mud and I found the "veteran" dealer seated outside with about four men drinking home-brewed beer.

At first the men were suspicious seeing the white *Weekly Mail* car parked outside, apparently because police often use white cars.

After the men had calmed down, Thobela called me to his room where we discussed the purchasing of his "stock".

"I am out of stock presently but I will be leaving for Manito tomorrow and I can bring you the stuff you want," said Thobela.

"And how much do you sell them for?" I asked. "R200 a head," replied Thobela.

I told him I was very desperate and he assured me he would get something ready for me in a week.

I went back to his home early the next day and said I could not go back to Benoni without at least two slaves because I was eager to start doing a lasting business with him.

I persuaded him to scrape around because I had already established that slave traders do not keep their "stock" in their homes.

When the children arrive on the South African side, handlers send them to various places around the village where they are kept until they are sold.

So Thobela relented and we drove to another village where he left me to wait for some time, and later returned with the two boys I bought from him.

Once the deal was clinched, Thobela instructed the boys to fetch their clothes and go with me.

No payment or type of job was discussed. The boys were willing to go because Thobela had given the order and they said they were desperate to find jobs.

Thobela did not ask for my particulars in case something happens to the boys, except for my telephone number in the event I wanted more supply. He even forgot to write the telephone number after I had paid him the money.

I, for that matter, could be anyone, from a ritual killer to someone who scouts around for girls to be used in city hotels as prostitutes.

Some of the dealers I spoke to said they were afraid to sell to just anyone because some of the children have disappeared without trace and it was suspected they could have been used for muti.

In other cases, young girls who refused to be sold to local men as wives were reported to have been taken to the bush — and it was not known what happened to them.

As I was driving back to Johannesburg, the boys told me that they did not know they had been sold to me. However, Kambule said he suspected something was happening when he saw me give Thobela "brown papers".

"We jumped into the car when Baba (Thobela) ordered us to do so because we are desperately looking for jobs," said Mthembu.

The boys innocently sat in the car and had no suspicions about who I was. They told me their only concern was to get jobs.

Apart from Thobela, I met another "big dealer" in Block C: Patrick Themba, who told me he preferred to fetch girls aged from 14 to 20 and to sell them to local men to keep as wives.

Themba, who lives in a big yard with many small huts surrounding his house, also deals in boys aged 16 years and upwards. He said most of these he sold to a white farmer in Baberton. I struggled for five days to purchase slaves from Themba because he claimed to be "out of stock". Then I came to hear about Thobela.

I also visited Josea Sibuya's house after receiving information that he kept many women at his house and had sold others in the Reef townships of Thokoza, Daveyton, Tembisa, Soweto and Vereeniging. Sibuya has been missing from his house since one of his captives, Jabulile Masuku, was admitted to hospital after she was assaulted by a man to whom she had been sold.

The dealers bribe their way in and out of Mozambique and use taxis and walk long distances to fetch their "stock".

"When we are in Mozambique we do not use cars because of the war going on there — soldiers can hear us coming from a distance," explained Thobela.

The dealers usually pick up a group of 15 to 20 and then split them up into smaller groups of three.

"When there is more fighting going on we usually walk at night and then hide in the bush in the day so it takes up to a week to come back with the kids," said Thobela.

Most of the children are picked up in villages which have been ravaged by the civil war, with either the father killed in the battle or the mother taken away by rebel Renamo soldiers.

These children are then promised they will be offered jobs and accommodation once in South Africa.

My two "slaves" told me it was difficult to resist the temptation of escaping to a safer country with promising prospects for jobs.



Jorge Mthembu (17) is desperate for work. He was bought for R200 but he didn't know he'd been sold
Picture: JUSTIN SHOLK

Technihire 'performs well' against gloomy backdrop

BDay 23/11/90

INDUSTRIAL holding company Technihire (Techire) improved earnings by 4% in the six months to end-September.

Earnings rose to 5,1c (4,9c) on a 27% (42,3%) rise in turnover.

Technihire is involved in the hiring of draughtsmen and other skilled personnel such as engineers and artisans to the mining, industrial and public sectors.

Its business activities also involve the hiring out of accounting personnel, and debt collection and administration.

CE Jack Eliasov says in the profit announcement that Technihire performed "exceptionally well" when its results are viewed against a background of the sharply reduced earnings of other companies.

He says trading in the second half of the financial year will continue to be difficult. He adds the strategy of focusing on consolidation and concentrating on organic growth will be continued rather than pursuing acquisitions.

"Consideration will, however, be given should worthwhile opportunities present themselves in future," he says.

Business Day Reporter

Operating income rose 2% but with an improved net interest situation, pretax income rose 4,64% to R1,2m (R1,1m).

Net tangible asset value a share rose to 22,7c from 17,6c.

In the 14 months to end-March Technihire posted a 76% rise in operating income and a 77% increase in earnings a share. A maiden dividend of 3c was declared.

EXECUTIVE SUITE



MEDIA SPOT

'Blood flows' in ad industry

Bday 27/11/90.

295

Reports by
MANDY JEAN WOODS

RETRENCHMENTS in the advertising industry are increasing because of the economic downswing, says Association of Advertising Agencies president Hennie Klerck.



● KLERCK

"There is blood flowing in the industry," he said in an interview this week.

"There have been severe budget cuts, and prospects for 1991 don't look good at all."

The larger agencies had retrenched in total between 150 and 200 people, he said.

Hopes for a "soft landing" for the SA economy in 1990 had evaporated.

The effect of the slowdown was being felt across all sectors of the economy, and the ad industry was most certainly feeling the pinch.

"Retrenchments are increasing, and it is particularly sad to know that the households affected face a bleak New Year," he said.

Payouts by the Advertising Benevolent Fund (ABF), a non-profit organisation which helps financially-stricken members of the advertising industry, bear this out.

ABF treasurer Fiona Lister said aid payments had jumped from R10 000 a month to about R22 000 a month.

"Among the people we have been assisting have been four or five top guys," she said.

□ In his recent annual address, Klerck said the SA Advertising Research Foundation estimated its "essential" research for next year would cost R9,8m, compared with an estimated levy income of R7m.

"Unfortunately budgets are limited, and our media directors will have to learn to temper their requests for additional information," he said.

COMPANIES

Big slump in earnings for Advtech

EDUCATION and training company Advtech recorded a 44% earnings slump for the six months to end-August.

Attributable earnings collapsed to R0,62m (R1,17m) despite a relatively small fall in turnover which reached R11,09m (R12,82m). DIDay 28/11/90

At the per share level this translated into earnings of 3,03c (5,74c). An interim dividend was not declared.

"Training continued to perform well but we suffered under the industry-wide slowdown in the information technology business," financial director Renney Plit said.

"Most companies are postponing long-term expenditure and making do with existing facilities."

NEIL YORKE SMITH

295

Bottom-line earnings suffered under big infrastructural costs which increased after the rapid growth of the past two years, he said.

"We are consolidating and have succeeded in reducing month-on-month costs."

The company was fortunate in that most clients were large organisations so bad debts were very limited, he said.

One of Advtech's strengths was its involvement with long-term contracts, he added. These guaranteed a proportion of revenue at the start of each financial year.

New evidence that trade in war victims goes far beyond remote rural areas

Slaves trade traced to Reef

W1 Mail 30/11 - 6/12/90 (295)

THE *Weekly Mail* has uncovered a Reef link to the trade in Mozambican slaves. It involves businessmen who buy and sell young women as concubines. This is the first evidence that the cross-border slave trade, exposed a fortnight ago in *The Weekly Mail*, has tentacles that go far beyond remote rural areas.

The Weekly Mail has traced a number of slave agents on the Reef and has spoken to Mozambican women living at their houses, sometimes in appalling conditions, while waiting to be sold. **PAGE 3**

Slave 'stock' sold for sex on the Reef

W|Mail 30|11|-6|12|90

Posing as the brother of a former slave, **PHIL MOLEFE** discovered young women holed up in tin shacks in East Rand townships — waiting to be sold as cheap labour or concubines (295)

THE trade in slaves from Mozambique is taking place in many parts of the Reef, often involving businessmen who buy and sell the young women as concubines.

The Weekly Mail has traced a number of the slave agents on the Reef and has spoken to Mozambican women living at their houses, sometimes in appalling conditions, while waiting to be sold.

The women, known in the trade as "stock", are kept in tin shacks around the agents' houses.

I posed as the brother of Jabulile Masuku, a former slave who was sold as a concubine for R200, to visit some of these houses in Thokoza, Daveyton and Katlehong.

One of the agents, a man called Dissie, is running two houses in Thokoza on the East Rand, where he keeps the "stock" before it is sold to local businessmen as cheap labour or to individuals who keep young girls as concubines.

At the first house, *The Weekly Mail* found 15-year-old Toko Mashudu, her sister and two other young girls from Maputo.

Mashudu was fetched from Maputo about two months ago by a dealer called Lazarus and then dumped at one of Dissie's "depots".

"I paid Lazarus money to be brought across and he promised to give me a job," said Mashudu.

Dissie is an agent for Josea Sibuya — whom *The Weekly Mail* exposed two weeks ago as the man who sold Masuku for R200 as a concubine — and keeps the supply from the notorious kaNgwane slave dealer.

Sibuya is believed to be one of the big handlers who lure Mozambican youngsters to South Africa, promising them jobs and then selling them in kaNgwane and Reef townships.

Dissie has since disappeared from his two "depots" and this week a woman at one of the houses denied that he had ever lived there. Mashudu and the other girls had also disappeared.

The woman at Dissie's "depot" said Mashudu was only kept at the house to be taught how to perm hair and then work in a salon. She said Mashudu was later taken away but she could not disclose when or who took her.

Masuku found the house in Thokoza where Sibuya had taken her in an attempt to sell her as a concubine to local men.

"This is where Sibuya brought me with the other girl from Mozambique and slept with me every night when he could not find a buyer," said Masuku when we arrived at the house.

"I also know Dissie very well because he is Sibuya's friend and we stayed at this house with him."

I posed as Masuku's brother who was visiting folks from Maputo to establish contact with people from "home".

Sibuya's den is an ordinary four-roomed council house in Phenduka section, surrounded by many shacks where young girls and older women from Maputo are kept.

The yard is congested and filthy, with dirty water running between a row of tin shacks. The dealers and the agent were not around as the women went about their daily chores, piling the washing line with tattered clothes and one tending to her four-month-old baby.

The women were tight-lipped about how they had been brought to the Reef, apparently keeping to strict orders from the handlers.

But what is certain is that dealers have agents on the Reef who keep the "stock" before buyers come forward.

In Katlehong we met two sisters, Sandra (18) and Annah (15) Aramado Matavela who were picked up from Maputo by Alfred Lubisi.

The two girls live with other Mozambican girls at a house, also surrounded by many shacks, in Goba section. Sandra works at a hair salon and Annah works for a local businessman known as Khoza, and they claimed they earn about R80 a week.

Albert Domingos Bondzela (17) is still struggling to learn a South African language and spoke to me in Portuguese with Masuku interpreting.

Bondzela, who was brought to the Reef by Lubisi, said he worked for a local businessman and earned R60 a week.

Lubisi has been missing since the slave trade was exposed and his "wife" said he was in Maputo.

"He never tells us when he goes and I don't know when he will come back."

Reef businesses flourish on the sweat of these young innocent souls who are sold as cheap labour.

"Many shopowners and vegetable sellers around here are now relying on these people from Maputo because they accept anything they are paid," said Prince Nkosi from Thokoza.

Bid to wipe out the slave trade

THE South African Council of Churches is investigating alleged slave-trading near the Mozambique border and has urged the government to implement "some humanitarian process" to stop exploitation of Mozambican refugees by South Africans.

The final responsibility for illegal slave trading rested with government because it was happening within South Africa's borders, the SACC said yesterday.

Fieldworkers in the area have been instructed by the SACC to assess the extent of the slave problem.

Legal advice would be sought and the "scandal" discussed with the government and the United Nations High Commission for Refugees.

Mozambican refugees in South Africa were particularly vulnerable because they were regarded as illegal aliens and had no recourse to the law.

The UNHCR has no presence in South Africa, as the South African government is not a signatory to the UN charter on refugee protecton.

Mozambican refugees were easy prey for profiteers promising financial protection because they feared arrest and deportation by South African authorities.

The SACC said they expected the government to bring any existing culprits to justice – for "this most heinous crime". – Sapa

Manpower Mirror by ADRIAN HERSCH

Demand for top-flight execs about to take off

ST Mon 9/12/90 (295)

THE HEADS of three placement agencies are optimistic that better times are near.

They expect good demand for high-quality personnel across a fairly broad spectrum by mid-1991.

Many top-quality people are available — and companies should look for them now, bearing in mind that eventual placement can take months, they say.

A factor influencing their optimism is the belief that sanctions will be eased next year. Agency head Syd Catton, who also serves on Sacob's manpower committee, says most committee members believe sanctions will be lifted.

Mr Catton, chief executive of Professional Assignments Group (PAG), says many companies adopt short-term approaches to placement.

In a recession companies tend to impose a blanket freeze on new employment, irrespective of position, in an attempt to indicate to employees the seriousness of the situation. They should be more selective, appointing those who are hard to come by.

"When an upturn comes there is a frantic rush among employers to find people. The cost is high. Those filling the jobs can command high salaries because of their newly acquired scarcity. This also fuels inflation.

"Companies that seek to place staff now, even in those cases at a slight loss, will make a sound investment in the medium term," he says.

Another problem caused by the short-term approach is that in the interim skilled people are lost. SA will need an extra 250 000 professionals by the year 2000.

"Many professionals, unable to find positions, are forced to move out of their field — for example, from engineering to sales. Some start their own businesses, never to return to their professions.

"People do not always leave SA for political reasons. The cost of bringing them back is astronomical."

Charles Rowlinson, chief executive of Renwick Group, SA's largest management placement agency, says demand for middle management has increased in the past few weeks.

He believes the trend will continue into 1991, and reach a reasonable level in April.

MSL Southern Africa managing director Mike Hardaker notes a similar trend.

"When the ranks of middle management start to fill up again, it is an indication of rosier things to come. The managing director is building his empire.

"We appear to be slightly on the favourable side of the dip. Employers should plan now for the lift-off. We may be in for a pleasant surprise as early as April or May."

Management skills have been sharpened by sanctions. Mr Hardaker expects these skills to be used to good effect.

Mr Catton says PAG views the future with optimism. Two more branches are to be opened shortly.

Stellenbosch University's Bureau for Economic Research (BER) believes the inflation rate will be about 13,5% next year, and salary and wage increases will average 13,8%.

But Mr Rowlinson expects top-notch executives to receive increases of between 20% and 22%. Other employees who are seen as vital for the organisation are likely to receive similar increases.

Increases of between 12% and 15% are possible for middle management.

Mr Hardaker sees top executive increases of about 20%. But he expects some salaried employees to receive increases of between only 8% and 10%.

SACC to probe slave trading

295

Sowetan 10/12/90

THE South African Council of Churches is investigating alleged slave-trading near the Mozambique border and has urged Government to implement "some humanitarian process" to stop exploitation of Mozambican refugees by South Africans.

The final responsibility for illegal slave trading rested with Government because it was happening within SA's borders, an SACC statement said on Saturday.

Fieldworkers in the area had been instructed by the SACC's Department of Refugee Ministries to assess the nature and extent of the slave problem.

Legal advice would be sought and the "urgent scandal" discussed with the SA government and the United Nations High Commission for Refugees.

Mozambican refugees in South Africa were particularly vulnerable because they were regarded as illegal aliens and had no recourse to the law, SACC said.

The UNHCR has no presence in SA, thus denying refugees access to international protection.

The SA Government had not signed the United Nations charter on refugee protection which would allow the international body into the country to carry out its refugee protection mandate.

The SACC said they expected Government to bring any existing culprits to justice. - *Sapa*.

Travel agents must work hard to pare costs

WITH international air fares out of South Africa set to rise on December 10 as a result of the Gulf crisis, local travel agents will have to work hard at cost savings options for their customers.

The chief executive of Gundelfingers Travel, Mr John Fryer, said this week that the local travel market was "concerned" about the impact of rising costs on travel budgets particularly in view of the importance of travel to business.

"Now is the time for the travel agent to come into his own in terms of passing on the benefits

CHRIS MOERDYK

to clients of their knowledge of savings opportunities all over the world," said Mr Fryer.

"One can obtain substantial savings, particularly on accommodation, but also on other services such as car hire, to offset higher airfares.

"The object of the retail travel agent must be to reduce clients' costs using all available expertise from airfare combinations in multi-stop trips to hotel and transport packages.

"The best way to keep up to date with this information and to strike up relationships first hand with the right people in overseas countries, is to attend the industry's biggest annual event, the World Travel Market which takes place in London this month," says Mr Fryer.

Gundelfingers is sending a team of eight consultants and senior management to the 1990 WTM.

An example of the type of "deals" that can be struck at WTM is that last year, ahead of the opening up of Eastern Bloc countries to SA business, Gundelfingers negotiated discounts of up to 50 percent for its clients at a Budapest hotel.

"Previously, corporate travellers believed that their hotel had to have the right address. It is still necessary in certain cases, for example to create the right impression when brand new business deals are being struck.

"But in many cases, the old emphasis on first class accommodation has given way to realism about watching costs," added Mr Fryer.

kaNgwane chiefs hand 'slave trader' to police

W/Mail 14/12 - 19/12/90

295

A dealer allegedly involved in selling Mozambican refugees as slaves in South Africa this week told **PHIL MOLEFE** his tale of regret

POLICE are investigating charges against two of the alleged Eastern Transvaal slave dealers involved in trafficking between South Africa and Mozambique, following the *Weekly Mail* exposé of the trade last month.

Josea Sibuya, who allegedly sold 17-year-old Jabulile Masuku for R200 after he had assaulted her sexually, has been arrested and charged. Aaron Zwane (40), alias Maholane Mapaleng, was questioned on Friday by kaNgwane police after the woman he allegedly sold, Anna Albino Timba (23), was allegedly assaulted by a man who kept her as a concubine.

Zwane is facing possible charges of kidnapping and the man who bought Timba from him, Phillip Mahlalela, could be charged with assault, police said.

Zwane spoke to *The Weekly Mail* this week about his involvement in trafficking between Mozambique and South Africa.

"I sold very few women because I was mainly involved in fetching people from Mozambique to be reunited with their families on the South African side," said Zwane

He denied that he had connections on the Reef despite claims by Timba that he first sold her to a man in Tembisa, Sibiya, for about R200.

"I was introduced to this business by Chiroleni Ubisi in 1988 after I had made several trips to Mozambique, collecting stamps and old money (pounds) to sell in South Africa. He suggested that we should help people cross to South Africa," said Zwane.

"At the time I did not think I was doing wrong but now I regret having been involved in this mess.

"I was only asking people for more money to help them cross because I have to bribe my way through, feed the recruits and pay for transport."

Zwane said he used to demand about R50 from the person who wanted to cross and another R350 from families in South Africa for "completing the mission".

"I only fetched women when I was asked to get one and I demanded money for bringing her across when I arrived at the man's place.

"I do not have a fixed price for women — this is determined by distance. If I have to fetch her from afar, the price could be as high as R450 but if it is from a nearby village I usually charge R200-R350."

Zwane was handed over to the kaNgwane police by local chiefs on Friday. Both he and Mahlalela were interrogated by a full tribal council at the Mawewe tribal authority offices in Mgobodi village, after which they were turned in. Mgobodi chief Simon Ncane said the practice had brought shame to his village and people.

Although Zwane denied having been "deeply involved" in selling women as concubines, many villagers said they had always seen him bringing women from Maputo.

He allegedly fetched Timba from Chokwe province in Mozambique after he had promised to find her a job.

Timba is originally from Magude and her misery started two years ago when Renamo rebels attacked her village and kidnapped her husband.



How The Weekly Mail broke the story about slave trading across the Mozambican border last month

"They (Renamo) also took me away but decided to let me go because I had two babies and I struggled to keep pace with the group."

She said Zwane had brought her over in September 1989 and they crossed the border near Mbuzini by climbing underneath the electric fence at night.

"From Mbuzini, Zwane called a taxi to deliver people — some to Bushbuckridge in Gazankulu and others to their relatives."

She stayed at Zwane's home where he lives in wooden huts with his three wives and 11 children.

"After about two months, Zwane came with a taxi and another woman and I and my two children were taken away. The other woman was dropped in Nelspruit and I was taken to Tembisa, near Johannesburg."

When they arrived in Tembisa, Timba said she heard Zwane saying to the other man (Sibiya): "The person I have been talking about is here now."

When she refused to consent to sexual favours, Sibiya allegedly abused her and she decided to go back to kaNgwane. "Because I did not know anyone I returned to Zwane's house."

After a month he found another buyer (Mahlalela), who lives in Sibange, near Mgobodi.

"When we arrived at Sibange I saw Mahlalela pay Zwane R450. Then Zwane told me 'you are going to be his wife'."

Initially, Timba refused to sleep with Mahlalela but finally she gave in when he "forced" her to have sex with him.

"This man was always complaining that I did not satisfy him and that he had paid a lot of money for me."

She claimed he started beating her on November 26, accusing her of not fulfilling her role as a "wife".

"I always told him he could not expect me to behave like his wife when I was worried about my husband who had been taken away by Renamo.

"When he assaulted me again the next day, I decided to run away from him," said Timba, showing injuries on her right leg and both hands.

Timba slept under a tree that night and arrived at the Mangweni refugee transit camp on Wednesday. She related her story to fieldworkers, who reported it to the Mgobodi chief.

The SA Council of Churches is conducting an investigation into the slave trade. "Once the facts are established, we intend seeking legal advice and discussing it with the South African government and the United Nations High Commission for Refugees," said an SACC statement this week.

Passengers pick up ticket surcharge

B 1 Sun 21/12/90 LINDEN BIRNS 295

SURCHARGES of as much as R20 are being levied on air travellers who book and prepay their domestic fares through travel agents but collect their tickets at airports.

Although standard practice for almost two years, many passengers were unaware they were paying extra for being able to pick up their tickets at airports. Passengers who have paid for domestic tickets in the R600 to R800 bracket are charged R20 extra. On fares of between R80 and R600 the surcharges vary from R2,98 to R19,25.

SAA spokesman Leon Els confirmed that his airline charged travel agents a handling fee for the facility.

A source close to SAA said this handling fee was then passed on to the passenger. Many people were unaware that they were paying extra. It was unfair, the source added, that travel agents should reap the benefits of a full commission on tickets which they had booked but not issued. "They are not offering a full service when they take the money and the passenger picks up his ticket at the airport."

Association of SA Travel Agents (Asata) president Barney Singer said the surcharge was justifiable but disagreed with the notion that the travel agent should absorb the fee. "You can pick up your tickets for the normal price at the travel agent or at any SAA office, but not at the airport; so why should the travel agent pay for SAA's passenger service?

"The work done by us is equivalent to issuing a ticket in terms of labour, so criticism that we are benefiting from commission without doing the work is unfounded," he said, adding the onus was on the agent to inform passengers of the surcharge.

Fleets may opt for used cars

(295) GARETH BELL (BD)

FLEET and corporate buying in the used car market was expected to increase in 1991, dealers said at the weekend.

Down-market buying in 1990 was not as good as was hoped for, they said, but purchases in the used car field were expected to increase in the coming year.

An Avis spokesman said fleets were being used for longer periods than before, and they were likely to be expanded rather than replaced. BDay 31/1/90

The average lifespan was expected to increase from 7,5 years to 8,5 years, especially since used car prices were set to rise in 1991 along with new car prices.

National Automobile Dealers' Association (Nada) chairman Errol Richardson believed the market for used cars had bottomed out after sales plunged 19,2% in 1989. He predicted sales of 262 000 in 1990 and 265 000 for 1991 — an increase of 1,1%.

Central Statistical Services (CSS) research showed that registrations for the first three quarters of 1990 of all types of vehicles — motor cars, commercial vehicles and trucks — totalled 253 031. Used vehicle registrations totalled 530 222 in the same period.

Registrations of used motor cars amounted to 64,7% or 342 940 units of the used vehicle total. This was equal to the average over the last few years.

Of these used cars, company buying accounted for 25 305 or 7,4% — an increase of 0,6%.

SERVICES SECTOR - OTHER

1991

McCarthy sells truck and car hire business for R19m

B10m 8/11/91

(295)

MARC HASENFUSS

NEDFIN Bank and vehicle hire entrepreneur John Pearse have jointly acquired the truck and car hire interests of SA's largest vehicle retailer, the McCarthy Group, in a R19m deal effective from July this year, says a statement released by McCarthy yesterday.

These interests include Fleetrent, Perkins Truck Hire, Supreme Truck Hire and Fleet Car Hire which operated under the umbrella of group vehicle hire subsidiary McCarthy Transport Holdings.

In terms of the agreement McCarthy Transport Holdings will change its name and apply for a JSE listing.

The new company will maintain ties with the McCarthy Group, through which it will route future vehicle purchases under a preferential agreement.

McCarthy joint MD Dudley Saville said McCarthy Leasing, the group's full maintenance leasing (FML) division, was excluded from the deal.

"We are retaining McCarthy Leasing because it is directly related to McCarthy's core business, which is the finance, distribution and maintenance of motor vehicles, and FML fits in synergistically with our motor dealerships."

While the disposal of interests would affect McCarthy's balance sheet, it was not expected to have any impact on the projected small drop in earnings of the group in the current year, Saville said.

Pearse, formerly MD and minority shareholder in McCarthy Transport Holdings, said he looked forward to taking the company into an exciting future.

Motor sector analysts said car hire's profitability lay in the residual value of second-hand vehicles. The low resale value of rental vehicles in the wake of the recessionary tide might have led to McCarthy's diposal of its vehicle hire interests.

McCarthy shares were untraded yesterday at 300c, slightly above the October 1990 low of 280c.

McCarthy group sells off car hire interest for R19-m

Star 8/1/91

295

By Jabulani Sikhakhane

The McCarthy group has sold off McCarthy Transport Holdings — its truck and car hire interest — for R19 million with effect from July 1 1990.

The buyers are John Pearse, who has been managing director and 10 percent stakeholder in McCarthy Transport Holdings, and Nedfin.

McCarthy Transport Holdings trades under the names of Fleetrent, Perkins Truck Hire, Supreme Truck Hire and Fleet Rent Car Hire.

However, the deal excludes, the full maintenance leasing division, McCarthy Leasing.

The joint managing director of the McCarthy group, Dudley Saville, says McCarthy Leasing will be retained because it is directly related to the core business of the group, which is finance, distribution and maintenance of motor vehicles.

"Full maintenance leasing fits synergistically with our motor dealerships," he said.

He added that the disposal of the truck and care hire business will have a positive impact on the group's balance sheet and is not expected to impact on the projected earnings in the current financial year.

Business flat, so Avis retrenches staff

MARC HASENFUSS

AVIS, SA's largest car rental company, has retrenched staff after an industry-wide decline in rental agreements during the second half of 1990.

Yesterday Avis MD Grenville Wilson would not say how many people had been dismissed, but said staff cuts were proportional to the drop in business activity.

Recent cutbacks in SAA domestic and international flights, and reduced occupancy levels at hotels, adversely affected the number of contracts.

This had prompted the rationalisation, Wilson said.

Between 60% and 70% of Avis's business is derived from rental agreements at airports.

Avis, a wholly owned Federale Volksbeleggings subsidiary, is believed to have a market share of about 45% in the car rental sector.

It is followed by Imperial with 36% and Budget with 16%.

Budget MD Tony Langley said yesterday that because of present recessionary conditions, the car rental market was expected to get worse before it got better.

However, he said, the market was still relatively buoyant, with the number of rentals for the year to October 1990 at 730 000, not far below the 742 000 recorded the previous year.

Budget Car Hire, a Tollgate subsidiary, has cut its staff by 7,5%. Imperial said it did not expect to retrench anyone this year.

Aid for black jobless

By JOSHUA RABOROKO

THE newly-formed black personnel employment agency, Village Personnel, is set to help many job seekers, including exiles from different political ideologies, find work in South Africa.

The company's manager, Mrs Busi Chabeli, said they were geared to help professional people in levels which included secretarial, doctors, teachers and other high calibres of job opportunities in the wake of the growing unemployment facing the country.

295 Battle

Hundreds of matric drop-outs and thousands of blacks - due to arrive in the country - are likely to battle to find jobs in a depressed employment market with employers becoming increasingly selective and demanding higher qualifications.

At least 70 000 workers - mostly blacks - have lost their jobs since the beginning of 1990. The hardest hit being the mining industry where close to 30 000 workers were declared redundant, according to labour experts. Sowetan 31/1/91

They predicted that a worsening of the crisis this year, with many companies likely to retrench or rationalise staff if the current economic situation continued.

Chabeli said that they would consult with the corporate South Africa with the view to negotiate job opportunities for the unemployed, including exiles who will be returning to the country.

Skills

They will not choose people in terms of political affiliation, but will help everybody who had the necessary skills to occupy whatever job available. The ANC, PAC, BCMA and others would be informed, she added.

The company has send out pamphlets to organisations explaning details of its *modus operandi*. Some have responded and given "their blessings" to the novel idea that the company has.

Advertising jobs rare as cutbacks bite

Bday 12.9.91

THERE has been a marked increase in the number of advertising people looking for jobs, as many agencies go through consolidation periods. (295)

Recruitment agencies catering for the advertising industry said jobs were scarce, but most said "exceptional people" were always in demand.

The Executive Store head Sally Realon said advertising jobs were definitely harder to come by these days, but good copywriters and client liaison people were difficult to find.

Generally, agencies had cut back on staff and, when necessary, employees took on more tasks.

A spokesman for recruitment agency The Connection said there were an "unbelievable amount of retrenchments in 1990", and there had been more applicants than vacancies.

Bday 12.24.91

Brain drain

The problem was to find junior positions for people coming out of universities and advertising schools.

Viv Gordon Placements head Viv Gordon said the SA advertising industry was suffering a "brain drain", and over the past few years there had been a shortage of experienced personnel, especially in the middle and top brackets.

However, according to the Advertising Benevolent Fund — which provides financial and other aid to people employed in advertising and related industries, grants in aid had been applied for by a whole range of people in the industry, including from those who had held top positions.

Advertising Agencies Association (AAA) School of Advertising group course director Bob Rock could not give exact figures on how many of its graduates had found employment in the industry, but he said many artists were placed, while at least half of the copywriters and 30% to 40% of the general students found placement in the industry.

COMPANIES

Better business mix benefits Imphold

MARC HASENFUSS

A BETTER business mix allowing greater efficiencies from operating divisions saw diversified vehicle rental group Imphold Limited lift interim earnings 20%.

Attributable earnings increased to R9,8m (R8,1m) or 1 750c (1 460c) a share for the six months to end December. An interim dividend of 7c (5,8c) a share was declared.

Turnover improved 13% to R315m (R280m) while tighter operating margins saw operating profit increase 23% to R27m (R22m). BD 28/2/91

Operating profit was offset by a 40% increase in the tax bill to R11m (R9,8m).

Imphold executive chairman Bill Lynch said conditions in the car rental industry had been competitive because of a fall-off in industry volumes as a result of the weak economy and reduced tourism. Imperial Car Rental, however, gained market share.

Auto Pedigree, which disposes of ex-fleet vehicles, had lower volumes but increased profits, while 50% held Prime Car Leasing grew steadily, said Lynch.

Imphold's motor division saw both new and used car volumes increasing with parts and services contributing strongly.

The truck systems division achieved improved results, while management devoted considerable attention to asset management and cost control which had a positive impact on the division's performance. "The dedicated transport business performed well despite lower volumes, while casual transport and truck hire were highly competitive in a weak market. However, asset levels were adjusted in line with the situation," Lynch said.

The group's heavy truck franchise was recovering from a difficult period and was in the process of improving its facilities and profits but the full maintenance leasing opeartions continued to grow steadily.

Imphold's new insurance, finance and property division achieved an above average performance. (295)

Pyramid company Imperial Group, which has a 74,8% stake in Imphold, boosted earnings 19% to 52,2c (43,9c) a share, and declared an interim dividend of 20,6c (17,2c) a share.

Concor pays interim div

Finance Staff Star 28/2/91

Construction group Concor has declared an interim dividend for the first time since 1984 after reporting sharply higher attributable income for the six months to December.

A dividend of 5c a share, covered 5,3 times by earnings, is being paid.

Attributable income increased by almost 100 percent to R6,1 million (R3,1 million) on a 13 percent rise in turnover.

The tax bill, at R5,4 million, increased substantially, as the group has uilised most of its taxed losses.

Earnings a share improved by just over 100 percent from 13,2c to 26,7c.

By showing strong growth in earnings Concor is defying an industry trend of lower turnover and substantially reduced profit margins.

Chairman Brian Murphy says the group had worked hard at improving its quality and productivity over the last few year.

The continuing healthy liquidity of the group is reflected in the net accrual of R2,5 million in interest income, while cash reserves at the end of the period stood at R32 million, he said.

Mr Murphy expects results in the second half to be as as good as those in the first six months, despite difficult trading conditions.

Change of control at Unidev

By Ann Crotty Star 28/2/91

A change of management control at Unidev, a R15 million rights issue and the sale of non-core assets should see the beginnings of a significant rerating of the Unidev share price.

The restructuring, which appears to come at the instigation of Senbank, is given considerable credibility by combining the recapitalisation of the heavily indebted Unidev with a change in management.

The share, which reached a high of 135c last year having reached an all time high of 220c in 1989, is trading around 25c.

The new management team will be headed by Jon Brett and Alan Chonowitz who for the past three years have been key members of FSI's executive team. The two will be resigning from FSI at the end of March.

Change of control at Unidev will be effected through the acquisition of Top-Hi which holds 79 percent of Unicon. Unicon in turn holds 55 percent of Unidev.

A consortium consisting of Ronnie Stein, Geoff Grylls, Ian Hirschon, Steve Phelps, and Lionel Willmore previously controlled Top-Hi.

Now Top-Hi will be controlled through a partnership agreement between Senbank and Mr Chonowitz and Mr Brett who will have management control of Unidev. They will hold 60 percent of the equity of Top-Hi and Senbank the remaining 40 percent.

Senbank CE Hennie Van der Merwe, who describes the move as a commercial restructuring and not a rescue, says that in order to succeed as an investment banking operation, Unidev must have strong focused management in place and not depend on interest-bearing debt for funding.

The combination of the R15 million rights issue and the sale of non-core assets — which is expected to earn about another R15 million — will mean that the Unidev balance sheet will be virtually ungeared.

The new management team will proceed through two phases. The first will be the consolidation of the existing core businesses.

Mr Chonowitz points out that apart from Prestige which needs to be returned to profitability, each of the other core investments (Medicor 50 percent; Equikor 40 percent; Hyperette 33 percent, and Rusfurn 23 percent) are under good management.

The second phase will see the acquisition of assets with funding help coming from Senbank. But he points out that any debt so raised will be taken up by the acquired assets.

Imphold improves all round

Finance Staff Star 28/2/91

An improved performance by all its divisions boosted earnings at Imperial Holdings by 20 percent to R9,85 million (R8,12 million) in the six months to end-December.

On a turnover increase of 12,6 percent to R315 million (R279,7 million), earnings per share rose to 17,55c (14,63c) while the interim dividend was lifted by 21,7 percent to 7c (5,75c).

Commenting on the results Imphold chairman Bill Lynch said that higher market share by Imperial Car Rentals offset the volume decline in the car rental industry and allowed the group to achieve real turnover growth.

In the motor division new and used car sales increased, while cost control had a positive impact on the performance of the truck systems division, Mr Lynch said.

Imperial Group, which has as its sole investment a 75 percent stake in Imphold, reported earnings per share of 52,2c (43,9c) and lifted the interim dividend from 17,25c to 20,6c a share.

Truck-hire operators back on right track

Times 17/3/91

295

By DON ROBERTSON

THE deregulation of the transport industry will open up major growth areas for the truck-hire market, but conditions in the next 12 months will remain difficult.

Truck hire presently has about 5% of the total transport sector, but it has matured as an industry and has a major role to play in the future of the transport industry, says John Pearse, managing director of Bataleur Transport Holdings, which now controls Fleetrent, Perkins Truck Hire, Supreme Truck Rental and Fleet Car Hire.

Mr Pearse and Nedfin Bank recently acquired the truck and car hire interests of the McCarthy Group for R19-million.

At the time of the sale, McCarthy Group chairman Brian McCarthy said nobody was making money on casual truck rentals, although contract deals were more profitable.

"We were making totally unsatisfactory returns, hence the reason for the sale," he said at the time.

Since acquiring the additional interests, Mr Pearse has introduced a number of cost-cutting exercises which he believes will improve profitability.

These include staff reductions, a restructuring of financing of vehicles, security cost cuts, an improvement in management information systems, a reduction



JOHN PEARSE: Cost-cutter

in the size of the fleet and insurance cost cuts.

Mr Pearse believes that after the current, difficult 12-month period, the industry will flourish and he expects growth of between 20% and 25% a year. The Full Maintenance Lease concept for trucks is expected to grow at a faster rate.

"Soaring vehicle prices are driving the FML sector to new heights. Last year there was a 25% growth in FML as companies, looking to maintain liquidity in uncertain trading conditions, tried to take expensive in-house fleets off the balance sheet," says Mr Pearse.

Bataleur has about R100-million invested in vehicles, which Mr Pearse says would have cost about R15-million in 1985.

"Costs have escalated to such a degree that a company can no longer afford to keep its own trucks standing idle in the yard. This is where truck hire companies offer a better, cost-effective alternative."

In 1981, when Mr Pearse established Fleetrent, it cost R10 a day to hire a one-ton truck and 10c a kilometre. Today it costs R77 a day and 77c a kilometre, he says.

"In 1991, I can purchase six eight-ton trucks for the same price I paid for my first 100 vehicles in 1981 — 12 of which were eight tonners."

After due research, it has been decided that the three truck rental divisions will operate independently.

Agencies confirm slump is hitting job opportunities

B1 Day 8/4/91

295 B2S 90

VERA VON LIERES:

EMPLOYMENT agencies specialising in professional, secretarial, marketing, sales and clerical positions have experienced a drop of nearly 50% in the number of people being taken on, compared with March last year, a Business Day survey has found.

The survey, conducted among leading personnel agencies in Johannesburg, found there had been a drop of between 40% and 50% in the formal economic sector as the recession continued and thousands of people were laid off.

However, Browns Personnel Consultants MD Morris Walsh said although the employment rate had declined by nearly 50% from July last year to January this year, there was a huge shortage of skilled people in the engineering and technical fields.

The agency specialises in recruiting for the technical, production and manufacturing side.

Increased

Walsh said SA was starved of technicians and engineers and needed a huge influx in the area.

Drake Personnel MD Grant Chaney said the agency was experiencing an increased demand on the industrial side.

In addition, there was a growth in temporary employment.

This, he predicted, would become a future trend.

Kelly Services MD John Dawkins said the situation was particularly bleak for matriculants, graduates and army-leavers.

However, while many companies were retrenching staff, firms would generally bend over backwards to accommodate "good" staff. Job opportunities were still available in more skilled areas.

Dawkins, in a statement, offered advice on ways of cutting down the risk of retrenchment included making oneself indispensable to the company by taking on as many extra responsibilities as possible; having pride in the company's product's and services; keeping up with company developments; cultivating an ability to get on with people; and looking for better and less expensive ways of doing things.

He said most companies were cutting staff complements to the stage where every person in the company had to be productive. Training programmes were being discontinued. However, many companies still had training schemes, especially for black employees.

Professional Assignment Group chairman Sidney Catton said although the situation was bleak, and the formal employment sector was not providing sufficient jobs, the small business sector was gaining momentum.

He said typical SA companies were not taking a long-term view of the situation and employees lost to the formal sector were unlikely to return when the economy picked up.

Quest Personnel Group executive assistant Lyn Palmer said the type of jobs available at the moment were for people well qualified in their fields.

She said employees tended to place job security above financial improvement when considering a move.

Staff Plan spokesman Claire Collander said the situation generally was bleak and companies tended to employ people with qualifications and job experience.

Cresta Personnel MD Marie Devereux said although the agency was still finding positions for qualified people, since about October last year it had become difficult to place graduates.

SAP probing slave trade allegations

Staff Reporter and Sapa

Police are investigating allegations that young women from Johannesburg and other cities are being lured to Taiwan as part of a white slave trade racket, says Witwatersrand police spokesman Colonel Frans Malherbe.

"We confirm that we are investigating the allegations and we are liaising with the Taiwanese Embassy. We always co-operate with embassy people when any case goes over the borders.

"But the Taiwanese police don't form part of our investigation."

The colonel said a detailed statement would be released later.

The Taiwanese Embassy said in a statement that the case of a South African woman who had been lured to Taiwan to perform illegal striptease acts had been brought to the attention of the SA Embassy by Taiwanese police.

"This young woman was turned over to the SA Embassy in Taipei, which assisted in her repatriation to Johannesburg on March 22," the statement said.

Agency gives Budget a boost

BUDGET Rent-a-Car is changing its image.

Next month the car rental company and its newly appointed advertising agency Bernstein, Loxton, Golding & Klein (BLG & K) are launching a new campaign to reposition Budget.

Following research into Budget's previous marketing, "Budget Rates Best", the company found it was perceived as a "low price only company", MD Tony Langley said last week.

It called in three advertising agencies. BLG & K's slogan was "Only our rates are Budget". It was awarded the R2,4m account in February.

Langley said Budget's market share had already risen from 16,5% during 1990 to 22% by year end.

Media industry sets goals in education

B/Day 23/4/91.

295

Reports by
MARCIA KLEIN

EDUCATION will be the major objective of the Media Association of SA (Masa), which was recently re-established following its demise four years ago.

Gordon Muller, media director at Saatchi & Saatchi Klerck & Barrett, who has been elected Masa chairman, says Masa's main objective will be to upgrade "educational opportunities for people with an interest in the media industry".

He says this will contribute to improved standards of performance, status and ultimately career opportunities for people employed in the industry.

Explosion

The advertising media industry has come under "considerable fire" in recent months for a perceived decline in professional standards, he says.

However, media personnel respond by saying that the problem is caused by impossible workloads due to an explosion in data-availability as well as increased administration "inherent in the deregulation of the local media scene".

Muller says although the truth probably lies somewhere between these points of view, one thing which is clear is that since Masa's demise, "little has been done to provide specific training for people wanting to become media specialists and for those specialists already employed".

Masa's objective will be met at three levels. Firstly, it will be met outside the industry by achieving a closer liaison with external educational institutions since many communication students do not consider advertising as an employment option after graduation.

Secondly, Masa will meet its objective within the industry by developing syllabuses and standards for advertising schools, hold monthly meetings with the industry and making available quality textbooks.

Thirdly, Masa will facilitate informal gatherings at a social level.

Muller says Masa's aim is "to ensure that its members are in a position to ride the wave of interest in the media function rather than being swamped by it".

The Masa committee includes Marketplace editor John Farquhar, The Media Business MD Bryan Gabriel, The White House media director Alan McClarty, SBB & W media director Janet Watermeyer, OASA GM Natalie Wilks and vice-chairman Ian Snelling.

FM 26/4/91 295

AIR TICKET DISCOUNTING

STILL GROUNDED

When Nedtravel and Travelink joined forces this year to launch SA's first discount international air ticket agency — Just the Ticket — they invited the travel industry to a kick-off lunch to celebrate what they hoped would be the advent of a new era.

Nedtravel MD Gordon Young and Just the Ticket MD Bob Williams asked the airlines to sell them spare capacity at cost. They could then sell tickets to the public at a large discount. The timing seemed perfect. Faced with an unprecedented slump in air travel due to the Gulf War, it seemed the airlines could only benefit from giving travel-starved South Africans cheaper tickets through the services of a consolidator such as Just the Ticket. But the hosts were in for a shock. The airlines asked Just the Ticket personnel to leave the room; they then debated the proposal behind closed doors and rejected it.

Nevertheless, Just the Ticket went ahead, offering the public discounts on overseas fares to about 40 destinations (*Business* March 1). SA Airways and British Airways announced their own discounts and the travel agents feared that the price-cutting could put them out of business.

Two months later, however, Just the Ticket has still not been able to convince the airlines to turn over their unsold tickets at bulk discount rates. Williams has sold his shares and will leave the fledgling operation at the end of the month to run two other travel businesses. But he denies that Just the Ticket is in trouble. "Just the Ticket has exceeded expectations. We have met our budget for the past six weeks and the amount of phone calls we receive — some 750 a day — indicates that there is a big market for discount tickets."

New MD Kevin Rawnsley says the intention is still to establish a consolidation service for airlines to dispose of excess tickets. "At present, we operate on narrow profit margins. We pass on some of our 9% commission from the airlines to the customer, and we have special (consolidation) deals with a few airlines. But the true potential of a discount operation depends on the co-operation of a broad spectrum of airlines that allow us to sell at discount rates."

Just the Ticket is known to be buying in bulk from at least two of the smaller airlines, Alitalia and TAP, but the larger airlines — notably SAA and BA — reject the idea.

Malcolm Freeman, BA's SA manager, believes that there is no room for a consolidator in SA. He says that unlike the UK, US and Far East, where there are many airlines operating on many routes, there are only a few operating to and from SA. "The larger airlines all have sophisticated reservation systems that enable them to control the supply and demand of seats well in advance. This is better than causing chaos by dumping seats on the market at the last minute." He says BA would probably not sell tickets in bulk to anyone because this could endanger its extensive network of travel agents, who sell 93% of BA's tickets in SA.

Williams argues that on average 20% of the seats on flights to and from SA are empty and could be sold at greatly reduced rates. Last year this totalled some 100 000 empty seats. Furthermore, once SAA resumes flying to the US and carriers such as Cathay Pacific and Qantas begin arriving in SA, Rawnsley estimates that an extra 75 000 seats could become available.

Williams suggests a system, for example, in which the airlines call on the consolidator to help to dispose of excess seats two weeks before the flights. "On domestic fares there are 16 levels of discounting used to fill the plane. Why can't this be the case on international flights?"

In Europe, consolidation has become almost too successful. Many consolidators, having become powerful, have been bought out by the airlines they dealt with.

SAA spokesman Leon Els claims that SAA has nothing against discounting bulk-buying of air seats. "Special deals would be considered if they're viable. However, we can't be seen to favour anyone in particular and all specials would have to be offered to all agents."

Lufthansa spokeswoman Karin Lambson says any deal with Just the Ticket would have to be approved by the head office in Germany; she indicates that Lufthansa works closely with consolidators in London.

But the head of another large airline, known traditionally as a discount airline, says many of the airlines are under tremendous pressure from travel agents not to offer Just the Ticket special deals. "Consolidators don't help the airline industry as a whole," says the official, who does not want to be named. "They have low costs and don't provide any services. In this way they undercut the travel agent who does offer service."

Rawnsley, however, argues that Just the Ticket cannot compete with travel agents precisely because it just supplies the ticket and nothing else. "In this sense we are a niche company, attracting the cost-conscious traveller who can fly at any time."

Of course, government restrictions remain the chief obstacle to airfare discounting taking off. With government's backing, SAA, as the national carrier, is able to dictate to other carriers that fly here. And it not only dictates the price of the tickets, but also the number of flights and even the number of seats —

"arrangement, not a tariff-setter cartel."

Mireille Deeb

26/4/91

BAT

UP FOR

MEDIA SPOT

Alcohol advertising adds froth to debate

Reports by MARCIA KLEIN

HEATED debate about the advertising of liquor brought the marketing of alcohol under scrutiny at Fedhasa's Transvaal congress last week.

Social Aspects of Alcohol Committee director Gary May said the biggest threat to the industry was the shift in consumer perceptions to the view that alcohol was no longer acceptable.

"There was also an international anti-alcohol conspiracy to stigmatise alcohol, especially in Scandinavian countries," he said. And the focus of the World Health Organisation had shifted from alcohol abuse to reducing total consumption by 25% by the year 2000.

However, growth in consumption continued in the developing world, and this problem was now on the agendas of the UN and the US Department of Health.

Issues that were being addressed by anti-alcohol lobbies were the reduction or elimination of advertising, raising of the minimum age, curtailing of hours of service, and mandatory price increases. May said the only way to address the anti-alcohol issue was as a threat to the industry.

Advertising of liquor in SA was around R85m a year. Retailers argued that the industry needed the media to build brands.

They said the focus should not be on limiting advertising but rather on looking at the contents of ads, including the use of young people, or the encouraging of the use of alcohol.

Anti-alcohol and drug lobbyist Pastor Les Sanabria said that the industry "was advertising a drug that destroys the brain", and it was important to prevent further advertising of liquor.

He said the industry should not advertise at sporting activities.

"By presenting the lie that sports and drinking went together," the industry was contravening the advertising standards code.

May said there was still no evidence to prove advertising resulted in an increase in per capita consumption.

A code drawn up by the industry was intended to satisfy all groups involved by achieving a balance between building brands and showing responsibility.

Sanabria said that adverts induced people to drink by making them identify with success through advertising lifestyles, and called this "irresponsible advertising of alcohol".

the blues of unemployment through Edenvale's HOPE car wash project and earnin

HOPE for jobless around Edenvale

Star 4/5/91

JOVIAL RANTAO

CYNTHIA Villa felt so guilty about the number of jobless men she saw hanging around Edenvale she decided to do something about it.

She could not herself offer any one of them a job so she decided to start an "employment bureau" through which she could help them to find some sort of work.

This was the humble beginning of the organisation Help Out-of-work People in Edenvale (HOPE).

Its mission is to help people who are out of work for virtually any reason. It does this by trying to create employment opportunities by involving caring members of the community to help them give educational and skills training and to find jobs.

The organisation, led by a five-man steering committee, registers out-of-work people, screens participants and seeks shelter for the people it has registered.

John Povey, chairman of the steering committee, said the committee has started with car-wash schemes at major shopping centres on Saturdays. So popular has the scheme become that some Edenvale residents are said to go to shopping centres just to have their cars cleaned.

"The car wash project has flourished to such an extent that we've been approached by companies who want our members to wash their fleet cars," he said.

When the project started, each member was paid R20 a day. But things have improved since then. Now HOPE can charge R6 a car. Of this each man receives R2,50 for every car he cleans. The remaining R3,50 is used to buy washing materials.

HOPE has not only provided work for the unemployed men, it has also established a bureau through which Edenvale residents can hire reliable domestic staff and gardeners.

Mr Povey said that HOPE has been given a grant of R20 000 by chemicals giant AECI. This is to be used for establishing a secretariat which would co-ordinate the organisation's activities.

And the East Rand Industrialists Network, the Bruma Lake Rotary Club and the Edenvale and Germiston chambers of commerce have all offered to help HOPE members through their job-creation programmes.

FM 10/5/91 (295)

already thin 2%-3% profit margins. With car rentals not as buoyant as they were a year ago, companies are being forced to absorb the higher premiums rather than raise their rates.

If you can't raise prices, you must cut costs, so the industry's big three — Avis, Budget and Imperial — are becoming much more choosy about who drives their cars. Many outlets are already requiring positive identification and checking renters' credit cards before they hand over the keys. The companies also want parliament to pass a law that would require all renters to produce their driving licences.

But couldn't car hire firms demand this anyway? Why is a law necessary? Simply because it gets them off the hook from customers who regard such a request as a reflection on their driving ability. When the rental industry was in its infancy, companies routinely demanded sight of drivers' licences, but they stopped doing this in deference to customers' sensitivities and the number of rented cars involved in accidents started shooting up. They now fear losing a competitive advantage if they ask for licences to be produced.

Tony Langley, MD of Budget Rent-A-Car, says thefts and accidents are the industry's two major problems, costing it the equivalent of 9,7% of turnover. Of this, 29% is accounted for by insurance claims for thefts, 62% for accidents and write-offs, and the balance for "unknown damage," which is what the industry calls damage to cars that the customers say they know nothing about.

Grenville Wilson, MD of Avis Rent-A-Car, says there always has been a risk factor in renting cars, but it's worse now due to the recession. He puts the loss to thefts and accidents at as high as 11,5% of turnover. "The loss in SA is generally higher than in the rest of the world and much worse than in the US or Europe, where it has been brought down to 4% of turnover."

He says the industry does recover some of the stolen cars, but companies "usually find out only 48 hours later that a car has been stolen, by which time it could be in Zambia being driven by someone else."

Just how many rental cars are stolen? That's a number none of the companies will part with, and police records don't separate rental cars from other stolen vehicles.

To combat thefts, "Budget has become proactive," Langley says. "Credit cards are thoroughly investigated to ensure their validity and ownership before a rental agreement is entered into." The company is installing state-of-the-art machines at its 35 outlets that will establish a credit card's validity and its available balance in a few seconds.

"We won't post company credit cards anymore," Langley says. "We deliver them to the users personally to eliminate the possibility of their being stolen or lost in the post. For the same reasons we would also like banks not to post credit cards but to get clients to collect them, as they do their cheque books."

Langley says the most common form of rental-car theft is when people simply do not return their cars. It is relatively simple to recover these cars because people continue to use them, and with the cars' registration numbers reported to the police, sooner or later they are spotted. But, Wilson says, it's almost impossible to recover cars that people report stolen after selling them to crooked dealers "who take them to chop shops where, in only 24 hours, their colours and engine and chassis numbers are changed."



Rental car thefts are soaring ...
Tougher security in the works

The favourite targets for thefts are Mercedes-Benz and BMW models because of their high resale value, Langley says. "But the types stolen range across the board, with mini-buses ahead of cars."

Imperial Car Rental appears to be the least hard hit. The company's marketing director, Maureen Jackson, says Imperial's losses through theft, write-offs and accidents last year amounted to only 7,4% of turnover. "We are concerned about theft from our clients, not by our clients." She attributes that to "our business coming from the corporate sector. Even our leisure business comes from that sector." ■

CAR RENTAL INDUSTRY

COMBATING THEFTS

FM 10/5/91 (295)

Renting a car will soon not be so easy. Expect to produce positive identification. Expect your credit card to be run through a computer to check creditworthiness. And expect even to show your driver's licence. The reason: car thefts and accidents are now costing the car rental industry R30m a year, 10% of its annual turnover.

In response, insurance companies are boosting premiums, trimming the industry's

295

Avis Lease signs up AEC

STW 10/5/91

By Japulani Sikhakhane

10/5/91

Avis Lease has signed a full maintenance lease contract to run a fleet of 500 vehicles for the Atomic Energy Corporation.

Avis Lease will acquire half the fleet on lease back agreement and will be replacing the remainder.

Managing director David Hyman says the AEC was the fourth semi-sate enterprise to opt for full maintenance lease with Avis Lease.

"Full maintenance leasing has revolutionised company motoring in South Africa. The reason is that its benefits far outstrip any other form of fleeting financing. The industry is showing significant growth."

Avis Lease retains ownership of the fleet and carries all risks and responsibilities for maintenance, repairs, registraton and administration cost increases and the esale of the vehicles at the end of the contract period.

Vaalies look to Cape for security

stew 20/5/91 (295) ~~135~~

By Bronwyn Wilkinson and Philip Zoio

Violence and crime on the Reef are leading a growing number of Transvaalers to move to the Cape in search of security and a better quality of life.

Cape employment agencies say applications from Reef residents are flooding in.

Some are struggling to cope with the demand.

Tanya Raa of one agency said she was struggling to find jobs for all the Reef residents who approached her company or sent written applications for work in the Cape.

She said the increase of "Vaalies" looking for jobs in Cape Town since the beginning of the year was huge, but described the volume in the last six weeks as "amazing".

"The problem is there just aren't enough jobs in Cape Town. Also, the average salary is 20 percent less here than in Johannesburg," she said.

Ms Raa said most of the applicants had said they were looking for a better quality of life away from the violence.

One woman with an excellent job on the Reef said she wanted to start enjoying life again.

Gita Lison, the director of another Cape agency, said she tried to "discourage people from moving to the Cape because of the unemployment problem" there. She also tried to caution people not to move to the Cape without a job.

She said most people from the Transvaal looking for jobs in the Cape were in middle management.

Advertisements in Cape newspapers were being answered by people in the Transvaal, said Frances Brannekamper, an employment agency managing director.

"Recently, I was surprised at the number of quick replies from the Transvaal to an ad for a senior position."

Anthony Beckley, the operations manager of a large removal firm, said his company had no shortage of household consignments from the Transvaal to the Cape, but they "battled" to get loads in the other direction.

Cape estate agency branch manager Val Petzold said she had found that many Vaalies had said they had decided not to invest in property in the Transvaal, but to buy in the Cape instead.

Director of Cape Town Chamber of Commerce Dr Alan Brightman said he was aware of the trend.

He said: "I know of a few small businessess that have recently moved their operations from the Transvaal to the Cape, but we are yet to make a full investigation."

Temps fill the gap in tough times

B(Dany 27/5/91

VERA VON LIERES

(295)

TEMPORARY employment agencies are experiencing a boom despite the current recession, leading personnel consultants say.

Kelly Services MD John Dawkins told a seminar last week that temporary placements were the fastest growing section of the recruitment industry.

Companies were increasingly using skilled, temporary staff to supplement their workforce, rather than employing permanent staff, he said.

Dawkins said demand for temps, which had traditionally been limited to the secretarial fields, had broadened. Many accounting, engineering and computer companies were now employing temporary workers. Hospitals, too, were increasingly taking on temporary staff.

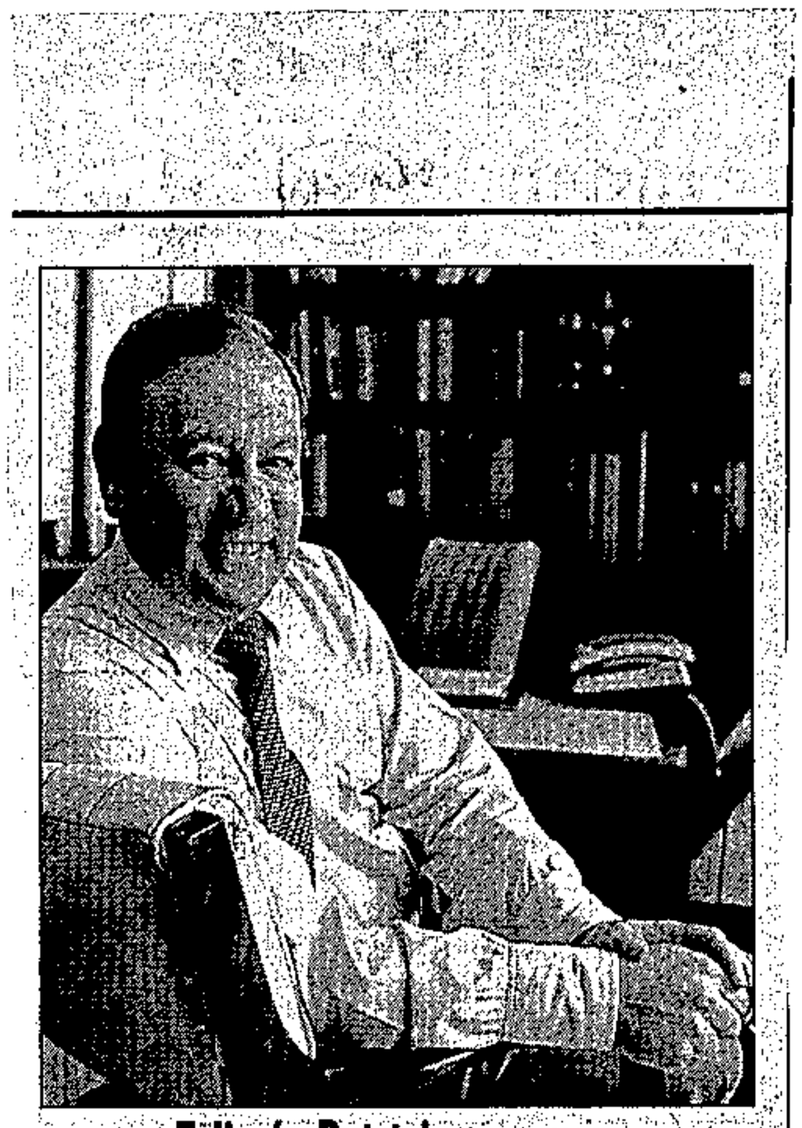
Dawkins said the majority of Association of Personnel Service Organisations of SA (Apso) members dealt in temporary staff.

Apso was addressing the inequality in temporary employees' taxing situation, Dawkins said.

It had also proposed to the Manpower Department that temporary employees be treated as a special category within existing labour legislation.

A key issue was to introduce "accepted rules and regulations in the industrial relations arena with regard to temporary staff".

Aspo president Litsa Roussos confirmed that personnel consultants had experienced a drop of nearly 50% in job orders compared with last year because of the recession, but that temp placements went against this trend.



Teljoy's Rutstein . . . *more viewers prefer rental*

FM 31/5/91 (295)

restatement, earnings grew just 5,6%. But chairman Theo Rutstein says the sets have been recovered and will be sold in SA. He expects realising the same R1,8m to the bottom line by the end of financial 1992, on top of a budgeted real increase in earnings.

Some balance sheet numbers look uncomfortable. Gearing increased from 1,05 to 1,21, though it is down from 1,4 at half-time. Interest cover deteriorated from 3,5 to 3,2, and interest-bearing debt rose by 29%.

But Rutstein says that R54m was spent on capital items, including R38m on new TVs and VCRs and R11,6m on the acquisition of Telerama Rediffusion, to expand the business systems subsidiary. He expects gearing to fall below 80% by the next year-end.

Rutstein says viewers increasingly prefer rental to ownership of TV sets. Unlike HP, rental requires no deposit and this has been a selling point for the group. Developments in TV technology could soon make existing sets obsolete, and Rutstein believes this would create new opportunities.

Teljoy remains the dominant company in TV-rental. Group turnover is 26% up on the restated figures, and still 22% better than last year's published figures. Growth has not tapered off, despite the entry of Tedelex's Empisal into the market in the 1990 year.

Though Teljoy still derives 80% of sales and income from TV and VCR rental, Rutstein says new growth opportunities will derive from the business services division, which installs video camera security in offices, hotels and casinos, and he expects opportunities to arise from educational TV.

Teljoy is quoted at 220c, a p:e of 6,8. The results have had no material effect on the price. It is trading below average for the retail sector but at a higher multiple than most competitors — the furniture companies that actually sell TVs. The dividend was pegged at 13,5c, giving a yield of 6,1%. Dividend cover was raised from two to 2,4.

If interest rates come off, the TV purchase market could pick up at Teljoy's expense — but the group will be more than compensated by the consequently increased interest cover.

Stephen Cranston

TELJOY FM 31/5/91 (295)

GROWTH PICKS UP

After some weak earnings increases (3% in the year to March 1990, and 5% at the September interim), Teljoy lifted earnings by 18% in financial 1991 — but only in comparison with restated 1990 figures. Teljoy accounted for a contract for the sale of 6 000 TV sets to Zimbabwe in 1990. The first 3 600 had already been delivered when Zimbabwean import regulations changed and the contract was annulled.

The annulment brought 1990 earnings down from R17,6m to R15,8m. Without this

SOME JOY

Year to March 31	1990	1991
Turnover (Rm)	116	147
Operating income (Rm)	27	32
Attributable (Rm)	16	19
Earnings (c)	27	32
Dividends (c)	13,5	13,5

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SLAVES SO

Pretoria

OUTSIDE PI

C/Press 21/6/91.

A DISCREET slave trade involving Mozambican refugees is thriving in the Bophuthatswana enclave of Winterveldt, several kilometres outside Pretoria.

The impoverished Mozambicans, driven out of their country by hunger and the brutality of Renamo guerrillas, are brought into South Africa by slave masters who charge R450 a head, a *City Press* investigation has found.

The operation is conducted in utmost secrecy, but follows a simple pattern once you have met the right contacts.

By SOPHIE TEMA and LEN KALANE

295

We met a slave master this week and placed an order for two slaves – a male and female.

The two slaves would cost R900 – each going for R450, we learnt.

"But since you want two, there will be a discount of R50 on each, bringing it down to R800 for both," the slave master promised after satisfying himself with our credentials.

We posed as business owners from Klipgat, also in the neighbourhood, and told him we needed the Mozambicans to help out in our business.

"We don't trust people around here," rattled the slave master, who kept on demanding how we got to know about him.

"This is a risky business," he added. "We get into trouble once the authorities get to know about us. You two don't look like troublemakers. I can trust you."

He then said an initial amount of R100 was needed. This would cover transport costs from Mozambique – R50 each for the two slaves we had ordered.

He picks up fortnightly or monthly "consignments" depending on demand, and brings them into the country in kombiloads.

But we will have to wait for three weeks. He said he was leaving tomorrow and would come back with two "fresh ones" in three weeks' time since we appeared to be "in a hurry".

He had other orders already placed.

But our slave master had a problem: where to drop the people once the consignment was already in the country.

He briefly told us how they operated: "Once we are in, we are forced to operate under cover of darkness to evade arrest. We normally bring these kombiloads in the middle of the night and drop your order at your doorstep. It is only then that you pay the full amount – R450 a head. It is a cash-on-delivery operation."

He demanded we show him where we stayed for the drop-off purpose.

"I promise prompt service," he beamed.

We were in a fix. Showing him where we stayed would give the game away. We were not genuine buyers. Also the moral aspect of what would happen to our Mozambican man and woman once inside the country forced us to call off the game.

But we didn't tell this to our slave master. We pretended we would be back later with the initial R100, and would then show him the drop-off point.

The whole Winterveldt area is now teeming with Mozambicans, our investigation revealed.

"They actually outnumber us," one villager confided.

"It is for this reason authorities are now on the look-out."

■ To Page 2

Slave trade 'thrives' in Bop's Winterveldt

■ From Page 1

295

At this stage we learnt that a well-known villager, alleged to be the biggest slave master in the area, had been arrested.

He is reportedly still in custody pending charges relating to slave trading. He is due in court in Pretoria on June 21.

"That's the reason for the secrecy in the business. Other masters fear they will go the same way. Nonetheless, the slave business is still thriving around here," the woman told us.

The Mozambican refugees, once in the country, are known to work mainly as manual labourers – on farms, in sawmills and factories – but some are being used to help in "slave-trade" operations.

Our Winterveld sources pointed out a smallholding where the imports – mostly young girls and war widows – are sold as concubines.

The women cannot communicate with Bophuthatswana's Tswana-speaking people as they only speak Shangaan.

We visited the smallholding and spoke to a number of the women.

They do not want to talk about their experiences or be identified for fear they may be repatriated to Mozambique.

Most of them are pregnant, others have newly-born babies. They claim their "husbands" are working on the mines.

Salome Mphufe, who lives near the plot, said: "Some of their huts are built with no windows, and Tswana people in the area say this was deliberately done to hide them from strangers.

"They are suspicious of all strangers and people travelling in cars with foreign registrations."

When the women spotted the City Press car, they ran way.



TRAIL OF MOURNING ... Some of the mourners who Kagiso Cemetery to bury six victims of the Swanieville

CMH FM 14/6/91

295

TIGHTENING UP

Activities: *Owns motor dealership franchises for Ford, Nissan and other marks.*
Control: *Directors 68%.*
Chairman and MD: *M Zimmerman.*
Capital structure: *19m ords. Market capitalisation: R17m.*
Share market: *Price: 90c. Yields: 11,9% on dividend; 24,8% on earnings; p:e ratio, 4,0; cover, 2,1. 12-month high, 160c; low, 85c. Trading volume last quarter, 214 000 shares.*

Year to Feb	'88	'89	'90	'91
ST debt (Rm)	1,6	7,2	8,0	2,3
LT debt (Rm)	0,2	0,01	—	—
Debt:equity ratio	0,14	0,33	0,34	n/a
Shareholders' interest	0,42	0,39	0,39	0,40
Int & leasing cover	11,5	13,8	4,1	4,3
Return on cap (%)	19,4	20,5	21,1	16,4
Turnover (Rm)	222	315	370	367
Pre-int profit (Rm)	9,2	13,1	14,0	10,9
Pre-int margin (%)	4,2	4,2	3,8	3,0
Earnings (c)	23,6	33,2	28,0	22,3
Dividends (c)	7,8	10,7	10,7	10,7
Net worth (c)	108	131	136	139

Earnings halved at the interim stage, so the decline of 20% posted by Combined Motor Holdings (CMH) for the full year to February indicates some recovery in the group. Management of working capital was tightened up with considerable success; net interest paid fell by 26%, and interest-bearing debt by 71%, even though the group acquired a further four dealerships.

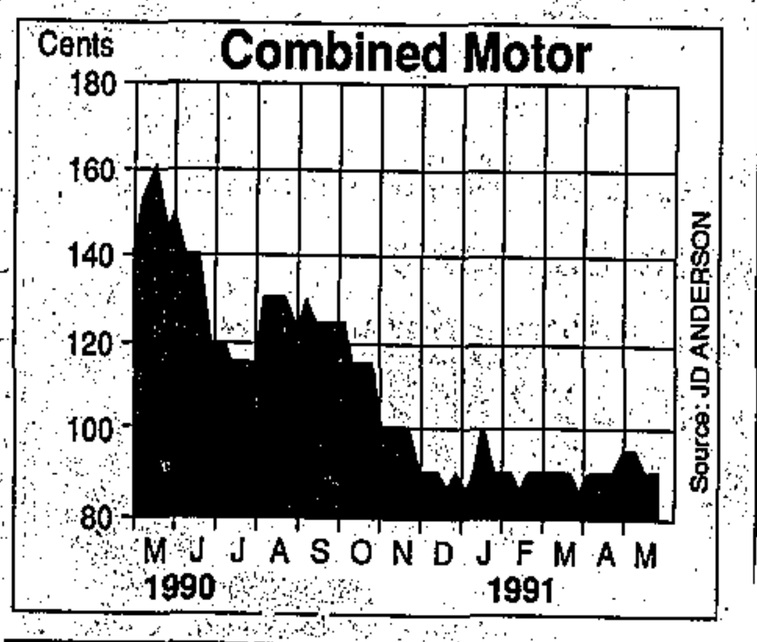
Chairman Maldwyn Zimmerman says the group was caught by over-ordering. Vehicles are ordered three months in advance and the group overestimated the demand for cars in the 1990 spring quarter, which is traditionally the highest demand period of the year. In the second half, stock control was tightened up and inventories were reduced by 8% by the end of February.

The group has broadened its franchise base by buying dealerships in Mercedes-Benz/Honda and Toyota, and by acquiring a second Delta outlet. In the full year the new dealerships will contribute 20% of turnover, says Zimmerman. The parts division suffered from the reorganisation of the Nissan/Uno parts division, which disrupted supplies for most of the year. Zimmerman estimates the resultant loss of sales reduced the bottom line by more than R1m.

He expects earnings to recover to 1989 and 1990 levels this year, so the dividend has been maintained at 10,7c. In early 1992, a new truck outlet is due to be commissioned in Westmead, Pinetown, and CMH is looking for further acquisitions. Certain tax losses have been acquired, which should also help to improve earnings.

The share is trading on a p:e of 4, below the motor sector average of 6,3 and well below comparable companies such as McCarthy (7,7) and Vaalauto (13,2). It yields 11,9% on dividend, though the cover is likely to be lifted if earnings increase. CMH has good recovery possibilities, and it has shown that it is capable of reducing debt. However, the weak record of the past two years and the uncertain future of the new car business must count against an investment in the stock at this stage.

Stephen Cranston



Hard times are forcing women to walk streets

295

CIT 19/6/91

By JILYAN PITMAN

PROSTITUTION in Rondebosch and Newlands is increasing, according to residents.

One resident who has lived in the area for over 30 years and has observed and spoken to many of the women engaged in prostitution, said they plied their trade every day of the week, including Sundays, at all times — with business being particularly brisk at night.

Side streets in Newlands were where most illicit sexual acts were transacted.

According to police, a prostitute in the area was arrested last Friday at 2.30pm. She paid an admission of guilt fine of R100 — the usual penalty — at the Rondebosch police station and was released.

Bus shelters

The police said the 33-year-old woman was new to the area — one prostitute has traded there for 20 years.

The arrest was part of the monthly crackdown by the Wynberg narcotics bureau on prostitution along the main road from Rondebosch to Wynberg.

Police said bus-stops were the favoured venues for pick-ups, while sexual liaisons were consummated at the grounds of the municipal depot at the old Schweppes bottling plant, as well as the bushes along the Liesbeeck River.

Residents of the area had alleged that sexual liaisons were conducted behind bus shelters along the main road so City Tramways removed the backs of the shelters to stop the practice.

Crime priority

A Newlands businessman, who wishes to remain anonymous, said: "The business of prostitution is brisk all along the main road, from Woodstock as far as Kenilworth.

The businessman said these practices ought to be stopped: "Waiting for a bus is not a pleasant experience for women. Men cruising in their cars assume every female at a bus-stop is a prostitute."

Captain Gideon Huysamen, station commander at Rondebosch police station, said: "We have long known about this problem and we attend to it from time to time.

"At the moment it is more important for us to deal with the steep increase in serious crime, particularly in Rondebosch.

Mr Rupert Hurly, city councillor for part of Newlands, said: "I am disturbed at the increase in crime in the area but I hope the police will find time to do something about the problem of prostitution."

Disease fear

Mrs Joan Kantey, councillor for another part of Newlands, said: "The prospect of disease concerns me — particularly Aids.

"If there is a steep increase in prostitution, the police should do something about it. It's a difficult problem to solve — all sorts of issues come into play and in bad economic times people often turn to prostitution."

The long-time resident of the area said: "The same women are here all the time, every month. Some of the them have been around for years.

"One prostitute is about 45 — she told me that she might get out of the business because it was getting dangerous. There were brawls between the women and she did not feel safe with some of the men either."

BROKERS

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Cops watch 'slave trade'

Sowetan 20/6/91

295

By THEMBA MOLEFE

THE South African Police are investigating possible involvement of policemen allegedly running a slave trade ring involving Mozambican women refugees.

Police have confirmed investigations are under way in the border town of Komatipoort and the KaNgwane homeland to where refugees of the Mozambican civil war have fled.

Sowetan found and spoke to young women who told of life as sex slaves after being sold by people who had "helped" them cross the border into South Africa.

Bush

One of them is 22-year-old Rose Mlambo who lives against her will in KaNgwane with a South African policeman who six years ago "helped" her into the country.

Rose was 13 years old when she and three other girls fled through war-torn Ressano Garcia village, spending a terrifying two weeks in the bush be-

To Page 2



'Slave trade' ring found

Sowetan 20/6/91

295

From Page 1

fore finally crossing the Komatipoort border.

Since then she has been living as a concubine and servant in the Mangweni village.

Sowetan went with Rose's cousin, Sarah Mlambo, to the policeman's house where the two young women were briefly reunited for the first time since 1985.

Sarah now 24 said the same policeman had sold her to a man in the village for R30.

Rose and Sarah fought back emotion as they shook hands in the yard which Rose was sweeping.

When photographer Pat Seboko took pictures of the reunion a man appeared and ordered Rose inside. He would not speak to *Sowetan* and was aggressive.

Sowetan was about to drive off when the man stripped Rose to her underwear and started punching her.

Sarah herself was twice sold and in 1989 escaped with her one-year-old son from her "marriage".

Her "husband" was unemployed and had five children. His first wife had left him.

Sarah escaped with her son Jabulani who is now three. They live with a woman who took them in and gave Sarah a job as a domestic.

Sarah and her son are now part of the family.

She said that in 1986 news reached her that Mozambique National Resistance soldiers had killed her father. Two of her brothers are missing.

Contrav results show nosedive

B1Dan 21/6/91

MARCIA KLEIN

THE dramatic effect of the Gulf War on international tourism was reflected in SA's only listed travel group Concorde Travel's (Contrav's) results, where turnover nosedived from a 97,5% rise in the previous year to a 6,4% growth in the year to end-March.

Group financial director Norman Steingold said yesterday the war had affected travel not only to the Middle East, but travel worldwide, following threats of reprisals against the US and its allies.

He said the huge increase in the previous year also included a contribution from the acquisitions of certain Miller Weedon operations.

He said some of Contrav's corporate clients had a moratorium on international travel for three months prior to the new financial year, and there had been an initial rush in the new year.

The dramatic fall-off in international air traffic saw many flights cancelled and a resultant drop in demand, which adversely affected the second half of the year, he said.

Contrav, whose operating companies include Concorde, Peltours, Columbia, Summit and Miller Weedon, had managed to contain its decrease in operating income to 16,8% from R2,4m to R2,0m, despite the fall in turnover.

Cautious

Steingold said a critical factor in the travel industry was its very low margins. Travel companies were entitled to earn a fixed gross margin of 7% on local and 9% on international travel.

The only way to be profitable was to be cautious on expenditure and the debtors book. Cashflow, which was a critical factor in the industry, had improved from R600 000 to R2,5m.

Income before tax was 21,4% down to R1,6m (R2,0m), and a 27,2% rise in taxation and the inclusion of an extraordinary item in the previous year saw net income rise by 9% to R1,1m (R1,0m).

Earnings were reduced from 10,4c a share to 7,0c a share, and directors decided it was prudent to reduce the dividend, covered 2,5 times, to 2,75c (3,75c) a share.

Steingold said barring any further setbacks, there would be a rush of international tourists to SA if there was political certainty in the country.

This would not only benefit the tourism industry but the economy as a whole.

The company was looking at expanding in the industry, but Steingold could not be drawn on what plans were in place.

Turnover had already improved in the new financial year, and Contrav was expecting satisfactory growth in financial 1992.

Local city travel agents jubilant

CT 2/7/91 (295) (2[illegible])

ECSTATIC travel agents in the city welcomed SAA's announcement yesterday that it planned a weekly flight to Cairo, saying there was "tremendous" tourist potential in Egypt.

The announcement follows an Egypt Air flight from Johannesburg to Cairo on Saturday, when 24 South Africans got off in Cairo and were granted visas, and a statement by SAA yesterday that for the first time in 28 years an SAA aircraft on Sunday flew from Cairo to Johannesburg.

"At this stage it is SAA's intention to operate a weekly flight through Cairo," the SAA statement said.

Travel agents in the city were surprised by the development, but declared it to be "a good thing".

Mr Barney Singer, president of the Association of SA Travel Agents (Asata), said: "That's marvellous.

"I think that there's a tremendous potential for tourism there," he said.

"A fascinating place out of the reach of South Africans" was how Mr Leon Singer of Embassy Travel described Egypt up until now.

"I believe it will be a popular destination, especially in a package including Israel," Mr Singer said. "It is definitely going to take off."

Less enthusiastic about the tourism aspect but seeing the latest development as "a step in the right direction" was Mr Derek Callanan of Millway Travel.

"I can't see it having the appeal of, for example, Israel. It will be more of a stop-over to and from Europe," Mr Callanan said.

However, in other airline developments, an SAA spokesman yesterday said that Virgin Atlantic had not lodged an application to start a scheduled air service between the UK and SA with either the Directorate of Civil Aviation (DCA) or with SAA, spokesmen said.

In terms of SA's current international aviation policy, the United Kingdom and South Africa have a bilateral agreement which specifies that only the designated national carriers may operate a scheduled service between the two countries, DCA chief director Mr Japie Smit said. — Own Correspondent and Staff Reporter

Optimism at Teljoy as turnover rises 26%

TELJOY executive chairman Theo Rutstein has forecast real growth in earnings in financial 1992 on the back of improved margins and increased turnover.

The group, whose divisions include rental, Mastercare and Teljoy Rediffusion, recently reported an 19,6% rise in attributable earnings to R19,1m on a 26,2% rise in turnover to R146,8m in the year to end-March.

Rutstein said in the group's annual report that results for 1990 were restated due to the non-fulfilment during 1991 of a contract entered into and accounted for in 1990. Excluding the restatement, turnover would have increased by 22% and net income after tax by 6%.

Rutstein based his optimism for 1992 on various factors, including the growth potential for exporting technology in security systems, and Teljoy's casino security system, shrinkage controls and a visual security back-up system.

Burden

There had been a trend of declining margins following a decision not to increase prices when a competitor entered the TV rental market. Margins were also affected by expensing all research and development as it occurred. Rutstein expected margins to improve now that the Telerama Rediffusion acquisition in 1991 was fully absorbed and its benefits had started to flow through.

Capex in 1992 would be R38m (R56m), and interest-bearing debt was expected to come down from R85,4m to R74,6m. However, this would not have an immediate effect on the interest burden, unless the rates fell.

Teljoy's conservative bad-debt provision was increased from 40% to 50%, and it would be held at 50% in financial 1992.

MARCIA KLEIN

The rental division, which rents TVs and VCRs and distributes M-Net decoders under Teljoy, Rent-a-Colour and Visionhire, contributed about 82% to Teljoy's operating profit. Rutstein said the recent entry of a new competitor into the rental market had not affected Teljoy. He said barriers to entry were high and a newcomer would need R230m to acquire a rental fleet as big as Teljoy's.

Mastercare, previously Teljoy's in-house service and repair arm, had obtained exclusive rights to manufacture and market its newly invented anti-theft device — called Theftmaster — for all major electronic appliances..

Teljoy Rediffusion, formed when Teljoy Business Services bought Telerama Rediffusion during the year, experienced strong growth. The division's casino surveillance system would contribute to the group's exports following international inquiries. Teljoy was the exclusive supplier of visual security to hotels and casinos.

The group expected local turnover to be boosted by its recently developed package for shrinkage control, which it was marketing to major supermarket chains.

Rutstein also expected an increase in rented TVs due to uncertainty over the pending introduction of high definition technology and the high costs of new TVs.

The average age of privately owned TV sets was currently standing at 8,5 years, and many sets were now due for replacement, but some people were unwilling to buy until high definition TV was established.

Also, TV was starting to play an important role in mass education and new housing.

Too much emphasis on Teljoy's high gearing

Star 5/7/91 295

Diagonal Street

Jabulani Sikhakhane



Since June 1990, Teljoy's share price has fallen by 10 percent to 225c compared with a gain of over 75 percent in the retailers and wholesalers' index.

Executive chairman Theo Rutstein says the market appears to be concerned about Teljoy's interest bearing debt which stood at R85,4 million at the end of financial 1991 — translating into gearing of 121 percent.

He adds that the group has also shown relatively static growth in the last couple of years, although this growth has been above that of the sectoral average.

Since listing in 1987 Teljoy's turnover has grown by a compound 29 percent and attributable earnings by 11,3 percent.

Despite these factors Mr Rutstein still feels that the market may have misconceptions about Teljoy's business.

Group financial director Dennis Kennedy explains that a rental company cannot be measured against gearing norms in other industries, since rental assets are not consumed in operations or disposed of in earning income.

Teljoy's high gearing level is due largely to the cost of replacing the rental assets (R143,2 million) in the past four years, improving the average age of the assets from 46,5 months to 38,5 months.

"In our kind of business a greater management tool is to keep a closer look at the average age of the TV fleet than gearing. Teljoy could easily reduce the gearing level by simply not replacing its current television fleet for a while," says Mr Kennedy.

A Teljoy case study found that increasing the average age of the current rental fleet from 38,5 months to 74,5 months in financial 1994, could result in a substantial increase in cash generated (see graph).

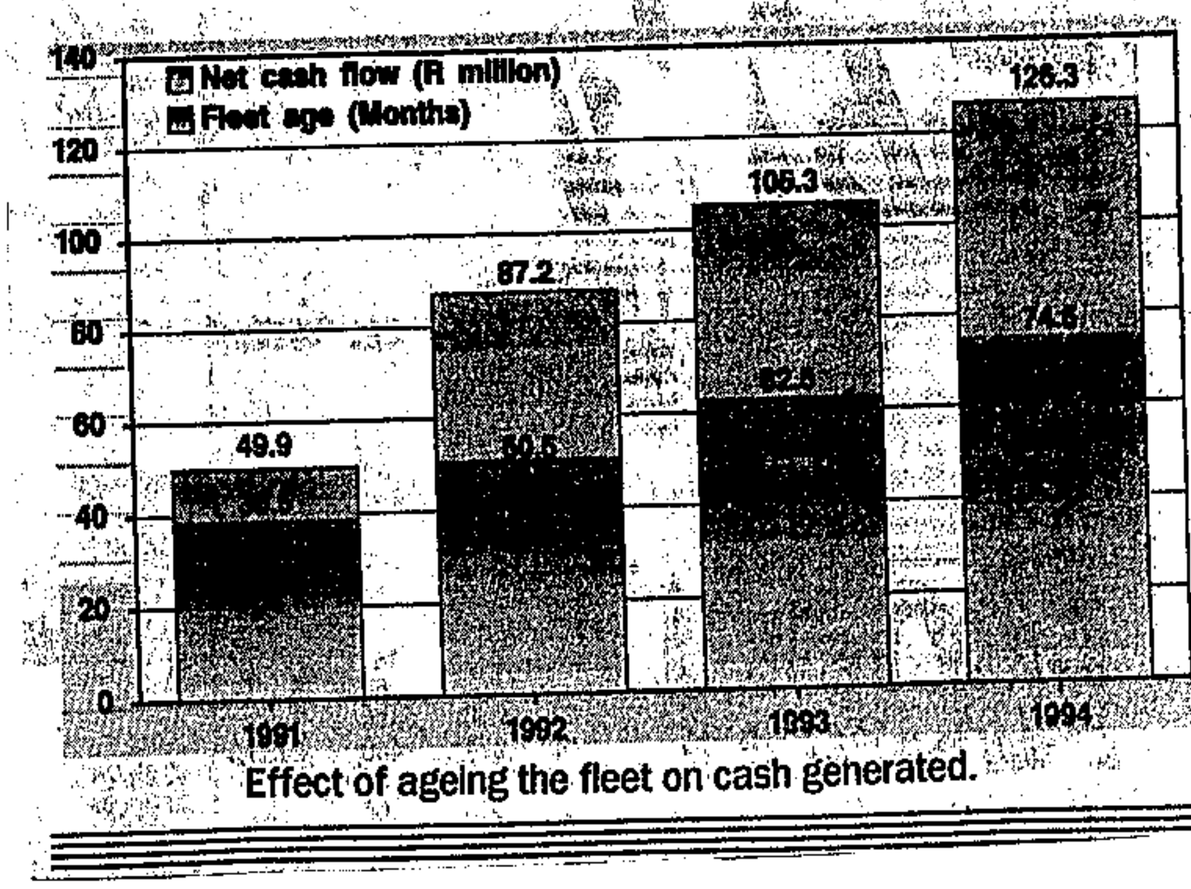
Mr Kennedy adds that rental assets which comprise relatively low cost items, maintain their value in an inflationary environment, generate strong cash flows over their economic rental life and can be sold thereafter.

Looking at group prospects, Mr Rutstein says the group should achieve real growth due to improving margins and increased turnover.

Major growth opportunities arise from the need to replace the estimated 2,6 million privately owned TV sets which have an average age of 8,5 years against an economically viable lifespan of 10 years.

Others are uncertainty about the introduction of high definition technology into the local television industry which should boost demand for rental television sets as was the case with VCR rentals during the battle between VHS and Beta.

With television expected to play a major role in mass education, Teljoy has already developed a solar-powered television set for the rural areas.



Effect of ageing the fleet on cash generated.

MEDIA SPOT

It pays to advertise — in bad times, too

B\Day 9/7/91

Reports by
MARCIA KLEIN

ADVERTISING in bad times makes a lot of business sense, say major US advertisers and marketers.

Reader's Digest's latest Research Digest has published the findings of a Canadian Advertising Research Foundation conference in which major US advertisers and marketers said that when markets were shrinking, company growth could come only from greater market share.

McLaren: Lintas president and CEO Anthony Miller said in the report that senior client executives were asked to comment on an observation that firms that maintained or increased advertising during the 1981-82 recession averaged 275% sales growth over five years. He said 9% of clients agreed with the statement, while 77% "thought it was a joke".

Miller said this indicated that the communications business had failed to convince business generally of the effectiveness of advertising in good *and* bad times, and there was evidence that "strategically consistent, appealing advertising adds to long-term sales, builds market share, and increases investment".

The *Strategic Planning Institute in Cambridge*, Massachusetts, showed in a recent study that companies that spent more on advertising than their competitors received a 32% return on investment, while companies that spent less achieved an average return of 17%.

As advertising levels increased, brand awareness rose, leading to greater market share levels. The research also showed a relationship between advertising expenditure and perceived product quality.

Miller said although some consumers delayed spending during a recession, they still paid attention to advertising, which led to pent-up demand being released in the boom which usually followed a recession.

Of the 30 top brands in the US, 27 were more than 50 years old, and all of them had advertised through good and bad times.

McGraw-Hill's Laboratory of Advertising Performance study showed that companies that cut their advertising during the 1974-75 recession and then restored it to normal levels achieved an average sales increase in the next five years of 79%. Those that maintained their advertising throughout achieved sales increases of 132%.

The same study over the 1981-82 recession showed firms that maintained or increased their advertising averaged 275% sales growth over five years, while those that cut their advertising showed only a 19% increase.

☐ Roger Blackwell, marketing educator of the year, told a conference last week that advertising in a recession could be very effective. Consumers were willing to change brands, buy at a sale, or try out no-name brands.

mpson 61797



ADVERTISING FM 12/7/91

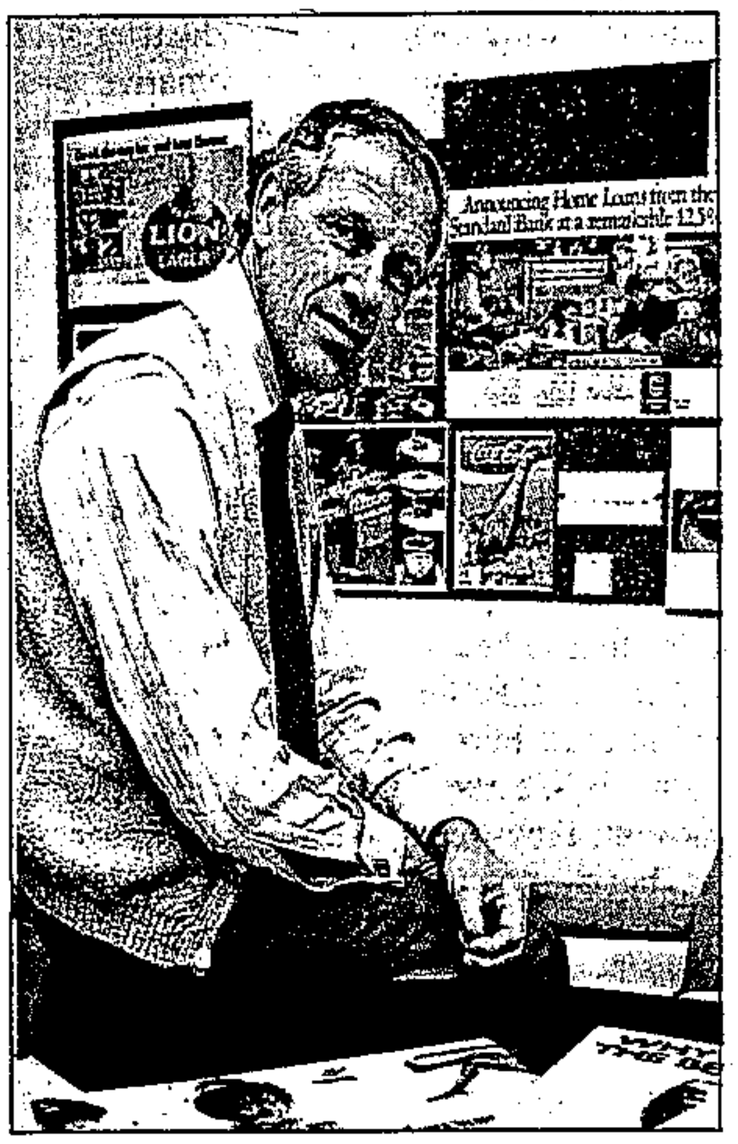
VAT BONANZA

295

Advertisers could be in for a R260m bonanza in the 12 months following the introduction of VAT on September 30. The money becomes available because they will qualify for input credits levied on their ad budgets.

They now pay 13% GST, which would have amounted to R260m on the estimated R2bn in advertising expenditure next year, but VAT (at 12%) will be claimable from Revenue.

The big question is what advertisers will do with the money. Encouragingly, indications are that they will reinvest it in advertising, rather than cutting their adspend by 13% and pocketing the difference. "The general feeling among members of the Association of Marketers is that the money will be ploughed back into advertising," says Parker Pens MD Geoff Garbett, who heads the tax portfolio for the association. "While GST had a very adverse effect on adspend, VAT will do the opposite. The advertiser will no longer be taxed twice."



De Klerk ... *don't hold your breath*

GST (at the one percentage point higher rate) effectively took 13% out of national adspend, since advertisers did not increase their budgets proportionately when it was introduced. Now they will get credited with the tax because advertising is one of the costs of doing business.

Assuming a gross income for agencies of 18% of that R260m, agencies will benefit directly to the tune of about R47m. They will also benefit from the fact that some of their own inputs (such as office stationery, motor vehicles and furniture) will qualify for tax credits.

But this effect will not be dramatic, notes VAT specialist Geraldine Connell, of Deloitte Pim Goldby. She says: "Most of their costs are made up of skills, and labour is not subject to VAT."

Input credits will also be relatively small for the media. Their major cost elements are paper and ink (which are GST-exempt) and labour. "Again the difference won't be that great," says Connell. "But further down the line, when buying new printing machines, they will get VAT credits. That should be substantial."

Ad agency executives are not doing cartwheels just yet. Peter de Klerk, executive vice-president of the Association of Advertising Agencies, cautions that an excessively gloomy economic situation could still result in a more hesitant approach by advertisers.

"It depends on the tenor of the market," he says. "Advertisers may just budget for another 5%-6% in expenditure rather than 13%." Moreover, he adds, in cash-flow terms it will take some time for the inputs to mount up. Agencies are paid after 30 days, Revenue after another 21. There appears, too, to be a considerable level of chaos in Revenue's office.

"Clients will hold back," says De Klerk. "They might increase budgets but they won't commit that expenditure. I guess the money won't start accumulating until towards the end of the first quarter of 1992. We won't see the full value of VAT until 1993."

Discussions, meanwhile, are going on over the appropriate accounting procedures — specifically, whether agencies should be treated as agents or principals in the treatment of tax. It's a question which impinges on a fundamental issue within the ad industry: the basis of agency remuneration.

"This is really quite a sensitive issue," says Connell. "It matters because of who the input tax should be accreditable to. If you are an agent you are a conduit. Only a principal pays VAT and claims back his credits. The introduction of VAT precipitated a rethink about how agencies do business."

One reason agencies want to be treated as principals is that it improves their cash flow. A well-managed agency is paid by the media at 30 days but pays its suppliers after 45 days. Big agencies can earn R1m-R2m a year in interest on money passing through their hands in this way.

However, De Klerk says this is not the main issue. "What we are most concerned about is this: if we alter the current gross billing procedure what impact does it have on the systems in place, and is it worth it?

"In any case our indepth investigations with outside consultants have identified numerous tangible benefits to both clients and media should the status quo remain."

Clients have strong views on the subject. Says Garbett: "Our view is that the advertisers should be free to choose whether to pay the media direct and then employ an agent on a fee basis, or to allow the agency to act as a broker — as it does now.

"We believe there should be an option. We want to go back to net rate cards, showing advertising rates *exclusive* of the agency's commission. Then we all know where we are. Agents have been trying to make too much of their income from a banking role.

"Instead of getting on with advertising they become bankers and financiers. When agencies go bust the media are left holding the baby. The agencies want to have their cake and eat it. They don't want to be responsible but they want to be principals.

"We do not believe they should be principals — and we don't think they will suffer from being true agents because they will then have to charge the correct going rate for their services."

WHY ADVERTISING WORKS

When times are tough and financial directors are looking for ways to cut spending, almost invariably the ad budgets get the chop first. Admen have long argued that this is shortsighted but their whining seems tainted with self-interest and their arguments tend to fall on deaf ears.

Yet there is evidence that they are right. A recent study in the US by the Strategic Planning Institute in Cambridge, Massachusetts, found a direct correlation between advertising and profits. Companies that spend much more than their competitors on advertising receive an average return on investment of 32%. For companies spending much less the return was only 17%.

The reason for this, researchers say, is that advertising plays a crucial role in determining market share and there is a dramatic relationship between market share and profitability. Those in the *much more* advertising group achieved more than double the market share than the *much less* group — an average of 43% compared with 20%.

MacLaren:Lintas president Anthony G Miller says in an article in a local *Reader's Digest* leaflet: "Of the top 30 brands in the US today, 27 are more than 50 years old. Over their half-century of success, these brands have done many things right. But what they have done most right is that, through good times and bad, they have kept advertising."

Tony Koenderman

Post-apartheid future 'is also being sold'

SA MARKETERS advertise a post-apartheid future as well as their products, US journalist Judith Schwartz says in the August issue of Cosmopolitan magazine.

She says SA adverts are often overtly political, and companies showing black and white people on an equal footing are selling a post-apartheid, equal opportunity, integrated SA.

About 80% of the population is black and SA advertisers are belatedly coming to realise who their audience is, she says.

In contrast, advertising in the US is not political at all. The United Colors of Benetton's two-year print campaign was aimed at highlighting racial injustice, but the adverts either did not make it to the US market or were withdrawn. (295)

Schwartz says US audiences spurn commercials "that dig too deeply into the race question". (~~561~~) (~~288~~)

She says advertisers reflect audiences' concerns, and in SA those concerns are political. BBay 161191

However, images of integration in SA often masked "the somewhat colder reality of a fundamentally unequal society".

Sotheby's to auction 1961 Mandela petition

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CAPE TOWN — A petition signed by ANC president Nelson Mandela in 1961 will be among several pieces of South African historic and literary memorabilia to be auctioned at Sotheby's in London on Thursday.

The auction is a bid to raise money for the education of exiled students. All 38 lots of documents and manuscripts have been donated, most of them by prominent authors, on behalf of the Canon Collins Educational Trust for Southern Africa. The fund, set up in 1981, supplies books for literacy projects in refugee settlements.

The latest Sotheby's list says the three-page petition, calling for support from Britain, was signed by Mandela as well as current executive committee members Ahmed Kathrada and John Nkadimeng.

Own Correspondent

The asking price for this lot is £700 to £800.

Most of the lots are expected to fetch thousands of rands each. Among them are:

☐ The draft of Shawn Slovo's screenplay of the film A World Apart;

☐ Gillian Slovo's 600-page computer print-out draft of her novel The Betrayal;

☐ Albie Sachs's typescript of his book Soft Vengeance of a Freedom Fighter;

☐ Nadine Gordimer's working typescript of the novel Something Out There;

☐ A Graham Greene working draft, and a German document by Albert Schweitzer;

☐ Lewis Nkosi's typescript of his novel Mating Birds;

☐ The typescript of André Brink's 1988 novel States of Emergency; and

☐ The typescript of J M Coetzee's essay Remembering Texas, about his experience of an alien culture on a Fullbright scholarship in 1968.

TELJOY FM 19/7/91

RENTAL BENEFITS (295)

Activities: *Rents televisions, VCRs and M-Net decoders. Has third-party maintenance and video security divisions.*
Control: *Fedvolks and Sankorp have joint control.*
Executive chairman: *T B Rutstein.*
Capital structure: *58m ords. Market capitalisation: R130m.*
Share market: *Price: 250c. Yields: 5,4% on dividend; 12,8% on earnings; p:e ratio, 7,8; cover, 2,4. 12-month high, 260c; low, 168c. Trading volume last quarter, 86 353 shares.*

Year to March	'88	'89	'90	'91
ST debt (Rm)	3,4	7,7	25,0	24,2
LT debt (Rm)	12,0	22,2	24,5	61,1
Debt:equity ratio	0,55	0,80	1,09	1,57
Shareholders' interest	0,45	0,39	0,39	0,33
Int & leasing cover .	7,9	6,7	3,3	2,8
Return on cap (%) ..	35,6	27,9	23,3	19,2
Turnover (Rm)	68	90	116	147
Pre-int profit (Rm) ...	21,9	26,7	27,2	31,6
Pre-int margin (%) ..	32,1	29,6	23,4	21,5
Earnings (c)	25,0	29,9	27,3	32,1
Dividends (c)	11,0	13,5	13,5	13,5
Net worth (c)	48,0	64,2	78,4	93,3

Teljoy's latest earnings growth of 19,6% was after restatement of the 1990 figures, which reduced that year's bottom line by R1,8m. Chairman Theo Rutstein says a contract to sell 6 000 sets to Zimbabwe was cancelled because of a change in import regulations. He points out the sets have been recovered and almost all have been sold through the group's Mastercare Appliance Centres. Earnings of R1,8m will be included in this year's results.

Though Teljoy trades at more than double its net worth, management feels, with some justification, the share is underpriced at the historical p:e of 7,8. Management contends the rental operation is a far better generator of cash than other retailers.

Financial director Denis Kennedy says rental assets are neither consumed in operations nor disposed of in earning income. They are depreciated over six-and-a-half years but they earn revenue for 10 years. The present Teljoy fleet has an average age of 38,5 months and each set provides positive cash flow from year four (after 36 months). After 10 years, each set is sold, usually for the price Teljoy paid for it. This goes straight to the bottom line, as it is already fully depreciated. Ideal age for a fleet is considered to be 60-66 months.

Kennedy says the prospect of better cash flows as the fleet ages make a rights issue unnecessary. Because of the nature of the assets, he adds, gearing could safely increase to 200% in the short term — though it's not expected to reach this level. Nevertheless, the interest burden has almost quadrupled since 1988, from R2,2m to R9,9m.

Kennedy argues that Teljoy's dominance is unlikely to be challenged because of high barriers to entry. Book value of Teljoy's fleet is R107,5m, but the replacement cost would be R237m. Another cause for concern is the decline in the operating margin, from 23,4% to 21,5%. Margins were affected by the decision not to increase prices after a competitor, Tedelex's Empisal, entered the market in 1990. Also, the fleet has been standardised since the merger with Visionhire four years ago, which has meant higher than usual purchases of new sets.

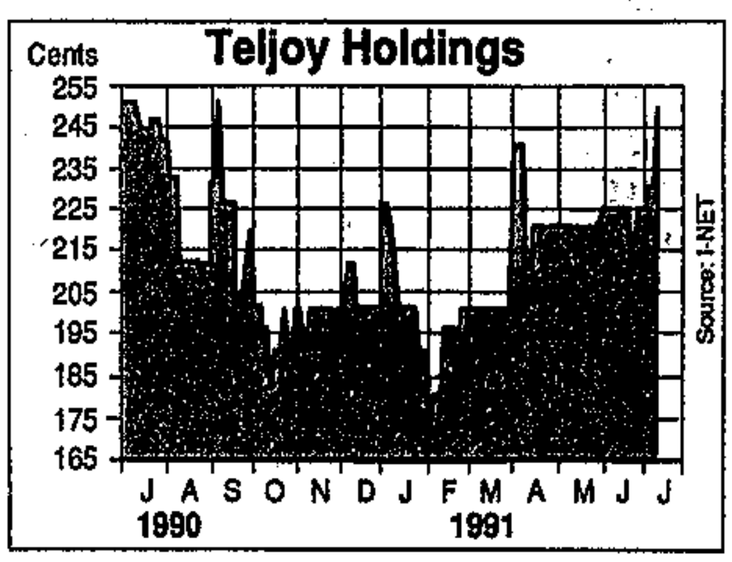
Last year, Teljoy acquired Telerama Rediffusion, which forms part of Teljoy Business Services. Further provision was made for doubtful debt, which was increased from 42% to 50% of current arrears.

Some analysts have been sufficiently impressed by the prospects of stronger cash flows to be bullish about the share. Interim earnings for the half-year to September will benefit from sale of the sets which have been recovered from Zimbabwe. The share has risen over the past week, but may still offer some value.

Stephen Cranston



Teljoy's Rutstein ... *sets have been recovered*



Budget firm for McCarthy

(S Times) (Bus Times)

By DON ROBERTSON

McCARTHY LEASING, a joint venture with between McCarthy Group and Stannic, has bought Budget Autolease for an undisclosed cash sum. 2/11/91

Merwyn Key, a director of Tollgate Holdings which owns the Budget group, confirms that the deal was signed last week.

But because of the complexity in deciding proper cash values, it will be some time before the full price can be calculated.

Mr Key says Budget Autolease is not the type of business his company wishes to be in.

"It was simply becoming too big for us from a funding point of view. It is more suited to a banking group or one involved in the motor trade.

"McCarthy Leasing fits the bill perfectly."

Budget Autolease has about 4 500 vehicles in its fleet, all of which are on full maintenance leasing (FML) contracts. Residual values and other details of these contracts will have to be calculated before the deal can be priced.

The Budget fleet will boost McCarthy Lease's operations, which are small by comparison.

McCarthy Lease was established about a year ago.

The Budget Autolease name will be dropped and staff rationalisation will take place when it is absorbed by McCarthy. About half of the 70 employees will be laid off.

The Budget group, which includes Budget Rent-a-Car, recently suffered a decline in market share and was supposedly up for grabs.

Since the appointment of a new management team under Tony Langley it has improved and increased its market share from 16% to 22%. It is now trading profitably, says Mr Key.

Last year, McCarthy sold its truck rental business, McCarthy Transport Holdings, to Fleetrent at a profit of R4,9-million.

FW, Mandela relics to be housed together

BI Day 22/7/91 (8) 295

DARIUS SANAI

ANC president Nelson Mandela and President F W de Klerk are to move in to an exclusive Sandton home together.

Chairman of industrial group SA Bias, Christopher Seabrooke, said at the weekend that he had bought for £2 000 Mandela's 1961 petition to the British people, and that he planned to keep it with his signed copy of De Klerk's February 2 speech last year, in which he announced drastic reform measures including the unbanning of the ANC.

Seabrooke, a self-confessed "Africana fan", bought the petition last week in London at a Sotheby's auction which raised more than £40 000 for exiled SA students.

Among other manuscripts sold at the auction was a typescript by Nadine Gordimer, which fetched £2 850, and an unfinished story by Graham Greene.

Seabrooke professed to admiration for both leaders, "as long as they get their acts together".

The petition, signed by Mandela on behalf of the 1956 treason trialists, was addressed to the "People of Great Britain" from "all the Freedom-loving People of SA".

Two other potential buyers bid for the petition amid rumours that the ANC would try to recover a piece of its own history.

Earlier this month the ANC, entering the auction room for the first time in its history, tried to buy the disused Grootvlei colliery from Anglo American — but was outbid by a locally based development company.

An ANC spokesman said on Friday he had no knowledge of the Sotheby's auction or of an ANC bid.

South Africa exporting prostitutes to Taiwan?

CT 25/7/91

295 ~~317~~

Own Correspondent

JOHANNESBURG. — Police yesterday revealed that "a considerable number" of South African women had travelled to Taiwan during the past three years to work as prostitutes.

However, police liaison officer Major Dave Bruce denied reports that the women were involved in bringing drugs back into South Africa, saying there was not sufficient evidence to support the allegation.

Initial reports stated that the women returned to South Africa with cocaine and heroin hidden in teddy bears and the heads of Chinese dolls.

Major Bruce also said there was no indication that the women had been forced to travel to Taiwan, where they usually stayed for three months, earning up to R10 000 a month.

The women, aged between 18 and 30, were recruited at a popular Hillbrow nightclub by a businessman who registered them as models so that they could apply for visas to travel to Taiwan.

Dark-haired women apparently dyed their hair blonde to suit the preferences of Taiwanese men.

If accepted, the women would spend a couple of days at a house in Sandton before flying to Taiwan. Police alleged that the businessman sent up to six women at a time.

Major Bruce said police could not confirm reports that more than 300 women had gone to work as prostitutes since recruiting started in 1988.

He said the businessman had been arrested and would appear in court next month where he would face at least 20 charges of procurement.

Foggitt family sells TFC travel company

B pay 31/7/91 295

MARCIA KLEIN

TFC travel company was sold at the weekend by the Foggitt family, which has been associated with it for the last 33 years.

TFC was sold by chairman and founder John Foggitt and his family to the Leech Family Trust, via Needwood Holding Limited, for an undisclosed sum.

A TFC spokesman said yesterday that TFC Group Holdings and all its subsidiaries had been sold, but Club TFC had been bought by John Foggitt.

Foggitt set up the company in 1958 with only R100. It began as a charter service from Britain, mainly for immigrants, and developed into one of SA's largest wholesale travel agencies.

An industry spokesman said Foggitt was the pioneer of wholesale tour operations in SA, and through the years TFC was active in extending tourism to the Far East, introducing shipping charters and reintroducing the Seychelles as a destination.

Foggitt said yesterday it was "time to let others take the helm".

He said the group had grown large and impersonal. He had retained Club TFC, which was "a small operation offering unusual and expensive tours to exotic places".

Although the sale of the company was "nostalgic and sad", he was looking forward to running "the old Foggitt type of company".

TFC's new board includes businessman Kon Leech as chairman, former TFC operations director Ian Hunter as MD, marketing consultant Paul Levin, who has been associated with the company for eight years, and Martin Gishen.

The spokesman said that, apart from the new board, no changes would be made.

ATS to jet into African dawn

Apex 11/8/91

By LULAMA LUTI

THREE businessmen have established the first black-owned travel agency in South Africa, African Travel Services, and have promised to make it the biggest in Africa.

"We are already handling travel arrangements for big companies like Nafcoc, the SAB, Mobil and the National Sorghum Breweries, and we are going to clinch other deals," says ATS managing director, Sydney Malabi, a former business consultant.

Realising there was only a slim chance of ATS making it alone, the large company Micor was brought in — but ATS still holds most shares.

Although its clients are still largely drawn from the corporate world, ATS hopes to cater for all people, especially the disadvantaged.

Malabi says the removal of key disciminatory laws has started a heavy traffic of people in an out of Africa, and this was a potential growth area.

VAALTRUCAR FM 2/8/91 295

Out of gear

Vaaltrucar and its recently listed operating arm, Vaalauto, did little in financial 1991 to bolster investor confidence. Profitability remained weak and, bearing in mind there is the additional burden of turning around problem child Spareco, caution is still advised.

A restructuring during the year saw Vaaltrucar converted into a holding company with Vaalauto its only subsidiary. Vaaltrucar shareholders received — in addition to their existing holding — 25 shares in the operating company for every 100 Vaaltrucar shares held. However, net income before extraordinary items declined by 53,6% in Vaaltrucar.

Despite the acquisition of a 49,9% interest in autoparts retailer Spareco, and a 35% share in listed Eddies, effective November 1990, chairman Sarel Germishuizen reports that "results of these operating companies have not been included in the 1991 financial statements." The balance sheet does reflect this R2m investment (at cost), alongside the

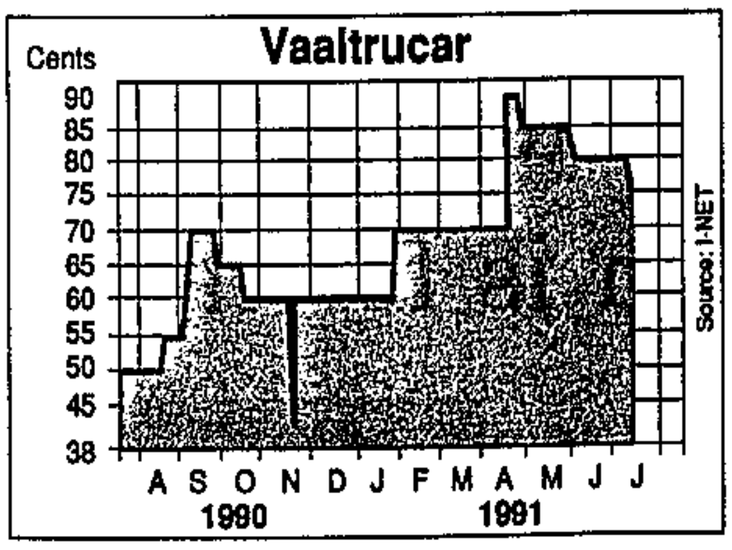
Continued

Activities: *Retails new and used motor vehicles and spares.*
Control: *Directors 51,7%.*
Chairman: *S F Germishuizen; MD: G Germishuizen.*
Capital structure: *16,5m ords. Market capitalisation: R13,2m.*
Share market: *Price: 80c. Yields: 4,0% on dividend; 7,0% on earnings; p:e ratio, 14,3; cover, 1,8. 12-month high, 90c; low, 40c. Trading volume last quarter, 17 800 shares.*

Year to Feb 28	'88	'89	'90	'91
ST debt (Rm)	0,09	0,65	1,49	3,18
LT debt (Rm)	0,13	0,12	1,04	0,9
Debt:equity ratio	n/a	0,07	0,19	0,28
Shareholders' interest	0,45	0,42	0,44	0,36
Int & leasing cover	2,73	5,53	2,85	1,59
Return on cap (%)	16,9	22,2	16,7	12,2
Turnover (Rm)	54,1	91,3	102,1	138,3
Pre-int profit (Rm)	2,3	4,6	4,3	4,2
Pre-int margin (%)	4,3	5,0	4,2	3,0
Earnings (c)	12	14,1	15,7	5,7
Dividends (c)	3,8	4,5	5,0	3,2
Net worth (c)	37,4	52,8	67,8	59,6

investment in two timber plantations.

New and used vehicle sales last year provided 71% of turnover, while parts contributed 15%. Germishuizen says the new vehicle market declined by 5,1% and the used vehicle market was also depressed. He ascribes the group's 35,4% turnover rise largely to organic growth — three new Ford dealerships were acquired. But a further decline in the operating margin, a steep rise in the interest bill and a higher effective tax



rate cut taxed profit in half.

Market signals were misread and as stock levels rose so the interest bill climbed from R1,5m in financial 1990 to R2,6m last year. With the effective tax rate up from 6,6% to 21,7%, there was little left. EPS (on a comparable basis) fell by 52,1%, from 15,7c to 7,5c. Despite the stated intention in Vaalauto's pre-listing statement to "retain a similar dividend policy" to Vaaltrucar's (three times cover), cover was reduced to 1,8. Shareholders received a total dividend of 4,2c (5c) a share.

A continuing slide in interest and leasing cover, a drop in debt cover to only 0,41 and constraints on cash flow signal difficult times. But Germishuizen is "conservatively optimistic" about prospects for financial 1992.

It's been decided to consolidate the motor interests and concentrate on developing the existing and newly acquired parts businesses. Germishuizen expects turnover of Spareco and Eddies to be about R80m this year, pushing the contribution of parts to total sales to about 65% (15%). Eddies, a 99% cash business, now operates out of one store — the other three were taken over by Spareco — and is profitable to the tune of about R3,3m.

Stock levels reduced

The Spareco chain, bought on liquidation in a consortium with Broshure Investments and IGI, has been expanded from 24 to 30 stores. Germishuizen says the excessive stock levels have been reduced, but not to the extent required. Seven months since acquisition, the group is just breaking even. How Spareco and Eddies will be accounted for within Vaaltrucar is uncertain — Germishuizen does not rule out a combined listing for these two operations.

Though the new-car market remains depressed, some improvement in the used-car market is being seen. But growth from this source will be limited and shareholders should watch for developments relating to Spareco and Eddies. Germishuizen expects earnings in financial 1992 to be on a par with last year, despite the wider scope of the group. This may turn out to be optimistic.

Pam Baskind

Value fleet offers the rig for all occasions

Star 6/8/91

Ten years ago, Value Truck Rental started out with a single two ton truck, today, "we have 280 vehicles in our rental fleet and a clientele base of blue-chip companies," according to owner Steven Gottschalk.

The company offers a most comprehensive range of vehicles, from one ton bakkies to 23 ton-horse-and-trailers, as well as specialist vehicles like fridge-trucks.

During the ten years in business the company has seen major changes occur, "the most predominant being the development of monopolies among the truck rental companies," said Mr Gottschalk.

"There seems to be few new players entering the market, which they can't afford to get into at the rates being quoted at the moment.

"If I did not already have a large and established fleet of vehicles and had to buy a fleet of vehicles to get into the market I wouldn't be in business," he said.

Value Truck Rental, being a privately owned company with hands-on management, has been able to maintain personalised service and to run a cost-effective operation.

"Our aim has always been to deal with corporate companies and therefore attract large distribution contracts and full maintenance leases," said Mr Gottschalk.

The company has found that there is currently an over-supply of trucks on the market, "which unfortunately has led to unrealistic prices being quoted," said Mr Gottschalk.

"However, the wheel will turn, whereby demand will exceed supply and these prices will be jolted into reality," he added.

Although the country is in a depressed economy, Value Truck Rental has remained on an even keel, and Mr Gottshalk predicts that with foreign investment slowly coming back into the country, "business will expand likewise".

An important trend in the transport industry over the last few years has been "the privatisation of road transport, which has extended the transport business," claims Mr Gottschalk, "together with deregulation it has given the private sector opportunities and helped break-up monopolies".

Even the recession has an upside, believes Mr Gottschalk.

Better transport planning and management has come about as a result of the tighter economy.

"Transport has become a lot more specialised and transport management has become a more important funtion within most companies," he said.

Value Truck Rental vehicles have Goods All-Class permits and the company has depots in Pretoria, Johannesburg and Durban.

Video dealers to appeal to Pretoria over restrictions

BP Daily 7/18/91

MARCIA KLEIN

THE video rental industry is to make urgent representation to government to plug a loophole which allows distributors to forces store owners into buying mixed packages of video tapes.

Sources said objections already made to the Competition Board had resulted in government action on the issue but some distributors had found a way around this.

They said that further complaints had now been lodged with the board and with Administration and Economic Co-ordination Minister Dawie de Villiers.

Industry spokesmen said yesterday that despite action taken last year to stop distributors from pressing them to buy videos in "mixed bag" packages of good and bad movies, certain distributors, particularly Ster-Kinekor Video, were still forcing them to take the packages.

The alternative was to pay a large premium on the titles that were in demand, they said.

Competition Board chairman Pierre Brooks said yesterday that recommendations resulted in government gazetting a notice making it unlawful for any initial distributor to determine that the purchase of any video was subject to the purchase of another.

The notice also meant distributors could not prohibit the resale of films six months after they were bought.

Dealers took Ster-Kinekor to court over the issue and won but it had still not been resolved, they said.

Industry sources said that instead of selling the tapes, Ster-Kinekor was leasing tapes to the stores.

These were priced in such a way that rental stores had to pay up to R400 a tape if only one was leased, and there was a 15% to 17% discount if up to seven titles were taken. The average price of a tape from CIC was R250.

A dealer said each of the three major distributors — CIC, Nu Metro and Ster-Kinekor — had a monopoly on the distribution of certain titles. Without tapes of the major titles, stores would go out of business.

Ster-Kinekor made up about 45% to 50% of the dealer's business, he said.

Industry players said CIC allowed for the trade of videos with no restrictions, while Nu Metro had some restrictions, but these were negotiable.

A video rental dealer said that tapes leased by Ster-Kinekor could not be exchanged between stores, so that each store owner had to buy his own titles.

He said that stores "had to sit on all the titles in the Ster-Kinekor package for six months of the lease" before they had an option to take the videos and sell them.

Ster-Kinekor declined to comment.

McCann-Erickson looks to Africa

Business Day 3/8/92

MARCIA KLEIN

INTERNATIONAL advertising giant McCann-Erickson Worldwide is expecting its SA subsidiary to play a crucial role in Africa.

Malcolm Miles, chairman of McCann-Erickson UK and area director Africa and the Middle East, is in SA to visit the SA agency, McCann, following a decision by McCann-Erickson to increase its interests in SA and the continent.

Miles said in an interview yesterday the group — which had billings of $4,5bn and 160 agencies in 72 countries in 1990 — had decided 18 months ago "to take the African continent seriously".

The African region has branches in Johannesburg, Durban, Cape Town, Mauritius, Nairobi, Douala, Lagos, Abidjan, Dakar and Casablanca.

Miles said although GDP in Africa was small and short-term growth opportunities were limited the continent represented a huge market for some of the group's clients.

Worldwide accounts included Coca Cola, Agfa, Gillette, Johnson & Johnson, Camel (R J Reynolds), L'Oreal, Martin & Rossi and Vandenbergh Foods.

The interest in Africa was "not an act of faith, but an intelligent investment in the future", said Miles. Africa had 600-million people and a "consistent presence of the majority of the world's top companies".

Eastern Europe had distracted investment and management time from Africa in the short term. However, with some of the attention wearing off, Africa would become the focus, he said.

McCanns MD Tim Bester said apartheid and sanctions had "fuelled the lack of a global outlook in SA".

He said the pace of SA's re-entry would be slow and it would be via Africa. "Africa has the need, and SA the locality, expertise and desire to engage the rest of Africa".

Job-seekers in the lurch

Sowetan 15/8/91.

295

By ISAAC MOLEDI

ABOUT 100 jobless people this week laid charges against a British immigrant whose employment agency allegedly collected money from them after promising them jobs.

Charges against Mr Kervin Winter, owner RDE Marketing CC, were laid at John Vorster Square on Monday after he had apparently broken a promise to refund the people's money.

They had each paid him R50 for jobs which later turned out to be non-existent.

Winter made the promise last Wednesday after the group had stormed his office and demanded the refunds.

The situation was defused when Winter made the undertaking in the presence of police.

Angry

More than 100 angry people from as far as Mabopane in Pretoria and Ventersdorp arrived at Winter's Kempton Park office on Monday this week only to be told he had not been there since last Wednesday.

The group then went to John Vorster Square to lay charges.

A police spokesman confirmed that police were investigating charges against Winter.

Some of Winter's workers, who also allegedly paid R50 each to work for him, said they had not been paid.

The caretaker of the building said Winter had removed his belongings at the weekend.

Sowetan also found that Winter's office had been closed because of his failure to pay rent.

He apparently removed some of his belongings, leaving chairs and desks.

The caretaker said the remaining articles would be impounded pending the outcome of his investigations.

A Department of Home Affairs spokesman said they were also investigating Winter because his working visa had expired in May.

He could not say whether Winter's company was registered or not.

Winter and an assistant known only as Wynand could not be traced yesterday.

TECHNIHIRE FM 23/8/91

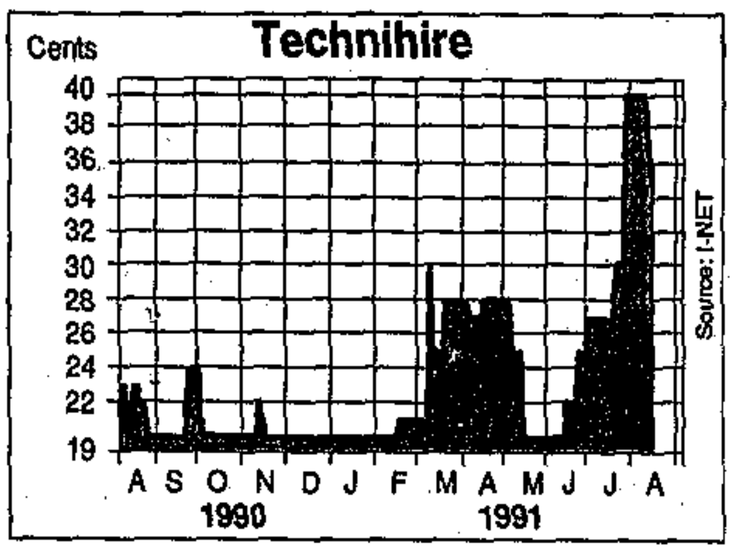
Debt boost (295)

According to the executive chairman, Jack Eliasov, the Technihire group had an exceptionally difficult year, as government shelved projects and the private sector cut back markedly on recruiting.

Favourable conditions

These annual accounts are the second published by Technihire, which was part of Columbia Consultants until the personnel divisions of that group were moved into Technihire at the end of January 1989. The previous annual report was for the 14 months to March 31 1990.

The poor economic climate offered favourable trading conditions for the Advanced Credit Bureau debt collecting subsidiary. This is a joint venture between Technihire and Information Trust Corp, which is now



Activities: *Hires out personnel, including draughtsmen, artisans, administrators and professionals; collects debts.*
Control: *Directors 7,9%.*
Chairman: *J Eliasov; MD: R R Walker.*

Capital structure: *12,7m ords. Market capitalisation: R5m.*

Share market: *Price: 40c. Yields: 8,7% on dividend; 21% on earnings; p:e ratio, 4,8; cover, 2,4. 12-month high, 40c; low, 20c. Trading volume last quarter, 714 000 shares.*

Year to March	†'90	'91
ST debt (Rm)	1,5	1,3
LT debt (Rm)	—	—
Debt:equity ratio	0,67	0,41
Shareholders' interest	0,44	0,54
Int & leasing cover	12,1	22,7
Return on capital (%)	62,0	35,5
Turnover (Rm)	6,85	6,63
Pre-int profit (Rm)	2,61	1,96
Pre-int margin (%)	38,1	29,5
Earnings (c)	9,4*	8,4
Dividends (c)	2,6	3,5
Net worth (c)	17,1	23,6

† 14-Month period.
* Annualised.

owned by M-Net. Profits apparently held up in the wholly owned divisions, which include Drafthire, Tradehire, the Tower Group and Managerial Engineering Recruitment Consultancy.

Technihire is hoping that the lifting of sanctions and the subsequent inflow of new capital will result in shortages of professionals, bringing benefits for the group.

There was a marked improvement in cash flow. Though the cash generated by operations fell from R2,7m to R2m, there was a R164 000 decrease in working capital following a R1,2m increase in the previous trading period. However, the share is particularly difficult to value. As a service business it has high returns on equity and capital, but tangible NAV is only 21,9c a share. The group has considerable countercyclical advantages, as debt collections are sure to increase when recruitment falls.

With the p:e at 4,8 and dividend yield at 8,8%, it could offer some value but it must be considered speculative. *Stephen Cranston*

Vigorous asset management pays dividends for Imphold

B/Day 29/8/91

295

MARC HASENFUSS

IMPROVED margins and a reduced interest bill helped Imphold transform a mediocre 10% rise in turnover into an inflation-beating 27% increase in earnings for the year to June 1991.

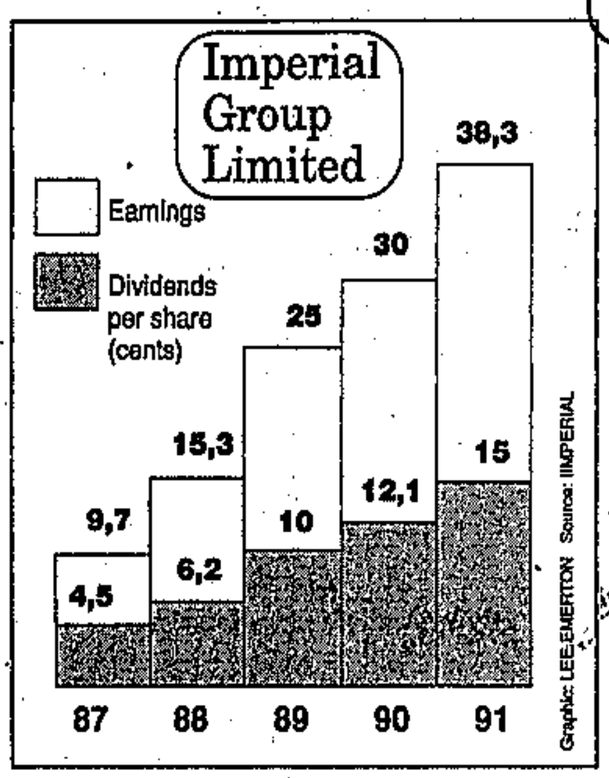
Executive chairman Bill Lynch said the group did not chase turnover and took on only profitable business. This allowed it to increase its operating margin to 9,5% (9,2%).

Earnings went to R21,5m (R16,9m) or 38,3c (30,2c) a share on the back of turnover of R598m (R545m). The group declared a final dividend of 8c, increasing the total payout to 15c (12,05c) a share.

"We addressed asset management vigorously and our management teams had the foresight to match their asset bases with the market circumstances and in some cases even gained market share."

He said this was a considerable achievement as all divisions, bar the insurance, finance and property divisions, were showing sales growth well below the inflation rate.

Lynch said asset management remained a key objective for the group. Interest-bearing debt declined to R38m (R41,5m) causing the interest bill to drop to R6,2m (R7,6m). Gearing now stands at 36% (47%).



The group's motor division, with R260m, remained the largest contributor to group turnover followed by R165m from truck systems.

Car rentals added R141m to turnover while the newly formed insurance, finance and property division contributed R31m.

Lynch said despite a 15% decline in car rental volumes, Imperial Car Rental turnover (excluding vehicle sales) rose 13%.

Against falling industry sales, the motor division maintained new car sales levels while the used car division increased sales by 11%.

The casual transport industry had a very lean year, as did the market for heavy truck sales.

The Regent Insurance Company continued to gain ground against the trend in the short-term insurance industry, and showed an underwriting profit.

With a healthy balance sheet and group operations becoming more dominant in their markets, Lynch expects Imphold to report real earnings and dividend growth in the year ahead.

Imperial Group, which has as its sole investment a 74,4% stake in Imphold, reported earnings of 113,9c (90,4c) a share.

Imperial declared a final dividend of 23,6c a share, bringing the total distribution to 44,2c (35,85c).

Imphold and Imperial shares were untraded at 400c and R12,50 respectively yesterday.

The shares peaked at 500c and R14,50 in June after control of the group passed from the Abelkop and Wilder families to Bill Lynch and a seven of SA's largest institutions.

295

Imphold overcomes adversity

Star 29/8/91

Imphold has weathered the recession well and reports a very acceptable 27 percent increase in attributable profits for the year to June.

This translates into earnings of 38,3c a share and, with the declaration of an 8c a share final dividend, Imphold has increased its total dividend to 15c a share from 12,05c a share previously.

For the period, Imphold has reported turnover of R597,5 million (1990: R544,5 million).

Asset management remained a key objective during the year. Interest-bearing debt declined, as did interest paid.

The group's borrowings as a percentage of shareholders' equity is 36 percent, reflecting a decline from last year's level of 47 percent. — Sapa.

CONCORDE TRAVEL (295)

Gulf War casualty FM 30/8/91

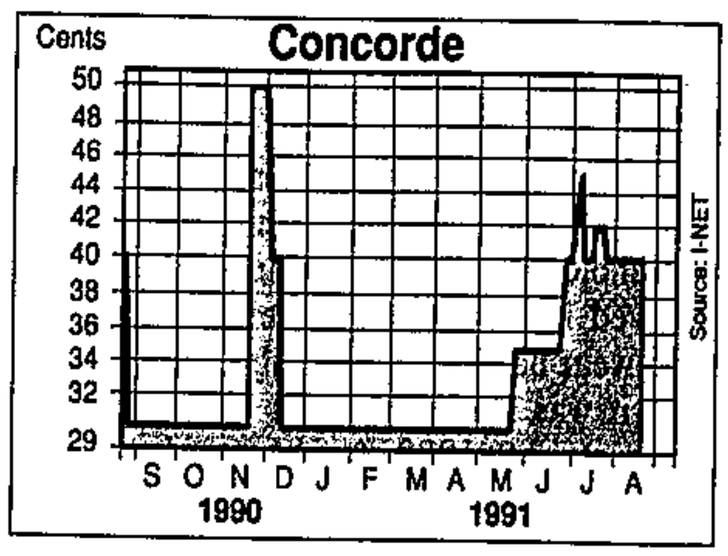
At half-time, the directors expected second-half results to "approximate" the 5,4c a share chalked up in the first half. The Gulf War put the kibosh on that, not only cutting demand for travel, but also affecting already narrow margins. Chairman Alec Rogoff

Continue →

Activities: *Corporate travel services, with 19 outlets.*
Control: *Directors 89,5%.*
Chairman: *A Rogoff; MD: A D Lunz.*
Capital structure: *16m ords. Market capitalisation: R6,7m.*
Share market: *Price: 42c. Yields: 6,5% on dividend; 16,7% on earnings; p:e ratio, 6,0; cover, 2,5. 12-month high, 50c; low, 30c. Trading volume last quarter, 69 000 shares.*

Year to Mar	*'88	'89	'90	'91
ST debt (Rm)	—	—	0,6	—
Shareholders' interest	0,5	0,44	0,23	0,21
Int & leasing cover	—	—	9,9	10,6
Return on cap (%)	22,8†	9,3	17,5	14,2
Turnover (% increase)	26,5†	21,6	97,5	6,4
Pre-int profit (Rm)	1,5	1,1	2,2	1,7
Earnings (c)	8,4†	9,7	10,3	7,0
Dividends (c)	2,7†	3,5	3,75	2,75
Net worth (c)	28	34	18	16

* 9-month period.
† Annualised.



nevertheless considers the second-half result "satisfactory" and pays tribute to the staff's contribution to keeping overheads down.

Rogoff believes the increase in destinations and available routes will increase opportunities for travel and also expects more inward tourism. He is confident that the travel industry is in for "exciting times." Turnover has improved this year so far and he hopes for "satisfactory" earnings growth.

Last year's earnings downturn did no harm to liquidity. The group moved from net cash of R647 000 to cash of R2,5m and no borrowings, though the purchase of the three remaining Miller Weedon branches pushed up the cost of control, clipping net worth.

The share price looks reasonable in relation to past performance, so could respond if Rogoff's forecast of improved earnings materialises. Investors should note, though, that — as with most service companies — there is little intrinsic asset backing to underpin the price should things go wrong. *Michael Coulson*

Good second half beats forecasts for McCarthy

(295)

B (Dav) 30/8/91

MARC HASENFUSS

SA's largest motor vehicle distributor, the McCarthy Group, staged a strong comeback in the second half to beat its own forecast and the expectations of most market watchers.

After earnings fell 19% at the interim stage, the group accelerated its new vehicle sales and managed a 3% rise in earnings to R51,4m (R50,1m) on the back of a 6% increase in turnover to R2,9bn (R2,7bn) for the year to June 1991.

Earnings a share, diluted by an increased number of shares in issue, were up 2% to 59,8c (58,6c).

The final dividend was unchanged at 13,5c, and along with the 2,5c special "centennial" bonus brings the total payout to 23,5c (21c).

The market initially expected an earnings decline in the region of 20% in light of McCarthy's forecast of a 10-15% drop in full-year earnings.

A group spokesman said the resumption of work at the Mercedes Benz plant after a prolonged strike helped McCarthy boost earnings by 18% against first-half levels.

McCarthy increased its market share of total new vehicle sales to 12,6% (12,3%) despite a 6% decline in the national sales market for the period under review.

Positive growth was also achieved in the group's used car and customer service departments.

Tight asset control, coupled with the sale of the underperforming McCarthy Transport Holdings, enabled the group to slash the interest bill by 43% to R7m (R12,2m).

Midas, the group's 30% held parts and accessories associate, continued its weak performance and donated a reduced R634 000 (R1,7m).

However, analysts are expecting a better performance from recently restructured Midas in the current year and believe McCarthy could benefit extensively from its spares arm in the long term.

The good results were anticipated by the market as the share recently rose to a high of 495c from January's low of 275c. The share was untraded yesterday at 450c.

Rough ride for SA car rental industry

295
ALG 9/9/91

Business Staff

THE South African car rental industry has had a rough year, with the number of rentals having fallen by 15,6 percent to 633 689 in the year to June 1991.

Budget, however, claims to have beaten the averages in a contracting market.

Managing director Tom Langley says Budget boosted its market share from 17 percent of rentals in 1989-90 to 20 percent in 1990-91.

Not only has Budget increased its share of total rentals, it has also increased its share of total rental days.

While rental days in the industry fell from 3,5 million in 1989-90 to 2,8 million in 1990-91 — a decline of 20 percent — Budget registered a decline of 3 percent, its share of rental days having risen from 16 to 20 percent.

Mr Langley says a major factor in the pressure on the car rental industry was the recent strike at the plants of several motor manufacturers. Hence, delays when the car rental companies ordered new cars.

"Traditionally, the companies fleet up from August to September, so the recent two week strike fell right into the peak buying period."

He says recent figures suggest that the decline in rentals is levelling out.

"Whereas the number of rentals in the quarter to end March was down 22 percent on the same period for 1990, the year-on-year decline for the June quarter was only 16 percent."

MAST HOLDINGS FM 13/9/91.

Moving from services to products

295

Activities: *Education, training, time management systems and recruitment.*
Control: *Management and staff 56,1%; Gallo Africa 37,0%.*
Executive chairman: *S W B Dallamore.*
Capital structure: *21,1m ords. Market capitalisation: R10,6m.*
Share market: *Price: 50c. Yields: 7,8% on dividend; 13,0% on earnings; p:e ratio, 7,7; cover, 1,7. 12-month high, 70c; low, 40c. Trading volume last quarter, 3 700 shares.*

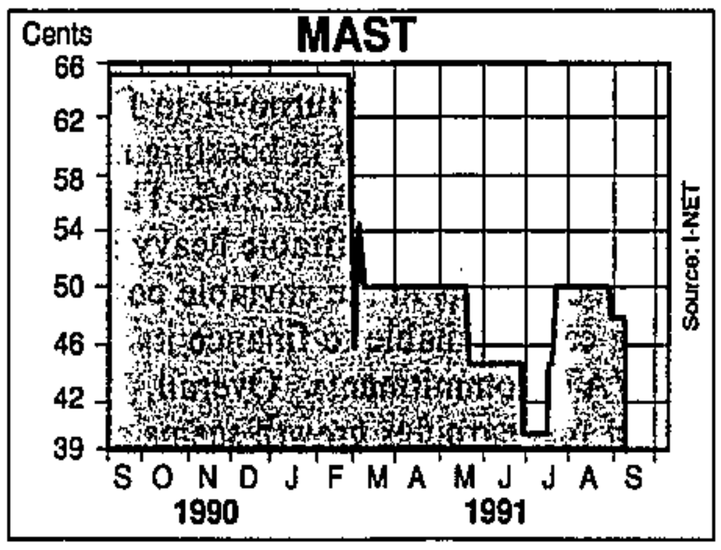
Year to Feb	'88	'89	'90	'91
ST debt (Rm)	—	0,3	0,4	0,8
LT debt (Rm)	—	0,8	—	0,1
Debt:equity ratio	—	0,2	n/a	n/a
Shareholders' interest	0,68	0,44	0,38	0,38
Return on cap (%)	29,0	26,9	33,5	20,0
Turnover (Rm)	4,7	8,4	15,1	18,4
Pre-int profit (Rm)	1,1	1,6	2,6	1,9
Pre-int margin (%)	22,6	18,8	17,4	10,2
Earnings (c)	5,3	6,4	8,0	6,5
Dividends (c)	2,4	3,0	3,9	3,9
Net worth (c)	9,2	10,4	14,5	16,9

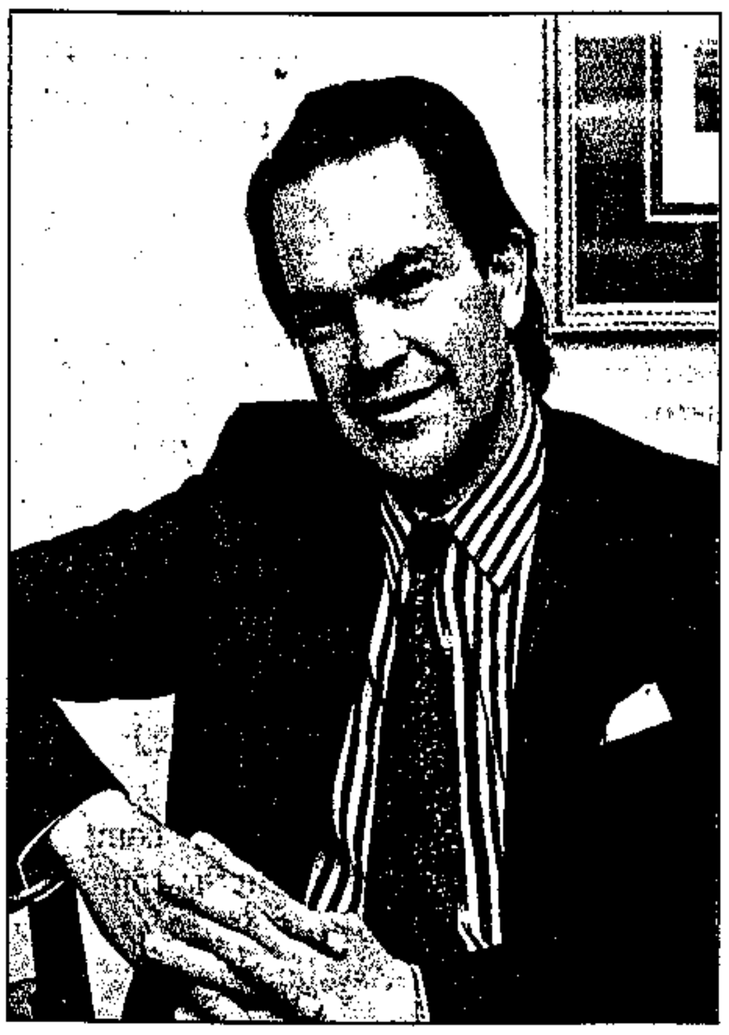
Over the past three years, the focus of Mast Holdings has shifted from the sale of time-related services to a product-driven business. Last year, Business Learning Systems (computer and language training) was closed. Now, Paul Tingley Management Services has been sold and Universitas, a magazine subscription agency, was bought.

The shift in emphasis failed to buoy profits in financial 1991, but some gains should be seen this year.

Turnover, in the year to February 1991, rose 21,5%, but a slide in the operating margin saw operating profit fall to R2,1m (R2,9m). Difficult trading conditions affected margins, but executive chairman Stephen Dallamore says that the move towards product-based operations was a contributing factor.

From financial 1988 to financial 1991, the proportion of group profit originating from higher margin, time-based services fell from 70% to 27%. Dallamore says margins on the product-type operations tend to be lower until a critical mass is attained. He envisages that the recent changes and other possible acquisitions — the group remains cash flush — will continue to lift the profit contribution of products to about 90% in financial 1993.





Mast's Dallamore ... *tax rate will rise*

Paul Tingley Management Services fell outside of the new strategic focus and also underperformed last year. For these reasons, it was recently sold to its management for R450 000. According to the 1989 annual report, the company was bought in March 1988 for R1m. Dallamore says that the consideration, involving a mixture of cash and shares, effectively totalled R724 000.

At the same time, Universitas was purchased for R500 000 cash from CNA Gallo's Literary Group; CNA Gallo controls 37% of Mast. This, says Dallamore, will give the group access to a data-base of 18 000 subscribers and will spearhead their entry into the mass education and training market through direct mail opportunities. Time Systems (time management systems) and Universitas will be merged into a new division, Mast Printing & Publishing.

Dallamore reckons the various divisions are on line to meet or exceed their budgets this year. Mast SA (managerial skills and training) has recovered from a disappointing financial 1991 and Gallo Vision (distributes training and education information and renamed Mast Video Training) is expected to be ahead of budget again this year.

Not all the expected improvements at operating level will flow through to the bottom line. The prohibition placed on tax deductions arising out of investments in timber plantations will force the effective tax rate up. Dallamore says the August interims will reflect a rise in the tax rate from 27,5% to about 42%, but points to cash flow advantages gained until now.

If trading conditions for the rest of the year remain consistent with those to date, Dallamore expects to achieve earnings growth at least in line with inflation.

The prospect of a return to profit growth is reflected in the recent rise of the share price off a 12-month low. The p:e and earnings yield are in line with those of competitor Advance Technologies, but the share is thinly traded.

Pam Baskind

UNIDEV FM 13/9/91

Recapitalising

Activities: *Investment holding company.*
Control: *Unicon 53%.*
Joint MDs: *J K Brett, A H Chonowitz.*
Capital structure: *31m ords. Market capitalisation: R6,8m.*
Share market: *Price: 22c. Yields: nil% on dividend; nil% on earnings; p:e ratio, nil; cover, n/a. 12-month high, 110c; low, 20c. Trading volume last quarter, 2,4m shares.*

Year to Dec	'87	'88	'89	'90
ST debt (Rm)	8,0	38,2	75,0	77,9
LT debt (Rm)	10,7	12,3	5,4	5,5
Debt: equity ratio	0,84	2,42	1,4	11,4
Shareholders' interest	0,53	0,33	0,31	0,07
Int & leasing cover	19,2	3,1	1,4	(7,8)
Return on cap (%)	10,7	8,2	6,7	nil
Turnover (Rm)	n/a	n/a	n/a	n/a
Pre-int profit (Rm)	10,4	11,5	18,9	(80,2)
Earnings (c)	61	52,1	55,8	(280,4)
Dividends (c)	22,5	12,0	14,0	nil
Net worth (c)	268	178	227	28

If there is a common thread running through the many recent failures of listed companies, it is excessive gearing. This is particularly evident in the case of Unidev before its present management took over.

As joint MD Jon Brett puts it: "The previous directors were buying minority interests in companies and using short-term bank borrowings to do so. Some of these acquisitions were returning yields of 3% whereas the bank-sourced finance was costing 18% and more. It was the interest cost differential, together with the liquidation of Cortech, that killed them."

Brett and his counterpart, Alan Chonowitz, assumed control of Unidev at the end of February. They hold 60% and Senbank holds 40% in the top company, Top Hi; this company has 79% of Unicon which, in turn, controls 53% of Unidev.

It was to be expected that their first move would be to try to eliminate as much debt as possible from the "operating" company. Since the financial year-end, Unidev has announced a rights issue to raise about R23m which is to be used to repay borrowings. A further rights issue is being held to raise R13m for Unicon. The issues, being underwritten by Top Hi, closed on Septem-

Continued

McCarthy queries high tax on motors

THE motor industry is often punitively singled out by the Government instead of being supported so that it can create jobs, says Brian McCarthy, chairman of McCarthy Group.

Mr McCarthy asks in his report for the year to June why company cars are excluded from input tax credits under Vat when other goods of a capital nature enjoy this benefit.

He also asks why fringe benefit tax on company cars, although sound, is so high.

Factors such as these inhibit sales and reduce the size of the market which ultimately results in a loss of jobs.

Sales last year were 4% below the 10-year average to 1990 and labour-cost increases

By DON ROBERTSON

have far outstripped productivity.

Mr McCarthy says: "There is no doubt that SA's endemic inflation problem is closely bound to the problem of wage escalations inevitably exceeding productivity gains."

Nevertheless, the group is in a sound position to fund growth and investment, although earnings in the current year are expected to fall marginally.

At the end of the last financial year, interest-bearing debt stood at 10% of shareholders' funds and the group had cash resources of R71-million. This and the disposal of the truck rental division for R19-million helped the company to post a modest increase in earnings to 59,8c a share from 58,6c.

Interest

The interest bill was reduced by 43% to R7-million, profit margins were held at 3%, the Yamaha division did well and the property portfolio grew to R43-million from R38,9-million.

The group's share of full maintenance leasing was strengthened through a joint venture with Stannic. The stake in Midas was raised to 36,3%.

Mr McCarthy believes new-vehicle sales will fall by 2% this year with increased pressure on margins.

Mr McCarthy's projection on earnings in the current year is subject to there being no unfavourable socio-political developments and labour unrest. An improvement in investor confidence is required.

Should the economy be free of restraints, his earnings forecast could be conservative.

war Marlin

stone for export to the Middle East in particular. The turmoil there since last August had a very negative effect on our business."

Sales to the Far East improved since April, but the pace of recovery is slow. In America and Europe, demand is still patchy.

Marlin has strengthened its marketing team in the hope that the upturn will gather momentum.

"The worldwide market for granite is still immense.

Salt shipper

UNICORN Lines has extended its contract with Walvis Bay Salt Refiners to carry bulk salt from Walvis Bay to Durban for 12 months.

About 350 000 tons will be shipped in a 19 800-ton bulk carrier. The salt is produced in evaporation pans at Walvis Bay and is used by the chlor-alkali industry in SA.

Office deal

ANGLO Dutch Office Furniture has won a R3,4-million order for Standard Bank's premises at 78 Fox Street, Johannesburg. Five other companies competed.

THE WEEK IN

A SUMMARY of the week's corporate announcements.

MONDAY: Adprom members offered 35c a share cash, Adprom to delist. Fininfo members offered 70c a share. It will also delist. Underground operations at Barplats' Crocodile River to close immediately, opencast to be wound

14% of officials nage is reduced 90 000. If finan mine may be cl THURSDAY: F Gentyre warn ment at No 6

COMPANIES

Car rental industry hits bad times

MARC HASENFUSS

THE car rental industry, an accurate gauge of business conditions, experienced a difficult year to June 1990 with the number of rentals dropping almost 16% to 633 689 (750 446).

The number of total rental days decreased a hefty 20% to 2,8-million (3,5-million) for the period under review.

Analysts attribute the rental slowdown to general economic pressures, high petrol prices and reduced tourism levels because of unrest.

Budget Rent-a-car MD Tony Langley said there had been a greater fall in rental days in the industry than in the number of rentals because the major downturn had been in the non-airport-rental areas, where the average length of rental was longer.

The airport average was 3,3 days compared with the non-airport-rental average of 6,7 days. Langley said this implied fewer transactions and lower rates in the downtown business because of the leisure packages which were negotiated.

He said the car rental industry experienced delays when ordering new cars because of recent strikes at several motor manufacturing plants. These orders were valued at about R300m, according to industry estimates.

He said that the strikes coincided with the rental groups fleet-up period in August to September.

"The delay meant the car rental companies could not supply the service they would have liked."

However, Langley believed quarterly figures suggested the declining trend in rentals was levelling out.

He said the number of rentals in the quarter to end-March was down 22% against the same period last year, while the year-on-year decline for the June quarter was only 16%.

"Nevertheless it's obvious the industry is still having a difficult time."

The way car rental groups usually tackled the recession, Langley said, was to reduce fleets by selling into the second hand car market. The industry was having difficulty getting rid of its more expensive vehicles, but 1300cc models were selling extremely well.

Spirited claims by car hire companies point to ghost riders

B I Day 18/9/91. (295)

MARCIA KLEIN

IF MARKET share estimates by the car rental industry are taken at face value, it would seem there are some ghost drivers of rented cars.

Estimates from three major players, Avis, Imperial and Budget, indicate that their collective market share stands at just over 100%.

This figure excludes numerous smaller firms, whose contribution is estimated at between 5% and 10%.

Difficulties in the industry in the year to June saw the number of rentals drop by nearly 16% to 633 689. Market share gain is all the more significant in a tight market.

Avis MD Grenville Wilson estimated Avis's share at 43%.

This had increased in the past year following the company's decision to refocus, as the lower end of the market represented high volume and high risk.

He said there was no doubt that for the big three the market had shrunk, with the small player gaining at their expense.

However, Imperial Car Rental (ICR) MD Carol Scott said the smaller firms did not represent much more than 5% of the market.

She said the small players were not picking up that much business from the bigger players as it was difficult for them to offer the same service and convenience, and people often preferred to stay with the major groups.

She said ICR's share of the market was about 40% in June, compared to 35% in the previous year.

While she agreed the industry was experiencing difficulties, she said ICR had shown similar rental sales in July as in the previous year, and only a 2% drop in August.

Although the market was not growing, Scott was optimistic about the future and said high season bookings from international visitors looked good.

ICR had budgeted for a 7% real growth and a 17% revenue growth in the current year.

Budget MD Tony Langley said his company had "beaten the averages", with its share of rentals boosted from 17% in 1990 to 20% in 1991 in a contracting market.

Budget had also increased its share of total rental days, with the company showing a decline of 3% in 1991 compared with the industry average which showed a 20% decline.

VAT may be just what's needed to solve the problem

For some years now, labour brokers — bringing periodically required skilled and unskilled labour to contractors as large as Eskom and Sasol — have been a thorn in the flesh of Inland Revenue and Apso.

During the past year, a new regulatory organisation of their own failed to get off the ground and Apso had to step into the breach.

"Most of the brokers operate as CC's and collection of Site/PAYE as well as the tax due from the CC has been extremely difficult," explains Apso past president Syd Catton.

He heads the association's "GAP" committee for liaison with government, other associations, and public relations.

"Legislation making the end-contractor liable at least for the Site/PAYE is on hold after contractors objected they could not oblige brokers to register — and unregistered brokers were bound to offer more competitive rates.

"It seems VAT may answer the problem, as no company will do business with even a CC which is not registered for the tax. Labour brokers will therefore come into the tax net, as Inland Revenue requires."

Labour brokers have been invited to become Apso members and a special committee drawn from among them is drawing up regulations for the industry.

The 15 th annual convention of the Association of Personnel Service Organisations (Apso) takes place in Midrand tomorrow and on Saturday.

This survey of the recruitment industry was written and compiled by Ron Schurink with the assistance of Apso.

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TEL:

Demand for temps will show the recession is ending

Look to the placement of temporary workers and car-rentals for the first indications that the recession is ending, says John Dawkins.

"When business starts increasing, companies first employ temporaries to handle the rising load, just as they begin to travel."

And the tendency can be meaningful for black work-seekers.

"Cultural resistance is lower in the case of a temporary worker and once a firm has become accustomed to having a black person around in a previously 'white' occupation that can be a great help."

Apso's temporary staff section chairman, Lorraine Bell, national operations director of Kelly Girl Services, feels the trend to temps has a business, technological and sociological base.

"It's cost-effective to make staff salaries and benefits variable instead of fixed.

"At the same time, there's a critical shortage of people who can get the best out of the technological advance there's been in the working environment. Many tasks, approached correctly, can be completed quickly as one-offs' — without the need to train permanent staff."

'Have more empathy for job-seekers'

Star 19/9/91 295

"These are desperate times for job-seekers," says past president of Apso Litsa Roussos, "and employers should bear that in mind.

"We see at close quarters the destruction of self-esteem that takes place when someone is kept dangling for months at a time only to be finally rejected."

She appeals for those who advertise vacancies to have more empathy.

"We fully understand that in an employers' market, companies are going to pick and choose — and perhaps interview candidates three or four times each. These are tough times for companies, too, and they are entitled to make certain they make a good hire.

"But don't build up a person's hopes through all those interviews only to say at the end that you're not taking someone from outside but promoting internally.

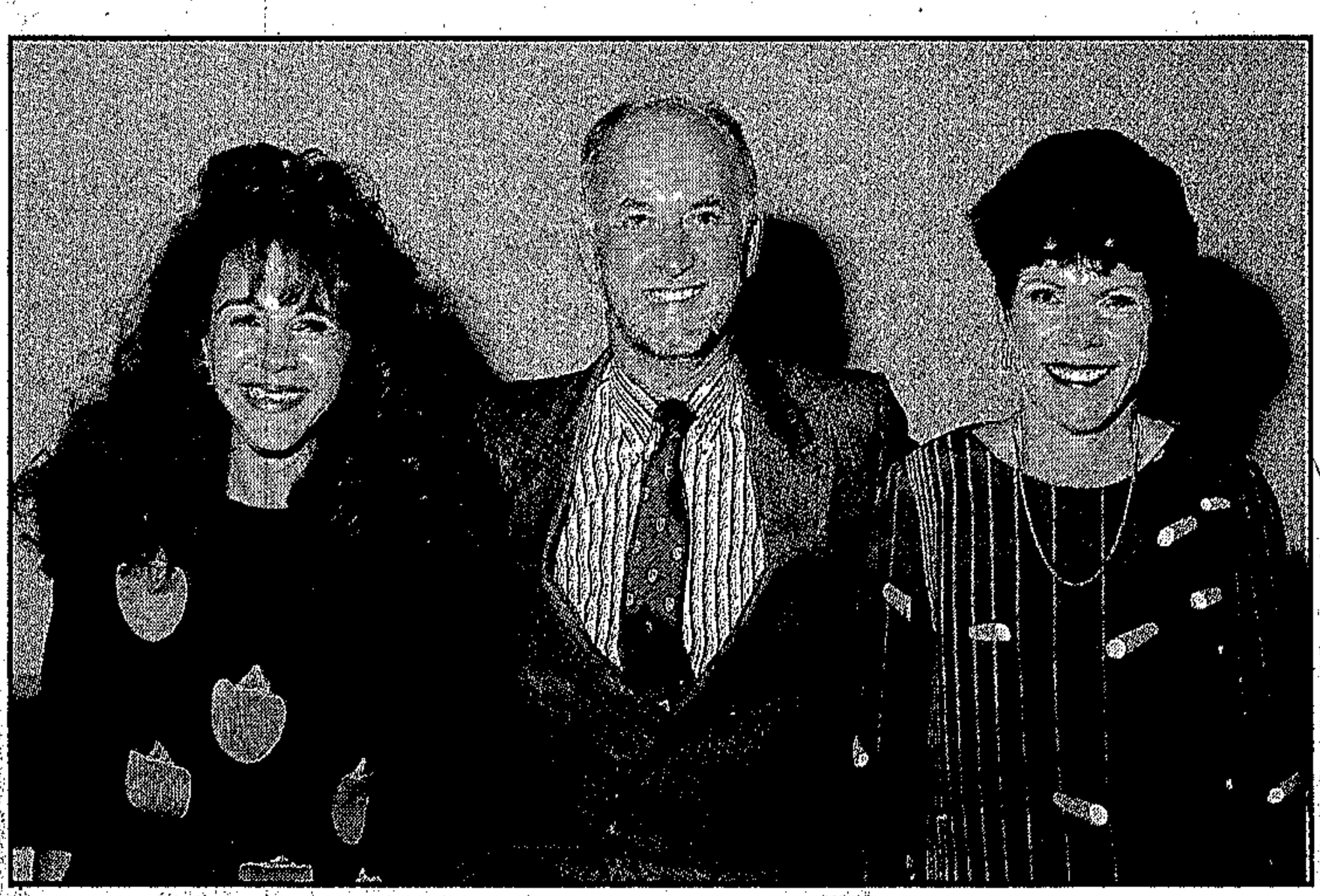
"If that's a possibility, investigate it fully before you approach a personnel agency."

She says that at this time, employers must also understand why personnel agencies keep hounding them on behalf of applicants.

"We're the middleman and buffer, and must also have answers for them within a reasonable time."

Association of Personnel Service Organisations of South Africa

Conference Preview



At an Apso meeting . . . this week were new president John Dawkins, general staff section chairman Felicity Mesquita (right) and immediate past president Litsa Roussos.

'Toughest year ever for the personnel industry'

Star 19/9/91. (295)

The year to June 30 was the personnel industry's toughest ever, says Apso president John Dawkins.

He says some signs of these hard times are:

● Job orders fell 60 percent from those in 1989-1990.

● The Star's pages carrying classified vacancy ads have shrunk from more than 20 in 1988 to three or four.

● Twenty-five Apso member agencies went out of business during the year and since July another two have done so, leaving the member total at 440.

● Whereas in 1988 there were probably more than 700 personnel agencies, the total is now nearer 500, including the 440 Apso members.

● Tougher requirements from clients.

"There's always been a bigger demand for word-processing skills in WordPerfect, but previously employers were prepared, in need, to take a woman trained in MultiMate. No longer; many now insist on WordPerfect skills, which of course are readily available."

● Tougher client attitudes.

"Apart from the fact that the employers' market justifies more interviews of each candidate than in the past, employers are anxious to avoid the IR pitfalls in taking on someone unsuitable and then having to dismiss him or her."

● A distinct shift to employment of temporary personnel.

"When three or four managers who previously each had a secretary now share one, a temp is essential when she is ill or on holiday."

Smaller personnel consultancies, without the client base for viability, have found the going particularly tough, says Mr Dawkins.

"It's axiomatic that in times like these the industry gets sorted out."

He sees consultancies becoming steadily more specialised, particularly in the fields of accountancy and computers.

Making her way as a pioneer in the field

Star 19/9/91 (295)

When it's acknowledged that, world-wide, black people have hardly entered the personnel consultancy field, Johannesburg has a pioneer in quietly spoken Vionne Tshivase.

She established Insearch Personnel in 1989 and it now has more than 100 clients. Apso's only other black-owned consultancy is in Durban.

Insearch concentrates on middle-management and professional placements, and in one case even brought an engineer from New Zealand.

"You make a better living out of such placements than from many more lower down the ladder."

Mrs Tshivase was born in Soweto to a Malawian father and after primary schooling in Lilongwe completed her schooling at Meadowlands High.

She started her career as a secretary in Johannesburg, studied for an IPM diploma and gained some experience of recruitment.

Then she managed a branch for a large consultancy and, by monthly tripling of targets, won an incentive contribution to a trip to Brazil.

Then it was out on her own with Insearch.

At a crucial interface

The advance of black people into South Africa's "first world" economy means employment agencies stand at a crucial interface.

Apso is well aware of this fact.

"More and more the industry is going to have to be a cultural bridge between white employers and black employees," says the organisation's general secretary and administrator, Patience Lorimer.

Immediate past president Litsa Roussos, chief executive of Emmanuels Personnel, says most agencies are trying to employ more black people themselves.

"And here, straight away, we ourselves experience a kernel of the problem. Blacks simply don't respond to recruiting advertisements for personnel consultants.

"The job is not one that falls within their personal experience.

"If people come to focus on real careers, these tend to be medicine or teaching."

She says the problem is a worldwide one. At the many conferences of the International Personnel Service Association she has attended, mostly in the US, she has been amazed at the low number of black members.

Apso president John Dawkins, MD of Kelly Girl and Kelly Personnel, says the cultural gap is very real even at the level of typists.

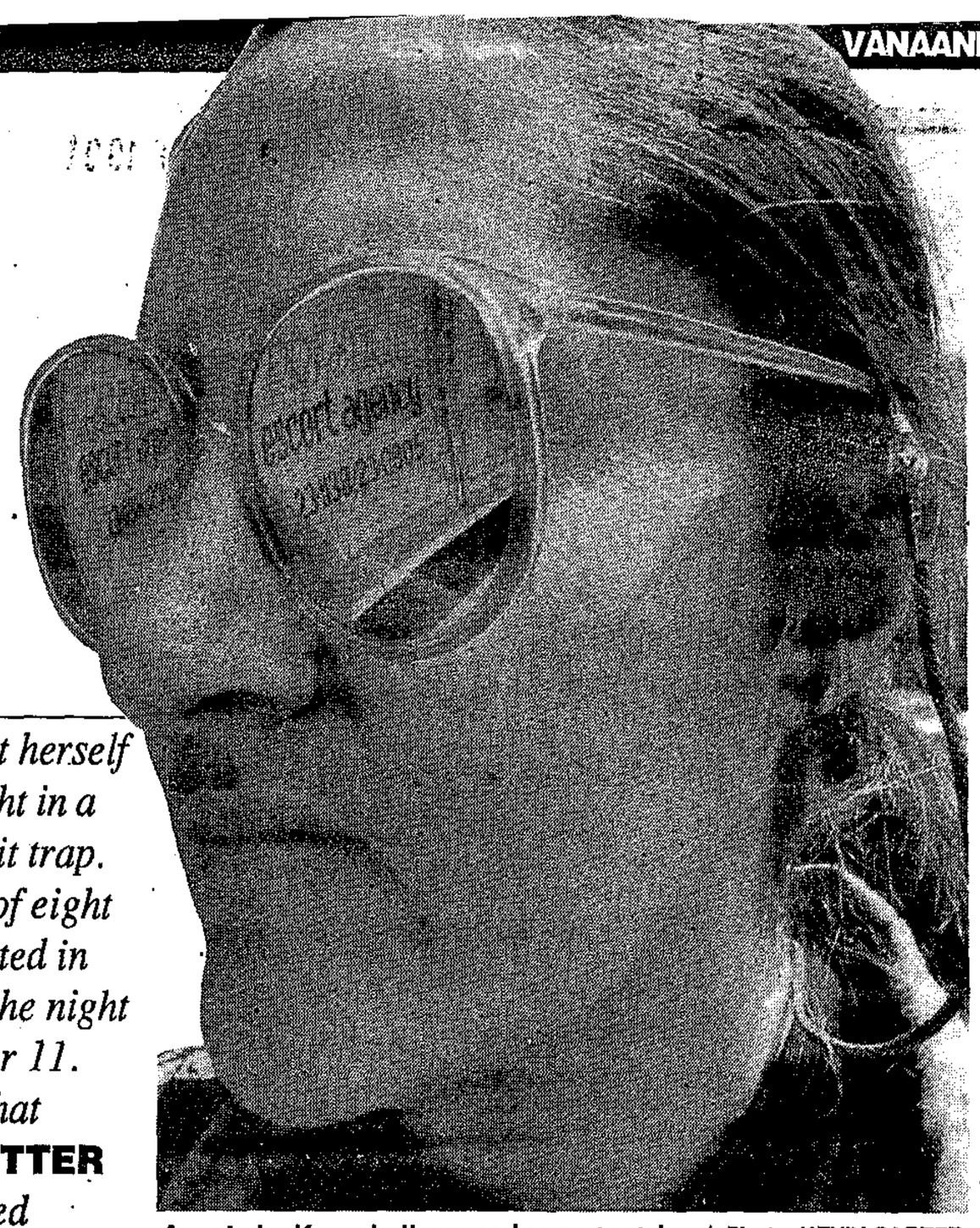
"Homes without modern amenities and toys — let alone typewriters — somehow don't encourage the motor skills which help women to good typing speeds.

"When an employer has to choose between typing speed of 40 wpm and shorthand of 60 wpm, and 60 or 80 wpm typing and 120 wpm shorthand, which candidate does he choose?"

I posed as a hooker for a night ... and got caught

W/Mail 20/9-26/9/99

A journalist set herself up to be caught in a police vice unit trap. She was one of eight women arrested in the swoop on the night of September 11. This is what **KAREN LOTTER** *discovered*



Arrested ... Karen Lotter posed as an escort Photo: KEVIN CARTER

I FEEL like I'm in a B-Grade movie, standing at the door of room 403 of the Downtown Inn, in the heart of Johannesburg's red-light district. It's the second last room in a passage with a fire escape at the end. Midweek, mid-evening, seedy.

My name is "Kelly", and I've been sent over by the Prestige Escort Agency. I knock, and my client answers the door. His name is "Mr Botha", he's a "travelling businessman", he's wearing jogging shorts and a T-shirt, and playing with a little golf ball.

Russel Redman, Prestige's owner, had phoned me about half-an-hour previously — to alert me to the fact that he suspected a police trap at the Downtown Inn. I decided to become "Kelly" and set myself up for arrest, so that I could verify allegations made by workers of the City Health Department's Outreach programme, who had told me that police confiscate condoms as "evidence" of solicitation, thereby discouraging escorts from carrying them. Outreach distributes condoms to escorts and offers education and counselling around Aids.

I also wanted to verify allegations made to me by many escorts about the abusive behaviour of the South African Narcotics Bureau (Sanab) Vice Unit.

"Mr Botha", who seemed rather young to be a travelling businessman, let me in. He was hitting a rubber golf ball against the drawn curtains. A blue golf bag was propped up against the bed, two raquets lay on a bench and a pair of jeans was draped over a chair.

We started chatting. Determined not to initiate anything, I kept the conversation to what he was doing in Johannesburg. He told me he was a chief technician for the Delta Motor corporation in Durban and and had come to supervise the Group N racing at Kyalami that weekend.

But "Mr Botha" was in a hurry, he had 20 minutes and "take your clothes off and let's get on with it", he said, paying me my "fee".

I removed my T-shirt, tracksuit pants and takkies and got in under the bedspread, wearing my bra and panties. He stripped naked, also got in under the bedspread and told me to take off my panties. I still had my panties in my hand when he lent over, picked up a radio and, after telling me I was under arrest, called in his partners.

While I was sitting under the bedspread with my bra on, the other three policemen burst in: one with a camera, one without his shirt on, and one brandishing a blown up condom. "Mr Botha" transformed quickly and unpleasantly into a policeman and threw on his clothes.

They photographed me, pushed me around a bit and began with the *"Ja jou hoer vanaand slaap jy in die tronk!"* routine — apparently one of their favourite opening lines.

They emptied out my money bag and pounced on three condoms I had got from Outreach, saying, *"Hier is drie kondome*. We are confiscating them as evidence." Escorts had told me that "because they know it will be used as evidence against them, most of the girls don't carry condoms with them" One said to me: "I'd rather get Aids than get bust."

I had the information I was looking for so I told them I was a journalist and showed them my City Council ID press card. But they weren't interested. It only seemed to fuel their aggression. In the vilest possible terms they told me that I was not just a whore but a lying whore as they could clearly see I was not a journalist.

Then I was taken next door to room 404 where there were already three or four other women who had been arrested. Blown up condoms, newspapers and dirty cups littered the room which they used as their office. The television was blaring and one of the young policemen was lying on the bed between two of the women.

The policeman told me that they were allowed to drink on the job. "Daai Rum het my tipsy gemaak," said one.

They sat me down at a little table and filled in three forms while heckling me and making derogatory remarks about every single part of me. Much to the hilarity of his underlings, the arresting sergeant wrote in the official police docket that I had a tattoo of a butterfly on my *"linker tiet"* (left tit).

The policemen bragged to me that the aim of the "bust" was for each of them to obtain their required monthly quota of 20 points — a certain number for each arrest — so that they could spend the rest of the month at Ellis Park swimming pool.

All-in-all eight of us were caught in the raid and, as we sat in a hotel room awaiting transfer to John Vorster Square, we exchanged stories.

One woman, Cecilia, 21, came into the room. She was crying and claimed that her arresting policeman had ejaculated in her mouth. Cecilia said she was told that "it won't help if you talk about this, because you're a whore and I'm a cop and they'll believe me not you".

While I was in the room I heard the policemen discuss the incident in hushed tones, and the ejaculation-in-the-mouth was the main topic of conversation between the women whenever the policemen left the room. Ironically, the "ejaculator" was the nicest of the three to the women — he had apparently only been part of their squad for a few days.

Speaking to "Julie", I realised I had had it easy. Julie is a "high-class" escort — not a "fifty-buck for a quickie hooker", as she says. She did what she always does — tried to engage the client in conversation, and asked him to order drinks.

But he was not interested. "We'll talk later," he said, rubbing his crotch into a state of semi-erection. Ripping her blouse off, he said "I'm horny as hell, you bitch, let's do it now!" (I had already been arrested and heard one policemen suggest this line to him to get the arrest over as quickly as possible).

Then he tried to remove the rest of her clothing. In an attempt to counter his aggression, she removed her own bra, and got into bed.

The policeman held her hand and called in the others on his radio. Then he held her down and, before the others entered the room, forcefully removed her panties and stockings: "So when the others came in," Julie told me, "I was just clutching a sheet and crying."

"Hou op huil jou fokken hoer," they said to her, forcing her to pose naked after stuffing R50 notes into her hand. "Smile for the camera," they said, as they took photographs.

"Daai foto van jou koek gaan op ons muur," the arresting officer had said to me after my photo was taken. Escorts who have been in the Vice Unit offices claim they have seen photographs displayed at John Vorster Square.

When Julie entered room 404 she was sobbing uncontrollably: "First, they said they couldn't believe anyone would sleep with such a fat whore. Then they phoned my agency and screamed at them for sending out 'such a fat, butch whore and then told them I was bust'."

After "busting" six escorts, the officers called for a stripper because, they said, they were tired and in need of some entertainment. When she arrived, three of them went into the next room while the most junior member of the team was left to look after the "whores". The other three then ordered drinks and watched a strip show before they booked their disrobing entertainer too.

The tone of the conversation in room 404 was lewd — the policemen "perved" at girls on the television and told us about a stripper who could put a champagne bottle up her vagina. They then in turn asked each of us if we could manage to do something like that.

Using the hard-soft approach they would alternately scream abuse at a woman and then order coffee for everybody. They would insult us by referring to us as *"goeters"* (things) and *"julle hoere"* (you whores) and then one would sweetly ask one of the women to massage his back as *"hoere vang"* (catching whores) is hard work.

We were warned to plead guilty to the charges. At no time was anyone informed of any rights. Only threats of fines and prison sentences were is-

●To PAGE 6

THE SOUTH AFRICAN POLICE REPLY

THE South African Narcotics Bureau has responded to *The Weekly Mail's* allegations with "vehement" denial, emphasising that "Karin Lotter did intend to prostitute herself to Sgt Holtzhauzen. She already received the money to commit the deed, and already removed her clothing before she was arrested".

The statement said "the press has accompanied the Vice Unit on police raids before ... and it is not necessary to act as a prostitute and go through with the act in order to obtain a story".

Sanab denies that an arresting officer ejaculated in the mouth of an escort, denies that any abusive language was used, and denies that clothing was removed from any woman during the action. It also denies that any woman was forced to pose for photographs.

"It must, however, be mentioned that if an escort covers herself with a blanket during the arrest, the blanket will be removed for the taking of photographs which are to be used in court as an exhibit." But "this office has no knowledge of a noticeboard on which photographs of nude women appear."

Sanab confirmed that the Liquor and Vice Units work on a 20-point system. It confirmed that liquor was in the rooms, but that "it is used by the women in question, who order it from room service during the police action. It must be mentioned that Sgt Bensch is a teetotaller".

With regard to entrapment and how far an officer can go before arresting a suspect, the statement said "the SAP's ways of action cannot be revealed, but police actions are conducted according to the prescribed procedures".

Sanab also confirmed that "condoms were confiscated which is the normal procedure during police actions involving prostitution".

●To confirm Karen Lotter's allegations, *The Weekly Mail* interviewed several of the other women involved in the swoop, and has in its possession three sworn affadivits.

Agencies battle for control of the 'girls'

(295)

W/Mail 20/9-26/9/99

Explosions, shootings and acid attacks are part of the escort agency 'war' that has broken out in central Johannesburg.

By JULIA BEFFON

JOHANNESBURG'S escort agency "war" is hotting up — after bomb blasts and shootings last week, a smoke bomb was allegedly thrown at the front of an agency this week, and there are claims that there will be "blood in the streets" before the issue is resolved.

The city's red light district (bounded roughly by Plein, Claim/Mooi, Klein and Kerk streets) is rife with conflicting allegations of who and what is behind it all.

At the centre of the row are two agencies: Romance, owned by Andras Bako and his son Miklos (Micky), and Elegance, owned by Yvonne Collett.

Last month, Micky Bako was wounded in an arm, allegedly by a private investigator employed by Collett.

In the past few months there have been a number of violent incidents involving the two agencies:

●An attack on Elegance in July, during which acid was allegedly thrown on the walls and floor, the agency was flooded, and furniture was slashed.

●Shots fired at Collett's home in Cyrildene on July 21. Police are still investigating the incident.

●Police are investigating the shooting of Micky Bako at about 2.30am on August 25. Witwatersrand police liaison officer Captain Eugene Opperman said there was an exchange of shots and police are compiling a report to forward to the senior state prosecutor.

The investigator told *The Weekly Mail* he shot Bako in self-defence after an argument in which Bako drew a gun and fired a shot at him.

●An explosion at Elegance last week.

●Shooting at the windows of Elegance last week.

●A smoke bomb allegedly thrown at Romance on Monday night. The device bounced off the agency's windows and exploded in the street outside.

Opperman said until arrests can be made "this is something they (the agencies) can sort out themselves".

Most versions of events agree on two things: the row is about the girls (escorts) and a bar/restaurant above Elegance — the Silent Woman — which is jointly owned by Collett and "Diane".

As no contract of employment is ever signed, the escorts move among the agencies frequently, and part of the current battle is alleged to be about the "poaching" of girls by rival agencies.

"Personally I think the trouble was all about pinching the girls. People must stick to their own place," said Diane.

She denied that she had links to any other escort business other than the Silent Woman, and expressed fears that the phone in the bar "has been tapped".

It is alleged that the Bakos want to buy the Silent Woman to augment the nightclub already owned by Romance.

The Silent Woman is strategically situated to attract clients, who come in for a drink and then select an escort from one of the numerous agencies nearby.

Adcorp buys ad agency Altolevel

MARCIA KLEIN

PROFESSIONAL services group Adcorp has acquired the country's second largest recruitment advertising agency, Altolevel, for an undisclosed sum.

Chairman John Barry announced on Friday that Adcorp, which already owns SA's largest recruitment advertising agency Admark, had acquired the company from its present owners.

He said they would stay and run the company under MD Paul Brand in terms of a three-year agreement.

While he would not be drawn on the cost of the acquisition, Barry said it was "very significant" to Adcorp, whose other interests include a number of research, communications and manpower advertising companies.

Barry said recruitment advertising had suffered terribly with the decline in the economy, and in 1991 it was running at about 32% of the volume level of 1988.

Although this was offset to a degree by increases in media rates, it was still a fraction of what it was some years ago, he said.

However, he said recruitment advertising would benefit "almost disproportionately" when the economy turned, as it was the first to be affected by both a downturn and an upturn.

He said Altolevel, which was the first recruitment advertising agency established in SA, would "further strengthen Adcorp's manpower division".

Adcorp has also acquired Cape-based qualitative research house Pinpoint, which has since become the Cape Town arm of subsidiary The Qualitative Consultancy.

● See Page 8

Diversification helps Adcorp beat recession

BI pay 23/9/91 295

MARCIA KLEIN

THE benefits of diversification as a hedge against the recession are clearly reflected in professional services company Adcorp's interim results to end-June, in which attributable profits rose by 19%.

A slowdown in the recruitment advertising market, of which Adcorp has "a considerable share", was countered by the group's diversification into communications and market research, chairman John Barry said.

Depressed conditions in recruitment advertising — which is known as a reliable economic barometer — are reflected in a 9,8% turnover increase to R22,4m (R20,4m). But at the operating level, profits were up by 22,8% to R1,5m (R1,2m).

Additional borrowings saw Adcorp pay R360 000 interest compared to R34 000 interest received in the previous period.

Barry said the interest bill related to the significant acquisition last year of 50% of Research Surveys. While a large proportion of the R3,1m was paid from the group's cashflow, Adcorp also had to borrow for the first time.

However, Barry said the interest-paying position would be reversed in the near future due to the cash generating nature of the service industry.

The effect of the interest bill was reflected in the 9,7% decline in pre-tax profits to R1,1m (R1,2m), but a reduction in taxation saw profits after tax up by 10,7% at R799 000 (R722 000).

The 19% rise in attributable profits to R681 000 (R573 000) was diluted at the earnings a share level on an enlarged issued share capital base due to final payment for the acquisition of TWS Communications. Earnings of 8,8c a share were marginally up on the 8,5c a share reported in June 1991.

Barry said the aim of the diversification programme was to divide the group into four areas — manpower, communications, research, and synergy between companies within the Adcorp stable.

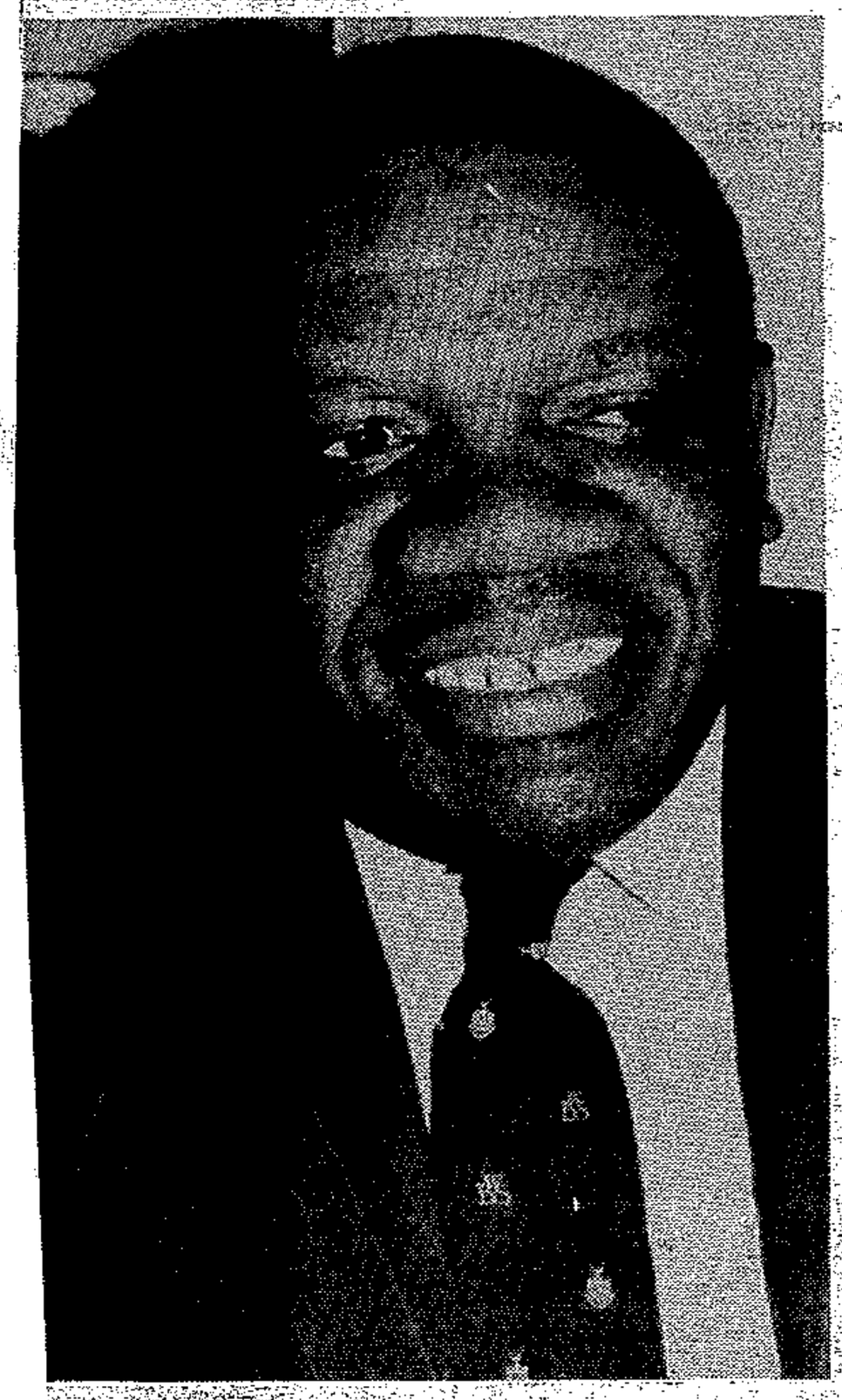
He attributed good results to competent management and to restraint of trade agreements with all key executives and middle management.

Barry said the research division, including The Qualitative Consultancy and the group's holding in Research Surveys, had performed well.

The acquisition of new clients and increased business from existing clients helped to improve earnings of the communications division, which comprises TWS Communications, JSA Design International, Adplan and Triad Sports Marketing.

Manpower division companies Admark and ERA experienced pressure on volumes, but Admark Response Handling achieved steady growth in its niche market.

Since the interim stage, Adcorp has acquired Cape-based research house Pinpoint and recruitment advertising agency Altolevel. Also, Senbank has acquired 15% of Adcorp through a rights issue of convertible debentures undewritten by Senbank.



SYDNEY MALABIE

Travel company wants big slice of business

295

60 weten 26/9/97

By ALI MPHAKI

BY now a lot of black companies like National Sorghum Breweries, Nafcoc and Afsure, just to name a few, have become household names.

But who does their travelling arrangements?

Well, the "new kids on the block", African Travel Services, does. This company has a majority of black shareholders and intends making great inroads into the hitherto whites-only travel industry.

Less than a year old, the company is a big black grouping in the South African travel industry. It looks after the travel arrangements of the above-mentioned companies.

The joint managing director of the company, Mr Sydney Malabie, says the travel industry is very big but the black presence in it is very small.

A former teacher who holds both a B Com and MBA degrees, Malabie would like to see his company being used mostly by blacks and their companies as their own travel agent.

"We offer the normal business of doing both the domestic and international markets, arrange special tours like educational ones and do offer leisure packages as well," he said.

Response

Although, he says, the response so far has been encouraging, he feels the company can do much better than at present.

His main gripe is that most white corporations who preach black economic empowerment, seldom put their money where their mouths are.

"Most white corporates promise to give us business and it all ends up with them signing on the dotted line and we never hear from them again. If they give us any business at all, it is only what we would describe as minor business or tokenism.

"This is totally unacceptable as we are gunning for meaningful business. No amount of tokenism whatsoever would do," he says.

Malabie said another problem was that most white corporates want them to offer "unusual" packages, which as a new company they cannot afford.

"We want them to accept us as equals with other established agencies and not expect any miracles from us," he said.

Malabie was also concerned about the general ignorance among blacks of the existing packages in travelling.

Players

He said they want to develop the travel industry within the black community and also set up some career-oriented packages for black pupils in Standards 9 and 10.

" We are having ongoing talks with various players in the industry to teach our children all about this industry. One can become a pilot, hostess, etc, but they do not know how to get there," he said.

The company's headquaters are at 150 Jeppe Street, Johannesburg, with associated branches in Durban, Port Elizabeth, Cape Town and East London.

"There are four consultants here in Johannesburg.

Tough for agencies as job demand plummets

295

ST Times (Bus) 29/9/91

By ADRIAN HERSCH

THE past year was one of the toughest for the personnel agency business.

Association of Personnel Service Organisations (Apso) president John Dawkins says company job demand is down by between 40% and 60% on the previous year.

Apso was founded 14 years ago and comprises about 440 personnel agencies.

Its major purpose is to maintain standards and ethics.

Mr Dawkins, managing director of Kelly Personnel, spoke at the Apso annual conference this week.

Free Market Foundation head Leon Louw said that, given the tough economic climate, job-seekers confident of their ability nevertheless lowered their salary expectations.

He illustrated the point by the most extreme case.

"If a person works for a few weeks for nothing, he at least has a chance of proving his ability and then being employed at a reasonable rate."

Hilton Davis of Achievers Personnel was elected Apso consultant of the year.

Mr Dawkins says Apso will become increasingly involved in affirmative action.

He stresses that standards of service to customers will not be compromised.

French set to control Technihire

295 (12)

ST Times (Bus) 29/9/9/.

THE R5,6-billion Ecco human resources group of France is reportedly set to gain control of Technihire.

It amounts to the first post-sanctions acquisition of a South African listed company by French interests.

The terms of the deal have not been announced, but it is believed that the basis is a cash injection of several million francs to give Ecco outright control of the SA group.

Technihire founder and chief executive Jack Eliasov will apparently stay with Ecco, which will appoint its own men to the board.

The deal sets the scene for Ecco's expansion.

The French interests see the deal, the first by Ecco in Africa, as a platform for entry to sub-Saharan countries where expertise is desperately needed.

Business Times Reporter

Technihire is the holding company for several specialists in personnel hire and executive placement. They include Drafthire, Draftcraft, Tradehire, Managerial & Engineering Recruitment Consultancy (Merc), Draftrite and Tower Group.

Advanced Credit Bureau, a computerised debt-collection service, is a joint venture with Information Trust Corporation, a division of M-Net.

Ecco is a R5,6-billion international operation trading in 21 countries with 600 branches. It is quoted on the Paris Bourse and in Lyon and is rated as the third-largest human resources group internationally.

Ecco made a net profit of R123-million in its latest year.

Warning

Chief executive Philippe Foreiel Destezet has set his sights on R500-million profit by the end of the decade.

Technihire has performed consistently since being listed on the JSE in 1965. Its last year's trading shows a net attributable profit of R1,1-million on turnover of R6,6-milllion, giving earnings of 8,4c a share.

Ecco's shares are trading at 15 times earnings compared with 4,8 for Technihire. The share price rose after a warning notice about negotiations.

The proposed Technihire deal follows the announcement by the French Trade Minister that France intends to become SA's biggest trading partner. Technihire is well placed to benefit from any French trade or investment.

Optimistic Imbold ready for tough times

Balmoss Bay Bugle 36/9/97

ALTHOUGH the year ahead will not be easy, Imbold Industrial Holdings expects to have a very good year to June 1998, its annual report said yesterday.

The group had good results for the year to June 1997, with turnover up 12% to £37.2m and pre-tax profit, before exceptional items, up 28% to £3.5m.

Mr Lynch said the group's performance in the second half of the year was "very encouraging" and he was confident that the group would be able to maintain its progress in the current year.

Mr Lynch said: "Our view is that, although the economy will continue to grow, the rate of growth will be more moderate than in the past few years. We have been preparing for this and we are confident that we will be able to maintain our progress."

Mr Lynch said that the group's strategy was to concentrate on its core businesses of engineering and distribution, and to develop its international operations.

The group has invested £2.4m in the past year to acquire businesses in Europe and the US, and Mr Lynch said that it was looking for further acquisitions in these areas.

The group has a strong balance sheet, with net assets of £18.2m at the end of June 1997, and gearing of 15% is low by the standards of the industry.

Mr Lynch said that the group's order book was at a record level and that it was confident of meeting its profit forecasts for the current year.

The group's shares rose 12p to 312p yesterday, valuing the company at £24.7m.

Imbold Industrial Holdings is a member of the Imbold Group, which has interests in property, leisure and manufacturing. The group's turnover in the year to June 1997 was £1.2bn and its profit before tax was £87m.

The group's chairman, Mr John Imbold, said that the group's results were "very satisfactory" and that it was "well positioned for the future".

He said that the group's property interests were performing well, with rental income up 10% and capital values up 15%.

Mr Imbold said that the group's manufacturing interests were also doing well, with turnover up 18% and profits up 22%.

He said that the group's leisure interests were "holding their own" in a difficult market.

Mr Imbold said that the group's debt was "manageable" and that it had no plans to raise new equity.

He said that the group's dividend would be increased by 10% to 12.5p per share.

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Another French group starts local link-up

Star 30/9/91.

By Jabulani Sikhakhane

French company Ecco, the world's third-largest human resources group, is acquiring a 60 percent stake in JSE-listed Technihire for R4 million cash, or 45c a share, from the Eliasov family.

A similar offer is being extended to the minority shareholders, it was announced yesterday.

Technihire executive chairman Jack Eliasov, whose family trust controls 70 percent of Technihire's equity, remains on under a management agreement.

The Technihire board will be reconstituted, with three Ecco executives joining.

Technihire offers the hire of skilled personnel, professional placement services, collection and administration of debt, and computer isography.

"The Ecco group is virtually a mirror image of Technihire and we see strong synergies between the two," Mr Eliasov said.

"The group is well geared presently, but the initial cash injection by Ecco is only the first step to later investments as opportunities are identified and explored."

Ecco, with a turnover of R6 billion, has 600 branches in 21 countries. The acquisition of Technihire is its first investment in Africa.

The deal is the third (two of which involved French government-owned companies) between French and South African companies in the past month.

Recently, Liberty and leading French insurance group UAP combined their holdings to get control of of UK life assurer Sun Life. UAP is controlled by the French government.

In the mining sector, Genmin (Gencor's mining arm) signed an agreement with BRGM, a major French government organisation. The two will mine gold and look for new mining ventures.

These deals follow the visit by a French trade delegation led by the Minister of Trade and Industry, Dominique Straus-Kahn, who said France wished to become SA's biggest trading partner.



SAP, labour unit 'still in contact'

B/Day 2/10/91.

THE kingpin behind a security police-funded labour relations group maintained contact with his controller after the date Law and Order Minister Hernus Kriel said his department had ended the contact, the Financial Mail reports today.

LINDEN BIRNS

According to the article, Rand Afrikaans University academic and kingpin behind the Liaison Bureau for Labour Relations Services, Prof Kobus Slabbert, sent the bureau's latest "concept newsletter" to security policeman Maj Derick Botha on September 4.

Kriel said last week the cut-off date for his department's involvement in the secret project was July 31 — "with the exception of still-to-be finalised individual contracts".

The article alleges that all the bureau's staff were paid by the SAP's security branch, mainly in cash. Slabbert was allegedly paid R5 000 a month tax free, the article said.

The bureau was apparently launched with a R50 000 payment, supplemented at monthly intervals authorised by Botha.

Botha was named earlier this year as having supplied R1,5m in secret funds to Inkatha's union, Uwusa.

According to the FM — which claims to have a copy of Slabbert's letter to Botha — Botha had replied to Slabbert, complimenting him on his "good exposition" of matters on the theme of affirmative action.

In another document written in August this year, Slabbert outlined the bureau's goals for the next year, saying he was devising a business strategy for the secret project, and new letterheads. He said he was planning a "think tank" with fellow RAU professor Naas Raubenheimer and Absa executive Petrus Claassen.

The FM reported Claassen was paid R40 000 by the bureau while Raubenheimer was paid R20 000. At a meeting in September last year it was agreed that Claasen should be paid R21 000 for a "Spoornet contract", the FM reported.

The article claims that at least R250 000 of the slush funds came from Lowaldi Enterprises — an organisation with a Pretoria bank account — and that according to a deposit slip, an F P R Botha (Botha's initials) paid more than R53 000 to the bureau on April 10 this year.

Flitestar to pay travel agents more

B/Day 2/10/91 (295)

LINDEN BIRNS

TRAVEL agents selling tickets on SA's newest airline Flitestar will get 1% more commission than they receive for selling seats on SAA domestic flights.

Flitestar will enter the market with fares identical to SAA's current domestic tariffs.

However, travel agents will receive 8% commission on Flitestar tickets, compared with the 7% they get for SAA tickets.

In a statement yesterday Flitestar MD Jan Blake announced off-peak incentive discount fares ranging from 15% on business class tickets, 20% weekend discounts, 30% senior citizens discounts, a 25% youth fare for people between 12 and 21 years old and 20% spouse discounts.

He described the new commission structure as a breakthrough, as travel agents had asked for a revision of the structure "for years".

SAA spokesman Leon Els said the airline "took note" of Flitestar's revised commission structure. He could not say whether SAA would match or better it.

Flitestar's first service will be between Johannesburg and Cape Town. Services from Johannesburg to Durban and Port Elizabeth will begin on October 30 and a service between Cape Town and Durban in mid-January 1992.

Settlement 'will not cost UCT extra'

B/Day 2/10/91

PARENTS of students will not have to fork out extra money to cover the 17% across-the-board wage increase which ended a week-long strike by UCT general workers.

TANIA LEVY

Vice-chancellor Stuart Saunders said yesterday the university would not have to find any more money than it had budgeted to cover its original wage offer in July.

All that had happened was that the offer had been repackaged so that it was more acceptable to the Transport and General Workers' Union. The total cost would be the same.

In July UCT offered a 13,5% wage increase and 100% contribution to workers' medical aid subscriptions.

This week's 17% across-the-board increase was made possible by diverting a part of employees' pensionable earnings into non-pensionable allowances.

Workers will also have to contribute a portion of their medical aid rates.

FM 4/10/91 (295)

Activities: *Holding company of Safcor. Other interests include leasing and property.*
Control: *Jaffe family.*
Chairman: *M H Brodie.*
Capital structure: *14m ords. Market capitalisation: R98m.*
Share market: *Price: 700c. Yields: 6,1% on dividend; 11,0% on earnings; p:e ratio, 9,1; cover, 1,8. 12-month high, 750c; low, 300c. Trading volume last quarter, 747 000 shares.*

Year to June 30	'88	'89	'90	'91
ST debt (Rm)	0,4	0,9	1,9	4,4
LT debt (Rm)	1,1	2,4	2,1	—
Debt:equity ratio	nil	nil	nil	nil
Shareholders' interest	0,47	0,40	0,43	0,49
Int & leasing cover .	80,0	17,1	24,3	22,4
Return on cap (%) ..	16,0	21,9	18,9	21,6
Turnover (Rm)	703	913	969	926
Pre-int profit (Rm) ...	25,3	34,8	31,7	36,6
Pre-int margin (%) ..	3,6	3,8	3,3	4,0
Earnings (c)	47,4	58,1	68,7	77,3
Dividends (c)	30	34	38	43
Net worth (c)	298	330	364	401

CURFIN FM 4/10/91

Well-timed disposal (295)

The list of companies with the potential of lifting earnings in line with inflation is pretty short at the moment, but Curfin could be among them.

Since disposing of its motor interests two years ago, the group's main source of income has been Safcor, which is forecasting growth much in line with last year's 19%. This alone would allow at least Curfin to maintain its 1991 earnings growth rate in the 12%-13% bracket.

But chairman Mackie Brodie is also forecasting improved results from the property and leasing divisions, whose combined results last year were static. Resumption of growth here would nudge Curfin's own growth rate closer to that of its major investment, though at this stage, there is no reason to expect any significant change in the overall earnings mix.

Strong growth at Safcor in recent years has meant that its contribution to Curfin's total attributable earnings has increased steadily. Last year alone, it moved up from 72,5% to almost 76%, while in 1988 — the last year that Curfin received a full contribution from Currie Motors ahead of the disposal of these interests mid-way through the 1989 financial year — Safcor's contribution to the group total was only 56%.

Continue

Given current depressed conditions in the motor industry, the decision to sell these interests was not only correct but also well timed. That this has been recognised by the market is reflected in the doubling of Curfin's share price over the past 12 months.

Interestingly, both Curfin and Safcor are currently priced at 700c. The difference, however, is that Curfin's earnings last year, at 77,3c, were 5% higher than Safcor's 73,5c, while, in terms of dividends, the difference was even more marked with Curfin paying 43c against Safcor's 37c.

In effect, therefore, Curfin is rated by the market at a discount of between 5% and 13% (depending on whether one takes earnings or dividends as the yardstick) to Safcor.

Perceptions could change

Viewed in terms of share price, about 560c of Curfin's market value is accounted for by its investment in Safcor, leaving only 140c attributable to its leasing and property divisions. And if this is then related to earnings, the investment in Safcor is seen to be valued on a price:earnings multiple of 9,6, against the 7,3 ratio applicable to the group's other interests.

For the moment, the differential is justified in that last year's growth came almost exclusively from Safcor, with the other two divisions tending to slow the group rather than contributing to its progress.

Perceptions could, however, change in the current year if Brodie's forecast regarding the property and leasing interests proves correct, in which case a further narrowing of the yield differential may be forthcoming.

Brian Thompson

Lured into sex slavery

By SOPHIE TEMA

CITY Press this week uncovered a well-organised network of slave traders who entice young Mozambican refugee boys and girls into South Africa with offers of well-paid jobs.

The fugitives are at first willing to co-operate with the traders because they realise they have only three choices – slavery, starvation or being killed by Renamo soldiers.

Most of the victims are teenagers. The girls are sold as concubines when the traders tire of having sex with them and businessmen buy the boys for forced labour. The price is between R100 and R500 – and business is brisk.

The slavers' trail led City Press from the border to a house in Lillydale, near Gazankulu.

The owner and his brother are agents. There were three young women there. They said they had been gang-raped in the bush by two of the slave-traders after Mozambican border officials handed them over.



SEX SLAVES . . . From left, Dorris Tembe, 17, Sibongile Mhlongo, 20, with her daughter Xeliwe, 3, and Zodwa Mathenjwa, 24. ■ Pic: EVANS MBOWENI

One of the men then took them to his house in Komatipoort and kept them there until he decided to take them to his brother's house in Lillydale to be sold.

The girls were rescued after one of them escaped to the house of a local businessman, Sam Nzima, who took policemen to the house where they had been held captive.

Another girl, Adelaide Gwambe, 17, told City Press she left Mozambique and came to South Africa after being offered a job by a slave-trade agent. She did not know then that he was involved in slave trade and accepted the offer.

Adelaide said: "The man told me he had several cafes in South Africa and needed people to work for him.

"Four of us walked from Maputo to the Nomahashe border gate, then to Swaziland and then to Mbuzini where we were given accommodated on a farm near the Manyeleti Game Reserve.

"There the man who brought us to South Africa turned nasty and asked each of us to give him R400 for having brought us out of Mozambique where we were starving and destitute.

"When we told him we did not have that kind of money, he threatened to kill us.

"We asked him to give us a chance to earn some money but he refused and told us that if we tried to run away he would find men for us to marry and they would pay him.

"While we stayed at his house he sexually abused the older girls but said he pitied me because I was young.

"After about three weeks he put up a notice outside his house which read: 'Three girls looking for husbands.'

"I was chosen by an old woman who said she wanted me to marry her son who was working in Johannesburg. The man who brought us to South Africa took one of the other girls for himself and gave the rest away.

"The old woman took me to her house in Phalaborwa and phoned her son to say she had found a wife for him.

"While I waited for her son I was kept in solitary confinement and had to do all the housework.

"I was rescued by police who handed us to the Phalalani Relief Committee for Refugees.

"The Committee took the girls in, but three of them asked to be taken back to Mozambique. I found myself a job."

Traders abuse boys and girls

Cipren 6/10/91

lines market were adequate to cover claims. He expected a 10% inflationary increase in rates from February next year.

Car hire rates held down

B 10 ay 21/10/91

MARC HASENFUSS

CAR rental firms have contained rental rate increases to a minimum in the Group A (basic 1300cc vehicles) segment but rates for larger class vehicles have soared in the past 12 months.

Market leader Avis is currently renting its basic Group A and Z cars, which make up 60% of the group's billing volumes, at virtually the same tariff as August 1990. The Group Z rate has remained unchanged while the Group A rate has increased 2,5%.

However, MD Grenville Wilson admits that the rental rates for luxury class vehicles and minibuses were "really pumped" and had resulted in an across-the-board revenue increase of 9%.

Avis had managed to peg the "basic" group rates at 1990 levels following efficiency improvements and a drastic reduction in the cost of thefts and accidents.

These had been reduced to R18m from R33m in the group's last financial year. He said Avis was planning to reduce the costs further to R12m in the current year. (295)

Budget Car Rental rates for Group A vehicles increased by about 5%.

Imperial Car Rental MD Carol Scott said Group A rates had increased 6,7% since November while rates for cars above 1300cc had gone up substantially.

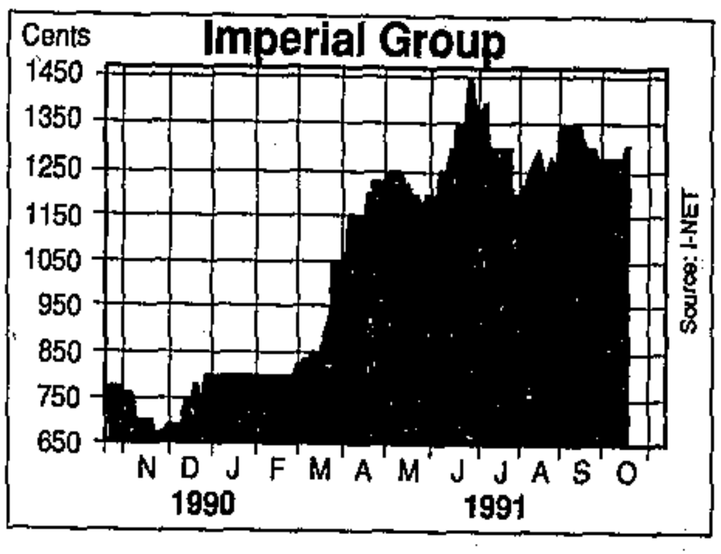
Scott said the hike in rates for larger cars were in line with the higher maintenance costs and the low resale value for these vehicles.

FM 25|10|91 (295)

growth anywhere near the inflation rate, indicating a decline in real activity.

On the other hand, every division saw pre-tax profits beat inflation. The across-the-board improvement in margins meant that aggregate pre-tax profit growth of 19% was almost double the turnover gain. Attributable earnings benefitted also from a proportionately smaller minorities charge, and a much-improved contribution from associates (mainly finance and leasing companies). EPS grew by 27%, a growth rate seven percentage points better than in 1990, when sales were up by 22%.

Results such as this can be achieved only through meticulous attention to asset management, thereby ensuring that whatever business is available is conducted as profitably as possible. Less obvious, but perhaps more important, are the benefits being derived from sound forward planning in years past, leading to the development of cohesive, balanced business units which are better able to withstand present trading conditions.



An example would be the 1989 decision to enter the short-term insurance sector with the launching of Regent Insurance Company and, division-wise, the grouping of this operation with the panel shops. On the face of it, these two activities may seem strange bedfellows, but in practice their operations are complementary and, to a degree, mutually supportive. For instance, a high accident claims experience will be negative for the insurance sector, but positive for the repair shops. Where both operations are in-house, at least some of the claims paid out will turn up as profit on the other side, minimising the damage to the group as a whole.

Though Regent's business is confined to motor insurance, it has shown an underwriting profit in each of the two years since its establishment, when most other short-term insurers have suffered badly in this sector. Together with investment income, Regent reported pre-tax profit of R3,6m against R2m in 1990. This R1,6m gain accounted for almost a fifth of Imperial's total profit improvement last year — and this is before taking into account the enhanced results of the panel shops, which benefitted from a higher level of activity.

Another example is the truck rental operation. In contrast to McCarthy, which decided to withdraw from this sector after losing R1,6m net in 1990, Imperial's combined truck systems division (which includes new vehicle sales) improved its pre-tax profit contribution by 15% and retained its position as the group's biggest single profit earner. Imperial's operations in this field are largely confined to the provision of dedicated transport and full maintenance leasing. Both of these are based on long-term contracts rather than casual transportation which, apart from being overtraded, is highly sensitive to economic conditions.

A noteworthy feature of last year's results was that most profitability ratios were maintained at high levels. The only significant exception was asset turn, which dipped from 2,5 times to 2,3, indicating the group was adding to its asset base at a rate faster than the gain in turnover. To some extent, this reflects expansion of certain activities towards the financial year-end with a view to generating additional business.

Benefits have not yet made an impact on the income statement, but should do so this year. This is among the reasons why chairman Bill Lynch is optimistic the group will achieve another "solid" set of results.

Unless the economy picks up sooner than expected, or unless the upturn when it comes is stronger than now seems likely, 1991's 27% improvement in earnings is going to be difficult to repeat — there are limits as to how much blood you can get out of a stone. But shareholders can probably count on earnings at least being maintained in real terms. For Imperial Holdings, that would probably mean EPS of 44c-45c against last year's 38,3c.

At 450c, this would give a forward p:e of 9,8, while if dividends rise in line (as they should) the resulting 17,25c distribution would give a corresponding forward yield of 3,8%. These multiples indicate the share is not overpriced despite its 60% appreciation over the past year.

Brian Thompson

PROFIT SOURCES

	Turnover		Pre-tax Profit	
	Rm			
	1990	1991	1990	1991
Car Rental	135,7	141,2	12,3	14,3
Motor Trading	237,9	259,5	12,0	14,3
Truck Systems	156,4	165,3	14,4	16,5
Insurance etc	14,5	31,3	3,8	5,5

FM 25|10|91 (295)

IMPERIAL HOLDINGS

Strong defences

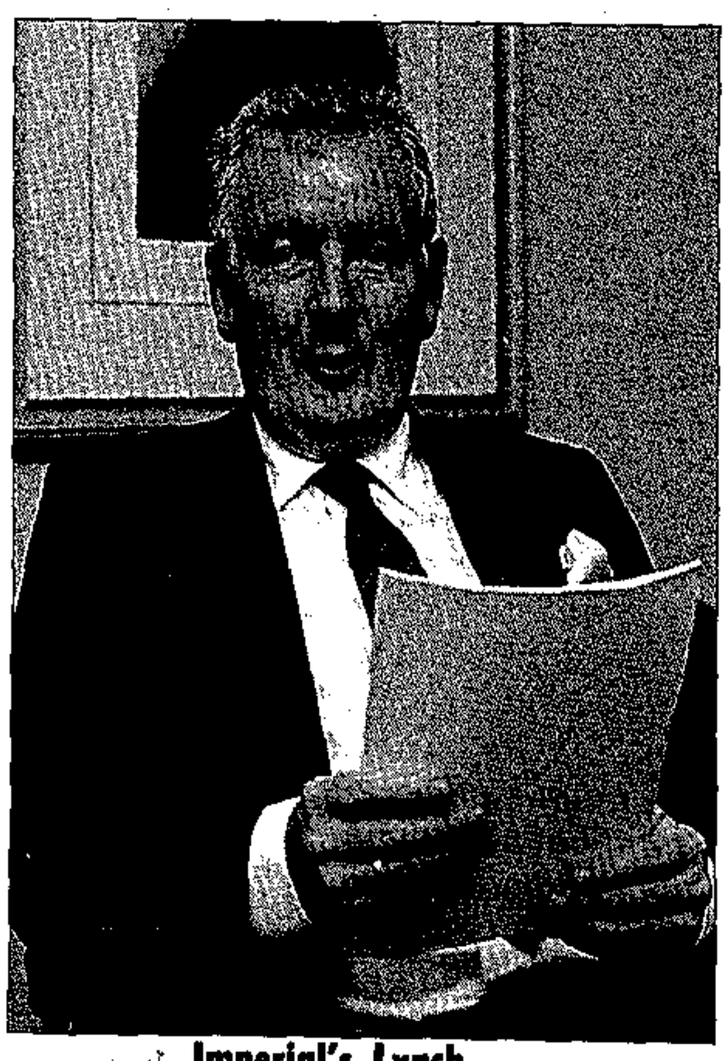
FM 25|10|91 (295)

Activities: *Motor trading and related interests.*
Control: *Imperial Group (74,7%).*
Chairman: *W G Lynch.*
Capital structure: *56,2m ords. Market capitalisation: R253m.*
Share market: *Price: 450c. Yields: 3,4% on dividend; 8,5% on earnings; p:e ratio, 11,7; cover, 2,6. 12-month high, 500c; low, 220c. Trading volume last quarter, 39 000 shares.*

Year to June 30	'88	'89	'90	'91
ST debt (Rm)	1,9	13,3	29,2	14,6
LT debt (Rm)	8,9	13,4	12,5	24,1
Debt:equity ratio	0,18	0,28	0,40	0,27
Shareholders' interest	0,26	0,39	0,40	0,42
Int & leasing cover .	6,9	7,8	6,6	9,1
Return on cap (%) ..	17,4	20,5	22,6	22,2
Turnover (Rm)	321	447	545	598
Pre-int profit (Rm) ...	18,6	38,8	50,1	56,8
Pre-int margin (%) ..	5,8	8,7	9,2	9,5
Earnings (c)	15,3	25,1	30,2	38,3
Dividends (c)	6,25	10	12,1	15
Net worth (c)	55	91	107	135

A cursory glance at Imperial's 1991 results could leave the impression that the group had decided not to participate in the recession. Closer examination reveals that it is indeed participating but has managed to prevent the effects from filtering to the bottom line.

As far as the financial statements are concerned, the impact of the recession is largely confined to the fact that none of the three main operating divisions achieved sales



Imperial's Lynch ... *still optimistic*

Continued →

ADCORP FM 15/11/91 (295)

Weathering the storm

Activities: *Market research, PR, advertising and design consultancy.* FM 15/11/91
Control: *Directors 65%.*
Executive chairman: *J K B Barry; MD: K Rhodes.*
Capital structure: *7,7m ords. Market capitalisation: R8,5m.*
Share market: *Price: 110c. Yields: 6,4% on dividend; 16,4% on earnings; p:e ratio, 6,1; cover, 2,6. 12-month high, 122c; low, 58c. Trading volume last quarter, 64 000 shares.*

Year to Dec	'87	'88	'89	'90
ST debt (Rm)	—	—	—	2,0
LT debt (Rm)	—	—	2,2	2,6
Shareholders' interest	0,11	0,19	0,09	—*
Int & leasing cover	252	129	n/a	10,6
Return on cap (%)	31,3	40,0	22,2	22,5
Turnover (Rm)	16,2	23,3	31,7	44,6
Pre-int profit (Rm)	1,2	1,8	2,5	2,6
Pre-int margin (%)	7,6	7,8	8,0	5,7
Earnings (c)	10,7	14,6	20,0	18,0
Dividends (c)	6	7	9	7
Net worth (c)	7	14	3	—*

* Negative tangible net worth.

Though it underestimated the duration and extent of economic downturn, the group weathered the depressed conditions of 1990 well. However, 960 000 shares had to be issued to the vendors of TWS Communications and JSA Design, which exceeded their joint profit warranty and this turned a 6,5% increase in attributable profit into a 10% decline in earnings per share. The directors felt a conservative dividend policy to be necessary and knocked the single annual dividend back to the 1989 level.

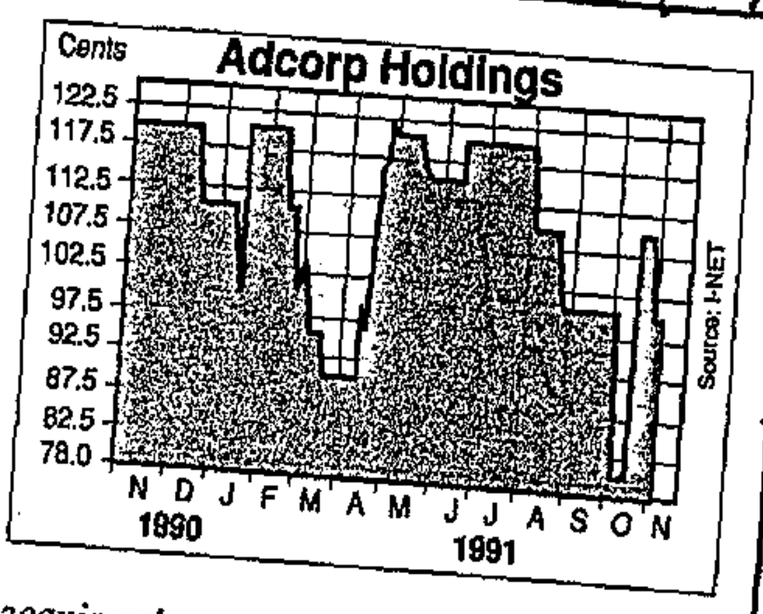
In the annual report, executive chairman John Barry said the objective for 1991 was to maintain the level of earnings. The recent interim report shows that so far the group is on course, with six-month earnings of 8,8c a share (1990: 8,5c, on a lower capital). The research and communications divisions continue to do well but there are still pressures on recruitment advertising volumes.

Adcorp remains acquisitively minded, with several new interests in recruitment advertising, research and sports sponsorship. To finance growth, an issue of convertible debentures has raised about R1,1m. It was underwritten by Senbank, which will acquire a 15% equity interest on conversion, as most major shareholders by arrangement did not follow their rights. Senbank is willing in principle to raise its stake to 30% by acquiring for cash part of any shares that may be issued for future acquisitions.

Investors are used to low NAVs with service companies but Adcorp takes this to extreme: takeovers at prices in excess of

Cont →

FM 15/11/91 (295)



acquirees' net worth have led to a negative NAV. The debenture issue won't affect this.

The debentures are automatically convertible one-for-one on the earlier of January 1 1994 or the beginning of the financial year *after* that in which diluted earnings per share reach or exceed 2,5 times the annual interest per debenture. The debentures carry a coupon of 2% below Senbank's prime overdraft rate, on their issue price of 90c. This is probably equivalent to a coupon of 18,25% at the moment, or just over 16,4c per debenture, implying a trigger level of EPS for conversion of 41c. This seems unlikely to be reached before the January 1994 option.

As with any business whose assets walk out of the door at 5 pm, Adcorp is no stock for widows and orphans. Nor is there any comparable JSE-listed stock against which its rating can be set, though it may be remembered that advertising/PR agencies were among the worst performers on the London market in recent years. The more speculatively minded might consider a flutter in the debentures. Trouble is, as Senbank owns virtually all of them, they're even more difficult to trade in than the ords.

Michael Coulson

New service aims to help the buyer

Reports by
PETER GALLI

A NEW property service company, Marksman Property Services, has been established primarily to cater for and look after the interests of the buyer rather than the seller.

Director Richard Batchelder says: "Agents are employed by the seller of a property. Marksman offers a service that looks at the prospective deal from the buyer's perspective."

Marksman is offering a consultancy service to which the commercial, industrial and residential property buyer can go for advice and information. It will cover the problem areas to be aware of before an agreement is signed, and what buyers' rights are.

"Services offered include a structural analysis of the property, a town planning evaluation, access to the title deeds and official plans as well as an analysis of the offer document," Batchelder says.

On the commercial and industrial side, finance and feasibility studies can be carried out. "Our service attempts to cover all issues that can have a material impact on the value or utilisation of a property from a buyer's perspective".

In addition, Marksman is looking at finding existing properties for potential buyers but, should this not be possible, playing a development-type role as well.

Depending on the level of service required, buyers will be charged a professional hourly rate of around R175 for consultations, or a percentage of the purchase price for property acquisitions, he says.

"Many people are unaware of their rights and what to look for when buying a property. Our service can either point clients in the right direction and identify areas they need to be aware of, or evaluate the property and source the required documentation," Batchelder says.

A back-up team of professionals including an architect, lawyer, accountant, engineer and quantity surveyor has been set up.

"A recent Markinor survey showed that the public rated estate agents low on the list of people to be trusted. This service will hopefully help change this.

"Offering a buyer the option of an impartial evaluation of the deal will make him feel more secure and, we hope, assist in changing the image of estate agents."

However, the service has not been particularly well received by estate agents, who seem to feel there is no need for it.

Future plans include a consultancy service for people wanting to sell their own homes without working through an agent.

Good showing from Teljoy despite stiff competition

B/Day 26/11/91

MARCIA KLEIN

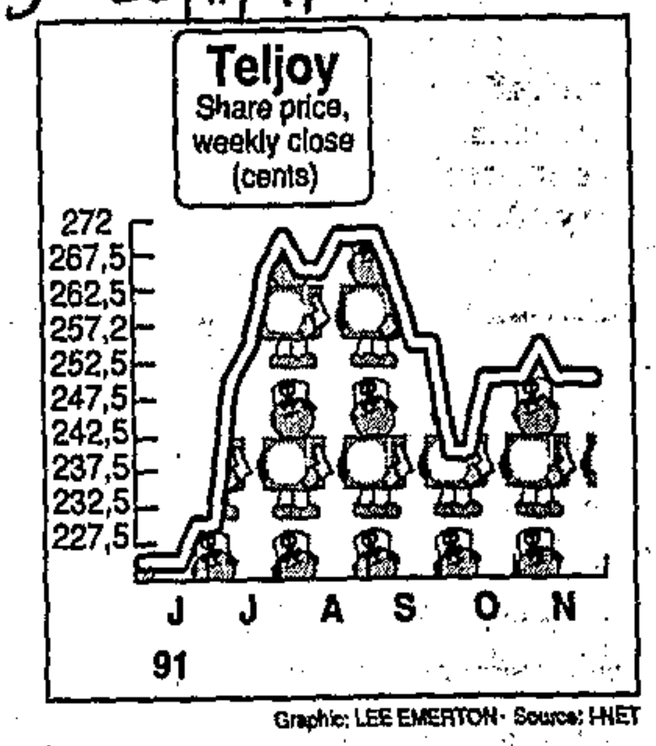
TV AND video rental company Teljoy reported a 25% increase in profit after normal taxation to R8,3m (R6,6m) in the six months to end-September.

However, a high tax bill — following a one-off R1,6m deferred tax benefit in the previous financial year — saw it increase its net profit by a marginal 1% to R8,3m (R8,2m) and its earnings similarly to 14,3c (14,1c) a share.

Apart from the effect of the tax bill on bottom-line earnings, the company reported good results, with a 20% turnover growth to R86,0m (R71,9m), and a 23% higher operating income of R17,7m (R14,4m). This reflected improved margins, which executive chairman Theo Rustein said was pleasing in light of competitive trading conditions.

The interim dividend of 4,5c a share was maintained, covered 3,2 (3,1) times.

During the six months, Teljoy invested R24m in TVs and VCRs to support the rental division's sales drive, but Rutstein said capex in the second half would be lower than the previous year following the completion of the fleet standardisation programme.



Graphic: LEE EMERTON · Source: I-NET

The benefits of the Mastercare restructuring and reduced gearing in Teljoy Rediffusion would only be felt towards the end of the year, Rutstein said.

A major thrust in the future would be an extention into new areas of security, especially into the area of retail shrinkage control and security.

In terms of the rental division, there were some opportunities with SA having increasing access to international sporting events. Teljoy had "not even begun to scratch at the surface in terms of the black sector".

Rutstein said he also expected longer term opportunities in terms of television education.

All divisions — particularly the rental division which contributes 80% to 85% of group turnover and profits — had grown market share in the face of tough competition.

Rutstein said that the finance charge — which rose by 22% to R6m (R4,9m) — did not yet reflect the fact that strong cashflows had reduced gearing from 140% to 117% (121% at the March year-end). Gearing would go down in the second half, barring any acquisitions, he said.

A 32% rise in pre-tax profit in the core rental business was partially diluted by "poorer than expected results from Mastercare and Teljoy Rediffusion" (the maintenance and video security divisions), resulting in a 24% increase in pre-tax income to R11,8m (R9,5m).

Mastercare disappoints at Teljoy

STAR 26/11/91.

By Jabulani Sikhakhane (295)

A disappointing performance at the service and repair division Mastercare marred a strong showing by Teljoy's core business, the TV and VCR rental markets.

This meant that Teljoy's earnings for the six months to September were marginally higher at 14,3c from 14,1c. The dividend is unchanged at 4,5c.

For the full year the directors also expect a similar performance, meaning full-year earnings of around 33,33c from 33c the previous financial year.

Had Mastercare performed according to expectations, group earnings would have been up by 16 percent, Teljoy executive chairman Theo Rutstein said yesterday.

Mr Rutstein explained that Mastercare was appointed an exclusive service agent to carry out warranty repairs on a wide range of appliances on behalf of manufacturers. This had led Mastercare to gear itself up for an expected increase in repair calls. But this did not materialise.

The division has now been downsized so that costs match current income levels. But, says Mr Rutstein, benefits are only expected to flow in the third quarter of the current financial year.

The rental business, which still accounts for about 85 percent of Teljoy, was a star performer, increasing pre-tax profits by 32 percent.

Prices reduced

Mr Rutstein says this performance was achieved despite strong competition as manufacturers and retailers took advantage of the changes in Board of Trade and Industry (BTI) regulations which resulted in certain brand name TV prices being reduced.

Teljoy Rediffusion increased turnover by 67 percent and operating profits by 43 percent. But this was offset by the more than doubling in the interest bill as Rediffusion has to finance the costs of meeting contracts upfront.

Rediffusion provides visual security systems and audio communication for commercial and industrial purposes.

Financial director Dennis Kennedy explains that with a number of visual security installations including the Carousel project at Babalegi being completed, cashflows have improved. It is anticipated that the interest charges should reduce in the second half.

Group turnover rose 20 percent to R85,98 million and operating profit by 23 percent to R17,75 million. Net financing costs rose 22 percent to R5,995 million and pre-tax profits increasing from R9,495 million to R11,75 million.

Because of the relatively higher tax bill of R3,44 million (R2,85 million), net taxed profit rose only one percent to R8,32 million (R8,2 million). Mr Kennedy explains that the actual tax rate was constant, but in the previous year the group derived the benefit of a one-off tax credit.

Car rental spending revs up

SLUGGISH new vehicle sales will receive a much needed boost from increased spending by the big three car rental firms next year.

Fleet replacement spending by Avis, Imperial Car Rental and Budget Rent-a-Car will top 15 000 units at a cost of about R600m next year, industry spokesmen say.

Although rental volumes have dropped 20% in 1991 and are expected to drop a further 8% in 1992, a steady improvement in overseas tourism has prompted a more bullish outlook from the main rental firms.

Imperial Car Rental MD Carol Scott was optimistic about prospects for the car rental sector. The group is set to spend R240m on 6 000 new vehicles next year. She said the group had seen tremendous overseas demand as well as a rapid recovery in domestic business in the past few months.

Avis will buy 5 500 new vehicles, 7% up on the previous year, while Budget expects to maintain spending at this year's levels and will buy 3 650 vehicles next year.

Budget MD Tony Langley said that overseas tourists were pouring in, pushing up rental levels. And Avis MD Grenville Wilson said business was picking up steadily with the group's overseas connections ensuring a strong inflow of business.

Generally business in the car rental industry, which traditionally leads the upturn in the economy, had been encouraging in the past few months, Wilson said.

In the past two years rental companies have pruned their fleets and the national fleet now stands at 10 000 vehicles — 40% down against two years ago. Increased spending on new vehicles will see the fleet jump 50% to more than 15 000 in 1992.

MARC HASENFUSS

FM 29/11/91.

REWARDING INITIATIVE

295

In May this year, the University Student Employment (USE) scheme was started by the SRC at Wits, with the backing of Vice-Chancellor Robert Charlton. The idea was to provide an agency service, matching available students with companies or individuals needing temporary labour.

The main aims were to enable Wits to increase contact with the community it serves; to help students help themselves; to be exposed to the realities of business and commerce; and to offer a skilled, reliable and often specialised service. Employers would have the added security of knowing that students had been screened before coming to them and would also have the chance to identify potential future recruits.

It was an excellent idea and, since then, hundreds of students have been placed. The range of jobs has been enormous, including researchers, librarians, proofreaders, babysitters, housesitters, lab assistants, waiters, computer programmers, tutors, translators, geologists, dancers, receptionists, drivers and stock-takers.

USE operates according to the principles of non-sexism and non-racism and potential employers have had no problem accepting this.

Essentially it is a free-market exchange, though USE is trying to establish R10 per hour as a minimum wage for part-time work. Some employers say they cannot afford that, in which case a lower fee might be negotiated, depending on the nature of the job. As a non-profit placement scheme initiated by the SRC, USE does not take a percentage of the student's earnings; there is a small placement fee to cover costs, paid separately by the employer to USE.

Most students wanting work are available in December and January. Many skilled people have still not been placed for the coming vacation — including many engineering students, who are required to get practical experience as part of their courses.

□ Contact Vivian or Leah at (011) 716-3079/3042. The USE office is open daily from 8 am to 4.30 pm until December 24 and again from January 2.

AVINS/CRUSADER LIFE

Injecting funds

FM 29/11/91
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Trying to get a meaningful picture of the performance of Anglovaal Insurance Holdings (Avins) from its results for the year to end-June is difficult, as subsidiaries' financial statements have been brought into line with the holding company.

Avins's statements now match up with principal shareholder AVF (84%), whose results were published simultaneously.

The result is a contorted view of the performance of life companies Crusader Life (18 months) and unlisted AA Life, filtered through the double pyramids of Avins (18 months) and AVF (14 months).

Crusader Life — with net premium income and annuity considerations rising to R119m (R57m at December 31 1989), providing shareholders with a net taxed surplus of R6m and a 9,5c dividend to be declared in January — seems to be doing all right.

However, publication of group results coincided with Crusader's shares plunging from 240c to 210c in barely two weeks, following the trend set by Avins's sharp 25c drop to 80c for the same period. The market is clearly nervous of the whole stable, following the latest results.

What stands out in the AVF Group results, apart from taxed profit falling to R6,4m (R6,5m at April 1990), is a special provision made for R40m (see *Economy*).

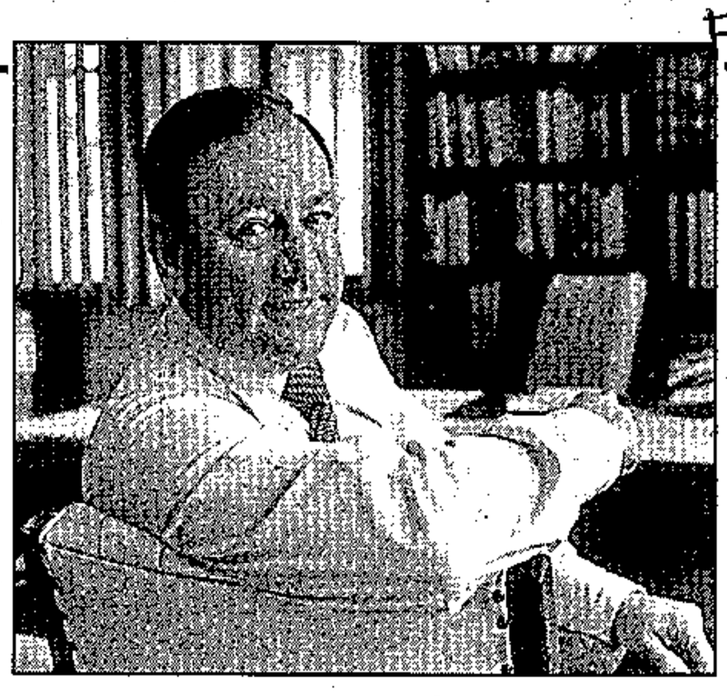
This essentially is shareholders' funds being transferred to life funds, to get them in line with actuarial liabilities, which Avins CE and AA Life chairman Dave de Beer says should have accumulated over a number of years. Instead, it was deemed prudent to put them through on the present income statement.

Accordingly, EPS cannot be calculated because it has not been determined how much of the R40m is applicable to the year concerned.

Troubled subsidiary AA Life lies at the core of the group's poor performance. Its performance was worsened by unwise investments in mining and exploration companies. AA Life's investment portfolio is now being managed by associate company Board of Executors.

Shaun Harris

FM 29/11/91 295 FOX



Teljoy's Rutstein ... *taking corrective measures*

the Mastercare division and, to a lesser extent, interest-hit Teljoy Rediffusion, makes the expansion into third-party appliance and technical services seem ill-timed.

Rentals, where Teljoy holds well over 90% of the market, achieved a healthy 32% growth in pre-tax profit. This was dragged down to a 24% increase in group interim pre-tax profit — R11,7m — due mainly to lower-than-expected results from Mastercare and Teljoy Rediffusion.

A tax bill of R3,4m eliminated much of the benefit, resulting in a net profit increase of only 1,5% to R8,3m. Financial director Denis Kennedy points out that the tax rate remains constant; the increase comes from a one-off deferred tax recoupment of R1,5m the previous year.

Chairman Theo Rutstein puts forward plausible reasons for the underperformance of the two divisions and expects corrective measures to bring better results next year.

Mastercare, he says, after securing the rights to warranty repairs for major manufacturers, did not see the expected volumes of business. The division has been scaled down, including staff retrenchments of 10%.

Teljoy Rediffusion, on the other hand, saw strong growth in turnover (67%) and operating profit margins (43%), but was hammered by a more than doubled interest bill.

Rutstein attributes higher-than-expected interest charges mainly to purchases at the start of the Carousel project at Babalegi, recoverable only at the completion of work.

Teljoy's traditionally uncomfortable-looking gearing, carried by strong cash flows, was reduced from 140% at the interim period last year to 117%. This came after R24m spent on new TVs and VCRs, ending the standardisation programme of equipment after the merger with Visionhire. With capex expected to be substantially lower in the second half, gearing should drop further.

Rutstein expects rentals to grow markedly, mainly because of SA's re-entry into international sport (the cricket tour of India saw a significant rise in short-term rentals, many of which he expects to become long-term), increased use of TV as an educational aid and the liberalising of broadcasting.

Similar performance in the second half, at the same effective tax rate, should see growth of around 25%.

Teljoy continues to trade at way over double NAV, at 250c. But, with strong cash flows and market expansion likely, on a dividend yield of 5,4% and historical p:e of 7,8, it looks underpriced.

Shaun Harris

NO TAX JOY

Six months to	Sep 30 '90	Mar 31 '91	Sep 30 '91
Turnover (Rm)	71,9	74,9	86,0
Operating profit (Rm)	14,4	17,2	17,7
Attributable (Rm)	8,2	10,9	8,3
Earnings (c)	14	16	14
Dividends (c)	4,5	4,5	4,5

TELJOY FM 29/11/91 295

Ill-timed expansion?

The mainstay rental business continues to dominate the market and contribute significantly to results. But lagging performance at

Learn how to pick ad agencies, govt told

MARCIA KLEIN

ASSOCIATION of Advertising Agencies (AAA) executive vice-president Peter de Klerk has urged government and other public service organisations to consult the AAA and the SA Communications Services (SACS) on established procedures for choosing an agency.

His pleas come soon after the award of the controversial national peace committee account, from which about eight agencies withdrew at presentation stage. It was a battle the advertising industry has been fighting for some time, De Klerk said.

He said public projects which were not undertaken by commercial institutions often fell foul of accepted practice.

Although agencies may have disagreed with the way these pitches were handled, De Klerk said they often could not withdraw as "in a highly competitive environment, they cannot be expected to turn away business". Projects offered by government and the public service were often important national issues.

Public organisations which did not handle account pitches properly did not do so with malice, but lacked understanding of the advertising industry. Some were bound by certain procedures such as having to invite tenders.

Despite these problems, agencies which had won accounts had won on merit.

De Klerk said ideally advertisers should understand what was happening in the market, devise a short list, visit agencies and talk to existing clients before choosing an agency.

Criteria

These criteria had been agreed upon by the SACS and the Association of Marketers.

If the organisation insisted on a tender, a decent period of time should be allocated to agencies to pitch and they should be properly briefed and paid.

From Page 1

Hire purchase deals beat TV and VCR rentals, spot survey shows

Globy 24/12/91

ASTUTE consumers can now buy a TV or VCR on hire purchase at a discount to the rental rates currently offered by rental companies.

A spot survey of advertisements run this month by retailers of electronic equipment and TV/VCR rental companies showed consumers could buy their own TV or VCR machine on an HP payback scheme, excluding the required deposit, for up to 18% below the monthly rates quoted by rental companies.

Teljoy and associate company Rent A Color, which hold more than 75% of the rental TV/VCR market, charge about R92 and R89 respectively on a 51cm remote control colour TV set, including insurance and the monthly licence fee.

In turn, the major retail concerns are promoting products with the same features at between R60 and R80 a month over 18 to 24 months with a required deposit of R180 to R220.

Excluding the deposit, consumers could acquire a 51cm remote colour TV set at the bottom of the market for about R75 a month including insurance and the monthly licence fee.

The monthly saving on the HP purchase of about R14, compared with the lowest rental rate, amounts to R336 over a 24-month period, the normal length of an HP contract.

Pegged

The R336 saving over the period more than covers the initial deposit required under the contract.

As a result, the consumer can recover his deposit and eventually gain ownership whereas on a rental basis, the equipment remains the property of the rental company.

Asked whether the rental companies had outpriced themselves from the market, Teljoy chairman Theo Rutstein said he found it hard to believe rental rates were higher than the monthly payment deals offered by TV retailers. He said rental rates were normally pegged at a 30% discount to HP retail deals.

He added Teljoy held regular pricing surveys to maintain the company's competitiveness against retailers.

Teljoy's December survey indicated rental companies were still cheaper than electronic equipment retailers.

As a result, he felt Business Day's information gained from the retail advertisements was incorrect.

Futhermore, Rutstein said, TV prices would range depending on different brands — which rental companies do not disclose in their advertisements.

He said rental companies also provided their clients with a "same day" repair service and allowed them to upgrade their equipment depending on their needs.

SEAN VAN ZYL